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Fortune iMeme: The Future Of Media

Posted by Eric Savitz

Next up from the [Fortune iMeme](#) conference, a panel called: Net Mutations, the Future of Media. The panelists include:

- [Glam Media](#) CEO [Samir Arora](#)
- [MySpace \(NWS\)](#) CEO [Chris DeWolfe](#)
- [Interactive Corp. \(IACI\)](#) President of Programming [Michael Jackson](#)
- [Sun Media Investment](#) Chairman [Bruno Zheng Wu](#)
- Moderator, Fortune's Oliver Ryan

Arora, on how you define a media company: I would agree with Mark (Zuckerberg) that Facebook is not a media company. He had been chairman of Tickle, an early social networking company. There have been definitions from different places; combination of an audience, the advertisers that are monetizing this engagement of the audience; also used to include content that was editorially oriented. Has changed: MySpace is one; user generated content which was not in the definition in the past entered the definition of a media company. Single largest trend of online media is fragmentation or deportalization of media.

Facebook is not media company in current form; they do sell advertising; two forms of engagement. One form is entertainment, education and information in which you are engaged in media. There is a second form in which it is a utility. Like email; loading or looking at profiles. There are Web applications like social utility of Facebook; Myspace is in both areas. To be in media, source of content does not matter; it is mode user is in.

Jackson: True of media that everything changes and nothing changes. Biggest U.S. year for movie box office was in 1945 or 1948. But movies are now most important common culture that we share, at least that young people share. 1945 was half a century ago, and movies remain part of our shared culture. Important to remember intrinsic forms of popular culture remain the same. And yet we also have Facebook and Myspace. Disruption does not necessarily lead to the death of what came before it. Traditional media in the form 20th century Fox has practiced has been about a huge hits dragging along a huge pile of crap. You could have Star Wars as TV exec if you took the other 25 movies they made over the last five years. The worthless is now truly found out. Fashionable to be pessimistic about the world; I'd strike a note of optimism.

As for Facebook? Jackson says MySpace has already done what MTV started to do right at the very beginning. MySpace is dominant space for that anywhere. If they or Facebook wanted to be a media company - they could take on and eviscerate and add to MTV.

DeWolfe: He says Facebook is a media company; anytime you are competing for eyeballs; taking disposal time from radio, television, magazines. Different and unique way of consuming media; in past, go to particular destination to find content you want to find. Users want to consume media where they are hanging out; they want to do whatever they want with that media. In the past, the big content players who make the content have been against distributing it, wanted to keep it all on their own Web site; but people don't associate content brand with their conglomerate; young people dont know what network their favorite TV show is on. It is still a destination where you are consuming media but in a different way.

Wu: Facebook is a media company; a community media company; in its early stage; utilities bringing stickiness to a community; they have to make themselves more and more like a media company, like Google.

Arora: Glam.com is a network; do you need major destination site to be major media company? You want media where you are - like social networks - thats where users are congregated right now.

Are you the new ABC? The answer is absolutely yes, Arora says. Fragmentation means Yahoo with 73% reach of the Web accounts for less and less usage of the Web; growth in mid-tail, or long tail; only 30%-35% of impressions Google makes money on are on Google.com; they are in both, owned-and-operated, and syndicated. We are similar to Google's model. The content is shared with network of mid-tail sites.

Jackson is responding to a question about IAC's strategy. Jackson noted that in last boom many media companies tried to build things from scratch; this time, less arrogance, reaching out to people who really know it...We look at this world as being like Malibu before they built the houses; or cable before John Malone and others started building channels. There will be no more CBS who owns everything, or walled gardens to whom everyone goes first...there will constantly be people rising up as if from nowhere. World of viality, and word of mouth marketing.

DeWolfe is talking now about how hard is is for successful companies to build disruptive new technologies; but he says disruptive technologies will continue.

Arora: In the end, he says, consolidation will take place, driven by mass consumer awareness.

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Tech Trader Daily is a blog on technology investing written from Palo Alto, California by long-time Barron's West Coast Editor Eric J. Savitz. The blog provides news, analysis and original reporting on events important to investors in software, hardware, the Internet, telecommunications and related fields.

Eric joined Barron's as a feature writer in New York in 1988, after four years at the Dow Jones news wires. In 1995, he moved to California as the magazine's first reporter in Silicon Valley, creating the Plugged In column. Eric left Barron's in 1998 to become executive editor of The Industry Standard. He rejoined Barron's in Palo Alto in late 2001. Eric also writes the monthly Tech File column for Smart Money magazine. Criticisms, comments and tips can be sent to: techtraderdaily@barrons.com.

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