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Disintermediation: Cutting Out the Middle Man



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DISINTERMEDIATION — CUTTING OUT THE MIDDLE MAN

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Essentially, there are four things to be said about Canada and communications. Canada is famous for:

- its leadership in the innovative use of telecommunications technology
- its scholarship in the field of communications, beginning with Harold Innis and Marshall McLuhan, who singlehandedly provoked the whole world into a scholarly debate about media effects
- proving that you don't have to be underdeveloped to be agonising over what is too loosely called 'cultural imperialism'
- the serious thought it gives to public aspects of the organisation and encouragement of the communications arts.

The theme of national integration runs through these concerns. One quick look in an atlas is enough to show why Canada could be truly unified in the era of telecommunications, and a second look will show why the same telecommunications technology makes cultural autonomy so impossible. In the 1950s and 1960s this was thought to be a Third World problem. New nations, having established television stations, found themselves unable to produce or pay for the number of hours of broadcasting they had promised their people. So they went abroad to buy the programmes they could not make themselves.

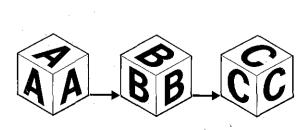
Ironically, today this is as much a problem in Europe as it is in Canada or the Third World. The great public broadcasting systems of Europe are being crushed by the combination of multi-channel cable systems, satellites and direct broadcasting technologies, and the devolution policies of governments, whose anti-protectionism outweighs even their patriotism. European states are well on their way to joining the Third World by virtue of being committed to many more channels and hours than they can hope to fill with culturally authentic programming. Like radio, television is becoming increasingly segmented, local, even individuated on the one hand, and internationalised on the other. But it is fading as a medium of national integration, and the nation state may be fading with it.

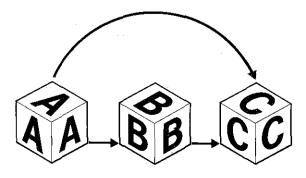
However interesting it may be to analyse the messages of global television, I want to dedicate the thrust of my remarks to the insistence of McLuhan, Innis and company that it is misguided to be so concerned over media messages that tell us what to think or what not to think or what to think about. The true power of the media, they say, lies in their ability to tell us how to think or where to belong. McLuhan argued that each new medium constrains our brains to process information in a particular manner, and that these disciplines of mind, in turn, bear upon social organisation. To take a familiar example, the linearity of print teaches sequential cause-and-effect reasoning, and this in turn leads to linear and rational social forms such as the assembly line. Innis was even more interested in these organisational implications of media technologies and their relationship to social integration and social control. Taken together, the two men may be said to have been interested in the impact of media technologies on personality and culture, and on the organisation, integration and control of empires, nations, markets, and so on.

In reviewing the work of the technological theorists, I came up with an idea so simple that it takes the exaggerated self-assurance that goes with winning a prize to presume to claim it as one's own. Indeed when I described the idea to Walter Baer of the Times-Mirror Corporation he said, 'That's what the financial community calls 'disintermediation'.

Some analysts think that disintermediation is what happened on 19 October when many people let their computers trade on the stock market without benefit of the mediation of their stockbrokers. Although I am not qualified to judge this particular case, I want to discuss the generic question of what happens when a communicator invents a new medium, or adapts an extant one, to disintermediate some middleman, whether this be vaulting over a stockbroker by computer or vaulting over a national television system by DBS. This process I believe, is one of the keys to what technological theories of communication are trying to tell us.

To illustrate how general this is let me namedrop a few famous instances of the phenomenon. Consider the Protestant Reformation, for example, or Roosevelt's fireside chats, television evangelists, the beginnings of national advertising, the decline of





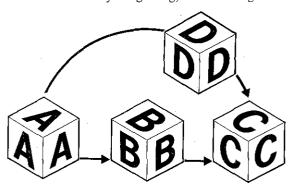
political parties during election campaigns, mail order sales, television advertising to children, the pilgrimages of the Pope, the rabble rousing of Hitler, the use of media by terrorists. One could go on. The model of disintermediation underlies all of these; in each there is a two-step before (A to B to C) and, ostensibly at least, one-step after (A to C).

Thus, with the widespread diffusion of the printed Bible, now translated from the Latin, people could reach God directly (A-C) rather than through the intermediacy of the priest. And the western world has not been the same since. Mutatis mutandis, the manufacturer began to reach over the heads of the retailers via the innovation of national newspaper advertising. Sears and Roebuck did something similar via mail order catalogues. The television evangelist talks over the heads of the local church; the Pope uses TV to talk over the heads of his hosts in Poland or in Argentina, and also over the hierarchy of his own church, Roosevelt used radio to speak over the heads of the Congress, Hitler used early radio that way too; terrorists and other wagers of psychological warfare mobilise new and old media to present their stories over the heads of leaders of another nation; toy manufacturers advertise directly to children. And so on.

That is the general model. You will have noted that there are at least two variants. In one, A aims at reaching C in order to pressure B, as Roosevelt tried to enlist public opinion to pressure the Congress. This is also how toy manufacturers try to get children to influence their parents; how national advertisers try to get consumers to pressure retailers; or how Sadat tried to enlist the Israelis to join him in pressuring their government. In the second variant, A wishes to supersede B, as television evangelists displace the local church, a dictator substitutes himself for the parliament, or televised election campaigning preempts the function of political parties.

Sociological observers of these processes bemoan the disappearance of B because they believe that retailers, political parties, churches and other middlemen protect the individual against the power of big organisation and the irrationality of charismatic personalities. Indeed, the mass society has been defined by Kornhauser in these terms as the too easy access of elites to people, and of people to elites.

Without necessarily disagreeing, the technological



theorists, however, see something quite different. McLuhan would point out the A-C relationship is not unmediated at all; it, too, has an intermediary, he would say, albeit a new one, that we shall call D, and D, like B, possesses particular attributes. The new medium will not only influence senders and receivers, A and C, but is a message in itself. Consider, for example, how national advertising derailed the rationality of producers and consumers through the introduction of imaging and packaging to acheive maximum differentiation of product. McLuhan in one of his provocations would go so far as to say that radio itself, with its tribal reverberations, would have brought fascism to industrialising Germany – even without Hitler! Innis would take a different tack. He would argue that D is not just a new medium, but like B, it is also a social organisation. He might say that television has emasculated election campaigns by personalising politics or by imposing its professional norms of balance and equal time. He has shown how the scribes of ancient Egypt helped the Pharaoh to send hieroglyph messages to his bureaucrats over the heads of the village chiefs but how they refused to allow him to democratise the alphabet, just as the American networks occasionally say no to a request from the US President for unpaid time to speak directly to the nation. In other words, technological theories propose both that B is no less a medium than D, and D no less a basis of power and social organisation than B.

More can be done with the model. One can see how A might get annoyed at D (as he did at B) and try to harness both its message and its organisation, just as evangelists buy their own television stations. Sometimes D swallows A as when cable channels got the idea of direct retail selling. But this is probably unstable. In the long run, the different interests of the three elements are probably separate and it is, on the whole, worth worrying about strengthening the independence and professionalisation of the Ds.

I have been trying to point out that a sociology of mass communications has much to learn from technological theories, and that scholars, as well as innovators and entrepreneurs in whatever field, would do well to anticipate and research the surprising consequences of using a new medium to send an old message directly, rather than through an intermediary. There is much more to be said, of course. I have said nothing, for example, of the obvious difference in the reach of the new media, in space and in time, that is, about the power of the media to define and extend social boundaries. And I have only listed the seriousness of the problem of reverse communication from C to A, when Ds displace Bs.

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