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Everybody talks about convergence while the exact opposite is happening

By Al Ries, chairman, Ries & Ries, Atlanta Georgia USA

How do you predict the future? One way is to look at what's happening on the fringes of society and then evaluate the possibility of that trend moving into the mainstream.

Rap music started in the African-American community. Today rap music is the most popular music genre in America. From the fringe to the mainstream.

Years ago, homosexuality was a forbidden topic. Today it's come out of the closet. Same-sex unions are covered in newspapers and magazines. Two U.S. television talk show hosts, Rosie O'Donnell and Ellen DeGeneres, are gay. Vice President Dick Cheney has an openly gay daughter.

A number of American television shows have a gay theme. Queer Eye for the Straight Guy, for example, is advertised as "Five gay men, out to make over the world, one straight guy at a time."

Britain's Royal Navy recently announced plans to actively recruit gay men and lesbians.

Conclusion: The world is going gay. In a matter of time, heterosexuality will become obsolete and everybody will become homosexual. From the fringe to the mainstream.

Not a chance.

What's the difference between rap music and homosexuality? Why would one expect rap music to become the dominant type of popular music and homosexuality to remain on the fringe?

History provides the answer. Popular music is fashion-oriented. As soon as one type of music becomes popular, it isn't long before it is replaced by another. Like clothing, music is a business where one fashion never stays popular for long. Jazz, swing, rock-and-roll, punk, grunge, heavy metal and, of course, rap have all had their day in the sun.

On the other hand, homo sapiens and other mammals have always been predominantly heterosexual. It is estimated that 3 percent of the population is homosexual, a percentage that has not varied much over the decades. Why would one expect that this pattern would suddenly change?

One wouldn't. "The best of prophets of the future," wrote Lord Byron, "is the past."

Which brings us to convergence. Millions of trees have died to serve as the background for literally thousands of convergence stories. There has been more interest in convergence than any other single technology development since the advent of the Internet.

Last June, for example, Business Week published a six-page article entitled "Big Bang! Digital Convergence is Finally Happening." And every other major business publication in America has jumped on the convergence bandwagon.

"Who's Going to Win The Living-Room Wars?" was the headline of a major report last month in The Wall Street Journal. "This convergence of computing, communications and entertainment has been promised before, only to evaporate because of consumer indifference and technology that wasn't ready for prime time. But now the pieces are finally coming together."

How long do we have to wait?

Twelve years ago, the same Journal was saying the same thing. "Shock is a common feeling these days among leaders of five of the world's biggest industries: computing, communications, consumer electronics, entertainment and publishing. Under a common technological lash – the increasing ability to cheaply convey huge chunks of video, sound, graphics and text in digital form – they are transforming and converging."

The best prophet of the future is not The Wall Street Journal, it's the past. Have technologies ever converged in the past?

When the airplane was first introduced, many articles predicted that it would converge with the automobile. (The Wright brothers first flew in 1903. The first flying car story appeared in 1906.)

As recently as September 26, 2004, The New York Times Magazine ran a four-page story on flying cars. "The age of the flying car may arrive sooner than you think," said the publication. (The best thing about predicting the future is that you are never wrong. It's always going to happen …if you wait long enough.)

When television was first introduced, many articles predicted that everybody would be getting their daily newspapers delivered through their TV sets. Then you would print out only the sections you wanted to read. It never happened.

When the Internet was first introduced, many companies added Internet access to their products. And so we had interactive automobiles, interactive gas pumps, interactive pianos, interactive

cameras, interactive watches, interactive toys, interactive clothing, interactive print advertising, interactive refrigerators, interactive washing machines and interactive soda fountains.

Then there's interactive television. In 1997, Microsoft bought WebTV Networks for $425 million and has since poured more than half a billion dollars into this interactive TV venture. Results have been dismal. Today, WebTV (whose name has been changed to MSN TV) has about one million subscribers, a trivial number compared to the more than 100 million TV sets in use in America.

Microsoft's next step was the "media center PC." Watch television, play music, play video and show pictures, all controlled from the homeowner's personal computer equipped with Microsoft software.

And, of course, Microsoft is a major player in smart phones, the latest and greatest convergence fad. Last year the company introduced its "portable media center" software that can download and play back TV shows, video movies and digital photos as well as music tracks on your cellphone.

"Everyone seems to agree," reported the Economist more than four years ago, "that the mobile phone will quickly overtake the personal computer as the means by which most people gain access to on-line services."

Not quite everyone because nobody asked us, but we believe that this is also highly unlikely. Cellphone/Internet devices are complicated and hard to use. Their tiny screens are suitable only for short messages and simple visuals.

The European telecommunications industry has bought into the interactive telephone fantasy in a big way. In developing systems for the next generation of interactive phones (the so-called 3G phones) the industry has gone heavily into debt. According to The New York Times, "The early mad dash to buy licenses and build networks has left telephone operators saddled with some $330 billion of debt."

In justifying this kind of investment, telephone operators are quick to note the success of iMode service introduced by NTT DoCoMo in Japan. It's the fastest growing telephone service in the world with around 40 million subscribers.

With iMode service, you can swap notes, buy tickets and download tunes to play on your phone. In principle you can use an iMode phone to look at Internet sites, but you will likely see only a small portion of the page and what you see may not be meaningful.

Most users spend most of their iMode time on the 3,000 or so iMode partner sites operated by some 2,000 content providers. What seems to be happening is that iMode sites are diverging from traditional Internet sites.

Instead of one Internet, there will be two: traditional Internet sites and truncated "iMode-type" sites that can be accessed by phone.

With all the hype, smart phones still represent only a small slice of the world market, 2.6 percent of the 684 million cellphones sold last year. (In America, smart phones get 90 percent of the cellphone publicity and half of the cellphone advertising.)

The convergence crowd likes to point to the camera phone as the prototype convergence product. And it's true that whenever convenience is the primary issue, you'll find examples of convergence.

The digital camera and the cellphone have not converged, however, in the same way that a male donkey and a female horse mate to form a mule. Nor did the camera phone replace the digital camera. Any serious photographer, amateur or professional, will always carry a separate digital camera.

The digital camera and the cellphone live together in a symbiotic relationship, like the eraser on top of a pencil.

The cellphone provides mobility for the camera; it's always with you whenever the urge to take a picture occurs. The digital camera provides a parking place for pictures. Whenever you get the urge to use your cellphone to send a picture, you can do so at a moment's notice.

If you take a camera phone apart, you'll find it's really two separate devices, wired together to communicate with each other. If you take a mule apart, you'll find it difficult to sort the donkey parts from the horse parts.

Divergence is more than a theoretical concept; it's a law of nature. In his book The Origin of Species, Charles Darwin credits divergence for the millions of species that now populate the earth, like the many branches of a tree that diverge from a single trunk. "The great tree of life" was his metaphor for the creation of species.

Darwin's genius was in recognizing that species like cats and dogs might have a common ancestor, but that they had "branched off" or diverged in response to environmental changes. Over time, the differences between each species becomes exaggerated. In Darwin's words, "nature favors the extremes."

The computer might have had a common ancestor (the mainframe), but today we also have midrange computers, network computers, personal computers, laptop computers, tablet computers and handheld computers. The computer didn't converge with another technology. It diverged in response to consumer demands.

Television might have had a common ancestor (broadcast TV), but today we also have cable TV, satellite TV and pay-per-view TV. Also analog and digital TV. Regular and high-definition TV. Standard (4/3) and widescreen (16/9) TV formats. Television didn't converge with another medium. It diverged in response to consumer demands.

The telephone might have had a common ancestor, but today we also have cordless phones, headset phones, cellphones and satellite phones. Also analog and digital phones. The telephone didn't converge with another technology. It diverged in response to consumer demands.

Yet the consumer electronics industry seem to be going in the opposite direction. "Put a mark on your calendars," said Sony's new CEO Howard Stringer, "2005 is the year Sony will fulfill its digital promise by creating a formula that melds electronics, video game entertainment, movies, music and other forms of entertainment, and become more networked and converged than ever before."

Don't bet on it.