



## Trade-Off

### Why Some Things Catch On, and Others Don't

#### THE SUMMARY IN BRIEF

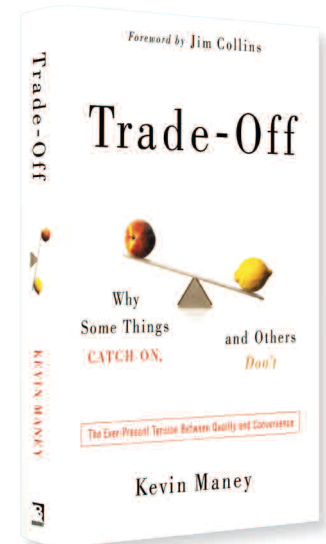
There is an ever-present tension between fidelity (the quality of a consumer's experience) and convenience (the ease of getting and paying for a product). In *Trade-Off*, Kevin Maney shows how these conflicting forces determine the success or failure of new products and services in the marketplace.

Almost every decision we make as consumers involves a trade-off between fidelity and convenience — between the products we love and the products we need. Rock stars sell out concerts because the experience is high in fidelity — it cannot be replicated in any other way, and, because of that, we are willing to suffer inconvenience for the experience. In contrast, a downloaded MP3 of a song is low in fidelity, but consumers buy music online because it is super-convenient. Products that are at one extreme or the other — those that are high in fidelity or high in convenience — tend to be successful. The things that fall into the middle — products or services that have moderate fidelity and convenience — fail to win an enthusiastic audience.

*Trade-Off* demonstrates that the most successful companies skew their offerings to either one extreme or the other — fidelity or convenience — in shaping products and building brands.

#### IN THIS SUMMARY, YOU WILL LEARN:

- How to build stronger products, organizations and careers.
- How technology and social value affect fidelity and convenience.
- How the trade-off between fidelity and convenience can make or break a product, brand or business.
- How to carve a path that is uniquely tailored to you.



by Kevin Maney

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# THE COMPLETE SUMMARY: TRADE-OFF

by Kevin Maney

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## PART ONE: THE FIDELITY SWAP

In our everyday lives, we constantly make trade-offs between the fidelity, or quality, of an experience and the convenience of getting it. It happens when we decide to watch a baseball game on TV instead of going to the park, make a phone call instead of meeting face-to-face, eat fast food at McDonald's instead of a gourmet meal at an upscale restaurant or buy \$300 noise-canceling Bose headsets instead of using the inexpensive earbuds that come with a music player. Businesses, nonprofits and governments make the same kinds of trade-offs in their buying decisions.

The way those trade-offs work and play out in the marketplace is the key to countless business successes and failures. This is the *fidelity swap*.

This fidelity swap has been going on since humans invented commerce, but the role of technology today accelerates the whole process.

There are five key concepts behind the fidelity swap:

- **Fidelity versus convenience.** Fidelity is the total experience of something. Convenience is how easy or difficult it is to get what you want. Consumers constantly trade fidelity for convenience and vice versa.

- **The tech effect.** Technology constantly improves both fidelity and convenience. If a product or service is the highest fidelity today, technology and innovation will soon make it possible to create a product or service of higher fidelity. The same is true of convenience. These boundaries move over time. Nothing about the fidelity swap stays fixed.

- **The fidelity belly.** Any product or service that is neither extremely high-fidelity nor high-convenience risks sinking into the *fidelity belly* — the no-man's-land

of consumer experience. It is a land ruled by apathy. No one gets very excited about a product or service that has so-so fidelity and is only somewhat convenient. Because the tech effect keeps expanding the outer edges of fidelity and convenience, it expands or redefines the borders of the fidelity belly at the same time. The expanding belly swallows products and services that don't improve and keep pace with technology advancements.

- **The fidelity mirage.** Contrary to what many businesses want to believe, achieving both high fidelity and high convenience seems to be impossible. It looks tempting. Some companies believe they can get there and life will be beautiful. But as it turns out, any company or product that attempts to capture both is likely to fail, wasting resources and time.

- **Super-fidelity or super-convenience.** This defines the winners. Most successful products fall either at the far end of the fidelity axis or at the far end of the convenience axis. Apple landed the iPhone at the top of the fidelity axis in the cell-phone market, and it was an instant success despite its high price tag and limited availability. Wal-Mart won its leading-retailer position by becoming the high-convenience winner, making shopping for basics easier and cheaper than anywhere else. A way to win is to get to the top of one axis or the other.

Two significant additional factors to watch for are:

- **Social accelerants** — Our connection with others and our individual identity matter more to us than just about anything else. All other quality/convenience factors being equal, adding a social dimension can change the prospect of a product or service.

- **Wrecking-ball moments** — Every once in a while, a new product or service smashes a market sector



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and starts an entirely new one, resetting the trade-offs people will make between fidelity and convenience. For example, by the 2000s, digital cameras had blown apart the film-camera market, creating an entirely new sector dominated by digital cameras on both the high end (or high fidelity) and low end (or high convenience). Film cameras became entombed inside the fidelity belly, offering few advantages in fidelity or convenience for most customers. ●

### Fidelity Versus Convenience

High fidelity is about the experience, rather than the cost, although in many cases you pay a premium for a high-quality, high-fidelity experience. Fidelity is often about tactile, visible, sensory aspects of a product or service. But fidelity is also made up of two subtle components that can be easy to overlook: *aura* and *identity*.

***Experience + aura + identity = fidelity.***

Aura can add to the fidelity of a lot of products. There is certainly an aura to attending Harvard and other prestigious universities. There is an aura to a handmade suit that comes from a famous tailor. Aura is sometimes based entirely on perceptions and marketing — a perceived fidelity. Perceived fidelity can be a powerful marketing tool, but it can be transient in nature. As soon as people decide a restaurant is no longer hot, for example, the aura will deflate and go away.

Many of our consumer choices are a way to tell other people something about ourselves. The concept of identity applies to a broad spectrum of things. Car-buying decisions are based as much on personal identity as on practical matters like gas mileage or luggage space. The more an item says about your identity, the more fidelity it has for you.

#### Loved or Needed

Ted Leonsis is part businessman and part philosopher. During AOL's most dynamic period, the company was run by Leonsis, Bob Pittman and CEO Steve Case. The venture made Leonsis a very wealthy man. He bought the Washington Capitals hockey team in 1999, produced film documentaries in the 2000s and continues to invest in tech startups.

Leonsis has a mantra that has helped him evaluate business opportunities: A successful business is either loved or needed.

Fidelity is all about being loved (although not necessarily needed). Designer clothes, rock concerts, iPhones, Tiffany's jewelry, Prada bags, lie-flat first-class airline seats — they're all loved, but rarely needed. They are

### The Fidelity Swap Model

The fidelity swap challenges classic business-school teaching that tells you to make a chart on an *x* and *y* axis — and try to push your business into the upper right quadrant of the chart.

In fact, in this model, gunning for the coveted upper right quadrant, where a company tries to achieve both high fidelity and high convenience, can bring a company crashing down — exactly what happened to Starbucks in 2007 and 2008.

high-fidelity but not convenient.

Convenience, on the other hand, is about being needed. Wal-Mart, microwave ovens, 7-Eleven and inexpensive home computers have all become needed. While such things might be needed by a lot of people, they're not usually loved, any more than toilet paper or dish detergent is loved. And these products don't need to be loved to succeed.

High-fidelity products or services often occupy a high-end niche. They are relatively expensive, but have fewer customers. In fact, part of their fidelity has to do with their exclusivity, because it is their exclusivity that lends them social cachet and identity. On the flip side, high-convenience products or services often serve the mass market. They cost relatively little but touch almost everyone. The mass appeal adds to the convenience because it tends to make the product or service more available and drive the price even lower. The mass appeal also diminishes the fidelity of a product or service because if everyone has it or does it, it doesn't do anything to boost our sense of identity.

Both successful high-fidelity products or services and successful high-convenience products or services can be great businesses. They are just different kinds of businesses.

But it's very hard to be both loved and needed, to be both high-fidelity and high-convenience. In fact, trying to achieve both can lead to a breakdown. ●

### The Trade-Off, the Belly and the Mirage

The fidelity swap is an individual's decision to trade fidelity for convenience or vice versa.

This is easy to see in everyday life. Listening to a U2 song wherever you happen to be on an iPod, rather than on a surround-sound system at home, is a decision based on convenience over fidelity. Popping into

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McDonald's on a long trip is a choice for convenience. Going to a four-star restaurant is a choice for fidelity.

Fidelity/convenience trade-offs are often based on a situation. If you're in a hurry, you'll choose the convenience of McDonald's even if a high-fidelity gourmet restaurant sits next door.

Any product or service that offers too little of either convenience or fidelity risks landing below a threshold where consumers are motivated to act. That threshold is the fidelity belly.

New technologies almost always start out *inside the fidelity belly*. They're often too expensive or difficult to use to be highly convenient, and they don't yet offer a rich enough experience to win over enough people on fidelity alone. Digital cameras, HDTV, personal computers, cell phones, microwave ovens, home air conditioners — all started inside the fidelity belly.

Technologies that never escape the fidelity belly die. These failed technologies are usually referred to as “bad ideas.”

### The Fidelity Mirage

If consumers love fidelity and need convenience, one would think that the marriage of the two — high fidelity and high convenience — would be product nirvana. Why not strive to make something that's both loved *and* needed? In fact, that tempting combination is a mirage — try to get there and you'll find that it doesn't exist.

A big part of fidelity is derived from a product's aura and identity. Convenience acts like antimatter to aura and identity. The more convenient something becomes — the easier it is to get and buy — the more its aura and allure dissipate. The more convenient something becomes, the less that item helps identify its owner as someone who is special and unique.

On the flip side, adding fidelity reduces convenience. Fidelity is about the richness and quality of an experience. Injecting those qualities into a highly available, low-priced product or service usually means adding features and cost. By their very nature, the qualities that add to fidelity take away from convenience. Trying to move from high convenience toward high fidelity, a product or service will fall into the fidelity belly. ●

## When Andy Grove Meets Trip Hawkins

In the early 2000s, it was not obvious that most people wanted a cell phone married to a camera. But once the combination was fully unleashed, the camera phone

triggered a wrecking-ball moment in the picture-taking industry. It was one of those rare innovations that slams the marketplace so hard, it disrupts everything around it. Camera phones didn't occupy a new place among the fidelity trade-offs in the picture-taking industry — it wrecked the old set of trade-offs and created new ones.

Andy Grove, the legendary former CEO of Intel, calls such wrecking-ball moments “strategic inflection points” — those times when a new force dramatically alters an industry. When the personal computer put computing into the hands of everyday consumers, as opposed to back-office professionals — that was a strategic inflection point. The arrival of television and the Internet were other such moments.

### It's Also About Social Value

There is one other significant phenomenon that can affect the fidelity/convenience swap: Products and services that become part of people's social lives can act as a fidelity turbocharger.

Few people have thought longer about this than Trip Hawkins, who founded the video-game giant Electronic Arts in 1982. He eventually left the company to start 3DO and then, in 2003, a company called Digital Chocolate, which makes games and applications for cell phones — all based entirely on the concept of the social factor.

Hawkins started Digital Chocolate to try a new approach to mobile games: Make them low-fidelity, easy to use and all about being social. In 2005, the company made a splash with a couple of social games. One was called *MLSN Sports Picks* (MLSN stands for Mobile League Sports Network). The other game was *AvaPeeps*. It let users create characters that go out on the network and try to date characters created by other people. Depending on their success, characters climb popularity rankings. Neither game tried to use all of a cell phone's processing power. The graphics were minimal. The allure was in the social connection.

“Media companies tend to view content as being all about fidelity and that's obsolete,” Hawkins said. “Lower fidelity and social networks beats high fidelity. People don't even think they're spending money on content — they pay to improve their social value.” ●

## PART TWO: WINNERS AND LOSERS

### Super-Fidelity

In any market segment, there's usually at least one high-fidelity player that every other player admires and

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strives to imitate. That entity does things better than everyone else. People love the product or service. They want to own it, to make it part of their identity. They will tolerate terrible inconveniences — high prices, difficulty in obtaining it — to acquire it. Like some strange law of quantum physics, at the pinnacle of fidelity, convenience can almost disappear. Instead, pure desire takes over. Even lust.

Apple got there with the first iPhones. Years before that, one could've found Motorola at the pinnacle of fidelity with its RAZR — which cost consumers more than \$400 at a time when many other cell phones came free with a service contract. Singapore Airlines' first-class cabin is the pinnacle of fidelity in air travel; Louis Vuitton, in handbags. Whole Foods in the 2000s became the high-fidelity choice of grocery stores.

### Cirque du Soleil

Being the highest-fidelity company or having the highest-fidelity product or service is a great place to be. Cirque du Soleil, for example, has created an all-senses-engaged entertainment experience that simply can't be duplicated by any other means. It charges \$100 or more for tickets and sells out nearly every show — no small feat in an age of 3-D movies, realistic computer games and myriad other forms of entertainment. The company brought in \$700 million in revenue in 2007 and is worth around \$2 billion. No “normal” circus company could approach that level of success.

Is super-fidelity sustainable? Sustainability requires constant investment and long-term thinking. It helps if the fidelity of a product results from a real, tangible competitive advantage. The more a product or service relies on aura alone, the more susceptible that product is to getting toppled from its perch. ●

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## Super-Convenience

High convenience is typically low margin but huge volume. It is often ubiquitous. Convenience is not about creating a beautiful experience, or about aura or identity. Sometimes it doesn't offer a good experience at all and doesn't do a thing to enhance one's identity. High convenience is not about love, but about need. At its best, it is about habit. And when a product or service becomes habit, it can be hard to dislodge.

By the 1970s, McDonald's became the pinnacle of convenience in terms of eating out. The restaurants are everywhere, they're cheap, fast, simple, familiar, well run, clean and they offer the easiest way to get a meal quickly away from home. Despite armies of fast-food

competitors over the years, despite criticism, despite the fact that more people are likely to say they love their dentist than say they love McDonald's, McDonald's has not yet been pushed from its super-convenience position. For lack of a better way to put it, McDonald's is a habit.

When Ford's Model T went into production in 1908, it became the world's first high-convenience car. It wasn't flashy; it only came in black. But Ford's innovative mass-production techniques allowed it to make the cars cheaply and pump them out in high volume — which meant the Model T was easy to find and relatively affordable for middle-class consumers.

Southland Corp. made its 7-Eleven stores into the high-convenience way to pick up badly needed supplies, driving independent corner grocers out of business.

In 1940, Dupont introduced nylon stockings, which became far more convenient than silk stockings. They actually cost more to buy up-front, but far less in the long run (if you'll pardon the pun), because they lasted longer and were easier to care for. Nylons captured 30 percent of the hosiery market within two years after hitting store shelves. ●

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## The Worst Place to Be

The fidelity belly is the no-man's land of consumer products. Movie theaters, music CDs, Blu-ray video disks, electronic book readers, electronic cars and film cameras have all found themselves in that no-man's-land.

Certainly not every company can be the absolute leader on convenience or fidelity. There are different ways of doing well in terms of the fidelity/convenience trade-off. Samsung cell phones, Sharp TVs, Sonic burger joints and Marriott hotels are all examples of businesses that may not be either the most convenient or the highest-fidelity — but are good enough in terms of convenience or fidelity to do well.

But there is a threshold in the fidelity/convenience trade-off: Cross it, and irrelevance awaits, as consumers stop feeling like they either love or need a particular product or service. People use the product or service less frequently and look for alternatives. Deeper into the fidelity belly, consumers start to actively dislike a product or service, thinking it's a hassle or that it's disappointing compared with the available alternatives. This is how people felt about VHS tapes after experiencing DVDs.

The products and services that begin life inside the belly and manage to get out are otherwise known as

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innovations and inventions. Such innovations have to find a way out of the belly to reach a mass market.

When trying to figure out whether an innovative company or product can climb out of the belly, management needs to ask the question, *Is our product on a clear path toward either convenience or fidelity?* The surest and shortest way out of the belly is a straight line along one axis or the other.

Because the tech effect constantly moves the borders outward on both convenience and fidelity, a product or service doesn't have to decline or become worse to fall into the belly — it only has to stand still or fail to keep pace with improving technology. ●

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### The Worst Thing to Try

Managers running a high-fidelity operation face pressure to boost growth, so they chase convenience.

Long one of the most exclusive luxury brands in the world, Tiffany, in the late 1990s, tried extending its brand downward. The company began selling silver bracelet charms for \$110. In no time, Tiffany retail shops were jammed with an entirely new kind of customer: middle-class teenage girls. Tiffany's sales exploded, jumping 67 percent from 1997 to 2002. Stockholders loved it and pressured the company to keep up the strategy. But Tiffany executives began to worry about the long-term damage to the brand. Mark Aaron, Tiffany's vice president of investor relations, told the *Wall Street Journal* in 2007, "What if some of those teenagers fill up their jewelry boxes with Tiffany silver, and as they get older, they perceive Tiffany as where they got their teenage jewelry?"

As the fidelity/convenience trade-off shows, "mass luxury" is a fallacy. Mass is about convenience and luxury is about fidelity. They can't coexist. Luxury without exclusivity becomes common. "Mass luxury" is really just about raising the bar of daily existence, setting a new standard of quality and experience that much of the population expects. At that point it is, by definition, no longer a luxury.

People naturally look for ways to identify their socioeconomic place in the world. The very wealthy do it with luxury. When something that's luxurious and exclusive today becomes commonplace, the very wealthy redefine luxury, seeking products or services that are out of reach of the rest of the population.

Because of the tech effect, as the boundaries of fidelity and convenience constantly move outward, whatever is high fidelity today — or is the most luxurious today — becomes superseded tomorrow by something of greater

fidelity. And today's high-fidelity product or service drops down a few notches and becomes more everyday. ●

### PART THREE: THE TRADE-OFF IN PRACTICE

#### Innovation

Once in a while, a huge, sweeping innovation creates a strategic inflection point that entirely changes an industry. Digital cameras had that kind of impact on the consumer film industry. Personal computers did the same to the mainframe computer business. But such innovation is rare.

There is a more nuanced and common form of innovation that fits into the fidelity/convenience swap, and it's more like the invention of a feature that gives an edge to an age-old product. Consider the Coors Light "cold activated" label. It's pretty hard to differentiate mid-price beer. Coors thought it would try to add a little fidelity in 2008 by making a label that changes color when the beer inside gets cold. (Hard to know how big a role the added fidelity played in getting people to buy Coors Light instead of another beer, but Coors Light has become Coors' best-selling brand.)

Most companies are not the super-fidelity leader or the super-convenience powerhouse. Nor are most companies hopelessly stuck in the depths of the fidelity belly; rather, they land somewhere between convenience and fidelity, while leaning more heavily in one direction than the other. Competitors tend to cluster around each other in the same area on a fidelity/convenience chart. To gain an edge, these companies have to decide whether to move up a notch in terms of fidelity or down a notch in terms of convenience. Some find imaginative ways to add features or quality for the same price, or keep pace with existing features and quality and drop the price. Small moves can bring small victories. Truly creative ideas, on the other hand, can change the dynamics of a market. ●

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#### Disasters

Most companies, at some point, make a product or offer a service that lands with a thud. Coca-Cola blundered into New Coke, Sony developed Betamax and Ford made the legendary Edsel automobile. No management model, elaborate algorithm or new way of thinking is going to eliminate poor decisions. But the fidelity swap can help businesses evaluate potential products or investments in the context of competition, changing technology and the choices customers will likely make. It can help a CEO, entrepreneur or managerial team

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spot a calamity waiting to happen.

When applying the fidelity swap to well-known business disasters, a handful of points pop out. If you're considering whether to bet on a certain product, first decide which bucket that product belongs in. In other words, create a fidelity/convenience trade-off chart, and try to understand where the new product would fit in. Here are a few things to consider:

- **Don't forget the tech effect.** The outer borders of fidelity and convenience constantly move outward, driven by evolving technology.
- **Success is not about whether a product is cool or hip — it's about where the product falls amid fidelity/convenience trade-offs.** In the broader market, the key is whether it will beat competitors on convenience or fidelity.
- **Different sets of consumers make different fidelity/convenience trade-offs.** Technology that a younger generation finds convenient, an older generation might find inconvenient.
- **Starting small gives a product or service agility, so it can adjust in response to the tech effect and competitors.** Products and services that take years to develop are huge gambles because it's so difficult to guess how the tech effect will play out years from now.
- **New technologies almost always start out inside the fidelity belly.** The ones that make it out are the ones that clearly aim at either high fidelity or high convenience. Aiming at both is a bad idea. ●

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### Opportunity

When Fred Smith looks back on the 1971 founding of Federal Express, he wonders if he was a bit nuts. "In retrospect, it was ridiculous to try to put this system together, which required so much up-front money, and required changing a lot of government regulations — but I didn't know that at the time," Smith told an interviewer from the Academy of Achievement.

Smith graduated from Yale University in 1966 and joined the Marines, where he observed the often cacophonous way the military moved supplies. "That's when I sort of crystallized the idea for FedEx," Smith said.

Once back on the civilian side, he realized the glaring opportunity. At the time there was only one way to deliver a paper document to someone hundreds or thousands of miles away, and it was far out on the conve-

nience end of the chart. That option was the U.S. Postal Service (USPS). It was cheap, ubiquitous and easy to use. But the postal service was also slow, bureaucratic and offered little in the way of personal service. If you mailed a legal brief on Monday, you had no idea whether it would get there Wednesday, Thursday or Friday.

### FedEx's Opportunity

Smith saw the opening for the first high-fidelity mail service. He would guarantee overnight, door-to-door delivery — for a premium price. He wasn't out to compete against the USPS for everyday mail. Smith saw that the market for *precious* mail was essentially unserved. Emerging technology brought along a way to do it: Smith's service would rely on computers to track packages and manage a complex hub-and-spoke system of trucks and airplanes. Federal Express launched in 1971 as a package service, but the USPS monopoly on letters didn't end until the late 1970s. By the 1980s, overnight delivery filled in the empty half of the mail industry's fidelity-swap chart. In just a couple of decades, FedEx became a major company and kept growing. In 2007, revenue hit \$35 billion. ●

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### Strategy

As the tech effect pushed the borders of fidelity and convenience in the production and delivery of news, newspapers didn't keep up. If you were to create a fidelity-swap chart for the professional news business circa 1988, you'd find that newspapers thrived at the time because they offered the most convenient news. For a dime or a quarter, a professionally edited package of news landed on a reader's doorstep in the morning.

By 2008, however, an odd thing happened: The tech effect cleaved a generation gap in the consumption of news. A study that year by the Carnegie Corp. found that just 8 percent of people under age 35 expected to rely on newspapers for news in the future. The average age of the American newspaper reader was 55.

### Charting the Newspaper Business

So, while mass-market news in 1988 could be represented by a single fidelity/convenience chart, the market for news in 2008 would have to be broken down into two separate fidelity/convenience charts.

The first chart would be for consumers under the age of 40. In that group, Web sites serve as the super-convenient news vehicle. Where do newspapers land for the under-40 crowd? Squarely in the fidelity belly, overtaken by technology and considered to be a medium of so-

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so fidelity and so-so convenience.

The second chart would show the news market for the older generation. For most of those consumers, attitudes toward professional news media haven't changed dramatically in 20 years. They still see newspapers as highly convenient news.

Bottom line, print newspapers have a shot at remaining a high-convenience news brand for people 40 and over. But newspapers have absolutely no chance of being anything but an also-ran for consumers under 40, which suggests how newspaper companies might invest.

The fidelity swap indicates that newspapers should get out of trying to win younger readers to the print product — because it will never work. On the flip side, newspapers continue to hold a strong position in convenience with older readers. It would make sense to cater to them with a print product, and even enhance and exploit that position. Give that audience content it needs, and don't worry if such content further alienates young readers. Print newspapers are destined to lose most of them anyway.

Now, there's an obvious downside in the strategy of appealing only to people who are over 40 years old today: That market will inevitably shrink over time. Most newspapers have a Web site, but many of those Web sites are still a stepchild to the print product. The fidelity/convenience lens suggests that newspapers should invest in a Web site that's geared specifically to a younger generation — and is probably nothing at all like the print newspaper.

This split — print for old people; Web for young — would be a radical strategy at any newspaper company. But it's a strategy that newspaper executives might buy into if they look at how their products fit in the trade-off between fidelity and convenience for different audiences. ●

### Personal Strategy

Jim Collins, author of *Good to Great*, said that there are two ways to get to the top. One is to climb an existing ladder, which can be a bit crowded. The other is to make your own ladder and put yourself at the top. It's a twist on the Hedgehog Concept — if you can't be the best in an existing category, figure out what you *can* be best at, and create a category that fits. This is what entrepreneurs do when they start their own companies rather than trying to become CEO of IBM or Boeing. It's what Collins did when he left his teaching job at Stanford Business School after co-authoring the national bestseller *Built to Last*, becoming essentially an indepen-

### 'Quiet Desperation'

More than 150 years ago, Henry David Thoreau, while working on *Walden* at Walden Pond in Massachusetts, wrote the immortal line "The mass of men lead lives of quiet desperation." But, it could be argued, that's because so many people toil in careers that land inside the fidelity belly.

When you have a clear sense of what distinguishes you from those around you, that sense of quiet desperation disappears.

dent professor of business. Since the profession didn't previously exist, Collins was instantly the best at it.

In general, the most successful people snag a high-fidelity position on some fidelity/convenience trade-off. Maybe you become the best real estate agent in town, the best accountant in a firm or the best doctor specializing in a particularly tricky kind of surgery. The higher the fidelity, the more you'll be in demand and the more you can charge for your work — and the less you'll have to be convenient.

Not everyone, of course, is cut out to be the highest-fidelity in *any* bucket. Then the smart strategy is to aim for high convenience. If you can't be the best, most polished real estate agent in town, then be the most convenient. Make yourself available in an instant via text message. Do whatever will make your services easier for a home seller to obtain. Lower your fee — which would add to your convenience — to beat out your competitors. Do everything to be the most convenient.

People who enjoy the most success can be found toward the extremes of fidelity and convenience. People who land in the fidelity belly have the hardest time advancing in their careers. And, as with companies, individuals need to be aware of the tech effect. If you're the best or most convenient at a given occupation, technology will inevitably advance and provide the tools for someone to do it better or more conveniently. Like companies, people need to constantly invest, commit and renew to stay ahead of those around them. ●

### RECOMMENDED READING LIST

If you liked *Trade-Off*, you'll also like:

1. ***Be Different or Be Dead* by Roy Osing.** Osing shares strategies he has personally developed and executed for immunizing an organization against performance decline and business failure.
2. ***Free: The Future of a Radical Price* by Chris Anderson.** The editor-in-chief of *Wired* magazine details the reasons that a zero price-point is the key to the economy of bits.
3. ***From Concept to Consumer* by Phil Baker.** Baker explains how a great idea accounts for only 5 percent of all the factors of success and why the majority of success is dependent upon a myriad of other factors.