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A GBN News Publication

S e p t e m b e r 2 0 0 4

Volume 10 / Issue 01

The Future of
Independent
Media
by Andrew Blau

GBN Global Business Network
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The Future of Independent Media

www.gbn.com/independentmedia

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About This Issue

The technologies that enable us to make and consume motion media are becoming better, cheaper, and more widely available—and with blistering speed. As a consequence, patterns of media production and consumption are changing just as rapidly. The Internet continues to create new opportunities to connect with audiences. Video games are becoming a platform for critique and education. A new generation of media makers and viewers is emerging, which only increases the likelihood of profound change. Images, ideas, news, and points of view are traveling along countless new routes to an ever-growing number of places where they can be seen and absorbed. It is no understatement to say that the way we make and experience motion media will be transformed as thoroughly in the next decade as the world of print was reshaped in the last.

Nowhere is this more deeply felt than in the field of independent media, which is already experiencing the rumblings of great change. The field is rapidly reorganizing, and the flow of resources and attention is reorganizing with it. But what if the people and organizations that thrived in the last era will not be the ones who thrive in the era just now emerging? How should media makers respond to the changes they see all around them, changes that represent huge possibilities and challenges for both independent and traditional media? Indeed, the reverberations will be felt across every organization that uses media to communicate, connect, and create.

What follows is our assessment of the coming opportunities and challenges, as we see them, for the field of independent media, and, by extension, for any organization or individual that will be affected by the new media landscape—which is to say, all of us. The future described in these pages stems from what we at GBN learned during the research phase of a year-long project on the future of independent media, a project that—with the support of the Rockefeller Foundation, the MacArthur Foundation, the Tides Foundation, and the San Francisco Foundation—brought together representatives from six leading independent media organization to take a deep look at their shared future. We hope that it will spark conversation, even healthy debate, about paths toward the next generation of independent media-making—a generation that faces great challenges, yet holds such promise.

About the Author

Andrew Blau is a practitioner at GBN and one of the leaders of its philanthropy and nonprofits practice. Once an independent media maker himself, he has spent nearly 20 years analyzing media, the Internet, telecommunications networks, and digital technologies. He is best known for his work helping foundations and nonprofits develop strategies that recognize the trends and pressures of the information age and their effects on public interest values. Previously, Andrew was program director at the Markle Foundation and director of the Benton Foundation's program in communications policy and practice. He is the president of the board of WITNESS, an international human rights organization that helps activists around the world use video to fight for human rights.

The Future of Independent Media

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Establishing Shot

Human beings tell stories. It's how we learn and how we teach, how we preserve and transmit culture; it's how we understand ourselves and our connections to others. We use stories to organize our facts, our lives, and our times. The way we have told stories has changed, of course, especially as various technologies have emerged to hold them and convey them to others. But the instinct to tell stories and seek them out remains an essential part of being human.

In the last hundred years, the drive to tell and hear stories has been channeled through various technologies and evolving social forms that have created vast commercial opportunities. Film and video emerged as powerful tools capable of spreading tales farther and with more immediacy than previous storytellers ever could, and commercial enterprises used them to great effect. But there were always some people who used those same tools for different ends: not just to entertain, but to observe, to make connections, or to make change. People who wanted to explore how the medium could be used, how it could preserve histories, create new understandings, or challenge old assumptions. These people rarely found a home in the giant studios that developed the tools of twentieth century storytelling. They were, at first, artists and inventors, and their successors built a thriving "underground." In the late 1960s, they came to be called what we know them as today: independents.

Independents they may be, but that doesn't mean that they aren't also deeply rooted in and shaped by the environment all around them—the world they are part of, reflect on, and want to speak to.

Societies in the midst of demographic shifts, economic reorganization, political realignment, and accelerating technological revolution shape their storytellers as much as those storytellers shape how the rest of us understand the world and the changing context. And so as the world around independent media changes, the world of independent media will change too, just as it has for the last generation or more.

But how? Can independent media makers or the organizations that support them see the outlines of the future before it is upon them? Can they plan for it? *What is the new ecology emerging for independent media likely to be, and how can makers, funders, and other organizations in the field*

What is "independent media"?

Quite simply, video and film conceived and produced independent of the traditional corporate sponsors for media and made for a wide range of purposes beyond purely commercial considerations. The work could be personal essays, documentaries, media or video art, feature-style narratives, or a combination of these.

To avoid tying the subject too much to the physical properties of film or video, to acknowledge the new digital media that will be neither film nor videotape, and to distinguish the media we're referring to from media primarily composed of still graphics, text, or audio, we sometimes use the term "motion media" as a substitute.

adapt to the opportunities as well as the challenges that are the distinctive features of this new environment?

The answer seems to point in two directions at once. On the one hand, no one could miss the enormous vitality that characterizes the field:

Audiences, distributors, and exhibitors are embracing independent documentaries; total box office receipts rose six and-a-half times in the five years before Michael Moore's *Fahrenheit 9/11* became the first feature-length documentary to earn more than \$100 million in theaters.

Independent features have attracted money and attention to the point that now all the Hollywood studios have "independent" divisions.

Cable channels like Arts & Entertainment, Lifetime, Sundance, and the Independent Film Channel are joining HBO as high-profile presenters of independent work.

Video art and installations are everywhere in the contemporary arts world.

New forms of interactive electronic art are rapidly emerging, bringing together artists, scientists, and engineers in innovative creative partnerships.

Micro-cinemas are springing up and film festivals are multiplying in towns large and small all across the country.

Would we have expected a decade ago that an artist best known for his film and video, Matthew Barney, would not only get major museum shows and mainstream press attention, but be named "the most important artist of his generation" by the chief art critic of *The New York Times*? Would we have believed even a year ago that an independent documentary would move the Bush Administration to re-open an inquiry into the death of Emmett Till more than 40 years after his death helped spark the civil rights movement?

Independent media is thriving in the marketplace and in museums, on screens large and small, telling important stories to growing audiences. And as we will see, there is every reason to believe that we are only at the beginning of a decade of surging growth for moving pictures of every kind. Using the Internet as their working platform, media makers and distributors will transform the world of motion media as thoroughly in the next decade as the world of print has been reshaped in the last.

Yet in the same period, one of the nation's most respected media arts centers, the Boston Film and Video Foundation, closes for lack of funding; the Carnegie Museum of Art suddenly shuts its film and video program; and public and philanthropic funds for media appear to be in steady decline.

Michael Moore, the Oscar-winning director of the most successful documentary of recent times and so perhaps the best-known independent filmmaker in the country, finds that the Walt Disney Company won't release his most recent work, apparently for political and business reasons. For many in the field, the opportunities to make and share serious, substantial work seem as rare as ever, maybe rarer, and the economic basis for doing so seems as far away as ever, maybe farther.

The fact that the field is going in both these directions at once suggests this is a story of deep, epochal shifts, where evidence of growth *and* decline, opportunity *and* threat, is not contradiction but different parts of the same story. The field is reorganizing, and the flow of resources and attention is reorganizing with it. Some may hope that through hard work and focused strategy they can restore an earlier era's patterns of support, growth, infrastructure, and exhibition. That is more than unlikely; it is not even possible. And yet there is great energy, enthusiasm, interest, and opportunity, which suggests that while the last great era of independents cannot be restored, the next great era for independents is unfolding.

This doesn't mean that the people and organizations that thrived in the last era will be the same ones that thrive again. The challenge will be to adapt to the opportunities and demands that will define this new era. Those who can will both discover and encourage what we believe could be a great time for independent media makers and the themes and values that have defined their work.

Based on our research and interviews, and on the scenario workshops we led, we have developed our own observations about the environment for independent media in the next decade. These observations may run counter to some current assumptions; some suggest real disruptions to the world of independent media today. We believe, though, that whatever discomfort may come from considering them now will be minor compared to the discomfort of trying to navigate them unprepared.

We are entering a period of enormous opportunity for media makers of every stripe. It may not be an economic opportunity immediately or directly, but an opportunity to make and move work in unprecedented ways with unprecedented flexibility.

The media landscape will be reshaped by the bottom-up energy of media created by amateurs and hobbyists as a matter of course. The resulting output will overrun the institutions and strategies created to organize and navigate an era of great scarcity of media equipment and products. Images, ideas, news, and points of view will come from everywhere and travel along countless new routes to an ever-growing number of places where it can be viewed. This bottom-up energy will generate enormous creativity, but it will also tear apart some of the categories that organize the lives and work of media makers.

The Internet is the next important platform for media of all kinds. There is a transition well underway toward a new distribution platform, which doesn't happen very often. It will be home for the coming generation of media makers and viewers. For them, the Internet is neither new nor special, just the thing that connects most of their media choices. The Internet needn't be an exclusive commitment for today's makers or institutions, but it can't be ignored by those looking for new opportunities to connect with audiences.

Video on the Internet today is where text was in the early '90s—about to experience a huge jump in terms of sophistication of use and widespread accessibility, and as a catalyst for experimentation of all kinds. Video is poised for an era of experimentation and opportunity, where it will be made, shared, watched, and quoted in whole new ways.

But the economic prospects for any given media work are more precarious even as the market expands. The ability to create media and the places to experience it are both growing, but production is outpacing consumption and will continue to do so. Every individual work will face far more competition from other work, undermining its economic potential, and the sum total of all the work being created will overrun the amount of time people spend with media. The resulting gap means that even as there are more places to see media, there will be even more work that goes unseen. This has serious strategy implications for individual makers, intermediaries, and funders.

When work can be made cheaply, cheap becomes the new normal. In recent years, the range of costs associated with motion media has widened to include higher highs and lower lows: The high-end, big-money productions are more expensive (*Lord of the Rings* or *Harry Potter and the Goblet of Fire*, for example), at the same time that there are more low-end, even no money, productions reaching audience of hundreds of thousands of people ("Bush in 30 Seconds," for example). The same thing happened when television entered American homes: The major film studios spent more money on a few big films to better differentiate their productions from the lower-cost work that television was bringing to living rooms for free. At the same time, the number of channels for distribution and exhibition is clearly rising faster than the amount of money financing new productions. Filling those channels means finding ways to make or acquire media for less money (including licensing finished work, where the cost is already sunk). The overall effect is that even with a market that includes both higher highs and lower lows, the economic center of gravity has shifted toward a cheaper baseline. So while there will continue to be independent works made for \$500,000 or \$1 million, the norm that sets expectations for financing and production economics for work of all kinds, including independent productions, will be driven down.

The traditional relationship between the noncommercial and commercial media systems is changing. Both the commercial and the noncommercial realms are growing in size and complexity. What is also growing—and growing more complex—is the relationship between them. Widely distributed production tools, easily manipulated images, and an endless maw for “news” or sensation that needs to be fed with eye-catching images all mark a media culture where commercial channels operate symbiotically with a vast number of nonprofessional “content providers.” Yet, the two systems have different standards of success, different dynamics, different stars, and different social functions to some degree. One implication of this is that the noncommercial system is not simply the underfunded version of the commercial system, which it could better imitate if it had more resources. Importantly, in the noncommercial system, the primary role of money is as an input. In the commercial system, its primary role is as an output: It is what the system aspires to make. As a consequence, one cannot use the noncommercial system as a platform from which to compete with the commercial system. One could, however, use the noncommercial system to launch images and ideas into the commercial system, just as the commercial system projects images and ideas into the noncommercial system. Once material passes from one system to the other, however, it is transformed by its new context.

The commercial/noncommercial distinction no longer serves the purpose it once might have. In part, that’s because commercial firms have been getting into areas once thought of as the preserve of non-profit organizations and noncommercial media. It’s also in part because social entrepreneurs like John Anner (founder of the Independent Press Association) are coming up with ways to support independent media through market mechanisms, not apart from them. For younger makers and younger viewers, who often don’t find these categories useful or indicative of anything, “noncommercial” will no longer feel like an important marker.

Independent media will include games, and games will shape independent media. Almost no one in the independent media community seems to see games as part of their future, much less as either an opportunity or a threat. This is a mistake. Games are being embraced as a platform for critique and education, especially by younger artists and creators. They are drawing talent that used to go into media-making and drawing audiences that used to spend time with more traditional media. (In 2003, Americans spent more on video games than they did buying movie tickets.) One sign of a growing commitment to “serious games” is the recent \$8 million donation to USC’s School of Cinema-Television to create a games-focused master’s program that will emphasize storytelling and writing. Underlying the donation is an interest in raising the level of intellectual credibility and stature for game development to what now exists for film and television (which themselves were long considered trivial entertainments by artists and intellectuals in other domains). There are significant opportunities for those who connect the energy and communities of one with the other.

A social renegotiation of the professional status of the media maker is now underway. Many media professionals are facing challenges similar to those of a host of other structurally displaced workers, whose talents and forms of economic organization are weakened by changes in technology and disruptions in the social and economic practices that had organized their livelihoods. This could hit independents especially hard because they were closer to the lower end of the economic ladder before the bottom-up pressure began to rise.

A new generation of media makers and viewers is emerging, which could lead to a sea-change in how media is made and received. People just entering their 20s are tech-savvy, swimming in connectivity and mobility, blurring the boundaries between producing and consuming media, gaming, and all the while multitasking. The generation born between 1982 and 2000, the Millennials, is as big as the Baby Boom generation, and could easily have as profound an impact on culture and markets as Boomers had as they entered adulthood. But no one should assume they will share their elders' allegiances, ways of seeing the world, or priorities. This is not to say they won't care about what those who came before them care about. It is to say they will express it and organize their responses to it in ways that may be quite different from the ones that previous generations built institutions around.

The media universe is no longer simply divided into small, medium, and large. It's a market of many half-sizes, many of them newly viable in a way they couldn't have been a decade ago. These niches can be found, organized, and served in ways that either weren't economically viable or weren't even possible before.

Attention to media products of every kind will be highly concentrated, so the growing capacity to make more work won't draw more attention in equal measure. In fact, commercial media providers don't so much create this; they organize themselves to exploit it, which includes trying to encourage it in their favor. But as blogs have demonstrated, even in the absence of oligopoly and profit-driven conglomerates, people's attention (and thus dollars) will be highly concentrated, for reasons that have to do with how social networks shape the practices of searching out, opting in, and further promoting work that circulates in public. This isn't just true online, although it's very true there.

There is a new possibility to rethink subsidy as costs shift, audiences fragment, and distribution options multiply. What is newly uncertain is the amount of attention required for any given work to be economically viable. It certainly used to be—and still is in the world of big budgets—that the threshold was quite high: Unless a work got a great deal of attention, it would need subsidy. So the traditional way of achieving sustainability was to figure out how to increase the number of viewers until a work became successful. This is hard, it will get harder, and

it's a zero-sum game. The possibility is that for a variety of reasons, economic sustainability could require far fewer viewers than ever before, which will change how and where independent makers need subsidy. And if the need for subsidy goes away at a much lower viewership level, then the total number of viable works could grow, which would be good news for makers and those hoping to promote a broad diversity of views. We see elements of this in the music business already. The majors aren't set up to make money on artists selling small numbers of albums, but that's not a reflection of the commercial viability of the artist. It's a reflection of the economics of running a huge record company. Small independent labels are breaking even and turning profits with sales figures that the majors would take as losses and an excuse to dump the artist, and a small but growing number of artists are taking advantage of the new economics to put out their own records.

Media makers and supporters have a new choice about what it means to succeed. It used to be that there was a close link between economic success and cultural success. If a work was seen by enough people to be culturally successful, it often meant that it would be economically successful, too. Now, media can be ubiquitous and influential without being economically successful, or it can be economically successful by efficiently reaching small audiences. This raises a new choice: Would it be a victory if independent work could be economically viable without being culturally successful in the classic sense of finding wide audiences? Conversely, would it be a victory if independent work could be culturally successful without the makers being rewarded, or even recognized? Both are possible, and each implies a distinct set of strategies and capacities for independents to choose to develop.

The new ecology for independent media will have more options for what to fund and when to fund it. In other words, the points of philanthropic support can both increase and become more specific as costs shift around within the overall package of the finished work. For example, if production or post-production costs fall, funders may more easily support the creation of work. Other funders may choose to allow shifting costs to enable them to focus on distributing or marketing works that they can already see, just as many commercial firms try to manage risk by getting involved in a project once they can see enough of it to make what they consider to be a well-informed decision. This should allow funders to manage their own risks better, which could have the happy effect of lowering the threshold for new funders to experiment with funding in this area.

In what follows, we review the major findings of our research that gave rise to these observations, and offer recommendations about paths for future exploration.

The New Ecology

To make any major strategic move, independent media organizations and media makers need to be able to see the broad landscape around them—the context in which every choice and every action will play out. That landscape will shift in significant ways in the decade ahead.

Some of the coming changes will be real upheavals, arriving like abrupt tectonic shifts. Others may be more incremental, but over the course of time, prove to have an equally profound impact. While the specifics will vary, the combination of forces already in play guarantees that a “new ecology” for independent media is already emerging. This new ecology will be the backdrop for every work, every organization in the field today, and every funder or supporter of independent media.

The outlines of this new ecology emerged out of our research into the forces and factors that will shape the creation and consumption of visual media over the next 10 years. We began by looking at seven broad areas: the media business; markets and audiences; demographics; trends in arts and cultural policy; political culture; the economics of production and distribution; and the technologies of production, distribution, and consumption.

Based on our preliminary scan, we realized that we could organize our investigation around two major questions about the world 10 years from now:

Who will make what, and why?

Who will watch what, and why?

To develop some sense of the first, we sought out trends in funding (public, private, and commercial); in the technologies of production; in the broader media industries of which independent media is a part and against which it often reacts; and in the social, cultural, or attitudinal changes that shape the subjects of the work and the intentions of the makers. To develop a sense of the second, we went looking for trends in viewer expectations, in cultural attitudes about how people use media, and in the technologies of delivery and reception.

We conducted our research along many paths: recent articles or news reports; books about various elements of the media business and the independent movement; academic and general interest essays (both recent and historic); and research reports that touch on either the environment for commercial media or factors affecting independent media.

Perhaps even more importantly, we interviewed an array of people in a wide variety of fields who could give special insight into what may happen

in the landscape surrounding independent media in the next 10 years. The interviews were largely open-ended and built off each participant's expertise, though we kept asking them to draw out the potential impact on what we called "motion media," today's video and film, which might take new forms over the decade. We also set out to tap a range of voices beyond those normally heard at the conferences where independent media is discussed, in the publications of independent media makers, or on the boards of independent media organizations. As a result, we didn't set out to interview today's independent media makers or representatives of the communities normally associated with independent media. We set out in very much the opposite direction: to make sure we heard from people who could tell stories that are different from the ones normally heard in this field. Throughout this section, we have set off in boxes brief quotes from the interviews to highlight key points. (A list of the interviewees, along with brief bios, appears in the Appendix; the full summaries of these interviews are available online at www.gbn.com/independentmedia.)

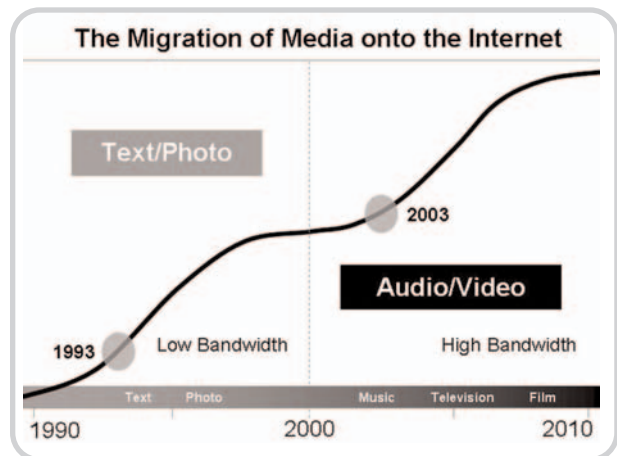
As a result of this research, we see the outlines of a new ecology for all media, including independent work. It is an ecology in which media will be pervasive, noisy, inverted in its essential dynamics, fragmented in myriad overlapping ways, and financially reorganized. Each element of this new ecology is in turn fed by trends and developments that are significant in themselves, but that need to be seen together in order to appreciate the depth and breadth of change now underway. Below we describe each of these elements more fully.

1. Pervasive

Motion media will be part of every kind of media

A strong case can be made that if the 1990s were about migrating text and photos to the Internet, then the 2000s are about migrating audio and video media to the Internet. As one of our interviewees, Brewster Kahle, director of the Internet Archive, pointed out, the parallel between the two decades is quite striking—even down to the analogies between individual years, say 2003 and 1993.

In 1993, most Americans had never heard of the Internet, let alone experienced email. Yet innovators and early adopters were starting to experiment with putting text media and some photos



online. Many of these efforts were noncommercial. The big text media incumbents, like major newspapers and magazines, seriously resisted moving into this new medium because they thought they had much to lose. Meanwhile, upstart new companies were forming and just starting to get positioned for what might prove to be a big new market. People were just beginning to talk about the vague outlines of what might be possible.

By the middle of the decade, the number of people using what by then was called the World Wide Web (text and photos on the Internet) had dramatically ramped up, and the migration of text and photos was burgeoning. Upstart companies like Yahoo! and Amazon were booming, and incumbent print players were rapidly putting their material online. New ideas about how to use text and photos on the Web were popping up all over, creating new experiments that were collectively referred to as “new media.”

By the end of the decade, the frenzy of activity leveled off, partly because of the dotcom bust, but more fundamentally because virtually every publication that dealt with print and photos had some presence on the Web: all newspapers, all magazines, all businesses, almost all organizations. The text and photo Web had become a seamless part of the lives of most educated people in the country. It had become the norm.

That decade-long process is what is just starting to happen in the field of motion media, as television, video, and film start their migration to the new distribution platform of the Internet. Driving this trend is the fact that the tools to make the digital transition are getting cheap enough and good enough for it to become a mass phenomenon. Also, the Internet infrastructure is getting built out with enough high bandwidth connections that the market for such media is starting to hit critical mass.

In 2003, we started seeing the audio/visual version of the migration process play out. Innovators and early adopters are pushing motion media into new forms. We’re seeing new kinds of film shorts and video blogs and bottom-up efforts for the creation of digital video content. And while the incumbent players in the television and movie industry are fiercely resisting the migration, some upstart new companies and organizations are catching the wave as it gathers force.

In the mid-‘00s, there could well be an explosion of opportunity as new and old players try to define the new forms and the shape of the emerging market. It’s hard to predict exactly what will happen, but we expect there will be a free-for-all scramble reminiscent of the mid-1990s.

Anytime there is a new media and new channels, it’s a time of opportunity. We’re going to have a race in this area on the Net. There is a really great opportunity in the early stages of a market, the first three or four years, when it’s still a phenomenon. You don’t think the first full-length documentary available for free on the Net for downloading is not going to get some attention? There’s going to be a lot of opportunity for visibility just because you are first in the new medium.

**Tim O’Reilly,
founder and CEO,
O’Reilly Media**

By the end of this decade, give or take a few years, with pervasive if not ubiquitous broadband in the United States, the dust will settle and motion media will be seen as an integral part of the online experience. It will be part of the landscape that everyone will take for granted, a given that all media organizations will have to deal with every day.

Over the next 10 years, broadband Internet access will be widely available, becoming a standard way to deliver all kinds of digital media.

Whatever else happens, there is no doubt that broadband will be ubiquitous.

Howard Rheingold,
author of *Smart Mobs*

According to the Pew Internet & American Life Project, as of March 1, 2004, broadband is in 39 percent of American homes that have Internet access, a jump of 60 percent in one year; 52 percent of college-educated people under 35 opt for it, and 50 percent of households with income over \$75,000 have it, too. If current rates of adoption continue, high-speed access will be widely available and used in far less than 10 years, even if it is not universally

available for some time. Its wide use—especially among economically attractive groups such as people with high household incomes or young, well-educated people—will in turn foster business choices that will further shape this market around the assumption of widespread access to high-speed connections for digital media.

Online distribution is growing even with current bandwidth constraints, and with increased bandwidth to the home it could gain on other delivery systems. According to *Wired* magazine, “More viewers now see shorts online at the Sundance Online Film Fest, or SOFF, than at the festival in Park City. More than 600,000 unique visitors came to the SOFF site in 2003, each watching, on average, four films.” Shane Kuhn of Slamdance argues in the same article that once adequate bandwidth is more widely available, “the established online festivals will become key outlets for alternative cinema.” Currently, independent work is distributed by OneWorldTV, Underground Films, Atom Films, IndieFilmSpot, and others.

But the old model of film festivals may not be the only way that people seek out independent work. Videoblogs—blogs built around links to video, such as Vidblogs.com—are proliferating even at current levels of broadband access. These experiments could be the leading edge of Net-based webs that broker attention to media of different types and from different sources, all outside today’s better-known aggregators, channels, or festivals. (They could even become a means for decentralizing production as people use blogs to trade snippets of video or piece fragments together from various sources.)

Blogging is really key, because of what blogging does. It’s kind of a grassroots aggregate power to make things visible. No one blog is going to make that much of a difference. It’s the accumulated mass of blogs that can move traffic in decisive ways. So tap the blogging communities. Understanding how to use blogging to publicize your work is key at the present time.

Henry Jenkins,
director of MIT’s comparative
media studies program

And before videoblogs are even commonplace, we are already seeing the first “moblogs”—blogs where people post and link to video clips specifically taken with their cellphones. The work is technically crude and may seem pointless, but it is also an unmistakable pointer to the coming nexus of cheap cameras and cheap decentralized distribution.

Video will become a fully integrated part of other types of media online that are not currently video-based, creating new demand and uses for video production.

Traditionally, motion media has been a separate part of the broader media environment. As the tools for making media become increasingly commonplace and more and more of the communications infrastructure becomes capable of carrying rich media formats, motion media will become a feature of other media rather than solely a media format of its own. Publications or media experiences that we currently experience as text and graphics will increasingly include video as a normal part of their repertoire of storytelling and advertising tools.

All this stuff that we have been talking about forever about video over the Internet, it was all kind of hand waving—“this is possible because the technology will make it possible.” But it's now actually happening. This stuff can be done now, not only because the technology makes it possible, but because the markets are moving there. The most important piece of the equation is the ad buyers, and the ad buyers are starting to wake up to it.

John Battelle
cofounder of *Wired* magazine

People are beginning to believe that a video Internet is possible. I think we are waiting for companies in the video arena to break out and create a compelling business case for this. We already know there is a lot of video out there. It's only a matter of time until someone comes along and takes advantage of this.

Sandeep Casi,
researcher at FXPAL,
the technology research center
for Fuji Xerox

As video becomes part of all kinds of media rather than a separate category, the demand for people who can skillfully create video materials will rise. At the same time, however, it will become a commonplace craft so that whatever premium was once commanded by those who could use these tools well will be driven down, just as the skilled labor once associated with running linotype machines has been replaced by the much more widespread (although by no means universal) skill of using desktop publishing software and other computer publishing tools.

2. Noisy

More of everything, everywhere, all the time means more competition for everyone, everywhere, all the time

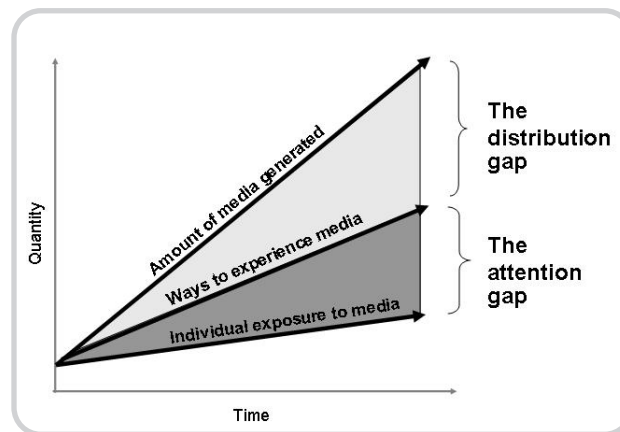
Even in the lull since the air went out of the tech bubble in 2000, digital technologies have continued to spread, growing in power and falling in cost and affecting every part of the media process where technology is a factor. As a result, digital tools for production and post-production have remade the economics of media-making and put sophisticated media tools in a growing number of hands. Digital technology will continue to push technical costs down and capabilities up, factors that will spread media-

making equipment to more people and devices. As a result, there will be more ways to make media, more places to present media, more kinds of media, and more competition for any specific piece of media. Industry responses will be to both consolidate and diversify.

According to the European research firm Digital Thinking Network, the economic “half-life” of movies—defined as the amount of time before their economic potential decays—has shrunk steadily in just the last five years. The standard sequence of release windows in theaters, pay-TV, and DVD/video have all gotten shorter, as works get very little time to develop in the marketplace before getting pushed to the next distribution platform. More work is coursing through the system, but it is appearing and disappearing faster, replaced by the next wave coming behind it.

A related phenomenon has affected the market for independent work. In Peter Biskind’s recent book, *Down and Dirty Pictures*, filmmaker John Sayles explained, “As the last 10 years have progressed, many, many, many more independent features are being made, and so a much higher percentage of them never get a theatrical release.” The clear implication is that the ability and the capacity to create more work, while certainly valuable from the perspective of promoting more points of view and encouraging more voices, also leaves more work unreleased or otherwise undistributed, at least in the traditional ways.

In fact, current trends in our ability to create and share media are opening two important gaps. A simple representation might look like this:



The first gap is opening because both the amount of media and the places to present media are growing, but one is growing faster than the other. That means that there will be more media produced than can ever be seen. This is the distribution gap, and it weakens the economic potential of any individual work. The second gap, between the number of places to experience media and the amount of media any individual can experience, is widening even faster. Even young people who can multitask in ways that make older heads spin will not be able to keep up with the growing

amount of media available on the growing number of surfaces, devices, and screens of all kinds. This is the attention gap, and it weakens the cultural potential—as well as the economic potential—of any individual work. Any work created, distributed, or sponsored in the future will be released into these two growing gaps.

The costs for all the technology associated with media production, distribution, and presentation will continue to fall when capability is held constant.

As media tools become digital tools, they will benefit from the rising power and falling costs of other digital technologies. Moore's Law, which describes the steady and predictable rise in computing power at the heart of digital technologies, will continue to drive technology costs steadily downward for at least the next 10 years. This is not to say that the aggregate costs won't rise or that all costs will fall, only that the costs associated with any given level of technology will decrease.

Costs are falling in obvious places—cameras, editing gear, and special effects—as well as less obvious places. For example, the cost of digital storage is falling between 40 and 50 percent a year. In 1993, a terabyte (a thousand gigabytes, enough to store about 80 hours of DV video) of magnetic disk storage cost more than \$1 million; by the middle of the next decade, it is expected to cost just a few dollars.

Ever cheaper and more efficient digital storage will change the distribution possibilities for independent work. For example, Emerging Pictures is using advances in digital storage and digital projection to create its own network of “digital theaters” in which to present first-run independent/international films, documentaries, and international film festival presentations. They recently put 10 films from the Full Frame Documentary Film Festival, the nation's largest festival devoted to documentaries, on a single hard drive and sent them to theaters in five cities, allowing audiences around the country to view festival films while the festival was taking place. Digital replication costs almost nothing compared with striking a 35mm print, and the company founders, as well as the theater owners they work with, hope that very low replication and marketing costs will make a much wider array of independent films economically viable. Citing similar factors, the UK Film Council announced it will equip about 150 cinemas across the UK with digital projection equipment in an effort to increase “the breadth and range of films available to UK audiences.” Theaters that get the UK Film Council equipment will be required to use it to show independently produced or “non-blockbuster” work.

The Internet opens massively different distribution channels. More and more, the possibility for independent media to release their material in more intelligent ways is phenomenal. The entrenched commercial guys are grappling with the problems of free content, etc. They have everything to lose from innovative distribution models. On the other side of this, the independent guys have everything to gain from innovative distribution models. The smartest thing they can do is experiment, because they have different content and they can crack this puzzle. The big guys are not going to risk this.

**Daniel Erasmus,
cofounder and director, Digital
Thinking Network**

But falling costs have their most direct and dramatic impact in how they change how much work will be created.

The amount of visual media being created by professionals, committed hobbyists, and amateurs is soaring and will continue to grow for the foreseeable future.

Next-generation new media is going to phones. And MPEG-4 makes this easy. It's not like you have to invent a new compression format. It's already there and it runs on these small devices.

**Sandeep Casi,
FXPAL**

The combination of increasingly inexpensive and widely available tools for making, manipulating, moving, and storing media along with the widespread diffusion of basic skills with media-making technology in a media- and technology-saturated society is creating a growing capacity to make and circulate media in the industrialized world, and perhaps even more broadly. This is not to say that there will be more great works of art or conscience, just that there will be more visual media made for more purposes by more people. And that will affect the environment for every other media work by making the total environment more crowded.

With simple video tools being added to cellphones, computers, and PDAs, the ability to create, edit, and begin circulating work has a threshold so low as to have been unimaginable 10 years ago. For example, the first music video shot entirely on a cellphone was posted online in March 2004. Not only was it shot on a Nokia 3650, it was edited on an Apple PowerBook running Final Cut Pro and the music was recorded with Apple's GarageBand software. So is one cellphone and one laptop computer the emerging threshold for basic video production? Not necessarily, since it could get even simpler: Nokia announced a cellphone with a 1 megapixel camera that comes bundled with Nokia's own Movie Director software, which allows users to edit what they shoot, as well as add music and text. It also comes with Lifeblog, Nokia's software for creating a weblog on the owner's cellphone and PC made up of any material—audio, video, text messages, or photos—that the cellphone can create or receive.

Today in Japan, one can no longer buy a cellphone without a camera in it—they are all bundled that way due in part to the falling costs—so people will increasingly have the capacity to generate simple media even if they don't seek it out. The same will soon be true in many other markets as well. Not everyone will choose to make media, of course, and we can't know how many will produce media that they care to circulate beyond friends or family. But we are entering a world in which many people will find themselves with cameras and simple editing tools whether they want them or not. And young people will come of age in an environment in which many—even most—of them have digital video cameras of some kind and access to distribution networks at any time.

The range of places and devices where people will receive motion media is growing and will continue to grow, especially at home or through mobile devices designed for personal use.

Motion media is coming to mobile phones, PDAs, elevators, the back seats of taxi cabs, passenger cars, retail displays, billboards, and ever more sites on the World Wide Web. People will be exposed to it in many public places, and they will be able to view work in places of their own choosing, on screens of their choosing, and at times of their choosing. The same falling costs for display devices, chips, storage media, and transmission media mean that the capacity to display media will become part of many other devices and surfaces.

The range of new devices, surfaces, and places for video will create new demand for media that can fill those devices, and give rise to any number of new business opportunities. One simple example: With DVD players in a growing number of computers, many airports now have shops that will rent a DVD to a traveler for the flight she is about to board and allow her to return it at the airport in the destination city. A portable device and a cheap and portable storage medium (the DVD) create a whole new set of places where people will get media they choose.

These devices will also create material for one another. In April 2004, for example, a group of Japanese companies announced that it had developed a device that allows people to record up to two hours of video from television programming and play it back on their cellphones.

More media created by more people and devices and displayed on more surfaces and in more settings will of course mean many more ways to speak through media and many more places to put that speech. Yet it can't help but also mean more competition.

Competition for audience attention will further intensify because of the growing abundance of media products.

As Walter Parkes of DreamWorks SKG explains, "There are a million other movies and not just network television but cable and video games all vying for the attention of the consumer. And there are more movies. On virtually on any given weekend, there are from two to seven releases that you are competing against. You have to pump much more money into the marketing of your movies just to be heard above the noise."

As Parkes and others have noted, the competition is not just among like media experiences. The competition is also among the increasing number of ways that people can choose to have media experiences. The computer is already competing with the television for our time and attention. But the more surprising challenge will come from the expanded array of options for communicating the range of serious ideas and cultural expression traditionally associated with independent media.

Computer and video gaming will grow more popular as a platform for political, social, and artistic expression.

Games are becoming a ubiquitous part of the media landscape and the media experience of Americans. Half of all Americans regularly play them, and a nationwide survey found that 100 percent of current college students have played them. The average age of video game players has risen to 29 years old, and over 40 percent of gamers are women. Americans now spend more time on games than they do on DVDs or videotape rentals, according to the market research firm Veronis Suhler Stevenson. In 2003, Americans spent \$10 billion on video games and consoles—half a billion dollars more than they spent going to movies. As journalist Jonathan Dee observed, “To anyone who came of age after, say, the introduction of the first Sony PlayStation in 1995, video gaming is every bit as central to the pop-entertainment universe as movies or music, while to anyone older than that, it seems like one of those strange customs indigenous to the country of the young.”

We've got a generation coming of age for whom games are a more important medium than film or television. ... Right now our perception of games is fairly narrow. We think of games as lightweight entertainment, as fun, as escapism. But games as a medium can do much more than that. There is nothing intrinsic to the medium that prevents it from asking hard questions, presenting this with an aesthetically different look and feel. The challenge is to develop an independent games structure. ... The pieces are starting to fall into place. This is a medium that very much is where future generations of media artists will communicate ideas.

**Henry Jenkins,
MIT media studies**

In the whole independent media context, you have to look at games because games have one of the most fertile producer/consumer ecologies of any media. When a game comes out, there's not just the game but an editing tool that allows people to create new scenarios, new maps. You can modify the game itself and overhaul the entire game. And really hip products have been made because people have modified the engine. This is done by fans, who may be in teams distributed across different countries. The game companies don't view this as a threat.

**J.C. Herz,
author, *Joystick Nation***

Not only are they now a common part of the media landscape generally, they are growing as a platform for more than just entertainment, drawing audiences and creative talent that might have gone into more traditional forms of independent media. MIT's Henry Jenkins observes that among media responses to the war in Iraq, for example, “People are using game engines, which are cheap, and using them to play out different political points of view. They're taking an interface from games and applying a political commentary to it. It has a wicked sense of humor, a real irreverent style. What you see now is blogging and gaming as the dominant ways of commenting on the war.” Author and cultural observer Deborah Solomon argues that video game-based art is a trend of growing importance among younger, media-saturated artists: “In much the same way that Warhol swiped imagery from cartoons and advertisements, many young artists today see video games as the definitive pop experience, a form to cannibalize and critique.” While these forms have

yet to dent the sales of the most popular games, websites devoted to more serious or politically oriented games have emerged, such as newsgaming.com, Water Cooler Games, and the Serious Games Initiative.

Consolidation among media companies through mergers and acquisitions will continue.

The corporate response to this noisiness is perfectly predictable. Despite the concerns of many citizens, advertisers, and some in Congress, media consolidation is likely to continue. Consolidation is a basic and unsurprising corporate response to the competition for attention as well as the economic characteristics of information-based products and networked services. This is not to say it is a good thing, just that it is the response one would expect from companies in this business, and both Democratic and Republican administrations have largely allowed it or even encouraged it. There will be political struggles about the rules under which consolidation will be allowed to proceed, and there is no doubt they will affect the rate and degree of consolidation we will see, especially among the very largest companies. But the trend among companies will be toward consolidation, in no small part because it will be the key response among large well-funded players to the ongoing creation of new media outlets, channels, and products.

As veteran journalist Jim Fallows observes, “Media consolidation has been going on for 25 years, and the differential change during Bush’s time is modest in that regard. The shift to a pure market model for the media started back in the Nixon era and it has been an incremental rather than dramatic change under Bush. ... I view this as an irreversible and long-term process.” But the audience experience is more complex: As Clay Shirky, who studies interactive media, points out, there are still more choices, more outlets, and more information of countless types in the media system of today compared to 25 years ago. Everyone we talked to observed that those with views outside the commercial mainstream have more options to reach audiences today, not fewer.

The challenge for any individual media maker or programmer is not the consolidation per se; it is the fact that there is both wild diversification at the program level and significant consolidation at the corporate level. It is the combination of the two that most seriously undermines the bargaining power of the independent maker or programmer trying to get public attention or channel space. At least according to all the old rules of how media and audiences find each other.

You can't fool me. I lived through the '70s. There was no Spanish language television whatsoever. There was no Vietnamese language television whatsoever. There's been no contraction. The consolidation that's going on is a desperate attempt to shore up competition from novel abundance, principally from cable and the Internet. ... When you look at media as a whole, it's a freak-out.

**Clay Shirky,
professor, NYU's interactive
telecommunications graduate
program**

3. Inverted

From broadcast to broadcast

The traditional models of how to connect people with media productions are based on two characteristics of the old ecology for media that are no longer the givens they once were. The first is that making media was traditionally quite expensive, and so required a large number of viewers to make it worthwhile for its backers. (This is true whether the backer is commercial or noncommercial, although how much of a priority this is or the way it is measured will vary significantly.) The second is that there were a small number of distribution channels for bringing work to audiences, so the operators of those channels cast work as broadly as possible and competed to draw attention to what they were distributing or presenting. (This is the dynamic of what we know as “broadcasting,” of course, but it has also been true of all other forms of mass media.)

But in the new ecology, this traditional dynamic—some powerful central force casting work to audiences—will be inverted. The new dynamic will put individuals in the much more active role of selecting from an ever-growing number of streams of material. Channels or brands will be useful, perhaps even essential guides, but more than ever people will be the “broadcasters”—creating their own programming lineup from many possible sources.

Broadband and cheap digital storage will change how and where people consume media.

TiVo does change everything. ... Your TiVo is out there looking for any middle-of-the-night spectrum that the Asian virtual channel bought to air something. And so you wake up in the morning and you have that program on your hard drive and you can watch it at your leisure. I think for diaspora communities, this development is huge.

Brad deGraf,
founder of the Media Venture
Collective

The potential for high-speed, on-demand access and ever-cheaper digital storage allows for new levels of flexibility in when, where, and how people consume media. At the same time, the ability for individuals to create software-defined “virtual” channels of programs geared toward their tastes but culled from many sources, or to share their stored media on peer-to-peer systems, will fundamentally change the relationships between people and the media they use, not to mention the organizations that bring it to them.

According to a 2002 study about the media industry by PriceWaterhouseCoopers, “by 2006, adoption of key delivery technologies, including broadband, digital television, personal video recorders (PVRs), and recordable and rewritable compact discs (CD-R/RWs), will attain levels necessary to significantly alter existing business models.” (PVRs are the devices, like TiVo, that connect a large hard drive—i.e., cheap digital storage—to a broadcast or cable stream and allow subscribers to record the programs they want based on various criteria. The next generation of these

devices will allow users to download video streams from the Internet, too. TiVo, the early leader in this technology, had 1.6 million subscribers in mid-2004.)

If you look at people with TiVo devices, something like 70 percent of the television they watch is time-shifted. It's a massive change in viewing habits. What is primetime? That has significant implications for independent media. For a long time they have argued that what they produce is primetime content. But because of the powerful interests in the distribution chain, they end up in less than exciting positions in the scheduling, therefore nobody watches them. What this offers them is the possibility of a primetime audience based upon the quality of what they create and the compellingness of that.

**Daniel Erasmus,
Digital Thinking Network**

These are business models for commercial media, of course, but the conditions they describe will shape the context and expectations of a large number of Americans as media users. At the very least, the fast-growing adoption of broadband will affect the way in which the Internet becomes a mainstream platform for distributing full motion video, including independent work. Fast connections that allow users to find and stream (or download) video or share it on a peer-to-peer basis will accelerate the many emerging ways in which media of all kinds circulates among people whose own roles in the ecology will multiply: They may act as viewers but also as redistributors or peer-to-peer promoters of the work, or even as remixers, modifying work that is easy for them to find, store, edit, and send.

Bandwidth and storage can also substitute for each other in innovative ways. Netflix uses the Internet as a consumer interface; DVDs as a cheap, lightweight, and portable digital storage medium; and

the postal service as an inexpensive if slow distribution network for many types of film and video, including a growing amount of independent work. It also uses software that allows users to get suggestions for new work based on their viewing preferences and ratings, thereby potentially allowing filmmakers and viewers to get beyond traditional marketing filters. The important point is that Netflix is as much a product of the changes digital technologies make possible as the more overtly futuristic demonstrations of instant downloads of full-length movies over super-fast connections.

Another company, Film Movement, is using a similar model (DVDs and the mail) expressly to distribute independent work. Film Movement is a curated subscription service that offers independent films, foreign films, and shorts, chosen from leading film festivals, on a "book-of-the-month" model. The company selects one film a month to send to subscribers, who then own the DVD. Here again, advances in technology that have little to do with the Internet are expanding the opportunities for independent work to connect with interested audi-

I was at IBM Research about a year ago and these guys made the point that within about five years, storage would be cheap enough and small enough that you could record in video every minute of your life and carry it around with you in your pocket. A device the size of a iPod could store continuous video of your life. So start imagining that world. Maybe bandwidth isn't the service. Maybe you stick your iPod device into a socket in a store and they fill it up with 1,000 videos, which you'll pay for when you use them. Then all that needs to be transmitted over the wires is which one you're watching.

**Tim O'Reilly,
O'Reilly and Associates**

ences in ways that would have been much harder and more expensive a decade ago.

Cheap storage creates new opportunities like this, but it also threatens potentially severe disruptions. The economic basis for broadcasting (and to a lesser extent, cable) may become unstable if PVRs take off in the way that some people expect. Because PVRs allow people to create their own “primetime,” they undermine the basic rule of thumb for how to price advertising time. While it’s not hard to imagine how advertisers could accommodate that, what is harder to imagine is whether the current market for television advertising would survive if large numbers of viewers could be shown to be skipping ads, which services like TiVo make possible. Forrester Research forecasts that when 30 million homes in the U.S. have PVRs, 76 percent of advertisers will cut their TV ad spending, a quarter of them by more than 40 percent. Whether that fundamentally undermines the economics of broadcasting, or whether it frees up billions of dollars for other forms of media support, is unknown. But many observers worry that the current system, and the assumptions based on it, may not survive another decade.

The big point is that this talent is global. What made Silicon Valley the center of innovation wasn't Americans: it was foreign people who came to Silicon Valley to work. Same thing with Hollywood and LA. This competition is for talent, for people. We assume the United States has an unvarnished advantage, but in fact it doesn't.

Richard Florida,
author of *The Rise of
the Creative Class*

Globally interconnected networks will affect the market for media talent, media productions, and the scale and scope of audiences.

As the Internet increasingly becomes a global platform for the distribution of audio-visual media, it not only creates a widely available mechanism for distributing work at relatively low cost, but also opens the possibility for a more truly global bazaar for independent media of all kinds, from all places. That means that the market (in the broadest sense) for talent,

productions, and audiences can both grow and fragment: Media makers can find opportunities in more places, more work can be shared or selected, more media can be sought out by interested viewers, and more potential viewers can be attracted to individual works.

That can mean greater rewards for makers and institutions that can position themselves in this global arena and make sense of it, as well as greater competition for works and for attention for everyone who wants to get seen or heard. That is, it won't be just today's makers who can use this new platform to increase their own reach. Everyone will

What the world really needs is truly, truly global media, where people don't have American flag lapel pins on. It's an abomination for CNN and Fox to say they are global news outlets. They are trapped in these gravitational field of national states. So I think that the outsourcing of news—one could only welcome it. I think the independent media people really ought to go totally global and cut loose from the American umbilical cord. And I think they would be much better received if they do that. This is a whole area of invention that has not been addressed yet. No one has set up a media outlet that has no country.

Orville Schell,
dean of the Graduate School of
Journalism, U.C. Berkeley

be using it to try to increase their reach, which means that everyone will find the media bazaar more crowded than ever before.

Trusted guides to the overwhelming number of media choices—from recognized expert interpreters to word-of-mouth recommendations—will become more important for individuals making choices, yet the number and type of possible guides will also multiply significantly.

Motion media can't be easily "scanned" or "tried on" beforehand to find out whether it's a good choice, so if the consumer or viewer is to take a more active role in shaping her own media environment, trusted guides will be more crucial than ever. Those guides can be the established ones, of course—newspaper and magazine critics, film festival juries, regional or national awards, not to mention word of mouth from someone whose opinion you trust. But upstarts can easily come in as well, from online databases like Internet Movie Database, to collaborative filtering like Amazon's "customers who bought this DVD also bought..." feature, to blogs written by aspiring taste-makers, to individuals like Kevin Kelly, a well-respected author on topics far from film, who created his "truefilms" website to catalogue and recommend works that he and a friend of his like. So guides are important and will be even more so, and there will be many more to choose from than ever before.

4. Fragmented

Audiences are fragmenting and organizing in new configurations

Perhaps there were, once upon a time, homogeneous mass audiences who widely shared a small number of media experiences that fostered and reflected their sense of belonging to a single whole. Whether or not it was true, the new ecology is different in almost every way. When it comes to audiences, big is getting smaller, small is getting better, and the whole notion of "we" is shifting shape.

Only a few shows, projects, or products will attract big or mass audiences.

Audiences have always tended to form around a small proportion of all releases. This is true of commercial works in theaters and commercial television audiences, and it is equally true of independent media. Consider the statistics cited earlier about the recent growth of the market for documentaries and the number of documentaries with multimillion-dollar grosses. While good news for the field as a whole, it is worth noting that a very small number of works benefited from it. If we start from the report that the domestic box office revenues for documentaries in 2003 was \$49.2 million and that *Bowling for Columbine* grossed a little over \$20 million, then it is possible that it accounts for a significant fraction of that total. (The

film was released in 2002 but won the Oscar in 2003, and it is hard to tally how much of its gross is part of the 2003 total for all documentaries.)

It's also worth noting that among the most successful films, *Bowling for Columbine* earned almost twice as much as *Winged Migration*, which earned almost twice as much as *Spellbound*, which earned about twice as much as *Capturing the Friedmans*. This is a tail that drops off very fast: If the pattern holds, and patterns like it are often observed in these kinds of rankings, the tenth most popular film on that list would have grossed about \$45,000, and only five films would have grossed over \$1 million. Growing the pool and so increasing the competition will intensify this effect and leave an even longer tail of underappreciated works, rather than cause attention to be distributed more evenly. Moreover, it is likely to mean, as we are already seeing, that while only a few works will attract large audiences in the conventional sense, what counts as a "big" audience will also get smaller.

Media with a strong, well-defined political point of view will increasingly attract supportive audiences.

Before the summer of 2004, the most commercially successful feature-length documentary of recent years was *Bowling for Columbine*, a film with a strong political point of view that grossed \$40 million in theaters worldwide, earned over \$100 million in DVD sales, won the Oscar for best documentary, and helped keep Michael Moore's books, *Stupid White Men* and *Dude, Where's My Country*, on the bestseller lists.

Then *Fahrenheit 9/11* earned more in its opening weekend than *Bowling for Columbine* did in its entire domestic run (\$21.9 million versus \$21.6 million). *Fahrenheit 9/11* was the top-grossing film that weekend, attracting more viewers than any other feature in theaters. Five weeks later, it crossed the \$100 million mark and was still among the top 10 films at the box office.

Michael Moore may be an anomaly, but the evidence is all around that media with strong social or political points of view will attract loyal audiences. Much of the *New York Times* bestseller lists for nonfiction books have been strongly partisan titles from both the left and the right for the last year or more, and the strong political view associated with Fox News helped send it to the top of the cable news ratings. Commercial distributors and theater owners are already acting on this. In the summer of 2004, a growing number of sharp-edged political or social works hit movie houses: *Super Size Me* and *Fahrenheit 9/11*, of course, as well as *The Corporation*, *The Yes Men*, and *The Control Room*. *Outfoxed*, originally released on DVD, became one of the top-selling DVDs on Amazon, and then jumped from DVD distribution to theatrical release in a number of cities.

One thing we've found that is very new is the tremendous polarization of audiences. The era of mass media is really over.

**Celinda Lake,
president/CEO of public opinion
firm Lake, Snell, Perry, and
Associates**

The tradition of journalistic “balance,” which developed in part so that media organizations could serve mass audiences of people with diverse tastes and opinions over wide areas, could easily be replaced by more openly partisan media outlets with clearly distinguished positions, matched to specific audiences and interests. Journalist Jim Fallows suggests how two trends, each already well-established, could combine to make this happen. First, news and information are now primarily market-driven, rather than oriented around a public interest notion of citizenship. Second, American society is becoming more stratified and polarized in terms of income, education, and politics. Given these two trends, Fallows concludes, the commercial media “is going to be more openly and honestly partisan,” creating new opportunities for commercial distribution of work with strong social, political, or cultural points of view. That, in part, will mean a growing audience for media that is sophisticated and critical, presenting challenging themes and pushing formal boundaries. Even if that doesn’t happen everywhere or for all media outlets, it is already the case that strong partisan points of view are finding supportive audiences.

The next generation of producers and consumers will have different attitudes, tastes, and assumptions than the ones that prevail among Boomers and Gen-X’ers today.

We expect that these Millennial kids will make their mark in institution-building and in some civic rebirth, using technology. There will be some problems that middle-age people today think you could never fix and the Millennials will find a way to fix them. But they will do it in ways that are not necessarily going to promote the agendas of Boomers.

**William Strauss,
coauthor of *Millennials Rising:
The Next Great Generation***

Many people we interviewed urged us not to assume that the next generation of media makers and viewers would organize their social and political allegiances, much less their media habits, the way their elders have. Some of the younger people we interviewed in particular felt strongly that people in their teens and 20s use media differently (much more multitasking while using media) and have far weaker allegiances to categories like commercial/noncommercial or independent/ mainstream.

Demographer William Strauss, who has studied generational cohorts going back over the last century, argues that people he calls the Millennial generation—those born since 1982 and so coming of age in the first years of the new millennium—are unlikely

to emphasize the same social and political priorities as Boomers (who drove the rethinking of gender in our society) or Generation X-ers (who put race and ethnicity at the top of their agenda). According to Strauss, Millennials’ social concerns will be less about gender, race, or ethnic identity, and more focused on economic inequality. Navigating cultural differences and increasing cross-cultural understanding will still be important, but the Millennials may not organize themselves around the categories or identities that shaped late twentieth-century politics and institutions.

Millennials are also “more culturally conservative than people think.”

Someone who is a technologically savvy media person, either a filmmaker, or a musician, or an animator, circa 2004, I think more of them view themselves as people who just make stuff. And if that goes up on a website, great. If it ends up as part of an animation festival, great. If MTV is interested, that's also fine. I think there is less of a hard and fast boundary between commercial and noncommercial, or independent and mainstream. And I think technology is partially responsible for that and part is a generational zeitgeist.

J.C. Herz,
Joystick Nation

According to Strauss, “What we see coming among Millennials is a combination of cultural conservatism and confidence in institutional reconstruction that you might, in today’s parlance, call more liberal. ... If I were to say what the heart of the generation’s gathering political point of view is, it reminds me of the conservative Democrats of 30 years ago.”

One way those new tastes and assumptions will likely play out is in the rhetorics or styles that speak to them. Many observers already see a new style emerging among many of the more popular recent independent works, which combine pop sensibilities or attitudes with strong points of view and techniques borrowed from popular fictional genres. Henry Jenkins of MIT, who has been studying this, observes “a much more playful space and more hybrid space opening up now than in traditional

alternative media. ... What we’re seeing more are artists that engage with pop culture, the fun part of culture, even for political ends.” Tom Bernard of Sony Pictures Classics similarly summed up the new documentary style as “populist,” noting that the documentaries gaining wider audience attention don’t follow an earlier generation’s “strict documentary authority.” Or, as Henry Jenkins concludes, “The line between Michael Moore and JackAss is a thin line. The line between trying to gross someone out in a shopping mall and confronting Charlton Heston in his house is thinner than we think.”

5. Financially reorganized

How independent work is funded and who funds it will change

The support system for noncommercial independent work is changing and will continue to change in ways that may make independent media makers wonder whether they are playing a game of “chutes and ladders”—a new terrain of sudden falls as well as new chances to move up and get ahead.

Federal and state money for the media arts has shrunk, and the proportion of arts grants that go to media work has also fallen in recent years. The growing pressure on foundations to demonstrate impact may create a new hurdle to funding important but hard-to-measure media projects. As one foundation supporter of the arts recently said about arts funding in general, “The traditional combination of government, foundation, and corporate funding is pretty much shot. ... The only area with some potential for growth right now is wealthy individuals, and they are all feeling besieged.”

Over the last generation, government funding for the arts shifted from the federal to the state and local levels, which, the RAND Corporation reports, has produced “a corresponding shift from general support for artists and arts organizations to a greater focus on how financial support for the arts can promote instrumental social and economic benefits.”

Long-term deficits are expected in the federal budget, and many state budgets are being cut as well. According to the Center on Budget and Policy Priorities, 30 states are projecting budget deficits for 2005, with a total shortfall of about \$40 billion. (The two states with perhaps the strongest media arts constituencies, California and New York, are the two with the biggest deficits.) Against that background, state arts councils have been cut repeatedly in recent years—another 39 percent in 2004—and reports suggest that state budget problems are likely to continue in coming years, making a revival of state funding for the arts in general or the media arts in particular a challenge. It’s possible that public funding for media work may be more likely to flow through “public diplomacy” budgets than traditional arts or humanities programs, but this channel is less likely to support truly independent or artistic work, almost by definition, since it is being supported specifically to promote government aims.

When Grantmakers in the Arts (GIA) analyzed grant dollars for arts and culture, it reported that foundation giving to media and communications fell as a proportion of all arts funding, from 10 percent to 8 percent between 2000 and 2001 (the most recent period GIA has analyzed). GIA data suggest that foundations awarded about \$158 million to media and communications programs in 2001, down from \$180 million the previous year. Using different data and methodologies, the MediaWorks Initiative concluded that foundations and private donors give about \$4 billion to media and communications broadly defined, with most funding going to producing content. Alternative and independent media projects are not “major beneficiaries” of this giving, however.

The structure where you got funding and then you produced something—there will still be some of that, but it will be replaced by things that get produced and get discovered from the bottom up in the same way that somebody could start a new blog or website and have it be discovered. That will be particularly true in the frothy early stages of the digital video revolution.

**Tim O'Reilly,
O'Reilly and Associates**

Meanwhile, many foundations are seeking new means of demonstrating impact, effectiveness, and accountability. The context for supporting independent media may change as a result, further solidifying the sense in the field that many foundation funders tend to only fund work that is associated with campaigns or that directly supports other program priorities at the foundation. Challenging work that is unlikely to find significant audiences, or non-narrative or experimental work, would seem less likely to find foundation support in this environment.

Other sources of support for media may emerge from grassroots movements and the Internet, however. MoveOn demonstrated that \$1.3 million can be raised in less than 48 hours from small donations to support political media. More recently, the Media Venture Collective was created as a means to pool small donations to fund “public benefit media enterprises.”

Particularly in a country like India, technology becoming cheaper means dependence on the big studios and the big funders is gone. People produce their own film now.

**Ravi Sundaram,
media scholar, Center
for the Study of Developing
Societies**

But it may well be that the new ecology generates very different funding structures from the ones that emerged in the last generation. As media scholar Ravi Sundaram notes, the new technologies have reduced the dependence of many local media makers on traditional sources of money. There are of course still problems of distribution and getting the work seen, but one can get a project off the ground for far less. That means that the traditional model of shopping a proposal around before starting a project—a practice already in decline for practical reasons—could be turned on its head. The money comes

after, perhaps especially to help the maker with what has become harder than ever: creating or organizing audiences for the work.

Taking Action

These “givens” of the new ecology will be true in any story about independent media over the next 10 years, and they suggest a range of new possibilities that will affect every actor in the media environment. Indeed, it’s not hard to imagine ways in which elements of this new ecology could generate surprising futures that would reward different skills and practices than the ones most often found among independent media makers and organizations today. For example:

What if the way independent work reaches its audience changes profoundly? As Daniel Erasmus, a strategy consultant, points out, independents have everything to gain from innovative distribution models, while the entrenched commercial players are wary of experimenting because they feel as if they have everything to lose. How might it work? Author Howard Rheingold envisions a combination of collaborative filtering and peer-to-peer digital distribution, which in combination with ever-better and more widely available production and post-production tools would be far better for independent makers than the current system. Walter Parkes’s experience at DreamWorks, where he heads up film production, underscores for him that “nothing takes the place of word of mouth, of someone you know who says ‘I saw this movie and it was fantastic’”—especially now, when much of the audience is deluged with media choices and believes that messages from the studios themselves are “such a complete hustle.” Both Parkes and demographer William Strauss point to mobile phones, digital technologies, instant messaging, simple text messaging, and other tools now in wide use among young people as the mechanisms by which word of mouth can more quickly and powerfully than ever create potentially significant audiences for work.

What if the next major platform for video is the very small screen? Technology researcher Sandeep Cahi argues that “the next generation of new media is going to phones.” He points out that the software—MPEG-4—makes this easy, but the hardware is not in place yet. A totally different media experience? Absolutely. Combine it with the new means to share work described above, though, and whole new possibilities emerge for work that would surely have new forms and could create new ways to organize, entertain, and inform large numbers of users outside of today’s distribution channels.

What if independent media finds its most devoted and fastest growing audiences outside the United States? Two other factors that are creating new possibilities for American independents came up repeatedly throughout our interviews. One is the growing use and capacity of the global Internet. The other is that for the foreseeable future, the U.S. will be the global hegemon, which means that people around the

world will be interested in ideas and perspectives on the American experience. Internet strategist Daniel Erasmus sees “enormous opportunity on a global scale for offering different thinking about American ideals” than what comes through the commercial system today.

What if independent media is no longer linked to nonprofit institutions and noncommercial markets? A few of our interviewees speculated about whether the noncommercial/commercial divide should remain part of the organizing framework of independent media over the next decade. We heard this even from less commercially oriented people and those who work with nonprofits. As head of Pacific News Service and founder of New California Media, Sandy Close has worked with nationally recognized nonprofits and little-known ethnic media groups for many years. Reflecting on her work, she says, “The nonprofit sphere did a great job...but maybe it’s time for something else. I sense a much more pragmatic, entrepreneurial sphere.” According to Close, “Ethnic media are the public voice of the raw grassroots. They are market-driven because they have to survive out of small-business advertising, classifieds, subscriptions, and all the rest of it. But think about how embedded they are in the audience they reach.” Could a thriving, sustainable independent media emerge entirely outside the systems of nonprofits, foundations, and government arts agencies?

Could you make strategy against these “what ifs”? Not really, because what may not be obvious at first glance is that each of them could take shape in very different ways and thus have different strategic implications depending on the broader context in which they appear. The new ecology is the essential background against which many possible futures could come to pass, but it will not determine their shape.

What *will* determine what happens against that background is how key uncertainties—the crucial questions that can’t be answered ahead of time—resolve themselves over the same period. Just as the research and interviews pointed us toward elements of the new ecology for independent media, they also uncovered a range of important uncertainties about the environment for independent work that could be very important to understanding the future of the field and the players in it. For example:

Will the social and political culture in the U.S. tend to be more supportive of independent work and themes or less supportive?

Will the use of media by people born since 1980 be similar to what we see now or very different from today’s habits?

Will the dominant aggregators that package and present independent media be traditional (the ones we know now) or nontraditional?

Will the primary support for independent work be subsidy or sales?

Is the transition to a fully broadband world slow to happen or fast to happen?

If there were a way to predict the future—to *know* what the future of independent media would be like—then making recommendations and acting on them would be easy. Unfortunately, there is no way to know what the future will bring. But the outlines of the new ecology do create new clarity about directions to investigate or steps that one could start taking now to prepare for a range of possible futures.

We have a handful of suggestions about what individuals and organizations committed to independent media can do to prepare themselves for the most likely futures that seem to be on the horizon. The recommendations are an invitation and a challenge: an invitation to take steps now to prepare for what may lie ahead, and a challenge to shake off the comfortable habits and long-held preferences that may be what have attracted many people to this field.

The next great age of independent media seems likely to reward people and organizations with the skills and appetite to do at least four new and inter-related things:

Develop a greater facility with market-based transactions, where people who value independent work can support it directly as either sponsors or consumers

Rethink how community can be built around media experiences

Redefine success such that this new environment of many half-sizes and special niches supports many opportunities to be successful rather than many new ways to fall short of outdated expectations

Take advantage of the new economics of making and sharing this work to reorganize how independent media is funded, with an eye to helping funders better manage their risks and to creating openings for new funders to experiment with funding media work

Many of the people we interviewed also had suggestions about experiments to try or directions to develop. These ideas are included here as a set of things to consider and test against the scenarios you might develop for yourself. Which of them would work in which futures? What are the assumptions built into each about how the future will turn out, and which ones could be an excellent strategy in some futures but not in all?

Recommendation 1: Wade into the market

The media arts and independent media have a complex relationship to the commercial market. They are often conceptualized as the alternative to a commercial media that serves the public interest ever more poorly, so practitioners in these fields tend to see the commercial market as that which they are working against or correcting for. But as the traditional public and philanthropic resources dedicated to media decline, and as new technologies allow for new ways to develop direct transactions with interested viewers, there remains the possibility that one can engage the commercial system without assuming the values of large commercial entertainment firms. To do that, though, may require slipping the leash of the sector's history and traditional assumptions.

Independent media as it comes down to us today emerged in the 1960s out of strands of philanthropic decisions, public policy and funding, technological developments, and social interest in media. As media historian Jon Burris notes, the media arts are importantly different from other arts in that there was no commercial market that public and philanthropic money was complementing or expanding. And the RAND Corporation study of the media arts noted that media artists were especially unlikely to cross from noncommercial to commercial work and were particularly critical of colleagues who did so, compared to artists in other disciplines. That, too, has a long history: In 1968, Jonas Mekas, a leading independent filmmaker in the 1960s and founder of the Anthology Film Archives, reflected an essential part of the early spirit among independents when, in describing the relationship of his generation of independent makers to Hollywood and commercial film distributors, he observed, "The things that we considered outdated, even harmful, we left to their own inevitable and solitary death by not cooperating with them, by keeping ourselves out."

When Peter Biskind writes (in *Down and Dirty Pictures*) of the "granola Sundance"—Sundance before the 1990s—this is what he is referring to: an independent movement that wanted to be seen but was profoundly ambivalent about, even opposed to, the commercial market, and supported by cultural subsidies that didn't bear any necessary or direct relationship to audience interest.

In this era of superabundance of media and limited public or philanthropic resources for it, the approaches of the passing era need to be rethought in light of the realities of the coming time. As the economics of video making and distribution become more like the economics of magazines, for example, looking at how independent print media has navigated its own changing marketplace can be very useful.

A company like Big Top Newsstand Services has pioneered ways to enter the commercial market on behalf of independent media without being consumed by commercial market values. Big Top distributes 70 independent maga-

zines—including *Mother Jones*, *The American Prospect*, *Sojourners*, *Color Lines*, *Tin House*, and *Razorcake*—and provides them with marketing, billing, and collection services. Big Top is owned by the nonprofit Independent Press Association, carries independent magazines exclusively, and has a mission to increase diversity on the newsstand. It pursues that mission by using commercial distribution strategies and negotiating with major newsstands to bring commercial attention and viability to independent magazines and the voices and visions behind them. The organization also helps the magazines affiliated with it learn how to better present themselves to their desired audiences.

One of the interesting cleavages in independent media is that the independent print media has always been primarily commercial, even if it lost money, while the alternative electronic media has tended (at least since the late '30s) to be primarily noncommercial. These strategies, then, may be an easier reach for print media, which has little of the ambivalent legacy of electronic media in this regard. But it is a model worth exploring, especially as the economic and audience patterns in independent electronic media begin to look more and more like their counterparts in the print world.

Another strategy worth looking at is the developing symbiosis between health food stores and a select set of magazines devoted to health, spirituality, politics, design, and other topics. While some themes are more clearly connected to what brings people to a health food store (health, wellness, food), others are further afield. Magazines such as *Utne Reader*, *Tricycle* (a nonprofit quarterly created “to spread the dharma”), *Bark* (a lifestyle magazine for dog owners), and *AdBusters* have no intrinsic connection to what people are doing at Whole Foods, for example, but the insight is that people who are in that store share many characteristics with people who are interested in the subjects of those magazines. Health food retailer Wild Oats regularly stocks 250 titles on its magazine racks, and 25 to 40 percent of the newsstand sales of specialty magazines such as *Shambhala Sun* or *Animal Wellness* come through health food stores.

To do this for independent media would require something that no one seems to have right now: an accurate picture of who the audience is or who might likely be interested in independent work. This is distinct from who the makers hope to reach or who they think the work speaks to or for, but would be rooted in an empirical analysis of the current audience (or audiences) for independent work. Based on that data, some market segmentation could be developed that would allow the independent media community to accurately identify the characteristics of those most likely to be interested in independent work of various types: the things they do, support, subscribe to; the places they go; the things they value; the organizations they trust; their education, income, location, and age; the considerations, perceptions, or prejudices that keep them from choosing to watch independent work that they might like. With increasingly accurate portraits of potential viewers, much better guesses could be made about where they might be found.

Using the health food store example, one could imagine an experiment where a modest selection of independent movies on DVD could be placed on racks near the checkout of a chain like Whole Foods or Wild Oats, if one believed that the people who shopped there were likely to be interested in independent films. Given that people tend to buy DVDs rather than rent them, and that DVD packages are small and not terribly expensive to make or display, it's not hard to imagine trying to position various titles as something like an impulse buy to go along with food, health, and simple home products.

Health food stores are just one example, but there are other venues that might also be potential partners for independent media distributors. The clothing retailer Putumayo, for example, developed Putumayo World Music, which sells CDs of upbeat international music through a growing network of nontraditional retail channels. Putumayo World Music (now owned separately from the clothing company) sells hundreds of thousands of CDs each year through a network of book, gift, clothing, and coffee retailers, as well as record stores. Putumayo World Music is now entering the DVD market, hoping to sell two to four releases a year through the channels it has developed. On a related note, Starbucks has become a retail channel for music as well, creating compilations, branding musical selections, and selling musical experiences as an accessory to coffee at Starbucks and through its affiliated chain, Hear Music.

The point isn't to recommend specifically that independent work will find its audience at coffee shops or health food stores rather than more traditional outlets where people go to look for media. Rather, the point is that people have been experimenting with different methods and channels of connecting non-mainstream work with people who might be interested in it but are not finding it (or even aware of it) through traditional channels; that there are a diversifying array of means to enter into direct, transactional relationships with current and potential audiences and allow people to support independent work directly that are not tied to Hollywood benchmarks or basic cable economics; and that there is not enough data to know who the real market for these works is or could be and what channels could be found or created to reach that market.

Being willing to enter the market also means recognizing that the costs of production and distribution are changing in complex ways, but certainly in some ways that break open the traditional constraints that kept non-mainstream fare in the margins. Economic sustainability is not necessarily about creating markets large enough to support media work in the old style—it will increasingly be built around balancing the costs of production with the size of the audience willing to support the ideas or experiences conveyed in the work. Unless we believe that there really is no one interested in exchanging money for the experience or ideas in the work, the chance to enter the world of more direct transactions that support independents should be good news for both makers and audiences. This does not imply

that no subsidy will be needed or offered, but the subsidy will be a complement to the more direct exchange with people who value the work, not the replacement for it.

Recommendation 2:

Rethink the communal experience around media

One traditional component of independent media (or all motion media for that matter) is the communal experience of watching it. As Andrew Taylor has compellingly argued, what traditional exhibitors of cultural work are really selling is not the content per se: It is the experience of the content in a specific setting, including the sense of who else is there. Classic activist documentaries like *The Hour of the Furnaces* had title cards between sections that instructed the audience to turn off the projector and discuss the issues raised before moving on. P.O.V., one of the most distinctive and successful presenters of independent work on public broadcasting, developed P.O.V. Interactive and Talking Back, two ways to encourage this sense of connection among viewers by allowing them to create conversations with one another and with P.O.V., even though they watched at home.

But one of the long-term and apparently irreversible trends, in terms of both time and money, is toward the concentration of cultural consumption in the home and/or on personal devices controlled by the user. This has been going on for well over 20 years in every realm of the arts where it is possible. In the future, both economic and cultural success are likely to be substantially built around finding ways to get into the home or onto mobile personal devices. That said, there are communal experiences that can be developed for the benefit of independent work. They just happen to lie on either side of the act of experiencing the work, which is where the focus of marketing traditionally has been.

The opportunities for developing strong constituencies will be less about the experience itself and more about the period before the experience and after it: the word of mouth that generates interest and creates demand; the discussion forums that allow for dialogue not just with the filmmaker but laterally among members of the audience; perhaps even the ecology already visible in video games where the game makers encourage the users to add on to or comment on the game, thereby extending its reach and increasing the broader sense of imaginative engagement with the work (even if traditional authorial control is loosened).

Michael Moore and MoveOn are pioneers in this area, and social network websites could be brought into the mix, too. Moore and his distributors began mobilizing audiences before *Fahrenheit 9/11* was released in part through MoveOn. MoveOn members organized 4,600 “house parties” hosting 55,000 people to encourage people to see the movie and then to organize voter registration drives around it. Clearly, *Fahrenheit 9/11* has some

unique advantages in terms of free publicity, but the underlying idea is worth considering for other independent works.

How could independent media makers and organizations tap existing online communities or create them to promote their work more effectively than they do now, in essence inviting the community or network to become a friendly filter for independent work?

Recommendation 3: Redefine success

As noted above, the traditional economics of mass media required any given work to reach a large number of people before it could be considered successful, either commercially or (to a lesser extent) culturally. The new economics of niche media—the falling costs for basic production and distribution capacities and the ability to exploit online communities to develop awareness of and interest in work—mean that much more work could be economically sustainable (in terms of covering its costs). Whether or not these new possibilities will even partially replace or complement the primary economic incentive created by information-based goods or services—creating as large an audience as possible—depends in part on the extent to which those committed to independent media as makers and funders can redefine what it means to be successful.

The new environment will present independents and those that support them with a conundrum, because the traditional link between cultural success and commercial success has been broken. In the current environment and even more so in the future, work could be culturally successful—that is, it could gain widespread public attention, shape debate, even affect the course of current events—without being commercially successful. This is likely to be particularly true of those independent or unaffiliated media makers who develop the talent of creating fragments of media that can be circulated widely on the Internet and then picked up and amplified by the mainstream commercial media. (This may describe a new class of independent media maker or artist—those who rip and mix media from current events, repost it, and allow it to circulate freely without compensation or even attribution in many cases, and who, as a result, are able to recast debates or reframe conventional wisdom.)

Similarly, in the emerging environment, one could develop or aggregate niche audiences over wide areas that would cover the costs and return a profit to the makers or funders of independent work without the work itself ever becoming widely known. Growing numbers of niche audiences are generating surprising amounts of money for offbeat productions being sold directly over the Internet to interested consumers.

Thus the traditional link that has connected cultural influence, economic success, and aggregate audience size has been broken in ways that raise

new questions for makers and funders: Would it be a victory if independent work could be economically viable without being culturally successful in the classic sense of finding wide audiences? If we accept that this work is a niche taste and always will be, and that it could be sustained at that niche level, who would be satisfied? Conversely, for makers especially, if some agree to work in new ways that exploit that mass media's hunger for novel images and thereby have a real public impact without getting compensated or perhaps even recognized, would that be success?

There is, of course, no right answer, but it is a question that makers, support organizations, and funders will need to consider, if only to know what will count as success to them. Perhaps even more strategically, funders and makers should be actively engaging one another about how to redefine "success" so that they can support one another's goals more effectively. Most funders probably already know that there are many more ways to reach key audiences than a spot on PBS or cable, but that may still be in the background as the "gold standard" for success in the work they fund, especially when reviewing their grants with their own boards. Can new measures of success be created that will allow makers to be acknowledged as succeeding when they are not visible in any of the mainstream channels or reaching mass audiences?

At the same time, can makers break the grip of the old definitions of success in their own work?

Recommendation 4: Reorganize funding streams

The explosion of media products and the growing number of media venues and channels mean that the prospects for economic or cultural success of any single work are more tenuous than ever. There is simply more supply than ever before and more competing channels in every sense, so that there is more horizontal competition for every work (that is, work that is at about the same level of quality but has a different style or appeals to different tastes) and more vertical competition (work that is at appreciably different levels of quality) at the same time.

As a result, those who fund individual works will find that more than ever they have no way to manage the risks associated with sponsoring creative goods. In particular, the funder of a single work is at a disadvantage compared to funders who can spread their support across a number of works. In the commercial context, the goal of a "portfolio" approach is for one success to cover the costs of the ones that don't succeed. In the noncommercial context, the goal may be to avoid focusing too much attention on any single effort when every single work is facing so much more competition. Some may suggest that this situation calls for massing investments to allow at least a few highly supported works to cut through the clutter.

While tempting, this is also how funders (commercial as well as noncommercial) get committed to “10-ton turkeys”—projects that fail despite the extraordinary amount of money that has been put into them. Instead of overcommitting to a small number of works, especially at the beginning of the production process when the work itself is far off, it may be a better risk management strategy to find ways to mimic the strategies that have evolved in commercial settings to address exactly this uncertainty, including segmenting the creative process into its component parts—development, pre-production, production, post-production, distribution, etc.—for funding purposes or creating portfolios of related works where the portfolio’s success is more important than any individual work in it.

One aspect of the funding environment that should be cultivated is the explosion of donor-advised funds, giving circles, and other sources of non-commercial support outside of traditional foundations. Given the constraints we expect to see on foundations and public funding agencies for the foreseeable futures, and the ways in which many funders are under increasing pressure to demonstrate their “effectiveness” in ways that could diminish their appetite for funding individual media works, it may make more sense to find methods of cultivating newer, younger funders not working through foundations. There have been a handful of such attempts, including efforts such as the “Investing in Media that Matters” efforts at Sundance. But the preponderance of attention is still going to the relatively small number of traditional funders of media, when there is a larger, as yet undeveloped audience of potential funders with fewer constraints who themselves may be more interested in media per se than foundation boards and more willing to support “risky” ventures. (One highly visible example: eBay cofounder and new billionaire philanthropist Jeff Skoll recently launched Participant Productions to develop “socially relevant, commercially viable feature films” with budgets of between \$5 million and \$40 million.) The difficulty of reaching into this community cannot be underestimated, but it would be a mistake to focus attention exclusively on funders who have supported independent media to this point.

Especially as the initial production and post-production costs fall for many types of work, there may be possibilities to allow funders to sponsor work in ways that they can manage more actively. For example, in commercial contexts, the options contract, committing production funding, and the distribution deal are three ways to segment the overall risks associated with sponsoring creative projects. There are analogues to this already in the non-commercial sphere, but the new economics associated with production and distribution could allow funders to segment their own funding more actively. That would allow some funders to see finished (or nearly finished) works before committing to them, while others could focus on development.

One possible side effect is that when funders can manage their own risks better by creating portfolios to invest in, they may be able to initiate more projects if they care to. But just as commercial studios end up shelving some

projects, noncommercial funders seeking specific kinds of outcomes may need to be willing to do the same. This is not a great world for individual media makers seeking to earn a living solely as noncommercial creators—the amount of work out there and the amount of noise in traditional channels will likely only push down on the economic prospects of most makers. On the other hand, as noted above, makers may have more to gain by breaking out of the current system rather than seeking to perfect it.

Parting Shot

As noted in the introduction to this report, there are no promises here, only possibilities. We believe there are steps that people in the independent media field can start taking now to prepare for the future, whatever surprises it has in store. Looking at the future doesn't allow us to dictate a single path, though. If anything, it reminds us how dangerous forecasting a single future can be. What an extended, well-researched look ahead should do, and what we hope we have done here, is create a new confidence—and a new urgency—to guide a set of experiments that everyone can learn from.

Because even if the old world of independent media is becoming unsustainable, the new world and its ways are not yet invented. They will be created through countless experiments among those who are seeking a better way to achieve their timeless goals. The result, we hope, is that the incredible opportunity of this coming era is harnessed to the flow of ideas and views that enables a society to know itself, to see itself, to rule itself, and to renew itself as the society it aspires to be.

Appendix

Acknowledgments

The GBN project team whose work contributed to this *Deeper News* includes Andrew Blau, Katherine Fulton, Lawrence Wilkinson, Peter Leyden, Tina Estes, and editor Jenny Johnston. Peter Leyden conducted most of the interviews we used to inform the project and prepared the interview summary that is a companion piece to this report. He also created the tour of relevant websites—the virtual Learning Journey—as part of this project. (See page 48.) Tina Estes contributed essential research and reporting. Katherine Fulton and Lawrence Wilkinson provided strategic and editorial guidance for all the materials prepared in the course of this work.

The Interviewees

John Anner

Executive director of the East Meets West Foundation; former executive director and current board member of the Independent Press Association, a nonprofit that supports independent publications committed to social justice and a free press

John Battelle

Cofounder of *Wired* magazine and founder and publisher of *The Industry Standard* and *TheStandard.com*; *Business 2.0* columnist; author of the forthcoming book *The Search*, about Google and search engines

Wes Boyd

Cofounder of *MoveOn.org*; longtime technology entrepreneur; cofounder of Berkeley Systems, known for its screensavers and computer games

Sandeep Casi

Researcher on the interactive media team of FX Palo Alto Laboratory, for Fuji Xerox Ltd.; formerly worked for George Lucas's Industrial Light and Magic

Sandy Close

Executive director of the Bay Area Institute/Pacific News Service; founder of YO! (Youth Outlook), a collaboration between writers and young people, and New California Media, a network of ethnic news organizations; 1995 recipient of a MacArthur Foundation "genius award" for her work in communications

Brad deGraf

Founder of the Media Venture Collective and director of the Animation Archive for the Internet Archive; investment analyst for digital media for the International Finance Corporation (a venture subsidiary of the World Bank); a leader in computer animation in the entertainment industry

Daniel Erasmus

Cofounder and director of the Digital Thinking Network, a European strategic consulting firm in Amsterdam; a fellow of the Rotterdam School of Management, where he teaches MBA courses on scenarios and Internet strategy

Jim Fallows

National correspondent for the *Atlantic Monthly*; author of *Breaking the News: How the Media Undermine American Democracy*; former speechwriter for President Carter; former editor-in-chief of *U.S. News & World Report*

Richard Florida

Author of *The Rise of the Creative Class: How It's Transforming Work, Leisure, Community, and Everyday Life*; professor of regional economic development at Carnegie Mellon University

Rob Glaser

Founder, chairman, and CEO of Real Networks, a pioneering company in audio and video streaming over the Web; former vice president of multimedia systems for Microsoft; funder of independent media through the Glaser Progress Foundation

Ted Halstead

Founder and president of the New America Foundation, a Washington think tank not aligned with either party and geared to discovering next generation thinkers; coauthor of *The Radical Center: The Future of American Politics*

J.C. Herz

Design consultant; author of *Joystick Nation: How Videogames Ate Our Quarters, Won Our Hearts, and Rewired Our Minds*

Joel Hyatt

CEO of INdTV, a news and information channel aimed at 18 to 34 year-olds founded with Al Gore; founder of Hyatt Legal Services; former finance chair of the Democratic National Committee during Al Gore's presidential bid

Henry Jenkins

Director of the comparative media studies program at the Massachusetts Institute of Technology; co-director of MIT's Media in Transition series

Brewster Kahle

Director and cofounder of the Internet Archive, the largest publicly accessible, privately funded digital archive in the world; inventor of the Internet's first publishing system, WAIS (Wide Area Information Server), which was sold to America Online in 1995; cofounder of Alexa Internet, sold to Amazon.com in 1999

Celinda Lake

President/CEO of Lake, Snell, Perry, and Associates, a national public opinion, research, and strategy firm; senior adviser to dozens of Democratic incumbents and challengers at all levels of the electoral process, and to democratic parties in several Eastern European countries and South Africa

Tim O'Reilly

Founder and president of O'Reilly & Associates, thought by many to be the best computer book publisher in the world

Walter Parkes

Director of motion pictures for DreamWorks SKG, and head of its live-action division; producer of *Gladiator* (Academy Award for Best Picture 2000), *Men in Black*, and *Minority Report*, among many other films

Howard Rheingold

Author of *Smart Mobs: The Next Social Revolution*, *Transforming Cultures and Communities in the Age of Instant Access*

Ravi Sundarum

Media scholar in India and co-director of Sarai, a program of media in the city in New Delhi; fellow, the Center for the Study of Developing Societies

Orville Schell

Dean of the U.C. Berkeley Graduate School of Journalism and an expert on China; author of 11 books, most recently *Virtual Tibet: Searching for Shangri-La from the Himalayas to Hollywood*

Clay Shirky

Consultant, teacher, and writer on the social, cultural, and economic effects of Internet technologies; adjunct professor with NYU's interactive telecommunications graduate program

William Strauss

Coauthor of *Millennials Rising: The Next Great Generation*; *Generations: A History of America's Future*; and *The 13th Generation*

Sources & Notes

Establishing Shot

There are many good histories of the development of film and video as commercial industries, and many histories of the artists, inventors, and idealists who created underground film, alternative media, and independent media. One very useful starting point is Gerald Mast's *A Short History of the Movies* (Longman, 2002), now in its eighth edition. The online archive maintained by video artists Steina and Woody Vasulka, which includes more than 27,000 pages of documents, is an excellent source of material about the emergence of the video arts and media arts in the 1960s. The archive can be found at <http://vasulka.org/search/search.php>. See http://vasulka.org/Kitchen/K_Essays.html, for example, especially Marita Sturken's "Private Money and Personal Influence: Howard Klein and the Rockefeller Foundation's Funding of the Media Arts" (originally in *Afterimage*, volume 14, number 6, January 1987). Jon Burris's essay, "The Power of the Purse: Public Funding and the Aesthetics of Video" is long out of print but worth tracking down. (It appeared in a collection entitled "At Arm's Length: (Taking a Good Hard Look) At Artists' Video," edited by Barbara Osborn and published by the New York State Council on the Arts in 1990.) It is an excellent overview of the peculiar conditions in the culture, in public funding, in technology, and at a handful of key foundations that encouraged the independent media arts to emerge in the late 1960s.

Besides the interviews we did for this project, many articles document the enormous vitality in the field today. For example: "Nonfiction Films Turn a Corner: 'Fahrenheit' Shows Approval of Audiences and of Distributors," by Sharon Waxman, in *The New York Times*, July 5, 2004, page E1; "Made for TV, but Shown First in a Theater," by Anne Thompson, in *The New York Times*, May 10, 2004, page C7; "Back to Reality," by Blake Morrison, in *The Guardian*, March 5, 2004, available online at <http://film.guardian.co.uk/print/0,3858,4872436-3181,00.html>; "Movie Stars, Swimming Pools, and ... Cinematheques; The Alternative Cinema Boom in L.A.," by Steven Rosen for *IndieWire*, December 16, 2003, available online at http://www.indiewire.com/onthescene/onthescene_031216laac.html; "Documentary Films Show Surprising Drawing Power in 2003," by Michael Booth, in *The Denver Post*, October 16, 2003, page F1; and "The Exhibition Revolution: Coming Soon to a Microcinema Near You," by Joel S. Bachar and Taso Lagos, in *MovieMaker Magazine*, Winter 2001, Issue 41, available online at <http://www.moviemaker.com/issues/41/microcinema.html>.

Michael Kimmelman hailed Matthew Barney in a profile called "The Importance of Matthew Barney," in *The New York Times Magazine*, on October 10, 1999. The story of how two documentary films motivated the Bush Administration to reopen the investigation into the death of Emmett Till was told in many newspaper stories, including "U.S. Reopens '55 Murder Case, Flashpoint of Civil Rights Era," by Eric Lichtblau and Andrew

Jacobs, in *The New York Times*, May 11, 2004, page A1, and “Directors Elated by Plan to Revisit 1955 Murder,” by Felicia R. Lee, in *The New York Times*, May 12, 2004, page B4.

The story of BFVF’s closing was covered in “Citing Fiscal Pinch, BFVF to Dissolve,” by Loren King, in *The Boston Globe*, February 11, 2004, page D2. The Carnegie Museum of Art’s decision was reported in “In Cutback, Carnegie Drops Film, Video Unit,” by Patricia Lowry, in *The Pittsburgh Post-Gazette*, January 8, 2003, available online at <http://www.post-gazette.com/ae/20030108carnegie1.asp>. Disney’s refusal to distribute *Fahrenheit 9/11* was widely covered, including in “Disney Is Blocking Distribution of Film That Criticizes Bush,” by Jim Rutenberg, in *The New York Times*, May 5, 2004, page A1. More generally, the chronic difficulties facing independent media makers and media artists in recent years was thoroughly documented in a report that Don Adams and Arlene Goldbard prepared for the Rockefeller Foundation in 1997, “Film/Video/Multimedia Fellowships Evaluation.”

For more on the donation to USC to create a games-focused master’s program, see “USC Gets a Boost; Electronic Arts Donates \$8 Million to the School of Cinema-Television to Develop a Pipeline of ‘Next-Generation’ Talent in Video Game Design,” by Martha Groves, in *The Los Angeles Times*, March 22, 2004, page B3.

An extreme example of how falling costs could change how and where independent filmmakers need subsidy is *Tarnation*, a film created for \$218.32, mostly for videotapes, which *The Guardian* called “the surprise hit” of the Cannes Film Festival. See http://www.guardian.co.uk/uk_news/story/0,3604,1219070,00.html.

The New Ecology

The Pew data about broadband adoption can be found online at http://www.pewinternet.org/pdfs/PIP_Broadband04.DataMemo.pdf. The *Wired* article about online film festivals is “Online Festivals Nurture Film,” by Jason Silverman, January 15, 2004, available online at <http://www.wired.com/news/digiwood/0,1412,61921,00.html>.

For examples of moblogs, see <http://www.textamerica.com>.

The conversation with John Sayles appears in *Down and Dirty Pictures: Miramax, Sundance, and the Rise of Independent Film*, by Peter Biskind (New York: Simon and Schuster), 2004, page 474. The book also includes a number of relevant observations by other leading figures on the more commercial side of independent film today, such as directors Ethan Coen and Kevin Smith and actor Ethan Hawke, on pages 470-479.

For more on Emerging Pictures, see “Have Hard Drive, Will Travel,” by Sharon Waxman, in *The New York Times*, April 1, 2004, page E5, and at

<http://www.emergingpictures.com>. Information on the UK Film Council's "Digital Screen Network" program is at <http://www.ukfilmcouncil.org.uk>.

The first music video shot entirely on a cellphone can be viewed online at <http://ghettron.textamerica.com/?r=455355>. The next, completed a few days later, can be found online at <http://xfya.textamerica.com/?r=480272>.

Information about Nokia's Lifeblog can be found online at <http://www.nokia.com/lifeblog>. The BBC posted a story about Lifeblog called "Log Your Life Via Your Phone," by Mark Ward, on March 10, 2004. The story can be found at <http://news.bbc.co.uk/1/hi/technology/3497596.stm>.

Information about the device that allows people to record video from television for playback on their cellphones can be found online at <http://www.dottocomu.com/b/archives/002559.html>.

Jonathan Dee's observation about the cultural place of video games appears in his story, "End Game: Quest for Global Domination" in *The New York Times Magazine*, December 21, 2003. Deborah Solomon's essay appeared as "The Year in Ideas: Video Game Art" in *The New York Times Magazine*, December 14, 2003. Newsgaming.com can be found online at <http://www.newsgaming.com>, Water Cooler Games at <http://www.watercooler-games.com>, and the Serious Games Initiative at <http://www.serious-games.org>. Velvet-Strike, the famed anti-war "mod" to the game Counter-Strike, can be found at <http://www.opensorcery.net/velvet-strike>.

The PriceWaterhouseCoopers study is its *Global Entertainment and Media Outlook: 2002-2006*. The executive summary is available online at http://www.pwcglobal.com/e&tm/outlook/Outlook2002_ExecSummary_Final.pdf.

Netflix offers a growing library of independent work. In 2004, P.O.V., PBS's showcase for independent, nonfiction films, struck a deal to distribute P.O.V. programs one day after they air through Netflix. See <http://www.pbs.org/pov/utills/pressroom/2004/Netflix/pressrelease.doc>.

Kevin Kelly's annotated guide to what he calls "true films" is at <http://www.truefilms.com>.

Clay Shirky has written a fascinating essay, "Power Laws, Weblogs, and Inequality," about how audience attention becomes highly concentrated in the absence of media monopolies. He shows how this comes about through diversity of program options and freedom of choice among viewers. The essay is available online at http://www.shirky.com/writings/pwer-law_weblog.html. Andrew Taylor, whose "Artful Manager" blog on ArtsJournal (<http://www.artsjournal.com>) is a superb source of thoughtful

commentary on the issues facing leaders of arts institutions, commented on Shirky's essay, noting how the dynamics it describes complicate common notions of whether a work is "independent." Read his comments at <http://www.artsjournal.com/artfulmanager/83294.php>.

Michael Moore discussed the success of *Bowling for Columbine* and the growing interest in political documentary just before *Fahrenheit 9/11* was released in an article on indieWIRE: "Michael Moore on Fame, Non-Fiction Films, and 'Fahrenheit 9/11,'" by Eugene Hernandez, posted June 24, 2004, available online at http://www.indiewire.com/people/people_040624moore.html.

Tom Bernard's quote comes from Anne Thompson's *New York Times* article, "Made for TV, but Shown First in a Theater," cited above.

The foundation supporter of the arts is Robert Marx, vice president of the Fan Fox & Leslie R. Samuels Foundation, quoted in "Soft Financing Causes Arts Groups to Make Hard Choices," by Stephanie Strom, in *The New York Times*, June 19, 2004. The article also looks at the limited prospects for state arts funding in the future.

The RAND report—an invaluable report and essential guide to the media arts today—is *From Celluloid to Cyberspace: The Media Arts and the Changing Arts World*, by Kevin McCarthy and Elizabeth Ondaatje (Santa Monica: RAND Corporation, 2002). The quote appears on page 17.

Taking Action

From Celluloid to Cyberspace notes several "historical features" of the media arts, including "the clear and often critical distinction media artists drew between the type and artistic quality of the work produced in the independent and commercial sectors," and the fact that "media artists, unlike their performing and literary counterparts, were unlikely to cross between sectors and were highly critical of those who did."

To better understand the range of financial transactions associated with the arts, including the media arts, see *Creative Industries: Contracts between Art and Commerce*, by Richard E. Caves (Cambridge: Harvard University Press, 2000). The book is an extremely helpful guide to the distinctive economic properties that surround the creation, distribution, and exhibition of the arts today, and helps explain the kinds of institutions (for-profit and nonprofit) and contracts that have emerged to support and promote artistic works.

Robert McChesney provides an eye-opening account of how unions, churches, and other noncommercial entities were effectively pushed out of mainstream broadcasting in favor of commercial firms in the 1930s. Robert McChesney, *Telecommunications, Mass Media, and Democracy: The Battle for Control of U.S. Broadcasting, 1928-1935* (New York: Oxford University Press, 1993).

Knowing where to find likely audiences and how to reach them is the basis of the recent success of “Mormon Cinema”—films made by and for members of the Church of Latter Day Saints, a traditionally marginalized group as creators, subjects, or audiences. Filmmakers and distributors depend in part on the ability to locate Mormon households, identify areas of geographic concentration (Utah, of course, but also Atlanta, Dallas, Phoenix, and Las Vegas, for example), book theatrical releases in the targeted areas only, and support the release through related media, including the Internet.

Andrew Taylor’s essay is “Pandora’s Bottle: Cultural Content in a Digital World,” in *The Arts in a New Millennium: Research and the Arts Sector* (Westport, Conn.: Praeger Publishers, 2003), edited by Valerie B Morris and David B. Pankratz.

Other Resources

The New New Media: A Virtual Learning Journey

This virtual Learning Journey, created by Peter Leyden, GBN’s Knowledge Developer, offers a “clickable” tour of emergent online media tools and trends. The journey takes you to dozens of websites, explaining both the innovations they represent and the implications of those innovations for the future of online media. The journey is available online at www.gbn.com/independentmedia.

Looming Shifts in the Landscape: Interview Summaries

This document contains excerpts from more than a dozen interviews conducted during our research into the future of independent media. In it, interviewees share highly provocative ideas and insights about what independent media and media technology might look like in 10 years. The full interview summaries are available online at www.gbn.com/independentmedia.

Some Commercial Enabling Tools

Some companies are helping to make the online motion media creation process easier. It can be difficult to make the transition from the traditional film world to the online movie world, for example. How do you go digital? How do you get set up online? Right now, we're starting to move from the "novelty" phase, where online efforts are created from scratch and genny-raged into the "hardy adopter" phase, where normal professionals with no technical inclination can start to move their work online.

Setting Up Online "Real Estate"
Firstlook.com
<http://firstlook.com>

What if the name of your great new film is already taken as a Web address? This website provides an intermediary level of technology that allows people to find your film by just typing in its name (plus ".movie") into any Web browser.

The Online DVD Production Factory
CustomFix
<http://www.customfix.com>

CustomFix handles all the backend production and sales issues involved in getting your DVD into the hands of viewers. Simply steer your customers to them; they will handle the online financial transactions, produce the DVD on demand, and ship it off. Even after CustomFix takes its cut, there's plenty of margin left for you.

You author your DVD. Who do the PEEKS?
Peeks.com
<http://www.peak.com>

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About Global Business Network

Based in the San Francisco Bay Area, Global Business Network was founded in 1987 as a unique learning community based on ruthless curiosity, collaboration, and powerful new tools for thinking about and shaping the future. GBN's network spans the globe, blending strategic thinkers from leading companies in established and emerging industries; visionaries from the sciences, arts, business, and academia; and a community of practice engaged in innovating and transferring tools for scenario thinking and strategic action through consulting engagements and training seminars. For over 17 years GBN has convened this network, both electronically and in-person, to explore emerging issues and ideas and their implications for business and society.

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