

12-1994

Smart Agenting

Barry Diller
QVC, Inc.

Follow this and additional works at: <https://www.repository.law.indiana.edu/fclj>



Part of the [Communications Law Commons](#), [Computer Law Commons](#), and the [Internet Law Commons](#)

Recommended Citation

Diller, Barry (1994) "Smart Agenting," *Federal Communications Law Journal*: Vol. 47 : Iss. 2 , Article 13.
Available at: <https://www.repository.law.indiana.edu/fclj/vol47/iss2/13>

This Essay is brought to you for free and open access by the Law School Journals at Digital Repository @ Maurer Law. It has been accepted for inclusion in Federal Communications Law Journal by an authorized editor of Digital Repository @ Maurer Law. For more information, please contact rvaughan@indiana.edu.



JEROME HALL LAW LIBRARY
INDIANA UNIVERSITY
Maurer School of Law
Bloomington

Smart Agenting

Barry Diller*

This is a speech about speed—no, not that kind—those days are long over. The languid delicious city may move at a slower pace, but it is out of step with the wild run the world of media and communications are fast becoming—seeping through to almost every part of society—everyone running in place, busier and busier—life moving faster, getting more complicated, hectic. We work harder, longer, we travel further faster, given more options, requiring more decisions. Decisions based on tons more data, contradicting and conflicting with one another. Life is getting infinitely more complicated. Instead of illuminating and making our lives easier—modernization and technology are leaving us mostly confused.

It's like having bees in your head, but these are the bees of the revolution in information technology and they are spinning us out of control. You would have thought that the information we process and the television we watch and the things we need to buy (you see, now that I am a retailer I have always got to get buying in somewhere) would be enhanced by all the access we now have and all these modern tools we get to use.

In information, the average American is literally bombarded daily with facts and opinions, products and promotions—each year through the endless morass a little less effective, each year making everyone a little more insecure about their effectiveness—their ability to influence events—make action create reaction.

To be minimally knowledgeable about what's going on, just keeping up with your own industry, means forty-two lifetime tasks. The QVC library alone accesses 650 online databases. I get roughly eighty articles sent to me a day, and that's been edited down at three separate levels. What

* Chairman and CEO, QVC, Inc. since January 1993. Prior to joining QVC, the Author served as Chairman and CEO of Fox, Inc. He was named to that position in October 1985. This Essay is a transcript of the Promax and Broadcast Designers Association Keynote Address given by the Author to approximately 4000 TV promotion delegates in New Orleans, Louisiana on June 8, 1994.

is really distressing is that while I am getting more and more information, I find it increasingly difficult to know what's going on.

Jimmy Lee, who runs Chemical Bank's lending, told me the other day that he spends four hours a day on pure business reading. And it's not just in business literature. From medicine to pop culture, the Harvard library subscribes to 160,000 journals and periodicals. Major research libraries are adding two miles of shelf space a year. Archivists say the amount of information available is doubling every four years. The quality, care, time to weigh the facts and analyze seriously lessens under the onslaught. To capture an increasingly distracted public, much is sensationalized.

The news we depend upon for factual balance—television, magazines, talk radio—all these reporters and pundits pumping up every story, then tearing it apart and then dropping it. Remember the war on drugs? Does anyone know who is the current Drug Czar? Or if we even have one? Or what about the radon scare? Or global warming?

The media is then both a contributor to and a victim of this explosion. They are simply crying for attention. And the public, dazed and overstimulated, only hears the loudest voices.

Even our language is exploding. Since 1966, we've added more than 60,000 words to the English language. As consumers and as providers of information and entertainment: We need help.

But first, more confusion.

Remember the old days, when we all sat down to watch one of three networks? We used to have a remote control with two buttons on it. It was called the "clicker." Now it has seventy-six buttons. I'm not kidding—seventy-six. No person's finger is thin enough and very few brains are fat enough to work these things.

And what are you watching on TV? Thirty-six channels . . . forty-seven . . . ninety? Twenty years ago there may not have been a lot of diversity, but at least we sat down and watched. Now between all these viewing services, we do not have the slightest clue what is on unless we thumb through the *TV Guide*, which is taking on the weight of the Yellow Pages. We don't even watch anymore—we surf! And why not? How are we supposed to categorize all these options and then choose?

In the midst of this banquet of choices, our diet is actually thinner. We retain less. The VCR was supposed to help us, but who other than a rocket scientist can figure out how to program the damn thing?

Everybody used to love to go shopping. In the old days you used to go to a store where you knew the salesperson and they knew what they were talking about. You could find a parking place, find what you wanted,

and leave. It is not so easy anymore. According to the *Futurist*, average consumers spend 9 percent of their free time just gathering products.

In a recent study, 60 percent of the shoppers questioned said sales help personnel did not know what they were talking about, and 66 percent said they recently walked out of a store because they could not even find sales help.

What do these three odd bedfellows—information, television, and shopping—have in common? They are examples where reach has exceeded grasp and where more is actually less. More access, papers, channels, and products all mean less comprehension and less satisfaction.

When I left Fox two years ago and was wandering around the U.S., I was thinking about these things—just what was going on in entertainment, communications, computers, and technology, and did they in fact have an interrelationship?

I came upon QVC—where action and reaction, where all these disciplines, albeit primitively, come together. They were all tasked to sell mundane, and, yes, sometimes silly things. But, oh, what a revelation!

QVC uses the telephone on a massive scale, answering 114,000 phone calls a day. On some days the number reaches 320,000. QVC utilizes a television set 24 hours a day, live, every day, 364 days a year, all lashed to unbelievable computing power. We do not only track all those calls and manage hundreds of millions of dollars worth of inventory, we also ship thirty-four million packages a year.

I thought this system and what it could evolve into could help solve problems. What a great chance to play a role in the architecture of what seemed at hand at QVC—a company that had almost converged the television, computer, and two-way communications.

When we find an easy, national way to send information back and forth that is powered by a smart computer, we will open up the world. We will not go from seventy channels to the five hundred that scare you, but to one channel. This channel will access thousands of possibilities and opportunities. You will be able to edit your own information, watch the television shows you want to watch, and buy anything at any time at the best price. You will get back the “clicker” with just two or three buttons on it, and the machines will tailor all these available choices to your life, taste, location, and income.

You see, I not only firmly believe that it will be nice and profitable for this infrastructure to be built, but it is absolutely necessary, if for no other reason than to help us cope with the flood of information and choices in which we are all drowning. This is not an elective, we have no option. Getting to this simplified future is not going to be easy.

I acknowledge that there is much confusion about the technology involved—open v. closed architecture, coaxial v. fiber-optic wires, or no wires at all. The jargon alone can kill you—asynchronous transfer modes, multi-user dungeons. How about moos or rasterbators? We've gone from megabytes to gigabytes to terabytes, from infobahns to infobondage, and form bauds to broadband to boredom.

What the techies who brought us all this stuff have forgotten is that we are all just dumb human beings.

Maybe the revenge of the nerds is actually to get everyone so confused that we are all utterly at their mercy.

And then there is the media and the hype, the over-expectations as they blow it up so high before it is time. You know the "500 channel" universe we have all been bombarded with the last year and a half. Well, I was there at its creation. A year and a half ago, at the Western Cable Show, John Malone was describing the technological strides being made in digital compression, and he thought we would soon be able to put more channels on current cable wires. Malone went on to say that perhaps as much as six to ten times the current number of channels might be available. Later, a reporter stood up and asked, "You mean a cable system that currently offers fifty channels might offer 500?" Malone thought for a second and offhandedly said, "Yes, I guess so." Thus, the monster was born.

From there, the race was on among the media to come up with ever more outlandish scenarios. The markets, of course, responded. And eventually, when reporters found that the future they had forecasted was less than fantastic and further off than they had predicted, there was a new race to puncture the hype.

What should be understood is that all this nonsense will sort itself out—but it will not be easy. There is in front of us a radical revolution coming in information and how we process it that will affect all of our lives forever. We are now at the most terrible time—the apex of confusion in this technological evolution.

Also making this difficult to comprehend is the cacophony of noise coming from many of the players. Those who are supposed to be guiding us into the future are more often confusing us with pronunciations that make little sense.

Computer guys say that it is all about movies on demand. Well, we already have plenty of movies—and normal people in their skins know that putting up this elaborate infrastructure is not worth it if this is "the" thing it would be used for. One telephone executive in California proudly predicted that these new systems will allow moviegoers to choose among

ten or fifteen different endings to a film. Most people have enough trouble getting to the theater and following the plot, much less wanting to choose the ending.

A subplot to this tragi-comedy is the jockeying for position among the different players. Computer nerds think that they are going to control this massive new industry; that Hollywood has to move Silicon Valley because entertainers need computer expertise. Movie makers think that they will be the real winners, since they know how to reach mass audiences. The telephone companies, with their massive switching capacity and cash flow, remain convinced that they will come out on top, and cable executives are afraid that they will not.

And if that were not enough to strangle the life out of making the huge investment necessary, the rules and regulations that govern communications in America are beyond byzantine. As of October of last year, the Federal Communications Commission (FCC) counted 34,687 pages filed for rulemakings, comments, reply comments, and all other parts of the Cable Act docket.

Not only is FCC rulemaking complicated and controversial, it is slow. The companies that are supposed to lead us into the twenty-first century face an FCC approval process that dates back to the early part of this century, and one that was designed to manage requests by railroads to extend their tracks.

But it is not just the FCC. What about the Department of Justice and the federal courts? Bob Allen of AT&T says he and Craig McCaw have had to file one million pages of documents on their proposed merger.

Figuring all this out—the technology, the players, and the disparate entities that need to converge—is a wildly daunting task. The only solution that I know is the one I have depended upon since I started in the entertainment business twenty-six years ago: To have a simple idea and then to carry it through without listening to all the sensible reasons why it cannot be done. The morning line odds always say that it is impossible—like convincing the skeptics that you could make movies directly for television, telecasting whole novels over ten or twenty hours, or even starting a new network. A good idea always works when it is simple, when it fills a need, when it can be explained easily, and when you do not give up. But, this time, keeping it simple and pushing the confusion and government meddling aside to get to the fundamentals is a humongous task.

So, what are we going to do? Is there a principal idea strong enough, big enough, simple enough to pull all this together? What I have been working on, musing on, and driving myself crazy to figure out is how do

you tame all this. What can pull all this together? Is there somewhere in this pile of fascinating but finally irritating info-garbage an actual idea?

I think that there may be. Look at the development of the personal computer for a hint—word processing and spread sheets. They each did one simple thing, but it was a very powerful simple thing, and you just could not do it anywhere else as easily. Now, think of frustrations—with information, with television viewing, with shopping. What is the linkage? What are the possibilities? I think that they lead to one simple thing—smart agenting. Smart agenting? What is it? Well, I certainly do not mean something that gets movie stars better work.

Linking a computer and its power to search, find, and help us sort through this complicated world—that is what I call smart agenting. Using it to gather the data for only what we need or want to know. Using it in television entertainment and shopping, by giving us choices based on our interests and needs. Smart agenting would do the homework for us in each of these areas, homework for which we are hopelessly ill-equipped today.

The problem for us is an overload of information, entertainment, and the goods we need and buy. Up until now no system existed to slow it all down for us and make it comprehensible. Computers are fast—that little mother chip is doubling in capacity every two years—and it is a frightening thing to comprehend with our slow minds.

What the computer can do when it is tasked to our interests—to search out and find based upon a detailed profile of who we are—is simply amazing. Drawing on databases of infinite detail and density, that box can now in a millisecond—and with perfect pitch—find what it would take endless hours and extraordinary patience to do for ourselves if it could be done at all.

While I was preaching this technology the other day to a friend who was looking at me somewhat uncomprehendingly, he asked as we were flying over Utah, “You mean if I was going on a trip to Salt Lake would it tell me the best restaurant?” I said, “No, no, you don’t understand. It would not do that. It would already know everything about you—what you like and what you do not, what you can afford to pay and what will not kill you to eat. It will just tell you where to go wherever you are—as if you had sent a huge advance team in before. It will give you a clear map to get there, in a millisecond.”

It will do this in every area you want it to, from sending you the newest audio compact discs you would love to have if you had the time and temerity to spend a few hours at Tower Records, to getting you the best price of the best model—targeted like a laser at thousands of the nasty little and big needs in your ever busier life. That is its power.

When it gathered your confidence and would “do it all for you,” one day later you would get it at your door and it would render a terrific service. It could be linked to an information system that culled and collated the things you wanted and needed to know, and it could also tell you that it had stored the program you would have missed otherwise. And if it did these things and concentrated on you—your needs, wants, your schedule, your family and friends and nothing else—I think that it would be that simple idea that could not be provided elsewhere. Then, your life would be genuinely advantaged and for that, you will change your habits and you will make that leap. You will learn how to work it.

This smart agenting—finding consistent ways to develop it, make it dependable, get people to trust it—is the driving idea, the building block, to a full interactive convergence of computers, television, and two-way communications.

What I found at QVC—the working out of the simple logistics, taking interactivity to smart agenting, using our logistics and computer literacy to push the formula through—this could be a worthy piece to play with in this great puzzle. And, of course, it is a puzzle. It is a mystery ride, and figuring it out for my business is a great adventure. How will it affect your lives? How promotion, marketing, and design have to change as this radical revolution takes hold over the next few years will be your adventure. So plunge in and get confused and frustrated. If you do not embrace the technology, its imperatives will eventually crush you. It may take shorter or longer. The arguments do not really matter because if you do not get curious about it and find an application to develop in you own work, I can easily promise you that somewhere there is a competitor who will.

Now, I know that anyone over the age of fourteen has a certain amount of technophobia—I did and it only gets worse. My recommendation: Fight it, because you have got to learn it and because in the end it will inspire you as it educates you to the possibilities and the endless opportunities.

