

# Nygaard Notes

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### The Attention Economy

One of the great things about getting older is that one can remember how things were before they became what they are now. For example, I can remember when the challenge facing journalists—or anyone seeking information—was simply figuring out how to get one’s hands on the information one was seeking. Information was scarce, and finding it took a lot of work. Now, of course, that is not the issue. Information is everywhere, and it’s easy to access. Or is it?

Economists talk about historical stages of the dominant global economy, from the hunting stage to the agricultural stage to the manufacturing or industrial stage. Then, somewhere around the time I got out of high school in the 1970s, they started noticing a shift in the economy away from the manufacturing of things and toward the manipulation of information. So the latter part of the 20<sup>th</sup> Century had us talking about a transition from a Manufacturing Economy to what was called the Information Economy. An information economy is not mutually exclusive with a manufacturing economy—people still make things, after all. But it was clear that the economy was morphing into... something new. A Post-Industrial Economy, maybe. Or a Knowledge Economy. The most common term was The Information Economy.

Social evolution occurs so quickly in modern times that the term “Information Economy” already seems like an old-fashioned term, very “20<sup>th</sup>-Century.” The writer Michael Goldhaber, in an article for Wired Magazine in 1997, explains why it’s a mistake to refer to the 21<sup>st</sup>-Century economy as an Information Economy: “By definition,” he said, “economics is the study of how a society uses its scarce resources. And information is not scarce—especially on the Net, where it is not only abundant, but overflowing. We are drowning in information, yet constantly increasing our generation of it. So a key question arises: Is there something else that flows through cyberspace, something that is scarce and desirable? There is. No one would put anything on the Internet without the hope of obtaining some. It’s called

attention. And the economy of attention—not information—is the natural economy of cyberspace.”

Put simply: You can have more money. You can have more stuff. You can have more information. But you only have so much attention to pay.

Psychologist and economist Herbert A. Simon spelled it out in economic terms in 1971: “In an information-rich world, the wealth of information means a dearth of something else: a scarcity of whatever it is that information consumes. What information consumes is rather obvious: it consumes the attention of its recipients. Hence a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it.”

And here it’s useful to recall the fundamental nature of the media business under capitalism. As in any capitalist market, there is a Product, a Seller, and a Buyer. And what are they? This, too, seems obvious: The Product is Information, which is sold by the Media Company (the Seller) to You and Me (the Buyers). The problem is that this is not how it works at all.

In the real world, the Seller is indeed the Media Company, but the Buyer is Advertisers. And the Product? Why, it’s You and Me. We are the Product. Or, more precisely, our ATTENTION is the Product.

In an advertising-based media environment, all of us are subject to endless shouts of “Look here! No! Look over HERE!” And whoever gets more people to look wins the game.

This is not that different from the pre-Internet world of news and information, where news outlets have always emphasized the most dramatic and attention-grabbing stories in order to attract large numbers of readers and viewers. (If it bleeds, it leads!) But there’s a big difference now. It’s called The Internet. ♦

Greetings,

Ironically, this issue of Nygaard Notes is going out during the week that the jury will likely be deciding the guilt or innocence of former Minneapolis police officer Derek Chauvin, the man who killed George Floyd last May. In fact, by the time you get this the verdict may already have been rendered. I say "ironically" because this issue of the Notes is all about paying attention; what information we pay attention to and what we ignore. And I wouldn't blame anyone if you choose to ignore this issue as you follow the aftermath of this historic trial.

But, if you are reading this you must have decided to pay attention to this issue about paying attention. Thank you!

In an Attention Economy, where there is an entire industry working to get us to "Look over here!", I'm suggesting that it might be worth our while to look over *there*, or at least to remember that there IS an "over there," and that the choice of where we look is really up to us. And that's true even in the age of Donald Trump, adorable cat videos, or whatever it is that gets our attention every day.

This issue is about the nature of the Attention Economy. The next issue will offer a simple—but not easy—strategy for paying attention to the things that we really care about.

Paying attention, as always,

Nygaard

## Capturing Our Attention

'Way back in 1963 the political scientist Bernard Cohen noted that "The press may not be successful much of the time in telling people what to think, but it is stunningly successful in telling its readers what to think about." Cohen was writing in the age of newspapers and television, but the phenomenon may be even more relevant in the Age of the Internet, when a few giant corporations spend enormous resources for the sole purpose of getting us to pay attention to the "content" on their platforms. So, what is this "attention" that we are constantly being asked to "pay" to them?

The American Psychological Association Dictionary of Psychology says that "attention" is "a state in which cognitive resources are focused on certain aspects of the environment rather than on others and the central nervous system is in a state of readiness to respond to stimuli."

The APA also notes that "human beings do not have an infinite capacity to attend to everything" so we end up "focusing on certain items at the expense of others."

When we consciously choose to direct our attention at something, psychologists call that "voluntary attention." When our attention is directed involuntarily, psychologists call it "captured attention."

When it comes to voluntary attention, we tend to notice things that have meaning for us, and then we direct our attention to them. It's a conscious process, in which we say to ourselves, "This is more important than that, so I will pay attention to this."

But our attention can also be directed involuntarily (captured) by qualities of stimuli in the environment, such as intensity, movement, repetition, contrast, and novelty. And Jason Hong, professor at the Human Computer Interaction Institute at Carnegie Mellon University, reminds us that "we now also have organizations that are actively vying for our attention, distracting us with smartphone notifications, highly personalized news, addictive games, BuzzFeed-style headlines and fake news. These organizations have a strong incentive to optimize their interaction loops, drawing on techniques from psychology and mass A/B testing to draw us in. Most of the time it's to increase click-through rates, daily active users and other engagement metrics, and ultimately to increase revenues." ("A/B testing" a way to compare two versions of something to figure out which performs better.)

The Internet makes many things available for free. And, since everyone likes to get things for free, these ↗↗↗

→→ are the things we tend to look at, these are the things to which we pay the most attention. Which brings us back to the Bernard Cohen point with which I started this essay, where he warned us that the press “is stunningly successful in telling its readers what to think about.” Now it’s 2021 and we’re looking at web pages rather than

newspaper pages. But we’re still being told where to look, and what to think about.

It’s great to have access to free information, isn’t it? If the answer seems obvious, remember that, in a capitalist marketplace, if we’re not paying for it, we’re not the customer. We’re the product. ♦

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## The Cost of Free Information

I was a little surprised last month when I read an article from the marketing research firm Nielsen (you know, the “Nielsen Ratings” people) with the headline “As the Media Universe Grows, Ad-Supported Content Remains a Preferred Source.” They said, “Consumers today have access to an entire universe of content at their fingertips. Yet while the media landscape expands, the type of content consumers are spending time with has remained fairly consistent. Ad-supported content remains the medium that consumers gravitate toward the majority of the time in their viewing habits.”

Really? People prefer looking at things with ads over looking at things without ads? This doesn’t seem to apply to the people I know. Hmm... That’s what surprised me, until I remembered that these were capitalists talking! What do capitalists mean when they say “Ad-Supported Content”? They mean “free.” The headline on a related article in Consumer Affairs was more straightforward: “Survey Finds 85% of Consumers Prefer an Ad-supported Internet; Something for Nothing Beats Something You Have to Pay For, in Other Words.”

Various surveys in recent years come up with similar numbers. The advertising company WARC reported in 2019, “Globally, 78% of consumers surveyed said they don’t like ads but wouldn’t pay for ad-free versions of most of their preferred content.” In the marketing world, this translates as a “preference.”

If this is really a preference, then here’s what it means: It means we are allowing The Market to dictate our preferences. That is, advertisers decide which viewers they want to target with ads, then they pay certain “content providers” to deliver those viewers. The ones that are most successful at delivering the attention of the preferred consumers will attract the most advertising, allowing them to provide whatever-it-is they provide at no direct cost to the consumer. In the circular marketing universe, consumers then limit their preferences to those

providers whose “content” is free.

But it’s not free, of course. We pay for it, we just don’t pay with money. We pay for it with our attention, which is the commodity that is being bought and sold in the marketplace that we call The Internet.

Nielsen continues, saying “Consider this (sic), in second-quarter 2007, the average amount of time spent with media among adults was just over 50 hours per week. In second-quarter 2017, that number increased to over 75 hours per week, nearly 65 hours of which are spent with ad-supported platforms. Since second-quarter 2012, the average amount of time spent with ad-supported TV, radio, and digital platforms has grown by over 15 hours—an increase of 30% to 2017. When looking as far back as second-quarter 2002, that same number exceeds 20 hours.”

I’m not sure what to make of the fact that the average adult now spends more than 10 hours each day “with media.” No doubt, some of those hours may include work-related viewing and researching worthy publications like Nygaard Notes (!), but it’s clear that most of the time they are talking about is time spent “consuming” media, not producing it: “the share of time spent with ad-supported content on platforms (such as TV, radio, smartphones, video games and tablets) for adults in 2017 was 86%.” In other words, almost 9 out of the 10 hours that people spend looking at their screens every day are hours that they are subjected to advertising.

I feel compelled here to remind people of a few things to which we could direct our attention that are not accompanied by advertising: playing with our children; walking in the woods; running, walking, biking; watching birds; cooking; gardening; reading a book; doing puzzles; studying; political organizing and protesting; writing letters... Make your own list!

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Leave aside the quibbling. Nielsen is undoubtedly on the mark when they tell us that “This new age of media consumption allows marketers and advertisers to reach consumers in more ways than ever before and do so with ease.”

The WARC study I referred to earlier found that “51% of consumers think having advertising in the content they watch or read is a necessary trade-off to get free or cheaper content.” This makes me wonder what the other 49 percent think, but the important thing to remember here is the structure of the “Market” that we call The Internet: It’s COMPANIES selling OUR ATTENTION to ADVERTISERS.

What I said above about the economy of the Internet bears repeating: The “free or cheaper content” is not “free” at all. We’re paying with our attention. In other words, in exchange for access to the information to which we wish to consciously direct our attention, we agree to make ourselves the target for people who wish to capture our attention.

So it’s not just “reaching” consumers that is important to advertisers, it’s capturing our attention. And, since we only have so much attention to give, it’s important to pay attention to where we pay attention. And I do mean “pay.” ♦

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## “Quote” of the Week: “Consuming More and More of the Available Attention”

The Pew Research Center published a report in 2018 called “The Future of Well-Being in a Tech-Saturated World.” In it, they quoted David S.H. Rosenthal, retired chief scientist of the LOCKSS Program [a digital preservation program] at Stanford University, who uttered this week’s “Quote” of the Week. He said,

*The digital economy is based upon competition to consume humans’ attention. This competition has existed for a long time but the current generation of tools for consuming attention is far more effective than previous generations. Economies of scale and network effects have placed control of these tools in a very small number of exceptionally powerful companies. These companies are driven by the need to consume more and more of the available attention to maximize profit. This is already having malign effects on society (see the 2016 presidential election). Even if these companies wanted to empower less-malign effects, they have no idea how to, and doing so would certainly impair their bottom line. Thus these companies will consume more and more of the available attention by delivering whatever they can find to grab and hold attention.*

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