

# The Technology Revolution

Why it's important to stay ahead of the game

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On the heels of a financially tumultuous 3 years for anyone with a bank account, the world stopped with baited breath, anxiously awaiting the arrival of 2012, only to be met with one simple yet unstoppable truth. When it rains, it pours. Symptomatic of the unrest wreaking havoc through our financial core, we saw one ugly side effect after another. We saw scandals, drama and politics and as if that wasn't enough, the bowels of our planet decided to once again test the resilience of humanity literally shaking us to our very core.

The last 3 years have certainly taken their toll. At some point, even the mightiest mountains give way to persistent streams and the inevitability of progress waits for no one. The giants of the previous generation must grow and evolve and failure to do so, or rather a stubbornness to embrace these critical values is more than subconsciously fatalistic. It's fatal.

At some point in an organisations ominous collapse, it reaches its event horizon and becomes nothing more than a spectator. One of the most recent collapses didn't come as a surprise to the industry it shaped and moulded for decades. But who was it?

This industry leader provided the medium for countless Oscar winning films and was the cornerstone of any Hollywood budget for as long as history remembers. It brought the world the Queen's coronation from 1953, its products were hurtled into space on Apollo 11 and delivered us those life changing pictures as Neil Armstrong uttered that hauntingly inspirational phrase. It delivered the pictures of Diana's final goodbye and carried Dr King's message of hope and equality across the globe as he delivered one of the

greatest speeches in human history.

I write, obviously, of no other than Kodak

Kodak was established in 1888 and immediately revolutionised our lives. The ability to make time stand still and capture a single moment in time was ground breaking. Overnight, this technology exploded and literally shaped the very world we live in today. From professional photographers to school children Kodak was able to provide anyone with almost magical abilities. From Australia to Afghanistan, India to Sri Lanka, America to Russia, Sweden to China, Kodak changed the way we see the world and the way the world sees us.

But so much promise and so much success made way for disaster when Kodak filed for chapter 11 bankruptcy protection. The 131 year old giant had been slain and it was time for others in the industry, others in all business sectors to stand up and take notice.

It doesn't matter how large or successful an organisation may be, by ignoring evolution, and not expanding to meet social, cultural and technological trends, the potential is there for any organisation, in the blink of an eye, to fall to the bottom of the industry pecking order.

The demise of Kodak must possess a real sting for stakeholders, why? Because Kodak had the opportunity to capitalise on the digital camera and film industry not once or twice, but three different times. Initially through the digital-camera tech it helped create yet pulled out from producing, gravely misunderstanding the new ways consumers wanted to interact with their photos through photo sharing and photo



## The Landline Telephone

viewing etc. To go with this they also underestimated the technology development of the film industry, and the market forces surrounding them.

Many blamed the recent inconsistency of the economy for the downfall of Kodak, yet is that an excuse? Why did so many other organisations manage to weather the storm and not go under? The truth, simply put, Kodak was not courageous and proactive enough to succeed in a developing market. By the time Kodak had managed to summon up the courage and get both feet in the door of the digital film industry, it had been outplayed by more agile competitors with better products.

It seemed to be that whenever Kodak took a chance and tried to shape the market, it was too late. Now on the brink of becoming just a distant memory, it only shows how a market leader who misunderstood the changing digital and social forces, transforming consumer needs in the 21st century, dug their own grave.

While it is startling to see the demise of Kodak, it's not unusual. The digital revolution has changed the way we do business, particularly the way technology is forcing innovation and is placing pressure on a variety of industries and markets.

With the digital world making the Kodak moment just a memory, what else is on the brink of technological extinction? With telephones, TV shows, books, music, photos and videos all fitting into our jacket pockets or purse, the endangered list is becoming surprisingly long

Developed in the mid – 1870s by Alexander Graham Bell, the telephone was long considered an indispensable tool for businesses, households and governments; in its peak, being considered one of the most common appliances in the developed world.

Unfortunately the common perception now in the 21st century, is that the dial tone of the landline is dead. Why? The mobile phone. For most the mobile phone is to the technology world, what the Swiss army knife is to the camping world; a multi-purpose tool that can be used for almost anything, from music to television, communication to art, etc.

That's not saying most people don't have landline phones in their homes, many do however use them primarily for their cable television or Internet connection. Mobile phones allow consumers so much more than a telephone device.

It's easy to forget that a mobile phone can be used as a communication device; it has so many other functions. Apart from the endless list of apps, there is one confounding element that separates the mobile phone from the landline.

Privacy! The issue of privacy is a huge problem in our current society and the landline phone has allowed access into the personal life of the consumer. In an era where privacy is thrown out the window and something as private as your phone number is thrown around for companies and organisations to do with as they wish it's frustrating and scary for most. There is a sense of privacy with a mobile phone. The ability to identify those closest to you, those you do not know and simply those you don't wish to speak to.



## The Disposable Camera

The late 1980s saw the birth of the disposable camera, but the late 2000 saw its decline. Primarily for two reasons, the maturity of the digital camera and the evolution of the mobile phone.

By maturity I mean in regards to two aspects. Initially the technological development, which has improved clarity and increased resolution available in digital cameras. The second factor, affordability. Combine them together and you get a product, cheap in cost yet substantially more practical for users. In what way? Lets take a standard Kodak disposable film camera and put it up against a digital camera. In terms of cost you will probably be paying more for a digital camera over a disposable camera, so you give the points to the disposable camera on that one but what about quantity? Disposable camera roughly holds 30 photos? With digital camera, in theory endless? And combine that with the ability to provide consumers the chance to view their images on the spot and re-take if necessary (Making it value for money).. You get a winner.

The development of technology and mobile devices has allowed for high-resolution cameras to be embedded within the mobile phone. A new concept? Not really, but with the technological development which has evolved over the last decade it has allowed for the 'disposable camera' market (one defined by convenience, practicality and affordability), to be attracted to a multiple purpose device which has evolved to possess the same quality as a 8 pixel digital camera with similar storage capabilities.

And the result? The slow death of the disposable camera.



## DVD Player

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The next big thing to be lost in the technology world is the DVD player. Replicating the series of events that lead to the demise of the VHS, the DVD is slowly making way for the world of hard drives and online streaming.

Sales of DVD players have fallen to their lowest level for seven years, pushing leading experts to warn that the technology could soon die out.

The rising popularity of Internet downloads and digital video recorders has seen a switch to watching films and TV series online, rather than keeping a hard copy.

The trend could see the once dominant DVD go the way of the tape deck, vinyl LP and VHS player.

Many could argue the reason behind the growing popularity of the external hard drive and content streaming is because of factors associated with the technological revolution pushing for three features. Convenience, accessibility and affordability. Hard drives allow for greater storage, whole series placed on one wallet sized piece of technology which allows consumers to access their content where ever and when ever they wish. A factor that seems to pop up regularly in the demise of many of these products. Affordability. Streaming a product, purchasing the rights to it online or simply downloading it (we do not condone this) are all much cheaper options for consumers, in comparison to purchasing DVDs and DVD players.

The greatest challenge and possibly final straw for the DVD player will be the introduction of the National Broadband Network (NBN). Greater data download limits mixed with faster connectivity and possibly cheaper contracts will mean consumers will be able to upload/download their visual content (music, TV shows, series) with even greater convenience and speed than ever before, putting the final nail in the coffin of the DVD player.

## Lessons Learned?

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So what can you take away from the failure of Kodak? Don't be scared to throw yourself into the deep end; evolve, grow and do whatever is necessary to ensure you keep up with technological, social and cultural movements. It was Kodak's inability, over the past 10 years to make any of its products stand out in a rapidly changing market, and a reluctance to adjust or innovate to stay ahead of the competition.

Apart from Kodak there have been a number of organisations that failed to capitalise upon growing market trends. Sony were reluctant to develop an innovative digital Walkman, a fact that allowed Apple to enter the iPod into the market. Blockbuster ignored dot.com organisations like Netflix and other streaming companies when they began to gain popularity and in the end went bankrupt because of it. Even Apple had the courage to introduce the iPad, even though the Macs sales were still very healthy, reinventing themselves to help expand the Apple name, making them stronger than ever.



In particular it could be said that Kodak's failure (along with Sony and Blockbuster), demonstrates the lack of innovative spirit which exists in larger organisations with a tendency from smaller, start up companies to be more risk taking in their desire to capitalise and grow on their investment. Overall, to succeed, your business plan requires risk and vision. Don't just kill an idea because of a nonresponsive market, what you need to do is pursue it, grit your teeth, believe in yourself and go for it! If you do nothing but just play it safe, the cost of just staying in the game will eventually whittle you down to nothing. **u**

see  
inside  
think  
outside.

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