

2008 - International Symposium on Online Journalism

Day 2, Panel 2: Managing the Production of Online Journalism

Moderator/Research Chair:

Mark Tremayne, Assistant Professor, School of Journalism, University of Texas at Austin

Panelists:

Arne H. Krumsvik, Oslo University College (Norway): The Role of Journalists in a Digital Age*

George Sylvia, University of Texas at Austin: Developing an Online Newspaper Business Model: Long Distance Meets the Long Tail*

Neil Thurman and Ben Lupton, City University (London): Convergence Calls: Multimedia Storytelling at British News Websites**

* Refereed research papers (blind reviewed)

** Top-rated paper

Mark Tremayne: All of the papers on this panel are from our refereed paper competition. We're at the point where we're getting quite a number of submissions to the conference. It's becoming a challenge to fit them all in one day, but we did manage that this year. All of these topics -- all these papers are on the subject of the question we just had, which is, how does this transition occur? What does it mean for the people in the newsroom? And how do managers handle this? And what are the economic implications of it? I want to take the papers in the order that they are in the program, and so we will begin with Arne Krumsvik of Oslo University College. His paper: The Role of Journalists in a Digital Age.

Arne Krumsvik: [Getting mike set up.] Houston we have a problem. [inaudible] Let me just start with a short note on my own background. I used to be a newspaper reporter. When I was 15, I... [Gets a different mike.] I was just bragging about my background, so it's nothing important. [audience laughter] I started working for newspapers when I was 15, taking pictures and writing stories for the local paper. And then some years later, in

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1995, my mom became university professor, and she called me and asked if I were online. And I thought it was really embarrassing to say that I was not online. So I really had to get online and make a homepage really swift to be sort of competitive with my mom. [audience laughter] So they asked in the newsroom if some journalist had a homepage, so I had, and then I became Online Editor in Norway's largest newspaper. Just woke up one day. And since then, I have had the privilege of editing two of the national online newspapers in Norway and I also worked as an Editor in Chief in a regional newspaper and as a General Manager at an international radio station. So I've been working on change in the news industry for the last 10-15 years. And then I was happy to be back at the university three years ago trying to reflect on all the crazy things I have been working on.

So I'm going to talk today about a study I'm working on of CNN and NRK, which is the Norwegian Broadcasting Corporation. And my initial interest in this topic or my initial observation was that the kind of journalism, the kind of multimedia journalism we were participating [in] did not happen or it happened my slower than we anticipated. So I was observing that traditional media organizations had a tendency to develop cross-platform concepts. They were distributing the same content on several platforms, rather than making the multimedia -- the integrated multimedia products. And also, the cross-media concepts, like the World Idol, things like that, Pop Idol, those kind of concepts we have seen in the entertainment, but to a very lesser degree in journalism or news journalism. So when I tried to think about this, I am adding some classic theories from management, [unintelligible] management.

So Miles and Snow wrote a book three years ago. It was published three years ago on the 25th celebration, called "Strategy, Structure, and Process." And in this book, they have developed a typology of strategic configuration. The idea is that even though hypothetically you can have infinite ways to reach a goal, in practice, most organizations are choosing some major paths. And the major paths they found by studying different organizations from different industries were these four. And the defender category fits perfectly the traditional media company. That's... In the newspaper industry, it did quite well. The newspaper, that's both the organization, it's the building, and it's a product. A sort of single purpose organization. And in the newspaper, if you introduce new technology, that is not because you want to be a multimedia company, it's because you want to be more efficient in producing your newspaper. And at the time when newspapers became digital, the internet came along. It was sort of perfect timing of the telecommunication companies needing content for this new network and newspapers becoming digital about the same time.

So a defender would -- if a defender would develop portfolio products, that would be probably distribution [unintelligible] to have this great content and

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they can use several new channels to distribute the same content. That would be the defender mindset.

The prospector, that's a typical internet startup. That's a company who has this great idea, this great technology, and they thought they would make money on A and then they thought maybe it would be B and eventually it became C. I've had the privilege of working on some of those ventures, too, when I was Managing Editor of Scandinavia Online. I think they still are working on what they are going to make money on, but it's a lot of fun.

And then we have analyzers. They are in between. That's the corporation able to apply the brakes and push the throttle at the same time. You can work on the efficiency of your traditional production and at the same time be ready to move in on new promising parts of the market that you would have some kind of expertise or knowledge or content.

So most... And I talk about this. Most newspaper editors would say that, yes, we are analyzers. The problem about that is that they started making online newspapers in 1995 without having any idea about how to make this into a business or if there even were a possible revenue stream for the future. And that could indicate that they might be reactors, which are companies that are not having a consistent strategy-structure relationship. They are doing things because they need to have to, because things are happening around them. They feel they always should do that. Then you make a new strategy and you do a few moves, but you don't really change the structure of your operation in order to make sure that the new processes are working according to your strategy. So sort of a detachment between the strategy and the structures. That's the reactors. But to be kind to people in the industry, I would say an assumption is that they are analyzers.

Then I'm going to talk about the role of the journalist. I would just like to introduce Neil Grant's^[?] four levels of understanding the role of a journalist. And I guess it's level one I would talk most about today. That's what they actually do. What do the journalists do in their daily work? What kind of tools do they use? And what are their relations to other groups in the organization? Then you have higher layers of the norms and routines, and then the ideals and values, and ultimately the role of the journalist in society. Everything also relevant for the questions today. And I'll get back to that.

But Marisa's question is, how does the strategic role of new media development in a traditional media organization affect the journalism production process? And what kind of journalists and journalism are shaped under these changing frameworks? And the reason why I choose to look into television was because of my own background in newspapers. I wanted to use some of my experience and apply that on a field where I didn't have to study myself basically. So I talked to 40 -- it says managers. That means not reporters. And I'll get -- I'll explain why I don't -- why I didn't speak to

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reporters. I talked to producers and editors and executives at the CNN in Atlanta and [inaudible] and also NRK in Oslo.

And this represents a most different case study, where there are a lot of differences between these two cases. There's a national broadcaster, a global broadcaster. It's a public service, a commercial. It's an online pioneer, it's a late starter. Very different and very many variables. But the interesting thing is that even though they started out on very different starting points, the strategy tends to converge into being defenders.

CNN is the most typical example of an organization that started out online in a cross-media project, did a talk back program and a [unintelligible] so people could discuss online while the program was airing. Then they were actually planning to make weekly news CD-ROM. And just by coincidence, in this process, they went to an online news conference and discovered the internet. And they figured out that that was more appropriate for CNN, because then you had a global reach and you had a continuous news production ability, which was their core competence.

Then they developed a new organization, a quite big organization. It was an enormously big organization, over 100 people. In 1995, that was something everyone in this industry was talking about. That was because they were planning to make CD-ROMs, so they actually were making every page manually. Every page on the CNN.com was made from scratch in the beginning.

And then you know the story about America Online and the dot-com crash. CNN did it in a good American way of hiring all the online journalists. And overnight, basically, they introduced the most efficient news covering organization in the world, I guess, because then they have one news covering organization responsible for all the news covering. Then they have a small publication that's for each [inaudible] channel. So you could add new channels for publishing without increasing the cost of news covering.

And that's basically also the model that NRK wants to achieve. But they have more union issues and also more issues about reporters in more prestigious, primetime programs not wanting to work with trivial things like online. They have been working for many years achieving this goal of being a reporter for the main news show, so then you don't want to go back. So it's a compromise. And on the road to this centralized news production, they actually have two news organizations: one for prestigious shows and one for everything else. But the ultimate goal is to go to the same level as CNN.

So despite all the differences between CNN and NRK, both have developed defender strategies. And this means doing news production in the most efficient way possible. And then the breath of market service is very important. And then it's important to hold the marginal cost of every new

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channel in check. So that instead of developing interactive multimedia concepts, we are seeing that they are trying to focus on the lowest common denominator, so we can publish most of the stories as efficient as possible.

In the CNN case, it's really they have three things the reporter can do out in the field. They can make a package. And a package can be published in a stand alone or in a news show. Then they can make a donut. And a donut, that's a package with a hole in it. The anchor has to fill in the hole. And then you have a standup. Then when you have ten different channels, you can just add or change this mix. So it was quite fascinating to see this morning on a Saturday early in the U.S. nothing big is happening. I was switching from CNN to Headline News and I could see the same packages packaged in different contexts. And if I didn't pay attention, it would look like it was different stories being told on the same subject. If you really followed closely, you would see that it was exactly the same thing published in just a little bit different way.

Then if you go back to the NRK case and the question about the prestigious channels, you could also see the effects of the higher level of the role of a journalist as a conservative force, because many of the expectations of a multimedia journalist interacting with the public, for instance, it's been if the self-understanding of the role of many user [inaudible]. Why should I interact with readers after the story has been filed? So then you have the professional norms, written or non-written, working as a conservative force on top of this strategic and managerial problem of reaching the goal of multimedia journalism. Not maybe the goal, but maybe actually that they have a goal, but our expectation. Our expectation is that they would make multimedia journalism.

So, how does the future look like? I guess I have described sort of a Tayloristic image about the news factory and the realization of news production, but there is hope, because social structures are changing over time. And one reason why they might change is that there is a need for differentiation. There's a need for cooperation to have a portfolio of differentiated products in order to make people spend more time on their brand. And there's also a need for differentiation because of fragmentation of the news market. But then you have the problem with the monopolistic competition when the need for differentiation is increasing and the resources available to create the differentiated products are decreasing. That's exactly the status of most, most traditional media organizations. That their competition is so different from earlier where they basically had a monopoly situation running in many markets.

But then the importance of, like the previous speaker talked about, the importance, the relative importance of the channel might be what makes it more likely that the traditional large media corporations would be involved more in the day-to-day, but just occasionally the production of true

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multimedia interactive concepts. But I think that's the most likely scenario, one that will take the whole online toolbox and actually use it. But probably you will have the same process again for the next wave of new possible output channels, because online is just the starting point. So maybe this will change the way people are working, but when I see the typology [inaudible] 30 years ago still being useful in understanding what's happening, I'm not quite sure.

If you have a good answer, you could contact me at my contacts. Thank you.

[Audience applause.]

Mark Tremayne: Okay. Thank you very much for that. If you have questions, please hold them. We'll have a few minutes, I believe, at the conclusion of this panel to take questions for any of our presenters here. I'd like to move to our next presenter here, my colleague here at UT Austin, Dr. George Sylvie. His paper is Developing an Online Newspaper Business Model: Long Distance Meets the Long Tail.

George Sylvie: [Getting mike and presentation set up.] All right. Can you hear me?

Audience Member: Yeah.

George Sylvie: Okay, great. Okay. First, I want to thank Rosental and Mark and the organizers of this fine event. It's a pleasure to be with you this morning even if it is a Saturday, for me. And also, it's a pleasure to be on this panel. I've read some of the research of these people here, especially Arne [inaudible] for a lot of your work prior to mine here. If it hadn't been for Arne and some of his colleagues, I wouldn't know what the hell I'm talking about this morning.

By way of background, my background really is managing. I'm not an economist. I'm not a numbers person, per se; although, I do play one in real life at the University of Texas. But what I'm particularly interested about is -- interested in, I should say, is this business of, all I've been hearing for the last year is, "Business model this, business model that," even in the journalism trade publications. And I'm saying, you know, what's so hard about developing a business model? [laughs] That's a joke. [audience laughter] But the real point is, why -- really, what is the problem? And what can be done about developing something that's, obviously -- it's not a one-size-fits-all proposition. But you also are concerned with the fact that most of the action, if you will, at conferences such as these and also in the trade publications tends to be on The New York Times of the world, you know, those types of guys, The Wall Street Journal. No knock on those people who are here. But I also wonder, well, what about the typical guys? What about the little guys? And so with them in mind, I developed this idea.

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And what you have here, Long Distance Meets the Long Tail, that's not obscene or pornographic by any means. That is just a funny way of describing a couple of theories that I've married in this proposal. And I'll try to get through this as long as -- as quick as possible. Twelve minutes?

Mark Tremayne: Yeah.

George Sylvie: Yeah, okay. All right. Well, by way of background, which most of you in here don't need, but for myself, I have to go through this so I can set you up real well. Obviously, that goes without saying. Money. Money's coming in, market share down. Money's not coming in that much. Much of it is online driven and not too terribly traditionally driven. We do know that online advertising in newspapers—I'm talking about American newspapers—gets 20 to 30% of a print ad's worth. In other words, there's not the same value there for online advertising as there is for print advertising. Not yet anyway. Online profit margins. We've done research here. A student of mine now in Taiwan has discovered that online profit margins are half that of other media. And current models that we have, again, no secret to you in the room, you pay-by-view, it's free, or we have free with some pay-by-view.

The result, I think, is interesting, because a friend of mine did this survey for the World Association of Newspapers basically asking publishers all over the world, what's going to happen in the next few years? And what's important? And so on and so forth. And this is a boiled down... This is not a direct quote. This is my paraphrasing. Online, of course, they recognize it, but they won't be experimenting or doing anything positive about it when they are developing their strategy. So in other words, you know, we've got a disconnect here. People know this is -- publishers know this is important, but they are not quite sure what to do about it. I don't think that they are really honest when they are saying they are not going to invest in it, but I think right now they are saying, "I don't know what I'm going to do." And so you ask yourself that, well, maybe we need to look at it a different way.

And what I come from here, and some of the other people in the room know this, this resource-based view theory, which basically says that a firm's strength or strengths lie in its resources. It's important not just because of -- not just because of where you are or the business you are in or the market you serve. It's also important that the people and the resources you have have some impact or some say as to how much profit you can make. And you'd be surprised in our academic world how heretical that sounds because of previous models we've all been following.

So the place to start in looking for the pot of gold is the value chain, which hopefully I'm going to show you something. And this is my own scribbled hand here, okay? And if you can't see that very clearly, I apologize. You can

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move up to the first two or three rows. What we're basically saying is, in media, we've got a value chain that deals with content creation, then you aggregate it, then you distribute it. That's the traditional model up at the top. In e-commerce, we've got web design, [inaudible] relationships, logistics, and sales. And then so on and so forth for the last two here: information technology, telecommunication. The whole point is down at the bottom. The value chain is basically you create content, you aggregate it, you add value through some sort of service, you access to connections, and then you navigate or interface with the user.

Now, let's see, I'm looking back for my presentation here. Oh, there's Rosental. How about that? [audience laughter] I know, I'm looking for it, Rosental. There we go. Okay. Anyhow, so resource-based theory says you look at the firm's value chain, and you disassemble it, and then you reassemble parts or elements to meet the new market's needs. The value chain I just showed you is an old market model or a print-base model. So, again, one of the problems of trying to make a new proposal, I'll tell you right now, is trying to keep ahead of everybody who's doing the same thing, including Arne and other people. And Peter and everybody in this room is looking for the pot of gold. We all want to be major consultants for, you know, for Rupert Murdoch or whoever. And so it's not -- a lot of this is not magic.

But the mistake I think many of us have [made] and I noticed yesterday with our benefactor, Jim Moroney's -- that I think is a mistake -- is matching products with demographics. I don't think that's a sure-fired way to sustain a competitive advantage. Yes, you do get a competitive advantage, but then what do you have when people change? You start changing again. And pretty soon you get in a rut and you dig your hole all the way to the other end of the economic globe, so to speak.

It's better to deliver convenience, comprehensiveness, and timeliness, I think, and not a niche. And we can debate this and so forth during the Q&A period. But what I'm basically saying is, rather than trying to build it and they will come, ala Field of Dreams, why not give them something they want when they want it? And why not also offer comprehensiveness and timeliness in the same breath? So examine your assets for value, from a customer's viewpoint, but also from this resource-based view concept of inimitability. I can't even say it. But basically, how unique is what you do? And Jim said yesterday in his keynote that, you know, local is inimitable, basically. But at the same time, you can almost become too local, I think.

So Part 1 of this model is the distance aspect. Online, obviously, is a global mechanism, has global reach. Also, what we've determined is online is also a customer-driven technology. It is not producer driven. So the value is in the eye of the customer, not in the journalist/manager. When you take the market concept of proximity, it takes on new meaning in online. There are

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two online audiences. Iris Chyi, who I owe a debt to, she was my mentee, now I'm hers. She's my partner here at the University of Texas. She and I developed this concept. Hopefully it will work. There we go. I don't know if you can see that in the back room, but it's in the paper and it's on the site. Way back a year -- ten years ago now, we came up with this idea, well, you know, you had the information and advertising markets at the top for every medium. You also had the local market for newspapers. But with online, Ta-da, you had the long distance market.

The problem is right here in the area of advertising. You see my little cursor moving there. Most... How shall I say it? Most newspapers are not really into developing non-local audiences, because their strength is local. That's their tradition. So it's been basically ignored. And for ten years, we've been trying to get this idea through that that's myopic, in our words.

So along comes Chris Anderson and his long tail. Not his personal long tail, but his theory of long tail, which says, basically, "In distributing a commodity, information technology--specifically the internet--increases the share of niches." You heard this, I don't know, who was it, Neil, I think. "Millions of markets with dozens of people or just a dozen people, as opposed to dozens of markets with millions of people." Basically, we're saying, a long distribution tail there has lots of different niches. The benefit in the online world is that the internet markets, they arm the audience members with search capabilities as well. The big "but," however, is that [the] consumer, not the newspaper, determines the product in this case. So basically, what we're saying is, there are lots of niches, but the newspaper or any other medium sometimes doesn't know they are out there. Has no way of knowing unless they do research. And so what we're saying here, it's, let's marry this idea, the two ideas of the long tail and the long distance. I'll get back to this in a second. But what we're saying here is, take media, take some ideas like retail and mobile, marry them, and become a market for just about everybody.

Now, my question is, again, where is my...? When you're doing this, these things disappear. There we go. Okay.

So, the key to it is partnering and distribution. Why? Because media have intended and unintended uses. Basically, how many of us have read a newspaper in the weirdest places? And I don't just mean the bathroom. When we're waiting for something. So the newspaper is ill-equipped, however, to market some -- market to somebody in that area. And one of the reasons I came up with this idea is because I'm always going to Barnes & Noble, because as an academic, I love books, right? I also like to browse. What do I see most people doing when they are just resting and not browsing? They are sitting at a table, drinking their coffee, reading something, whether it's a newspaper or a magazine or some publication. And

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then they are just going to leave it there. They are not going to buy it. So why let people do that?

But basically, what you have is the newspaper and other media not very equipped to take advantage of that situation. So, why not make news for non-newspaper delivery vehicles? Such as? The partners. Mobile media, which I think is very, very, very under-valued by newspapers especially. It moves. A person can bring it with them, their content with them. People who use mobile phones are willing to pay for things that they see advertised on mobile phones. A large percentage. So it's got revenue potential. And with the increasing sophistication and development of broadband, the so-called smart phones that we are headed toward, it just becomes even easier to do. And of course, also, there's that time shifting aspect. I can bring this where me -- where I ever go -- bleh, bleh -- wherever I go. And again, it's growing in use.

Back to the possible partners. Why not local retail businesses? Other than as advertisers. I mean, why not partner with them? Why not make your web and your search capability available to them in their retail business? They are not classified ads. They are a revenue group that is basically untapped by newspapers, particularly, because most of our -- most of the newspaper industry's revenue is based or is largely -- the growth area is classified ads, but nobody is thinking about local retail. Local retail businesses also attract people and invite socializing. You meet people you know in your local grocery store, in your local dentist office, in your local doctor's office, and you read. And therein lies a natural bonding aspect. You're someplace comfortable. You are where you normally go. You're in your element in terms of shopping. And a paper is not very -- a newspaper is unobtrusive in that area, especially if it is tied to mobile, if it's not, you know, print, but tied to your telephone. And also, more and more local retail establishments are going to be inviting you to go online in the store either on your phone or at a kiosk or some device that allows you to look for competitive pricing and they will match it. This is more and more becoming the mode of operation. And the biggest reason is that these local retailers spend money online. And you'll see real estate being the biggest one, automotive, but you've got a whole slew of other opportunities here. Credit and mortgage services, general merchandising, so on and so forth. Food stores are at the bottom, but think of all the times you've been in places like this and you wish you had something to read other than their pamphlets.

So, what we have here is content-as-search eliminating much of the guessing about what attracts consumers. Consumers are attracted to the newspaper and its web interface on the mobile phone through basically their own curiosity. You become a repository for a lot of things, which you already are, except now you're not building portals, you're letting the consumer find what he or she wants. And because of this, it resolves the usability/design issues and provides original content. You're not even producing anything. It's

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already there. You're not producing anything new. Just like making micro-websites, you're not making the portal, you're just leaving it there for them to find. And that's advertising as well as editorial, by the way. So it eliminates any need to ally with a popular browser, who I won't name, to drive traffic. And in the process, it also offers a sense of community without imposing the journalist's or the editor's view of that sense. And it's heretical for a journalism professor to say, but it's true.

Now, of course, at a conference like this, I wouldn't expect to just go out there and present ideas without people being challenged, but I like this idea. [audience laughter] There's nothing not to like in this, so I'm not going to... No, I'm just kidding. Seriously, [audience chuckles], you have to create value for some audiences and particularly the retailers. They have no idea because they are doing their business every day and because... And we've already said this. I think it was Mr. Riddick said, "Ad sales staffs have no idea how to interact on a local level with people and present the newspaper as a viable, especially the online newspaper, as a viable medium." So you have to go out there and learn to create value for these people. And, you know, a lot of people look to the newspaper for information, not just news. So also, it also means training your staff to understand, what is the value of the newspaper for other people?

Organizationally, it means some serious local research and development. It's just a shame that the newspaper business doesn't put its money where its mouth is in not learning about its consumers. If you want to exist, it's time to get onboard and learn something about marketing. And I'm not saying newspapers aren't doing this, but I don't think they are really making a serious effort. I see the stuff that The Readership Institute and the Media Management Center and all of our friends in academia put out, and I don't see a lot of it being read by newspaper people.

This may also mean outsourcing your Marketing Department and your Advertising Department. Why? Because the long tail doesn't necessarily mean these people are a global world away. They could be 100 to 75 miles away, but because they are not local, you don't know anything about them. But they may also be—and Beldon has research to show that they are—very regular visitors in most local newspaper sites, but they are being ignored because they are not within the 15 mile radius of where you deliver a paper by. So that means you may have to outsource some marketing and some advertising to understand people in a broader geographic area. You being a local paper, I'm talking to.

It also means some sort of infrastructure technologically. We need to develop some better search capabilities. I'm not saying we have to be Google-like, because I think a lot of Google's searching ability is crap. I mean, I do it every day. There's just too much of it is not what I'm looking for. But newspapers knowing their local audiences should be able [to] with a little R&D

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money, and I'm talking seed money. For Austin here, we've got all these little think tanks popping up that have developed all this wonderful technology. It's not a lot of money in the great scope of things. But get somebody to develop your searching infrastructure and help people search your paper without having to do all the rigmarole of going through archives and this and that.

And obviously, this means you're going to have to start planning continuously on a continuous basis. It's not going to be a one-size-fits-all [or] an "Oh, let's sit back and rake in the money." We can't do that anymore.

And that's my idea. Thank you very much.

[Audience applause.]

Mark Tremayne: Thank you, George. Our next paper was the top-rated paper of the 13 that we accepted for the conference. Neil Thurman and Ben Lupton of City University in London. Now that I've raised expectations, [chuckles], they can try to meet them. And I'd like to award you with these very fancy certificates.

Neil Thurman: Thank you, Mark.

[Audience applause.]

Neil Thurman: Can you hear me? Here. [Puts mike on.] Okay. So I'd like to start with a quote from our interview with the editor of the [British] news website. He said, "Newspapers and broadcasters are set to meet in the middle and battle it out for the audience. And the arena for this conflict is, of course, online. And although the fight is not new, there's a new front: video."

Rupert Murdoch gave the Call to Arms. [Getting slide up.] Rupert Murdoch gave the Call to Arms in his 2005 speech to the American Society of Newspaper Editors calling the industry "remarkably, unaccountably, complacent" and saying that the emphasis online is shifting from text only to text with video. It took a couple of years, but by 2007, the UK newspapers have started to rally.

Trinity Mirror announcing an overhaul of its regional newspaper websites with greater emphasis on multimedia. And Johnson Press talking about a true multimedia experience for its users.

At the national level, The Daily Telegraph in the same year launched a news-on-demand service and The Guardian promised serious investment in its own video team.

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Now, commentators like Bill Haggerty, who's Editor of the British Journalism Review, suggest that such multimedia offerings are one answer to the crisis he believes printed newspapers face. But the crisis is not just a result of broadcasters competing with newspapers online. There's a third combatant: internet only publishers. And on this front, on the video front, they have the upper ground. So YouTube and Google Video have over 30% of the UK's online video market and traditional broadcasters are languishing behind. The BBC has just over 5% of the online video market compared to their one-third share of the broadcast audience.

So we decided to analyze the hostilities, if you like, by talking to the generals, the editors of -- the online editors of Britain's main national newspapers and broadcasters. And the battle of course is for users, who newspapers and commercial broadcasters hope to turn into revenue. The editor of the FT.com explained what's at stake. You know, the ad spend on TV is way larger than print. And as the TV spend moves online, they hope some of that money will go to them. And they want to talk to the same advertisers as CNN, and that's what they think convergence is all about. But can newspapers compete in this rich media world when they are up against broadcasters like the BBC and Sky with their vast audio and video assets? Well, our research reveals that they think they can.

Ben Lupton: Okay. The Editor of Mirror.Co.UK, Steve Purcell, believe that newspapers have got an opportunity, because they are the ones that break stories in the main and are not weighed down by the baggage that broadcast media carry. The production values mean they can only do this with five men, two cameras, three best boys, and two grips.

Ed Roussel, the Digital Editor of The Telegraph, agreed that newspapers' video production values could be lower and said that this didn't matter in the low-fi world of web video footage, where users, according to Anne Spackman, Editor of Times Online, want raw, real footage.

There is another fact that could benefit newspapers. Broadcasters like the BBC have internal battles to fight as the cultures of TV and online clash in the newly converging newsrooms. The head of BBC Interactive, Pete Clifton, talked about people from BBC TV News who don't really get what we are doing.

One of our most startling findings was the BBC's admission that despite having offered web video and audio for more than ten years, they are not handling multimedia well. Steve Herrmann explained they have traditionally cut up television news and stuck it on web stories. As you might imagine, this resulted in video that duplicated, rather than complemented text stories. Video that, according to Pete Clifton, didn't perform a very useful function at all. Clifton used the image of the bloke with the immaculate hair to encapsulate all he thought was wrong with bringing TV news values to the

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web. Watching a journalist tell you what has happened, rather than what viewers wanted: video that was focused around a particular moment. This shovel-ware approach had been remarkable unsuccessful.

The BBC trial showing that video associated with stories was typically watched by only two in 100 visitors. In part, users were put off by content that didn't add value, but there's also the fact that the video lived within a standalone player that has usability and visibility problems. In the BBC trial, when Flash video was embedded at the top of the story instead, the conversion rate leapt to between 25 and 40%. The influence of YouTube was clear with Steve Herrmann saying it had set the standard, created the expectation that watching video on the web was going to be that quick, that simple.

Neil Thurman: Newspapers have had the opportunity with YouTube to see what works and what doesn't, and The Guardian's strategy reflects this approach. Neil McIntosh, who is the head of editorial development at The Guardian, told us that they decided video shouldn't live outside or separately from the rest of what they do, that it was key, that they wanted to embed it, and it's primary home had to be the story. And they've had a head start over the BBC in playing video straight off the page, but they are not going to have the upper hand for long.

Pete Clifton acknowledged that at the BBC for day-to-day use, their online video player was more or less redundant, and actually this week they began to roll out embedded video on their newly redesigned site.

According to Steve Herrmann at the BBC, changing from presenting video in a player to embedding video at the page level will require journalists to get to grips with how video integrates with their story and at what point they need to introduce video.

In our interviews, we found that editors were prioritizing selection and editing skills in their journalists and were actually less interested in multi-skilling on the news gathering side. So Pete Clifton questioned the idea that you could send out a journalist to do everything, saying that they'd probably end up doing everything really badly. Marc Webber at the Sun Online said, "This is not robo journo. This is not us trying to get journalists to have a pen in one hand and a camera in the other. They are distinctive disciplines." And at The Guardian, Neil McIntosh thought that being an exemplary journalist in print and multimedia wasn't feasible. He didn't think they were a complementary set of skills.

But what of the content and character of the video that was being run by the newly multimedia news sites? Well, Ed Roussel talked about popular videos at The Telegraph ranging from the dramatic to the quirky. Steve Purcell told us that showbiz and sporting updates were the big drivers at The Mirror. And Steve Herrmann at the BBC thought that users had [inaudible] to watch

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stories that were primarily visual. And at Sky, Steve Benedict said viewers were going for the lightweight stories. And the BBC's decision to embed video is likely to accelerate the trend or the tendency to provide what Pete Clifton called "the quick fixes views demand." And he even gave us some examples of the type of video that they would do more of in the future, including this bloke, this clip of a bloke smashing up [a Ferrari]. [video plays]

Ben Lupton: So all this seems to support Ben Scott's view that convergence would mean less processed stories, investigative reporting, international news, and in-depth coverage. But we think there are reasons for optimism. Firstly, the editors we spoke to were determined to maintain high editorial standards. Steve Benedict insisted that Sky wouldn't put their international coverage under the carpet and said that they hoped to change people's consumption habits. "Technology," he said, "could help by giving people what they want, but hopefully will also lead them to a whole new world of consumption."

With all the talk about embedded video and short, sharp, YouTube-style clips, we mustn't forget that the video player isn't quite dead yet. The BBC's iPlayer, now launched after a long delay, provides longer form programming for download or immediate online viewing at high quality. It already has about around 1.3 million unique users a week. The BBC's commercial drivers too saw a place for a player to host more substantial, stand-alone video packages.

Convergence has been criticized for the monotony that results from content sharing partnerships that allow newspapers to offer a broad range of video streams. Scott warns of a dilution in story choice as multimedia newsrooms cover fewer and fewer stories. Indeed, of the sites studied, there was a heavy reliance of a small number of third party providers, as this slide illustrates. However, the editors we spoke to were not entirely happy with some of the partnerships that had come about and were also encouraged by the popularity of their in-house video.

Steve Purcell said The Mirror's experience with ROO had been a bloody mess relying on American led content.

Marc Webber said the Sun Online's contract with the Press Association would kick the bucket, and they would give priority to their own content, which has proven to be the most popular with their audience.

James Montgomery agreed a specialist video was a unique selling point for newspapers and described how FT.com would take an advantage of their unique niche position in the market with video-like view from the top.

And Neil McIntosh talked about how The Guardian Limited planned to produce original pieces of video journalism built from the ground up.

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And although Pete Clifton admitted that the BBC were going to be doing far less video than they had in the past, the changes they were planning will actually result in a greater divergence between news video on their website and their TV output, as they seek to bring the right read, different kind of video food to the website and avoid blokes with immaculate hair.

Neil Thurman: Integration of newsrooms does, of course, cause organizations to consider whether a story plays well across its various channels. In the BBC's newly integrated multimedia newsroom, the daily editorial meetings have been crunched together and now involve TV, radio, online, news gathering, and other channels. But Steve Herrmann told us although they combine fire power on the six key stories that TV run, there are plenty of -- there's plenty of room around the edges. The BBC news website publishes about 300 stories a day.

Although commentators like Bill Haggerty believe multimedia is an answer to the crisis print and newspapers face, he says appetite for video shouldn't be overestimated. It's easy amid the hype to forget that moving images are only part of the content jigsaw and shouldn't be treated as the optimal format.

Headlines like this one, "Video is now central to online publishing," in the Press Gazette, exaggerate its importance. Respondents stress that text was still core. Steve Herrmann said that the vast majority of the BBC's audience come for text. Anne Spackman said that video was not the first point of contact for all the stories at The Times, especially because their expertise was in specialisms like business, which are not picture led. James Montgomery believed that in five years time text would probably still be more dominant than video at the FT.

So, to what extent can the shift from text to text-with-video allow newspapers to avoid, in Rupert Murdoch's words, being relegated to the status of [unintelligible]. Well, content is crucial here. Murdoch's speech also talked about the need for newspapers to differentiate themselves in a world where news is becoming increasingly commoditized. And he talked about the dangers of bland repurposing and the need for deep local news.

Well, in our study of news sites increasing use of video, we saw plenty of examples of bland repurposing of commoditized news, not least from companies within Rupert Murdoch's own news corporation. But we also saw hopeful signs that with the original content that they are producing mainstream newspapers are acknowledging what IBM have called the world of increasing consumer control and niche content.

Thank you very much.

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Ben Lupton: Thank you.

[Audience applause.]

Mark Tremayne: Thank you. We have time for a few questions if there are any. Anyone? Everyone looks angry. [audience laughter] One question?

Audience Member: I'm sorry for those of you that are hungry, [audience laughter], but this is an easy question for George. The... I mean, at one point, I thought you commented that you weren't happy with an ocean of demographics. And I wanted to, you know, just add an interesting thought in terms of some research I'm currently doing. People who are interested in having more customers for their banks, people who are interested in encouraging people to drink alcoholic beverages tend to look very strongly at the youth market. Several of -- many people here in this audience, as opposed to a few of us in the audience, were born essentially with PIN numbers. It's a different generation. And I think looking at that demographic and trying to structure news adherence or the beginning of loyalists for certain kinds of news vehicles, particularly with regard to the mobile development, particularly with regards to the mobile development as we look at Latin America, is a particularly significant issue. The other one I wanted to mention was that on relevancy rules and that psycho-graphics and lifestyle are perhaps even more important in terms of determining relevancy than the term demographics. And I wondered if you had a comment about either of those. And also, you commented on the long tail issue and the concept within this marketplace of convenience, control, and choice, and they'll watch what they want to watch, when they want to watch it, and how they want to watch it. And the 'how' was part of his long tail, so I think there's a question in there someplace. [laughs]

George Sylvie: [laughs] Well, one of the things that I've also discovered, if you continue to go with demographics and niches, as much as successful -- as successful as those are early on, I think you run the risk of doing something Coca Cola has done, which is basically niche itself to death. Because now if you notice original Classic Coke may have less than 10% of the market, or, it's either of the market or of the amount of Coca Cola products that are sold. Coca Cola is no longer Coca Cola. It's Coke Zero, it's Diet Coke, it's Caffeine-Free Diet Coke, it's Vanilla Coke, Cherry Coke, so on and so forth. And you run the risk, especially if you are a newspaper, of diluting what you are about. And I think Jim was right yesterday that first and foremost--(and I'm biased too, because I'm a journalism professor)--what you do is journalism. And if you continue to do it in a micro-niche oriented way, you then run the risk of letting the market determine what journalism is. And I think that's a very dangerous proposition for newspapers, especially local newspapers. But as far as... And that's why I think it's better to let people self-select, because they are going to go to specific -- they are going to look for specifics no matter where they are, and they are not always going to think about the

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newspaper. But it might as well be the newspaper they are turning to as opposed to Google or Craig's List or whatever. And newspapers really have not been aggressive in fending off some of these threats. I believe newspapers classified are a better place to go to look for a job than Craig's List. Call me old fashioned, but I think I learn more by looking at the newspaper classified.

Mark Tremayne: Okay. We can continue this discussion during the break. But we're going to take a break now for lunch. We'll reconvene here at 1:15 with our next panel, which is on social networking.