Chapter 5

STRATEGIC DOWNGRADING

What's the Trend?

As more products become Internet-enabled and digitally remastered, consumers start selectively rejecting these supposedly improved products and services – opting to strategically downgrade to simpler, cheaper and sometimes more functional versions instead.

Kyle Wiens is a modern day superman on a quest to save the world… one broken piece of technology at a time. His weapon of choice is a pentalobe screwdriver, mixed with an accidental journalist's talent for telling stories to inspire indignation. In the past several years, he has single-handedly become the voice of the "fixer movement" and a crusader for any consumer's right to fix the products they buy instead of being forced to throw them away.

Last year Apple insider website cultofmac.com described him as the "radical who wants the iPad banned." Boing Boing described him as "a culture hero of the 21st century" and he is a frequent contributor to some of the most influential publications in the world – including recent editorial pieces in *The Atlantic, Harvard Business Review, Wall Street Journal,* and *WIRED* (twice).

Why all this attention on a guy whose day job is running a cartoonishly titled company called iFixit? And what the heck is a pentalobe screwdriver?

The pentalobe screw is the "five-pointed Do Not Enter sign" used on most Apple devices. Shaped a bit like a five leaf clover, the proprietary screw is meant to prevent consumers from opening up Apple devices to fix or upgrade them. As a result, most older Apple devices end up in a landfill. According to Wiens, Apple is one of the biggest enemies of the fixer movement - making devices that are notoriously closed to tinkering or any sort of hacker upgrades. To fight back, iFixit was the first to develop its own pentalobe screwdriver and sell it on the Internet.

The move is emblematic of Wiens' personality. He lives to take on large brands and champions consumer's right to open up the things we own and fix or modify them as we choose. Though it seems like a logical mission, this "right to repair" has actually ballooned into a billion dollar legal debate. At stake is the very nature of ownership itself and whether we truly own the products we buy or not.

Who Owns Your Tractor?

The company propelled to the center of this debate thanks to a lawsuit in late 2015 was farm equipment manufacturer John Deere. At issue was its fervent legal argument that farmers, in fact, did not own their tractors but rather received "an implied license for the life of the vehicle to operate the vehicle."

Incensed by this particular bit of legalese, Wiens did what he does best and took to the media. In an op-ed published in WIRED magazine, he called this high tech farm equipment a "nightmare" for farmers. In an interview with NPR, he pointed out that that the problem comes down to the law. "Laws that govern the computer and the tractor were written by entertainment lawyers out of LA back in the 90s when they were trying to prevent DVD piracy … it's just time to update some of these laws."

Governments worldwide are tackling exactly this problem with several pieces of legislation under deliberation right now. The problem for farmers is, they can't afford to wait for the outcome. So they are using the most logical workaround anyone might – they are seeking out older tractors with less technology. In other words, they are using *Strategic Downgrading*.

Writing about this downgrading behavior in late 2015, farm auction expert Greg Peterson noted that buyers were placing increasing value on older simpler models – and in a time of struggle for the agricultural sector due to low prices – the newest tractors with their built in technology limitations seemed to be the first item cut from the budget.

It turns out this desire for older products (instead of their supposedly better replacements) is affecting other categories beyond agriculture as well.

Desirably Dumb Devices

When it comes to technology, we generally assume that newer is better. Computers get faster, cameras add more megapixels, battery life gets longer, and old products aren't built to last - even if we do manage to open them up with pentalobe screwdrivers and learn to fix them.

Despite the appeal of shiny new devices, there have been growing signs over the past year that consumers overwhelmed by the frequent upgrade cycle of technology are actively seeking ways to press the pause button, or even rewind to simpler times with more basic devices.

For example, the "Blackphone" launched in 2015 was a stripped down mobile phone running a lighter version of Android that puts privacy first and foremost. Swiss startup Punkt built and released an "un-smartphone" that has no web browsing, no touchscreen and no camera – focusing instead on features like a multi-day battery life, high quality audio and built in noise cancellation.

Meanwhile a quick internet search yields dozens of recent stories and blog posts about over-connected consumers deciding to take a break, skip the "biennial fleecing" and downgrade their mobile devices to an older previously useless model usually sitting in a drawer somewhere at home.

With wearable devices, the "downgrading" is often due to a lack of usefulness. Watches replaced by wrist-worn fitness trackers are regaining their place. Clip on wearable trackers are being left at home. Succumbing to the problem of too much measurement and not enough meaning, a growing range of consumers are choosing to go back to the "dumb" unconnected jewelry that they preferred in the first place.

For many devices the downgrading to "dumb" devices is driven by consumer frustration with things like lower battery life or overly complicated functionality. In other cases, like with an interesting resurgence in the popularity of print books, this downgrading can be a matter of preference.

The Surprising Value Of Print Books

The death of print books is predicted every year with regularity. Since 2008 ebook sales have been on the rise consistently every quarter – until they seemed to hit a wall last year. Suddenly, the book industry was reporting a curious reversal, fueled by a series of new research reports that were coming out in 2015 with surprising findings.

Analysis from Neilsen's Books and Consumers Survey noted that "teens continue to express a preference for print that may seem to be at odds with their perceived digital know how." A study run by the University of Colorado on the evolution of the book industry found that college students preferred printed textbooks because they helped students concentrate and avoid distraction.

"Consumers have an emotional and visceral/sensory attachment to printed books," researchers wrote, "potentially elevating them to a luxury item."

Supporting this theory was the fact that the research showed the top three reasons consumers choose a printed book is because it is easier on the eyes, they prefer the look and feel of paper, and they want the ability to add the book to a personal library.

The most hopeful argument for the resurgence of print books came in September of 2015 courtesy of a *New York Times* article titled "The Plot Twist: E-book Sales Slip, and Print Is Far From Dead." The article cited a new study from the Association of American Publishers (AAP) which showed a decline in ebook sales of about 10% in the early part of the year, along with a rise in the number of independent booksellers of about 20% over the past five years (according to the American Booksellers Association).

Despite glossing over the nuance that only e-books among the AAP's member publishers were down while sales of ebooks overall, including independently published ebooks, were actually up – the evidence for a resurgence in print books was quite valid.

E-book subscription models like Oyster that aimed to pioneer an approach to reading modeled on the all-you-can-get Netflix style have come and gone within less than two years. Meanwhile, supposedly counterintuitive moves like Amazon opening its first physical bookstore in Seattle a few months ago are offering proof points that there may be more to the print vs. e-book debate than we once thought.

E-books may offer a superior experience when it comes to the gratification of reading them instantly, or the sometimes valuable feature of being able to see what other readers have highlighted or chosen to take notes on. Yet print books remain an indulgent (perhaps even luxurious) strategic downgrade. The ultimately retro reading choice of holding a print book in your hands still feels and smells and inspires … the same way it always has.

This focus on the immersive experience that strategic downgrading can offer is also at the core of some of the popularity of older music on vinyl and retro gaming as well.

Retro Media

At English retailer John Lewis, sales of record players have risen 240% in the past year alone.

Independent music stores across the world are now scrambling to make sure and carry enough record players to support growing demand. Meanwhile, vinyl sales are at a twenty year high. While some audiophiles may disagree with my categorization of this choice as a "downgrade" given their preference for the lovably imperfect sound of songs played on vinyl – the fact remains that choosing to listen to songs this way is a deliberately nostalgic choice, and one that an increasing number of people are making.

A similar resurgence in retro video games played on older consoles or mobile devices has taken hold over the past year as well. The low resolution retro design of Candy Crush has not slowed down the popularity of the mobile game which has an unbelievable estimated 93 million people playing it *every day*, spending an estimated $800,000 daily.

Popular 80s video game maker Coleco has plans to launch a new game controller and console in 2016 that will offer players the chance to enjoy old 8-bit, 16-bit and 32-bit games once again – as well as use actual game cartridges … just like they once did 20+ years ago.

All this focus on retro experiences in gaming and music are not just for the older and more prone to nostalgia either. People of all ages are discovering joy in leaving insanely realistic third person shooter games, or algorithmically balanced digitally remastered music behind and opting for an older, less perfect, but still thoroughly awesome experience.

Sometimes this desire for better experiences is based less on nostalgia and more on time – or a lack thereof – like is has been for a growing number of sports that are being played or experienced in shortened timeframes than in the past.

Abbreviated Sports

By even the most optimistic numbers, the decline of golf has been pronounced. Down from a high of 30.6 million golfers in 2003 – just over a decade later the National Golf Foundation reports only about 24.7 million. Even more worrying for the industry is the fact that there has been a 30% decline in new golfers under the age of 34 playing the game.

The price and time commitment (often up to six hours for a full 18 rounds) are often cited as the most common barriers – but there is a movement within the industry to try and appeal to this younger demographic by addressing the time barrier with initiatives like the industry's "Time For Nine" campaign focused on enticing younger golfers to come and play an abbreviated half round of nine holes.

This invitation to enjoy a downgraded and less time intensive version of sport also explains the increasingly popular Twenty20 version of short form cricket, which features each team batting for only 20 overs as opposed to the usual 50 overs for a standard one day match. Twenty20 matches can be completed in 2-3 hours versus 7-8 hours for a one day match and a full five day for a Test match.

Each of these traditionally long sports are adapting to the fragmented media landscape of today and offering younger and older people with shrinking attention spans new ways to downgrade their experiences into shorter and more palatable chunks of time for participating or watching.

Rejecting GMOs

The final example of strategic downgrading comes from the food industry, and the story of one the most awe-inspiring ideas of the modern era – whose very existence is based on a scenario that all humankind hopes will never happen.

Situated on a tiny remote Norwegian island near the Artic Ocean, the Svalbard Global Seed Vault holds more than 100 million seeds for nearly 1 million food-crops from around the world. Often called the "Doomsday Vault," its mission is to keep the world's seeds save in the event of global catastrophe, so the survivors might replant the planet.

While the vault and scenario it was created for may seem far-fetched – the challenge of increasing our planet's food supply to account for our growing human population is a fierce global debate. In the center of the debate is the use of genetically modified organisms (GMOs) in food production. In America, they are commonly used in food production and deemed safe thanks to media education and government lobbying from the companies that produce them.

In Europe, as recently as a few months ago, two thirds of all countries upheld a ban on all GMOs. Despite the disagreements about the safety of GMOs, the debate itself is leading many people in food secure countries towards selecting older and presumably safer products. For example, there are "seed swaps" taking place among farmers and home gardeners to keep non-gmo crops alive. New diets continue to pop up advocating for simpler food like the "paleo diet."

All of it points to the increasing fear that the role of technology in our food may be causing health dangers we don't quite understand. The natural reaction is people choosing to strategically downgrade to food grown with more simple and human methods, without growth hormones and free from the genetic engineering.

Why It Matters

The fundamental shift described in this wide ranging trend is the idea that we as individuals and consumers are often choosing "downgraded" product and experiences that were once described as sub-optimal. Over the past year, the value of these supposedly outdated experiences is multi-faceted and causing a reevaluation of what features really matter.

Technology can be too smart, sports can take too long and crops can be too engineered. Driven by the underlying expectation of empowerment and choice, a greater number of consumers will choose to selectively opt out of innovation they don't value and instead return to the comfortable past where food seemed safer, books were tactile and things just worked.

Who Should Use This Trend?

As many companies struggle with finding the right kind of innovation to keep up to date in their industry, this idea of strategic downgrading represents the ultimate counter-trend. The organizations who will find the most value in it, therefore are the ones working hardest to evolve their products or industry into the future. Along with the desire to integrate more technology and improve a product must also come the understanding that sometimes people won't want anything to change or see more value from the older version they are already used to.

How To Use This Trend

✓ **Offer a "classic mode"** – When Microsoft launches a new operating system, there is usually a way change your interface to use the "classic view" you were used to from the previous version. In the newest Samsung Galaxy mobile phone, you can use "ultra power saving mode" – which turns off almost all phone functionality and switches to a black and white screen, quickly dumbing down your phone to save battery. What both Microsoft and Samsung know is that sometimes "downgrading" is exactly what consumers want. So how could you offer a "classic mode" for your own products or services?

✓ **Respond to zeitgeist** – The word zeitgeist refers to a prevailing thought that captures the culture of a particular time, and it is often used when talking about new cultural trends. Media seek it out, researchers report on it – and it offers valuable advice for leveraging this trend as well. When record players started generating buzz, for example, it created a big opportunity for a certain type of store to begin carrying and selling them. Zeitgeist can be like that – an early predictor of what people will care about. Brands must learn to watch and respond to this zeitgeist.