

Day 2, Panel 1 - International innovative experiences in online journalism

Moderator/Chair:

Cristina Aby-Azar, Managing Editor, Wall Street Journal Americas

Panelists:

Harry Dugmore, MTN Chair of Media and Mobile Communications, Rhodes University (South Africa)

Mario Tascón, Lainformacion.com (Spain)

***Juan Antonio Zertuche**, Editor, International Section, Reporte Indigo.

*Note: Roman Gallo, CEO, PPF Media/Naseadresa.cz (Czech Republic), was scheduled to speak, but unable to attend due to volcanic ash in Europe. Mr. Zertuche spoke instead.

Cristina Aby-Azar: Letting us know a little bit more about the three very interesting projects that they are running in three different and exciting countries. We in newsrooms today are scratching our heads to make sure that we can keep providing good content to our audience, keep paying well our professionals, and keep afloat basically. Everybody is trying something different, and these three gentlemen here certainly are trying very unique projects. They are all very young still. I'm not sure how they are going to turn out. [chuckles] We are not sure if they are going to be able to make money out of this and keep, you know, producing this material, but it's worth taking a look at them. And I'm sure even at that stage we can learn something from those projects and even implement something in our own newsroom.

We are going to start with Professor Harry Dugmore from South Africa. And he's going to tell us about the challenges that publications face in a country where most people still live with two U.S. dollars a day. So pay content is a concept that is very hard to work with in a country like that. The magic of this project is the use of instant message and text message to deliver news to these lands of South Africa. Harry is going to explain to us, but they are still experimenting with sponsorship for those text messages. And it's a very fascinating project.

Then we are going to hear from Mario Tascón from Spain, a completely different market, totally mature, where people have money and publications are still struggling with the concept of paid content. Actually Mario is

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completely convinced that paid content is not a model for Spain. So with a group of other conventional media, Mario created *lainformacion.com*. It's a website that has a model that combines content coming from professional journalists, collaborators, and robots. Again, it's a five-month-old project and very interesting, but we have to take a closer look in the months to come.

Finally, we will have our Juan Antonio Zertuche talking about a project in Mexico City that is a very interesting portal of magazines, online magazines, 100% in flash, very high-end, some people call high brow, [chuckles], that is trying to combine a model of paid and free content. Again, another young project, very fascinating.

I want to do this in a very formal way, so I'm going to let them give their presentations, and right after the presentations, I'm going to open for questions. And then in the end, we are going to debate with the three of them together. So feel free to ask whenever you feel like asking questions and interrupt them as much as we can. Thank you very much. So Harry...

Harry Dugmore: Good morning, everybody. Is that nice and loud and clear? I think it is. Good. I might just take it off and walk with it a little bit. That'll be a little bit better. Thank you very much for the introduction, and thank you to all of you for being here bright and early on a Saturday morning. I think we've got some interesting projects that we're working on, and we're doing some interesting things in South Africa. This is a Knight News Grant Challenge Project that we won in 2008. And the very nature of these projects is that we are encouraged to innovate and to come up with solutions. And I was just very impressed by all the contributions yesterday, but particularly the contributions in the morning that really looked hard at what the challenges are here in the United States, in particular, in terms of the news media. And so much of that resonated with exactly what we're grappling with in South Africa. So from that point of view, I think you will see—for those of you that were in the sessions yesterday—that there's a lot of continuity between some of the issues that have been raised and some of the solutions that have been suggested very powerfully, I think, particularly by John yesterday, John Paton, and some of the work that we're doing.

So first, just very briefly, to understand that we're also operating like everyone else but at a slightly different level of the curve, in what I like to call a techno-social flux. And that's because the technology is evolving, but the sociology of the use of that technology and the relationships which that technology engenders are changing pretty rapidly and in some very, very interesting ways. So in South Africa and most of Africa, and I'll speak occasionally on behalf of the continent, but mostly on behalf of my own country, South Africa, the host of the 2010 World Cup, for those of you that hadn't heard. [laughter] I hope to see some of you there.

Rosental Calmon Alves: I'll be there.

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Harry Dugmore: Good. Yes. [chuckles] Rosental will definitely be there hopefully seeing a few matches. Very low, but rapidly improving broadband access, and it's doubling almost annually, but often incredibly low base. We have a rapid uptake of cell phones. Almost 100% of families in South Africa now have access to a cell phone, and that's growing at a most incredibly exponential rate in Africa, as I'll show you in a moment. A rapid growing ability of phones to access the mobile web. So again, we are designing solutions and particular sets of technological capacity. And all of a sudden, a new Samsung comes in and it can do all sorts of things that phones couldn't do, and people can do all sorts of things. But nonetheless, even this phone connectivity and this bandwidth to connect to your phones in a context of very low, fixed line bandwidth and broadband than any DSL, the mobile space is still incredibly expensive. The costs have not come down anywhere near as fast and as powerfully as they need to do. And there's also simultaneously in that context low media density and low journalism density. There just isn't a lot of it.

So in that context, what does one do? What is one's overall approach? Essentially what I'll be discussing with you over the course of 20 or so slides is our approach and the approach that we think generates a lot of interesting observations, a lot of interesting insights, and we believe lessons for anyone who is playing in the space anywhere in the world. And hopefully you will agree with me by the end of the input.

So really, our approach is that user-generated content is playing a much more central role and needs to play a much more central role in this new world of media, this new world of co-creation of media. And pared down and cheap, certainly in Africa, is still going to beat for a long time to come richly featured, higher bandwidth, and expensive. That's just not going to fly in the African context.

And why is that? And where are we coming from in this techno-social flux? And where are we going to? Well, the first thing to see, as you can see there, is quite a famous slide about the spaghetti diet that we're on. There were all sorts of discussions yesterday about appetizers and steak, and we had the famous Austin ribs last night, but you can see Africa is on a very spaghetti-like diet with only a few little strands of international submarine cable capacity in 2007. All of a sudden, that's completely exploded. And within the last 24 months and in the next six months, Africa's capacity is moving up to 400 times the capacity in 2007 and a lot of very, very fat pipes have been put in all over the place. And already it's starting to make a very, very substantial difference. So all of a sudden, we've gone from a situation of eating a spaghetti diet to now we are at the steak restaurant and we have these very, very fat pipes, but there's still a huge problem—it's very expensive.

So all of the operators up and down Africa are saying, "Wow, we've got great news for you! We've got this thing." You know, you're standing at the

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restaurant window and it's all steamy. You know, that famous photograph of the little boy who's looking into this famous restaurant, looking inside, but you can't afford to go in, and then somebody suddenly says on the board, "All you can eat!" We just got last week our first 'all you can eat' un-kept broadband, 80 SL broadband, but at prices nobody can afford. So they said, "We're not going to drop our prices, but instead of the three-day cap that we've had for the last nine years, you can eat as much as you like." It doesn't help you when it's still costing you \$30-\$40 a month. People don't have that kind of money.

So, what does that mean? You can look just very briefly. Also, this is from the International Telecom slides. You can see that North America is coming in there at almost 75% of people who have access to the Internet, and Africa is coming in at 6.8. So all of those are the continents, and little Africa—it's not so little—Africa statistics are very little, way behind even the world average. But this is coming in on six-line broadband. This is access to Internet via computers and laptops over six lines. And you can see just there, if you want to break that down a little bit, that Egypt is by far the most connected, sitting at 12% of the population. So about one in twelve Egyptians have access. Then Nigeria and Morocco. South Africa, we're coming in at about 5%. But even since these lines, which are September 2009, we've had a huge bump up because of the sudden connectivity. We've probably shot up now to about 8 or 9% of fixed line. So it is a rapid uptake and almost 100% of South African families have access to a cell phone.

So from 1994 when we got our liberation and our first democratic elections, Nelson Mandela was elected, the number of people with cell phones in South Africa has gone up from 200,000 people with connections to 36 million out of a population of roughly 50 million. So that's why I say every family has access. There often is only one phone in the house, and there might be four people or six people. And the number of SIM cards has gone up to more than the number of people in the population.

And this is a strategy. And a lot of what our news and journalism strategy is based on is the incredible innovation of ordinary people in Africa to subvert the high charges that telecoms operating, including the sponsor of my chair, are charging. In particular, I think, [is] called an interconnect fee. I guess you have them here as well when you phone across networks and you pay way more. So what do you do? You just send an instant message to say, "I'm shifting from Verizon to AT&T," and you both change your SIM cards, and now you don't have the [fee]. So people walk around with three SIM cards. We have three operators. And they're busy swapping out SIM cards all day. [They are] waiting for the Chinese knockoffs to come that have the three SIM cards in the phone where you can do that through the software rather than physically. But anyway, so people have much more. The blue line is SIM cards. The red line is connectivity. So it is a rapidly growing ability of people—I'm sorry, that's coming out very darkly—to access the phone through the web.

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Phones are getting smarter, faster. And we can see that just in terms of this graph, in terms of African connectivity, how rapidly and even exponential this is growing. Right now in 2010, we've just kind of hit the mark with half of the African population has access to a cell phone. 2012, it's going to be 600,000 — 600-million, excuse me. All the dots, a billion people. There's just slightly less than about 980-million people in Africa. And that top graph is from Upper Muni, and it shows how data usage is going up month by month. This first one here is only December 2007. Now admittedly, that is their measurements on Upper Muni, but it's just going... We're in the middle of the most rapid time warp of flux. And then finally just to computer these graph-like plots, this is mobile penetration across Africa. Admittedly, about two years ago, but nonetheless, you can see South Africa, Libya, Tunisia, Algeria, all in the 80s and 90s and very close to 100, and then it falls off a little bit. And that just quickly is a map of where you can get cell phone connectivity in Africa, where there is signal in Africa. The green is where there's signal. And you can see there's vast areas where there's no signal at all. I mean, we work quite hard in South Africa when we want to tune out to find a little place where no one can get you, and it's getting harder and harder each month to find a place you can go on holiday where there's no connectivity.

And you can see the low/medium density is a slide that I've presented before. This is the number of journalists per population. And you can see that for most countries there's a relatively large number of people, even in Botswana, about 15,000 people in Botswana for every one single journalist. The South African figures definitely don't compute and they bring the other figures a little bit into disrepute. There is not one journalist for every 1,300 South Africans. It's more about one for every 4,000 South Africans by our calculations. But maybe what they do with this is they take everyone who works for a media company, whether you're a cleaner or a janitor or anything like that, and they take those numbers and divide it by total population. The figures for the United States are around about 4,500. If you had a group of 4,500 American citizens together, one of them would be a journalist, and so it would go on. For South Africa, it would be about the same. But you can see Ethiopia, that's 100,000 Ethiopians you have to get into the stadium before you find one journalist. So what do you do in that kind of context where there's very low density?

You can just see this is a map of democracy in Africa. I just thought I'd show you this very briefly, because I think it's really interesting. I put the slide in last night after some of the discussions yesterday—Jim particularly talking about the role of the free press. The countries in green are full democracies in Africa. And you can see there are not too many of them. The countries in that sort of beige are partial democracies where there's some rule of law, some freedom of the press, some freedom of political association and the right to free assembly. And the countries in the red are full non-democracies. You can call them whatever you like. I just thought it's fascinating when you look at that, I superimposed—I don't know if it's going to come up on these

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lumens—the connectivity. Now, the new connectivity [at] the end of 2008. And low and behold, there's almost 100% correlation between democracy and connectivity. Where there is no democracy, where those things are red, there's almost no cell phone coverage. And where there's a lot of cell phone coverage, the countries are green. And it just happened that the green matches the green and the red matches the red. So I thought that was pretty amazing, but absolutely not so much to do with what I'm talking about. It has a little bit, because it is about this big question.

So, how do you help...? That's all the context, and I very quickly now will just tell you about our project. How do you help to create informed, engaged communities, other than Knight Foundation, in undemocratic, resource-poor contexts with low levels of very expensive and usually quite slow broadband and still make yourself sustainable? One doesn't have to make the kind of 25% return on investment that media companies chase in the developed world, but you'd certainly like to break even. And the onset to is focus on mobile, and the onset is to also simultaneously induce, encourage, cajole more and more audience-generated inputs, including citizen journalism. And what does that mean?

So in our particular case, we're experimenting and experiencing things in three different areas: training citizen journalists and offering them incentives to use more of their journalism; we're using SMS's and instant messages to supply news and information; and we're embracing low-cost social media as a critical part of operating in this new world where you talk to anybody under the age of 30 in Africa—(and I guess it's exactly the same in the United States, Mexico, Brazil, in India, wherever you go)—the news will find me. I don't chase the news. The news comes to me, and it comes to me by my social context. 70-80% of young Africans are saying, "I heard about that through my Facebook or through my Twitter."

So what we're doing is we have citizen journalism training. You can just see we have the first citizen journalism training newsroom. I was interested to see John talking yesterday about providing already at six of their papers citizen journalism training. People do a six-week course, about three hours work a week, and they become relatively skilled citizen journalists. They have some background. And we work both with young people at school still, but mostly with young, unemployed adults in the early- to mid-twenties. And we're getting some fantastic results from that. Here's our graduation class. You can see people walk past. And what do they do? That's our first ever photograph that we published last year of a shack fire taken with a cell phone camera and sent into us by MMS. We also publish SMS's. This has really taken off in a big way, getting user-generated content, and not just from our trained journalists, but from anyone. And we're now getting about a dozen SMS's in every day to our little paper. Our little paper is 140 years old in Grahamstown. It's the oldest independent newspaper in South Africa, and it's doing these things.

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What's really exciting, what's really powerful is instant messaging and how instant messaging is taking off in such a big way. Instant messages on your phone, I might add. Also on your computer, but for the 4.6% of people that access that. It's fast. It's almost free. So we have a thing called Mix It, which is a South African invention. It has over 20-million users. Remember we have a population of 50-million people. And on average, those people are sending 200 messages a day. So it's, "How are you?" "I'm fine." "Where are you?" "I'm here." "Would you like some coffee?" So up and down Africa, it's taken off all over Africa. Instead of spending about 10 U.S. cents on an SMS, people are sending 1/100th of a U.S. cent on the cost of the data using G-Talk, but particularly Mix It. Any of you guys use G-Talk yet or instant messaging? It's a really cool system, and it's working incredibly well. Now how do we get news to people? That's the big thing.

Then the third point that I was making about how you have to make the news find people. People are on Facebook, and people are on Twitter. These are the top ten South African sites in South Africa. Look at number one. It's Facebook. Number nine is Twitter. So people are turning themselves on to the most advanced social networking stuff that's available in the U.S.A. There's an explosion of Facebook like you cannot believe up and down Africa. It just is amazing. I teach a graduate class, which is mostly made up from people who are not in South Africa, and they all love Facebook.

So, here's our program. What the Knight Foundation gave us money to do and what I'm inviting all of you to have a look at if you want to is develop this think called NIKA. It's a content management system for small newspapers that allows you to take content in by SMS, by instant message, and by social media. And it goes and it gets into the editor's workflow box. So it's a workflow system, like any good newspaper should have. You're not saving things in Microsoft Word and using track changes in Microsoft Word. It just doesn't work in a newspaper environment. It enables you to sit at your same desk and push things out again to social media, to instant messaging, and particularly to SMS. So that's just what NIKA looks like. It's a box. I know I'm running out of time. And you can go through those four different stages. I think I have two or three slides to go. So NIKA is a very powerful system. You can see. Some of you might be able to see. You'll get these slides later. You can go and check it out at the NIKA trak. We have a web version, web browser, NIKA 2.0. But if you're technically minded and you're running a small newspaper anywhere in the world and you know how to build a lab stack and do a little bit of programming, you can download everything you need. A really powerful, what we call, mobile CMS. A CMS, content management system, optimized for mobile content for papers. And there's our SMS alerts, which are going out at the moment. We also use Twitter. And a lot of people are getting news on Twitter. The news will find you if you follow Twitter. There's our Facebook page. All being generated by NIKA.

And now finally, the final thing which I'm showing—I'm sure that you'll be very pleased to hear—is this new thing that we're launching next month. It's

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called Grahamstown Now. And it's a mobile web platform that looks exactly like that. When you go onto our web page, on the web page... I think I put it up there. Hold on. It's this one. There we go: ghtnow.co.za. Anyone wants to go to it on their phone right now, they will see something which is a mobile web page, but incredibly, incredibly stripped down, so that it loads almost instantly even if you've got the world's oldest Nokia phone. As long as it's the world's oldest Nokia phone, they can get mobile broadband. That you can actually access a mobi site. That you can go do a Google search. If you can do a Google search, your phone can do this. And in it, everything, the whole emphasis of Grahamstown now is on the utility of the information. So news and information in journalism and the stuff that helps people reconnect to power, because that's what we're trying to do is get people really useful journalism that reconnects them to power, but it's embedded in all these socially useful things—the latest SMS's, all sorts of stories. We have seven web cams. We have a really big problem with water in Grahamstown. The water has been degraded, but we also have a spring. We have a spring where the water just comes out the side of the mountain, and you cue up with your buckles if you want to drink free spring water. And since we had this aluminum scare a month ago, the cues are wrapped round and round the block. There's too much aluminum in our water. Can you believe it? So now we're putting up a spring cam, which you can look at [on] your phone instantly to see how big the cues are, day or night, and then you can go when the cues are not so strong.

So to conclude, three points. We need in Africa and what we're experimenting is to embrace user-generated input. And we provide—and I've blogged about this quite extensively over the last couple of years—we've felt our way through to a fairly efficient system where we provide some training that doesn't break the bank. It's the Knight Foundation's bank, but it's fairly optimally put together. A lot of editing. You really have to hold citizen journalists hands. You have to take them through as rigorous a process, a fact-checking legal certainty and mentoring as you do with a young cadet journalist right out of 'journ' school and even some cash incentives. So, you know, you've got to ask, if you provide journalists, citizen journalists with cash and training, are they really citizen journalists? We're not offering them full-time jobs, but we pay them per story and per photograph. And our second thing is we're shifting very rapidly, as John was saying yesterday, to a mobile web news first model in our newsrooms and in the print edition second. And if you don't do that, as John said yesterday, you're dead and it doesn't work. And our final point is we get our content and output out through multiple mobile friendly platforms. Mobile is the big story in Africa and will remain so for the next five years. Our job is to keep up with the rapid ability of phones to do new cool things and the slow ability of our prices and the caps and the bandwidth to allow people to do those things. Thank you very much.

[Applause.]

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Cristina Aby-Azar: We can ask questions if we want. I have one, Harry. We know you have the Knight money now. What's going to happen in terms of a business model after the money is gone.

Harry Dugmore: That's a very good question, and we have no idea. No, that's not true. We have a lot of ideas. And we have worked particularly... [switch microphones] Thanks, Rosental. We are very committed to at minimum break even, i.e., in other words, sustainability of this project. Our big deal killer act, if you like, for our sustainability is on the Grahamstown Now website and the Grahamstown Now application, is to offer what we called 'time deteriorating specials,' so time bond specials. We have a paper, which we've run for 140 years. My 'journ' school bought it in 2003. And that paper breaks even as a paper, because we have such low penetration. We don't want to do what *The New York Times* did and create this wonderful site called Grahamstown Now and give away everything for free. We aren't going to make that site not a pay wall site, but we are going to try and use the power of the connectivity of mobile in particular to say that when you look at the mobile site, what will make Grahamstown now sticky and what makes our SMS's sticky is that we add these time deteriorating specials. That simply means that an item is 90% off in the store between four and five today. And if you get that message at five past five, you've lost out, so you'd better check Grahamstown Now really frequently to see where the absolute super specials are. And those specials can be anything from services... John was talking yesterday about selling chairs. That's what we want to get involved in, partnerships with our merchants, who currently have been loyal advertisers in our paper, some for more than 100 years. Go to them and say, "If you've got excess inventory or even just want to get feet through your door, take out a little thing at the bottom." On Grahamstown Now, you can watch the degrading with your own eyes. It can say, "47 minutes left till the special ends." You look at it again 30 seconds later, it says, "36 minutes." You know, it counts it down. And the whole site is devised around that. We started to get a lot of excitement about that, and it is the early days, but we think we can make positive money that way.

Cristina Aby-Azar: Thank you. Any other question? [No response.] OK. So we'll go to...[inaudible].

Mario Tascón: Good morning. It's OK. OK. Good morning. Thank you very much to Austin, University, Rosental for the invitation. I'm so sorry about my English. I know that this is so funny, but not with English. But I have a very visual presentation and I hope that this won't be a problem for you. It's a big problem for me to speak with this product here. [laughter] But I show you... I was working now in a new company that was making three new media. This one is a media. It's really a blog that is so easy to understand what we are making if you understand this equation. That this 451 Fahrenheit, at least that you know as the temperature that paper [burns], and we make this speaking about the press. This is the name of a blog that is very popular and

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very successful in Spain and the Latin American world, speaking, like they tell you about the press and the future of the press.

The second media we have is a how-to media that is called Practicopedia. It is basing it after the How-to or eHow in the states. We made this in Spanish, and it's successful, too. They have one year of time working on that, and it's also successful.

But we are now here speaking about lainformacion.com. It's not too much time, one year ago just yesterday. One year ago, we were in a beta working with the robots and algorithms. In September, we put a human newsroom like I was to explain you how we are making. We are based on a philosophy that the Internet, if we consider a triangle in one practice, media made by professional. In another one, it's media made by users. Another one of the vertices is media made by robots. It's more easy to understand if you see the media made by professional can be EIPais.com or TheMediaPlace.com. The media made by robots was easy to understand if I tell you that was Google News. And the media made by users can be a lot of them but Digg or something like this. We think that in the future the media need to have the three vertices of the triangle, and then we are working in the three.

How we made these. We made this first with robots and algorithms. What type of things make the robots and algorithms we have? Our system monitor more than 1,500 sources different sources, blogs, medias, radio, websites, and social network, too. And organize more than 5,000 tests, videos, infographics that are from lainformacion.com, the news agencies, and all the collaborators make everyday for media, the system.

With this, we analyze too the real time trends of the consumer, the people, and personalize information made in thousands of topics every day. The algorithms are designed not only in the news, [they] are designed by journalists. It's different within the algorithms of Google and the algorithms we use. Another very important thing is they automatically catalog of all this amount of information that they search. For a corporation, you need to think that a media like EIPais.com can introduce every day no more than 500 bytes of information, and we work with more than 20,000 [bytes] of information every day.

Another difference is the human newsroom. The human newsroom, why is it different? We have 30 professionals with different profiles. We search specifically for profiles of digital natives. People that have Twitter, that have Facebook. And some of them are 'brands' themselves in the Internet world. And new professionals, new journalists that work in this, but above all are journalists. These people make a lot of reports, videos, and infographics every day. Differential information. Because for the normal information, we take the news audiences and the material that the news audiences provide.

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Strong design. It's another difference. This is the work of the level. The level was fluid level. It's not always with all the same level of the design for lainformacion.com. We make different things manually here in the homepage with a strong design, with interactive design every day. This is not a work for the machines. This is a work for the human people—for the people—[chuckles]—with a strong design that you can see here. This day is like a Twitter page. This is another day. It's a game with Lost. The people need to put the numbers of Lost in one, two, trying to go in the interior of the material we have around Lost. Need to put, you know, Lost, you know, to play their game with the numbers of Lost. The people need to play, need to put the numbers on the cover to go in the interior.

Sometimes we make different designs. With a lot of illustration, the illustration is not too much use on the Internet. We use a lot... This is a site—this is not to see too much, but we have a lot of smoke. This is in Europe, as you know. And too, on the cover in the homepage from lainformacion.com.

And then new narratives, I'd like to show you the different things that we make. This is a distance map of Spain. [Mumbles as he looks for a slide.] I show you this. This is the distance map of Spain with all the towns of Spain. This is Madrid here. This is Galicia. We do like to note how it is now the map of Spain. This is the map of Spain not biographical, not geographically, but by the distance—how [much] time you take to go to the different places. This one the same, no? Another theme, for example, is Lost II. We make a map of Lost, but we know that—[some laughter]—you have a spoiler button. If you don't see any Lost capitals, any Lost cities, you don't push the button. But I only saw one --

Man: Number four.

Mario Tascón: The number four, the number one. What number do you need? Which you like?

Man: One.

Mario Tascón: OK, the one. [chuckles] The one, OK. If any of you don't like to see, close the eyes. And then this is explaining [all] of different things of Lost. You select the different... OK. Only to see, see, see, see. OK, all done. [chuckles] OK. I'll do for somebody with innovative panoramic. You know, perhaps in the election of Obama [as] President that this was so popular in the states. A picture like this. OK. This is a panoramic. I'll show you. This is the amplification that the users of lainformacion can have of any details of some of the pictures we make.

And ending the presentation is the other part of the — is the readers. We just released a new game for the readers. This is Exquisite Corpse that is a collective experiment that the people make, a collective book. In Twitter and

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in Facebook, the name is CadaverEx. The people [are] each one putting a new part of the book that is called CadaverEx.

A lot of things is a media with a status, only more with Facebook and Twitter. We have... It's a new media for us. We have different languages. We have more or less 100,000 followers in Twitter. We are working, too, with new devices. This is the usage. We are the first digital media in Spain now. We have near 3-million unique users every month, and only not two months more. This is all.

[Applause.]

Cristina Aby-Azar: Any questions for Mario?

Woman: [Inaudible.]

Rosental Calmon Alves: Can you respond from there, Mario?

Mario Tascón: Yes.

Rosental Calmon Alves: Respond from there so we can...

Cristina Aby-Azar: Can you say your name?

Woman: [Inaudible.] I would like to know where are you getting the money?

Mario Tascón: The money going, yeah. The money.

Man: What did she say?

Mario Tascón: Where is the money?

Woman: [Inaudible.]

Mario Tascón: Yeah. We have investments. A lot of people invest in this idea. And we have 23-million Euros for five-year business plan that we have.

Man: 23-million?

Mario Tascón: 23-million.

Man: And you have no problems?

Mario Tascón: No. Now, no. [laughs]

[Laughter.]

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Woman: In five years?

Mario Tascón: In five years, we have. I hope not.

Woman: Are you making any money yet?

Mario Tascón: Yeah. We have the... We work very in audience, like you see. We work very well, too, in the cost, because the costs now are really low in a lot of things. And we have, in the traditional, we have the income. We are working well with the advertising. They really are. It's not a good time, like you know, but we are working well in the income too. Things are really going okay.

Cristina Aby-Azar: Any other questions? OK. So we will have now Juan Antonio Zertuche, who is replacing Roman Gallo from Czech Republic, who couldn't come because of the ash in Europe. And Juan was very nice to step in. So we thank him certainly.

Juan Antonio Zertuche: OK. Hello. My name is Juan Antonio Zertuche. I'm the editor of the International Section in Reporte Indigo. I'm also editor of a Music & Arts magazine including the Reporte Indigo Club. It's called TreceVeinte. But obviously, I'm not the CEO. I'm just an editor. Not yet. [laughter] And you won't find me either in the program, so I was a replacement for our Czech friend.

I'm here to talk to you briefly in the last minute about our groundbreaking magazine we are making in Monterrey, Mexico. We have offices in Mexico City and Guadalajara. And to begin with, I'm going to show you an example of what we call a multimedia experience, but I don't know if it's working, the site. [Works on getting website on the screen. Amy Schmitz-Weiss comes up to assist. They get it up and running.] Well, I was going to show you our website, but I don't know if it's going to work. OK. [Amy continues working on it.] Well, I'm going to tell you what is... [Website appears on the screen.]

Amy Schmidt Weiss: There you go.

Juan Antonio Zertuche: Thank you. This is our website.

Amy Schmidt Weiss: [Inaudible.]

Juan Antonio Zertuche: Oh, okay. Thank you. This is our website, ReporteIndigo.com. We have—and I'm going to explain to you later—we have premium services, which are the hard news and local news, and we have other magazines that are for free access. And for example, this is our ...what we call a multimedia experience. We are built up in flash. Let me see. I'm going to show you what we call a multimedia story [that] we made about the Iranian revolution or the Neda Movement in Iran. Let me go... [Trying to adjust screen size.] Well, it's very big, but this is an example of... Well, this is

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just one of our collaborative stories built between our editorial staff and our multimedia developers and flash animation artists. It is like a digital upgrade to any of the simple graphics you can see in a print magazine or in the newspaper. What we do is we transform graphics into a multimedia experience. We cannot hear it now, but there is an audio going on explaining the situation, for example, in this case, in Iran. And audio, video, and flash, and a good story can bring things like this into light. This was a very successful story in our magazine.

So what is Reporte Indigo? We are a provocative digital and multimedia experience that marries knowledge with intuition. Our unique platform allows us to have a complete interaction with our audience. We like to call this a new sensorial experience in digital content. It is an immersive media, a user experience that was never done before in Mexico.

And I'm going to talk to you about our CEO. Many of you already know him. It's Ramón Alberto Garza. He was actually a former UT journalism student. And he calls this way of making journalism 'brain media.' Here he is. This is Ramón Alberto Garza. He's the Founder and CEO of Reporte Indigo. He used to work on traditional newspapers, like *Reforma* and *El Universal*. Now with Reporte Indigo, he has formed a team that combines the expertise of traditional and high profile journalists, such as former winners of our Premio Nacional del Periodismo—if you wish, it's like our Mexican Pulitzer—and the combination of these expertise journalists with young interns and freshmen who are eager to collaborate on this project. In fact, I have never worked in a newspaper or in a newsroom. I was an intern in Reporte Indigo three years ago, and now I'm the editor of a section and talking to you right now, so it's a great combination. [laughter]

As a multimedia magazine, we combine the best of multimedia design with the best of editorial content. We now have three years in the process of creating a new way of absorbing not only information, but advertising. Reporte Indigo has a special section where advertisers come to us and we make them like flash presentations, and it's a combination of information and advertising.

Reporte Indigo was born on the principle that information is a commodity and information is everywhere, and our goal is to give context and present it in a new way and in an appealing way to our readers. We have evolved from a traditional-based newsletter. We used to be a simple and plain PDF. And now we are a full multimedia experience. Our publication won the United Nations World Summit Award on E-content in 2007. And now we are talking with Apple Mexico to find new ways of presenting our content on tablet. So the next step for Reporte Indigo is to be present in mobile and on tablets.

Indigo started as a free weekly magazine, so we attracted an important fan base and we grew steadily issue after issue. It was almost like a grassroots movement. Three years ago, we didn't have Twitter and Facebook. And three

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years later, we have around 1.2 million users. Our Facebook has 14,000 fans and our Twitter has 8,000 followers. But three months ago, we made an important and brave and hopefully an intelligent decision. Now we are ready to see if our readers are willing to pay for our content. So we've started a premium membership to access our hard news and investigative journalism, but our soft news are still for free on our webpage.

Right now, we are in a stage in which we are waiting to see if this pays in good results. Paying online is not a common practice in Mexico, but we are pushing forward building a business model that could work. And in a couple of days... Well, yesterday and today, I've been hearing about business models in the industry in a future tense. But at this point, they are in a theoretical stage. Reporte Indigo is actually in the middle of creating its own new business model, in this case, in Mexico.

So if you want to find out if our business model works, hopefully, you will invite us next year and—[laughter]—we're going to tell you if this worked. We have only three months with the change of total free access to premium, a combination of premium and free access, and hopefully next year we can see some results.

Cristina Aby-Azar: Tell me about the content that's been hard news you want.

Juan Antonio Zertuche: The hard news?

Cristina Aby-Azar: Do you know the percentage?

Juan Antonio Zertuche: It's easier if you see it in terms of magazines. We have seven magazines. Of the seven magazines, three of them are behind the premium service. One is the front magazine that is Reporte Indigo's — it's national news and analysis and political journalism. The other ones are two local magazines, the one on Mexico City and another one from Monterrey, that are hard news, but we have a fashion magazine, and a music and arts magazine, and a cultural magazine. Those are for free.

Man: [Inaudible.] How many subscribers do you have?

Juan Antonio Zertuche: I don't have the exact number, because this has just happened since January to this date. As I told you, I'm just the editor of the international section.

Man: [Inaudible.]

Juan Antonio Zertuche: Well, obviously, it was a big change, because we built a huge fan base. And the essence of Indigo was that it was for free. And as Mario said, we all started with an initial capitalization or money. The plan was to be sustainable for—I don't know—it was like four or five years. So

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that period ended and Reporte Indigo shifted to a combination of premium and free access. So we are now in the stage to see if this works and to see if our fans are willing to pay for our content.

Cristina Aby-Azar: Thank you, Juan. We're really out of time. Thank you.

[Applause.]

Cristina Aby-Azar: We have time for one question.

Man: For Juan?

Cristina Aby-Azar: For anybody. Oh, where? Can you go to the mike, please?

Woman: OK.

Cristina Aby-Azar: Oh, maybe we can have two. Squeeze in. But can you go to the mike or speak up?

Man: So this is a question for our friends from *lainformacion*. Within U.S. news media, there tends to be very little emphasis on site design. It's just getting out the text, just getting out the stories, getting it out through as many channels as possible. From what I've seen of my tours through Latin American media and European media, there's a much heavier emphasis on graphic design, on interactivity. It just seems like a very different model for producing online content. Any insight? Any thoughts on why there might be that cultural difference between North America and between the Spanish-speaking world as far as production of online content?

Mario Tascón: I think it perhaps can be a cultural difference, but you need to understand that we learned a lot in the North American culture—two in the press and two in the multimedia. Perhaps you are speaking about the websites of the newspapers, if you think the websites of the newspapers was the original and all the websites are the same all over the world, there's not a cultural difference, because for different things. For one is the way to produce, that there is customers and there's new, and it's a complicated thing for the designers. It's complicated to make up all those language they are producing and a good design. For this, in the case of *lainformacion*, we divide the work. We make a very, very good design in the homepage and in different parts, and in the other ones, we don't work too much with this, you know. It's only we work the 80% of the hard work, we make only for the 10% of the visual page, the different page. It's a way of work for you. Then, we have very good designers, it's true, and we have very good interactive people working, not only in Spain. Some of the Spanish designers and graphic people is working in the states now, in *The New York Times*, in *The National Geographic*. Some of them work... Because we have perhaps a good school in Spain for this, but we are very small people.

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Cristina Aby-Azar: Let us do one more question.

Man: For Mr. Dugmore, I was wondering if you could compare what types of content seem to be most popular on mobile versus on a computer. Does it seem to lend itself more towards breaking news versus enterprise or does it end up being the same usage patterns on both?

Harry Dugmore: Thank you. It does end up very much being a platform that does lend itself to breaking news and to news that's in much shorter little bits and pieces. And that's a real challenge for us, simply because our mandate and the Knight Foundation mandate is to create, inform, and engage communities, so we do a lot of City Hall reporting trying to get people to understand what their political choices are better, trying to empower people. And as you can imagine, in short-form journalism on a cell phone, that's really tricky to do. What goes down really well is much more kind of local news, things about what's happening in town, music concerts, those kind of things. They are much more digestible on the phone. So yes, it's a real challenge. In investigative journalism, a 2,000 word ad delivered to you on a cell phone doesn't fly that well, but we are working our way around that. And very often you tease people on the phone and you try and say to them, "When you get to the public library or whatever, you can go online, or buy the paper on Tuesday or Friday. We've got the..." It also can work as a way of reinforcing the legacy media.

Cristina Aby-Azar: Thank you very much. Thank you, everybody.

[Applause.]