The Future?

The BIG THAW

Many people assume that the future is to be predicted rather than created. The future does not simply happen to us; we shape it. Volume 3 poses important questions for independent media to consider as it shapes the future and nine possible trends that could further change the game.

The Future?

The Big Thaw began with David Weinberger's question: "How much more of the game needs to change, *really*?" In some ways, this is the future we have been waiting for. Independent media has successfully amplified independent voices and empower communities for many years. The online world has made this more possible than ever before. But in other ways, it might not be the future we had expected.

While people interviewed for *The Big Thaw* were optimistic about online journalism, they were uncertain regarding how it would affect quality and availability of investigative journalism, how consumers will behave, how the biggest players in the game will act, and which new strategies and business models succeed.

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Future uncertainties

"We're essentially clueless," David Weinberger says, when it comes to understanding how information flows on the web.[1] This unknowing is exactly what creates opportunity, especially when we let go of entrenched ideas. John Bracken of the MacArthur Foundation warned against drawing parallels to popular models too quickly. "If I had a dollar for every time people mention Wikipedia, I'd be rich," he says. "People try to draw lessons from open source software and building online communities, but the types of skills needed are different from those needed for journalism. There is often more different than similar in comparisons people make." More often than not, popular models for conveying information online have succeeded due to a perfect storm.

"We all talk about a set of things that have worked," author Clay Shirky says, "but we wave big caveats over them because the failure rates are so high. For instance, Yahoo Groups, one of the most successful examples in history, easily suffered a failure rate of 50%. Many groups just failed to launch. And for many open source projects, about 75% of the time stuff never happens."

We still face many uncertainties in how the media industry will look in coming years. The rule of thumb is *expect the unexpected*. Radical changes in technology will continue to affect the competitive landscape and the new competencies outlined in Vol. 2 will become even more important. If independent media organizations constantly ask the following questions as they innovate, they can shape the future of journalism.

How will consumers act?

In an era when consumer choice and control are increasing, many uncertainties center on questions about how customers will behave in the long run.

What trends will last?

Anticipating what trends will catch on is hard enough. "I'm surprised web video seems to have caught on in a way, say, podcasting never really did. And because doing it well does require a few more resources, I think a lot of publications are still catching up," wrote Ann Friedman of the *American Prospect* in a member survey by The Media Consortium (TMC).

But a bigger challenge is determining which trends might fundamentally change society. "We don't know how much of a change in the current landscape is a one-way racket, or how much of it is a particular cohort living through something," Shirky notes. "Everyone talks about how the younger cohorts only text (SMS) and never use email. But once they got into office environments, then they started using email because it was appropriate to the context. Short texts are great for kids, but it turns out young adults need a higher form of communication, which email facilitates. Is this a big one-way change?"

Media companies are "constantly climbing down the ladder of youth" and can miss opportunities that still exist with older audiences, Shirky explains. As *Rolling Stone's* readers aged, the publication had to choose between reaching a younger audience or moving with their demographic. They chose the latter, which is why American Express Platinum cards are now in its pages. Focusing on a declining market segment can often be a smart move, especially if other media outlets have left them behind. Yet, Shirky points out the strategic challenge: "When this cohort dies, so does *Rolling Stone*."

> "One of the things we need to learn is that we don't actually know what's going on. We don't know how information moves through the Internet, because we haven't done the studies. To a large degree this information hasn't been available, because we need a lot of cooperation to get this data, including from the government."
>
> — *David Weinberger*

> "Now that we're living our lives online more with Facebook, Twitter, will they these trends fade, or are they significant changes in how we conceive of ourselves and society?"
>
> — *John Bracken*

> "There are lots of strategies you use when it's revolutionary change, and different strategies when it's about cohorts changing. But it's hard to see this when you're in the middle of it, when things are growing so fast."
>
> — *Clay Shirky*

In the end, Shirky asks, "Are these changes definitely going to last, or not going to last? The answer is somewhere in the middle. We're going to answer this by looking at human behavior rather than technological capability."

What will happen to serious news?

Customers' ability to pull content together on their own terms has become a stronger than publishers' ability to push it out to them. Some people question how actively people will pull in serious news in the future, particularly casual newsreaders. In his *Atlantic* article, "End Times," Michael Hirschorn went as far as saying, "The Internet has done much to encourage lazy news consumption."[2] For example, one young person was quoted in a *New York Times* story about online consumption habits saying, "If the news is that important, it will find me."[3] This dynamic underpins one of Bracken's biggest worries going forward: "Will people looking for serious news be able to find it? What happens to news that is unpopular, long or complex, will such reports be passed along as well?"

Other people are confident about finding a depth of knowledge from the blogosphere when they want it, even though the news may first reach them in more immediate ways such as Twitter. Nevertheless, how often will *casual* newsreaders read more in-depth content when left to their own devices?

Greater uncertainty remains about how online consumption driven by audience demand will affect news production in the long run. Bracken points out that James Fallows, Andrew Sullivan, and Jeffrey Goldberg's blogs for the *Atlantic* are quite different from long form articles. Sullivan has even admitted that the online environment has changed the way he writes. This should come as no surprise. For instance, after Nietzsche moved from writing longhand to using a typewriter his writing went from "arguments to aphorisms," as Nicholas Carr described in his article, "Is Google Making Us Stupid?"[4] Therefore, in the long term, we must wonder how much complexity and nuanced thinking in serious news could be lost, and how that may affect society.

Will online media broaden or narrow perspectives?

Will the Internet ultimately make people more self-focused and fragmented—with only like-minded people talking to each other—or will it broaden our experience and understanding?

"As the rest of the world becomes more represented online, we'll have access to them, and different conversations will arise out of that. The corollary is that we could stay in our own little niches," Bracken says. "Partly it's a question of technology and partly it's cultural." An offline experiment by Harvard Law School professor Cass Sunstein illustrates the dynamic. In 2005, after convening small groups batched together by similar political views to discuss controversial issues, he found that each group's conversation made them more homogeneous and extreme in their point of view.[5]

"[There is a] terrible and seemingly inescapable tendency of humans to prefer the familiar to the unfamiliar," Weinberger says. Larry Irving fears that we are heading towards a point where a person's pre-existing position determines what they consume online whether or not it is slanted or true. "Now you can read your point of view and that's *all* you read," he says.

What perspective do newsreaders want?

Although users can personalize news to their individual interests, the Pew Research Center found that 62% of Americans would rather get a news overview than just hear about topics that interest them. Less than half of 18 to

"My mind now expects to take in information the way the Net distributes it: in a swiftly moving stream of particles. Once I was a scuba diver in the sea of words. Now I zip along the surface like a guy on a Jet Ski."

— *Nicholas Carr*[CC]

"The web serves us a lot better in many ways, but there is a tendency to think that we're getting access to everything, when we're really maintaining our own niches of ideas."

— *John Bracken*

"One argument is that the Internet is making us more self-involved, rather than what we'd hope and even expect: that everyone reads everything and are becoming more part of the world. We don't actually know that that's happening."

— *David Weinberger*

24 year olds feel this way. They would much rather get news only relevant to their interests. As people diverge in what they want, it is increasingly difficult for a news outlet to reach every audience.

The center also found that most Americans (66%) prefer political news with no point of view—a percentage that has remained roughly the same since 2004. It is no surprise that more people than ever before believe that news outlets favor one side, inaccurately report stories, are unwilling to admit mistakes and are influenced by powerful people and organizations.[6] The public's negative opinion could partly be due to the fact that more people see the gap between what they can find online and what any one journalism outlet can cover. Interestingly, neither survey asks users whether they might prefer news sites that bring together content with strong, divergent viewpoints.

Even if presented with multiple perspectives, people's viewpoints usually converge when left to their own devices.[7] As a result, the *perceived* political bias of a news outlet is reinforced by the type of content that appears to be most popular among its users.

Are balkanized communities an Internet or human problem?

"As a result of the Internet, we live increasingly in an era of enclaves and niches—much of it voluntary, much of it produced by those who think they know, and often do know, what we're likely to like," Sunstein wrote in *Republic.com 2.0*.[8]

One can find many examples of how the Internet has builtcommunity. However, Weinberger says, "The notion that the only sign of success for new media is that people will always be talking with an open mind with people with whom they deeply disagree in order to hash out differences and come to agreement is bull-crap. Where do you ever see that in the real world? [Most people] have never sat down with a Nazi and tried to take his perspective seriously."

"This is not an Internet problem, but a human problem," Weinberger claims. "We do prefer to hang out with people with whom we have something in common." To be sure, many business models will continue to capitalize on this tendency as they increase the relevancy of information and affiliations of users. Nevertheless, the benefit of connecting divergent points of view may also make new business models possible.

Although growing homogeneity is a top concern, most people still believe we are better off in an online world. "My hunch, with no data, is that on the whole net benefit is positive: that the Internet is generally bringing us into contact with more and more diversity than before," Weinberger says. "But we constantly have to be working on keeping ourselves open, trying to be more and more sympathetic, to expand our range of interests and not falling back into reptilian brain patterns. […] If we don't take steps, we'll just be sheep hanging out with other sheep just like us."

If people are more likely to sort themselves into enclaves and niches online, "What will happen to their views?" asks Sunstein. "What are the eventual effects on democracy?"[9]

"In short, those who want to find support for what they already think, and to insulate themselves from disturbing topics and contrary points of view, can do that far more easily than they can if they skim through a decent newspaper or weekly newsmagazine."

— Cass Sunstein[P]

Jump Back
Cyber-cascades & superdistribution, Vol. 2, p12

Godwin's Law

As an online discussion grows longer, the probability of a comparison to Nazis or Hitler approaches one, at which point it ends.

Will online media help or hurt democracy?

Who is best served by balkanized communities that consume increasingly fragmented news: *Independent voices* who can challenge those in power or *existing power brokers?* Does this fragmentation perpetuate an illusion of greater democracy but actually keep people splintered?

Cutbacks in investigative reporting may cause civic and corporate accountability to decline. The Pew Project for Excellence in Journalism discovered that during the 2008 presidential race the *Washington Post* produced only three major investigative profiles of the eventual winner, while it had 13 such pieces in 1992. The press has become "more reactive and passive and less of an enterprising investigator of the candidates than it once was," according to the study.[10]

Despite the potential of independent bloggers to fill the gap, new evidence reveals a dire impact on political participation when local *print* news outlets close. Research by Princeton economists found that as a result, in part, of *Cincinnati Post's* closing, fewer candidates ran for local office. The researchers also discovered that "incumbents became more likely to win re-election, and voter turnout fell."[11] Shirky believes the problem could be even more widespread: "Without (investigative journalism), government at all levels will simply slide back into the nepotism and corruption of the 19th century. […] That is the challenge we need to take on, it's not one currently being met well on the Internet."[12]

The Internet has not always met people's high hopes for advancing democracy: "Reports have claimed that kids [in Iran] are using the Internet more for culture (music, dating) rather than political engagement. It's a pressure release valve, and useful to the government because it's a distraction. In fact, some claim that civic discourse that could happen online, doesn't because of government monitoring," says Bracken. While the web may be a distraction, it prepared people to go online during Iran's presidential election. In the case of China, the state of their democracy has not changed significantly despite the rise of the Internet.

In the United States, "News will become increasingly 'red' or 'blue'," according to an article by Eric Alterman in the *New Yorker*. He said that this is nothing new. The brazen partisan newspapers that dominated journalism in the 1800s led, in part, to Adolph Ochs' famous "without fear or favor" declaration when he took over the *New York Times*.[13] Today, one of the greatest risks to our democracy may not come from partisan news, but the populist group-think behavior of consumers, which creates a new cultural hegemony. Roberto Lovato of *New America Media* wrote in a TMC member survey that one of his biggest concerns is the "degree of falsity, myth and lying the populace has now been conditioned to consume."

We cannot depend solely on the potential of the web to enable open expression and engagement. "Just as we've worked against [homogeneity] successfully so far, in the sciences especially, we have to work against it in the media too," suggests Weinberger. In this regard, *independent* media could be the greatest potential antidote, if it can avoid the elitism that has turned off many news consumers in the past.

While journalism's old watchtower enabled reporters to balance points of view more readily, that role has changed. Since media organizations have less control of information flow, they can no longer insist that readers "should" consider different viewpoints. Readers will simply filter it out. However, media-makers can give newsreaders reasons to *want* to do this by appealing to broader interests; making news entertaining and meeting people's interest in discovering something new or being challenged.

"Overall, the Internet is a good thing, but I don't think it's always the panacea that some people think it is."

— John Bracken

"(Bill Bishop) argues that Americans increasingly are segregating themselves into communities, clubs and churches where they are surrounded by people who think the way they do. Almost half of Americans now live in counties that vote in landslides either for Democrats or for Republicans, he said. In the 1960s and 1970s, in similarly competitive national elections, only about one-third lived in landslide counties."

— Nicholas Kristof[DD]

"The biggest challenge to progressive media is being honest, intellectually embracing, and not walling ourselves off from the millions of people who worry that progressive elites look down on them."

— Larry Irving

What will happen with paper?

While the decline of paper is evident, how far will it go? How fast will it happen? Could publishing on paper tap a new source of value for content?

Will paper disappear?

One of the biggest questions Weinberger has about media 10 years from now: "How much paper is there going to be? Have we managed to replace books and magazines yet? That's the shoe that's waiting to drop on multiple industries, from publishing to education. And when it happens, it'll happen very, very rapidly." Governor Arnold Schwarzenegger already announced that California schools would move to all electronic textbooks to save money. In a February 2009 *Fast Company* blog post, Kit Eaton asked whether the *New York Times* should ditch paper altogether, claiming (in oversimplified math) that if the *Times* bought every subscriber a Kindle e-reader and delivered the content electronically, distribution would be cheaper by 50%.[14]

Citigroup analyst Mark Mahaney told his clients in the middle of 2008, that he expected Amazon to sell 380,000 Kindles by the end of 2008—twice his original projections.[15] Lots of companies are now jumping on the bandwagon and plan to provide much larger screens, which could work better than Kindle as an alternative to newspapers and magazines. Heart Corporation is launching an 8.5x11-inch e-reader in 2009 and Plastic Logic plans to make a large-screen e-reader available in 2010. TechCrunch reported in December 2008, that Apple will release a 7-9-inch iPod touch device within nine months. By the end of 2009, Google plans to begin selling e-books that would not be limited to any device—an approach that could threaten business models based on controlling a single device.[16]

Steve Katz, vice president of strategy and development at *Mother Jones* suggested, "If it's cheap enough, e-paper could be the new technical basis for media. In the future, the user owns the appliance, and the media outlet delivers the content. That frees up the outlet from the overhead burden, drops costs way down, and distributes those costs in manageable bite-size chunks to consumers. At the same time, it gives us a platform with more flexibility and utility than an LED screen."

> "Turns out the Kindle is becoming the iPod of the book world."
>
> — *Mark Mahaney, Citigroup[EE]*

Will paper raise the value of content?

Paper could have renewed value by helping high-quality content stand out and increasing its value. In a race to e-paper, publishers should not leave dead-tree paper in the dust entirely. "From now on, if you're going to consign something to paper, you can't presume to waste it," wrote Federated Media's John Battelle. "In fact, you have to do the opposite: You have to add value to it to the point of it becoming an object people want to literally touch (hence, our approach to design)."[17]

With this logic, some publishers could raise prices of print publications, partly because of a higher perceived value of content on paper. In late 2008, the *Economist* raised its subscription and cover price and continued to grow circulation.[18] In the face of slumping advertising, Axel Springer raised prices of publications such as German newspaper, *Blid*, which sells three million copies daily.[19]

In fact, news on paper will likely become more interactive. TagSense, a Boston technology company, has developed Radio Frequency Identification (RFID) ink that can be tracked without using an electronic chip. If a reader puts down a magazine on a desk, it can prompt a nearby computer, television or mobile device for relevant content and advertising.[20]

> "If you're going to create something using paper, you have to justify it."
>
> — *John Battelle*

How will the big players affect the game?

The next moves by commercial media, technology companies, government and philanthropy will disproportionately shape the competitive landscape for independent media. *The Big Thaw* highlights a few of the key issues.

What will commercial media & technology companies do?

Many online users and independent media-makers have taken for granted how much big companies have done for them. Independent voices have soared due to innovation in free tools, investment sophisticated platforms and much more. These companies will continue to support many new independent voices if they find profitable business models in doing so. If they pull back, it could ultimately hurt independent media.

The industry could also change if major technology companies successfully move into the content business. Battelle has argued from the very beginning that Google is good for the news business. One of his primary questions about the future is whether Google will go into the content business full force. "I think *that* would make a lot of people think very hard about a lot of issues," he says. Similarly, Nokia, which has a global market share larger than its three closest competitors combined, is transforming itself from a technology to a media company.[21]

For his 2009 predictions, Battelle wrote that newcomer Twitter "has a tiger by the tail" and that "Twitter's community and content will become commonplace in well-executed marketing on third party sites." Since Battelle's prediction, Twitter has grown from 5.9 to 23.3 million unique visitors in the first six months of 2009, it has become an indispensible communication platform.

Will we see a smaller number of big media companies when industry turmoil settles? How would independent media react? Nicholas Carr thinks, "We'll likely end up with a handful of mega-journalistic-entities, probably spanning both text and video, and hence fewer choices. This is what happens on the commercial web: Power and money consolidate. But we'll probably also end up with a supply of good reporting and solid news, and we'll probably pay for it."[22]

Big media's fight for controlling content has heated up. Many companies have started trying to use their bargaining power to regain the value of their content. *Advertising Age* reported, "Publishers on both sides of the Atlantic are increasingly adopting the Automated Content Access Protocol, which intends to tell search engines what they can use and how. It's focused on copyright, but widespread adoption might give publishers new clout with Google."[23] For example, ESPN stopped using ad networks in 2008 to have greater control of their audience and ad inventory. Several major companies indicated plans in March and April 2009 to leverage more such control:

- Rupert Murdoch is suddenly a born-again evangelist in charging for content after once believing that the *Wall Street Journal's* website should be free.[24]

- *New York Times* is considering charging for content again.[25]

- Associated Press plans to police the use of its content.[26]

- TV networks are starting to limit access to full shows online to cable subscribers.[27]

- Even Google announced this spring that it will start to include ads on Google News for the first time, and the company still claims it can use "snippets" under fair-use copyright provisions.

People have their doubts about whether companies will ultimately succeed controlling content distribution. Tim Vanderhook, co-founder of ad network Specific Media said, "If several, or even all, big name publishers stopped working with us (in order to have greater control), it would hurt the publishers themselves more than us…The online advertising business is all about targeting and publishers can't do it on their own because they don't have enough data."[28]

Some people also say that when so many companies flip-flop in charging for content, consumers get confused. For example, *Encyclopedia Britannica* attracted 70,000 paid subscribers in 1995, then reversed course in 1999 to leverage advertising. Two years later, after the dot-com bust, the company returned to charging for online access.[29]

If companies eventually succeed at controlling content, it could be an opportunity for independent media in one of two ways. On one hand, companies that capture greater value from their content may ultimately feed more money into the value chain of media that could spread to other players. On the other hand, pay walls that curb the consumption of content could create an opportunity for independent media to attract many new users who have grown accustomed to free content.

If major companies grow too strong, however, they may pose a greater risk to independent media because they can minimize contrary voices. Search Engine Optimization (SEO) is essentially an effort to manipulate search results, which can indirectly drown out smaller, independent voices. Also, companies can self-censor. Abang.com (About.com's China venture owned by the New York Times Company) sidesteps censorship issues in China by focusing on lifestyle issues and avoiding topics that alarm the government, such as politics and religion—topics that are featured on About.com's U.S. sites.[30] Furthermore, for-profit companies that invest in hosting public domain information are more likely to pull back when profit pressures arise. This begs the question whether it is always wise to entrust for-profit companies with information that is in the public good—a fear that some had about Flickr's The Commons, a public photography archive with partners such as Library of Congress.

What role will government play?

Lawmakers are increasingly stepping up to address the crisis in the journalism business. Speaker of the House Nancy Pelosi wrote a letter in March 2009 to U.S. Attorney General Eric Holder urging the Justice Department to consider an antitrust exemption to help newspapers survive. The public benefit of saving newspapers might outweigh historical concerns about anti-competitive behavior.[31] In Connecticut, among other places, lawmakers are also intervening to keep newspapers alive. Pelosi's letter prompted a House Judiciary Committee hearing the following month about problems in the newspaper industry. A discussion about saving newspapers "quickly deteriorated into a press-bashing session," according to Dana Milbank of the *Washington Post*. "Ideologues of the left and right made no effort to conceal their yearning for a day without journalists, when public officials would no longer be scrutinized."[32]

If government officials had the will, they could support the public value of media in many ways besides loosening up anti-trust regulations for failing newspapers. How far they will go remains to be seen. "There is this massive behind-the-scenes, epic, political battle being waged inside the beltway, right now, between the forces that want to create this more open, distributed, participatory media and telecommunications future and those who favor a centralized, command and control regime, a reinstitution of command and control in all of these new media in telecommunications systems," said Sascha Meinrath, Research Director for the New America Foundation, during a speech at eComm in March 2009.[33]

"We must ensure that our policies enable our news organizations to survive and to engage in the news gathering and analysis that the American people expect."

— *Nancy Pelosi's letter to U.S. Attorney General, 3/16/09*[FF]

"Public media 2.0 can develop on the basis of the platforms that are the winners of the consolidation taking place today and with the help of policy that supports it within that environment. But it won't happen by accident."

— *Public Media 2.0*[GG]

In a February 2009 white paper, *Public Media 2.0*, the Center for Social Media called for the government to play a major role in the new public media landscape by encouraging policy and funding to support new platforms, standards and practices. In the white paper, Jessica Clark and Pat Aufderheide of American University also called for government to fund content production. Bruce Ackerman, Ian Ayres and David Sasaki have also suggested a national endowment or foundation to support journalism similar to the National Endowment for the Arts or the National Science Foundation. Such a government role is common abroad. The British tax television sets to support the BBC, although that is now a small portion of their global budget. In January 2009, France's state TV stopped running advertising in hopes to run more like the BBC. Similarly, Spain's prime minister reduced ad time by 25% on state-owned RTVE and increased state subsidy from 5 to 50%.[34]

While government could fund content production, there are questions about whether this is the most appropriate means of supporting media. For one, old government funding models might not fit the emerging online environment for producers and consumers. As Tracy Van Slyke, director of The Media Consortium, pointed out in an article for the *Guardian*, such models rely on an institution-based model of investigative journalism, but the online ecosystem is now much more distributed across individuals and organizations.[35] Furthermore, since one of the pillars of independent media is to be a watchdog for government, will it be willing to bite the hand that feeds it? Journalists can certainly resist the influence of funding as *Mother Jones* did when they investigated tobacco companies in the 1970s and lost Carlton Cigarettes as an advertiser, but it can often be difficult.

The influence of funding on content begs the question about whether government support is more suitable for increasing access and building platforms than it is for content production. Government pays for highways, not the cars that people use to drive on them, Obama's "Cash for Clunkers" notwithstanding. Granted, cities usually pay for buses and trains as well as people to police them or drive them. Similarly, creating the information superhighway is not enough; the need for government involvement grows as the superhighway becomes more complex. Copyright issues, "net neutrality" (see glossary), rural broadband access and foreign relations pertaining to global censorship are just a few of the major issues that need greater government leadership.

People perpetually debate the appropriate balance between private and public sectors' roles, but it has especially heated up related to the media industry. "The reason why you need private industry and government in these spaces is because private industry helps push the envelope and government helps prevent the worst excesses of private industry," Meinrath explained in his eComm speech. He said that we are currently witnessing a failure of government to play a sufficient role in protecting the public's access to media.

Government regulation is an important corrective feedback loop for excess in our economy, and it must be strong enough relative to what it is designed to correct. For example, a thermostat may work fine on a cold winter day, but open all the windows and its corrective power will fail.[36] Meinrath applied the same logic to commercial media: government regulations have become insufficient *relative to the excesses that they are trying to correct*. "If you don't have government intervention to set parameters for how (media) systems operate," Meinrath said, "you have far more massive government intervention down the road because of our failure to be responsible for preventing these excesses."

"While there is still a critical need for highly trained investigative reporters, investigative journalism is evolving into a more complicated and splendid model."

— Tracy Van Slyke[HH]

"What if there was significant rural broadband? It would open up the ability to be living in the woods yet remain connected to the world. Also, native and land-based people would soar."

— Nicole Sawaya

"… the U.S. has fallen from 1st to between 15th and 21st in the world in terms of broadband access, adoption, speeds and prices. … U.S. broadband penetration ranking remains stagnant."

— New America Foundation[II]

Will philanthropy adjust its role?

Philanthropy often serves to fill the funding gap between the private and public sectors, but it is often insufficient. Philanthropists can still do a lot to advance independent media by supporting experimentation, funding issue-focused content, investing in trusteeship models and targeting areas such as distribution that can shift the system.

In 2004, Global Business Network (GBN) produced Deep Impact, a report on the future of independent media, for the National Alliance for Media Arts and Culture (NAMAC).[37] The report claimed that, "The new ecology for independent media will have more options for what to fund and when to fund it." It anticipated that as production costs fall with new technology, funders may more easily support the creation of work. However, five years later, it is not clear how much the funding has increased. Reflecting on the last few years, Kim Spencer of Link was surprised that progressive funders didn't get behind independent media more substantially.

Many foundations dedicate much more funding to civic engagement and leadership programs than independent media. A big question is "How can they integrate these funding areas more strategically?"

Support experimentation

The Deep Impact report pointed out that lower media production costs and increased funding options "should allow funders to manage their risks better which could have the happy effect of lowering the threshold for new funders to experiment with funding in this area." Philanthropy has long served to identify innovations that can be scaled beyond the non-profit sector, and it turns out that some new philanthropic efforts are doing just this. For example,

- There's a new breed of philanthropists—Fledgling Fund, Omidyar, Google.org, Skoll, etc.—very invested in triple-bottom-line strategies and media infrastructure investment.

- With urging from the Knight Foundation, community-based foundations are turning their attention to funding local media projects that support civic engagement and the information needs of underserved populations.

- J-Lab recently produced a useful database of funders supporting journalism projects: http://www.kcnn.org/toolkit/funding_database

The economic crisis curbed the resources of most funders. Meanwhile, demand rose from traditional journalism organizations, public broadcasting and universities in which they had a vested interest. In the current funding environment, independent media-makers might more likely find resources by partnering with these institutions.

Fund issue-focused content

One of the defining characteristics of the philanthropic sector is its voluntary nature, which means that funding flows from the personal interests of donors and can promote important issues. For example, the Panta Rhea Foundation helped AlterNet be one of the first news sites to give special attention to the global water problem.[38] Sometimes, foundations' slow process of setting priorities and making grant decisions can lag behind issues that have the greatest need for immediate attention.

Foundations can reduce their risks by investing in an issue-specific media project once they see enough of it to make a well-informed decision. However, this increases nonprofits' risk to experiment. In the new media environment,

experimentation will likely have the greatest return, and funders that invest in nonprofits' broader capacity to innovate may have more impact on issues.

Trusteeship

Some people have called for a much more substantial funding approach through a trusteeship model. Battelle has suggested that Google.org buy the *New York Times*. Katz explained how trusteeship has benefited journalism in the past: "What makes the UK *Guardian* and the *St. Petersburg Times* viable is that the families that owned them poured their assets into trusts that give both operations a key degree of freedom from short term profit shareholder pressure."

Smarter capital can shift the system

Two systemic ways in which philanthropists can shift the system to support independent media:

- *Improving impact measurement.* Foundations can help build the ecosystem by standardizing social impact measurement in new media so that it is more reliable and consistent as described on p24 in the *New Value Chain of Journalism* section of Vol. 3.

- *Social enterprise debt financing.* Funders can improve the long-term sustainability of independent media organizations with low-cost debt financing.

    Despite improvements in social capital investment (e.g. venture philanthropy and social enterprise) over the past five years, financing is still fragmented and insufficient, particularly for business development loans that can help media companies become more self-sustaining. For example, *Mother Jones* projected it would send 1.75 million pieces of direct mail in FY08. Harris said that if they had sufficient cash flow, they could mail up to 50% more volume with attractive response rates and pay back the investment in 18 months to two years. After this point, the new subscriptions would be a profit center for the organization and increase the proportion of their overall business supported by earned revenue. Nevertheless, Harris reports that Mother Jones has faced challenges in helping potential lenders understand their business enough to commit capital.[39]

    Many independent media organizations should be able to raise debt capital, yet two primary challenges include:

    - *Non-traditional business model.* With a significant portion of revenue from philanthropy many non-profit media ventures have a business model that is atypical and unfamiliar many business loan providers— despite the consistency of small donor gifts.

    - *Non-traditional collateral.* Subscriber lists are a core asset for print publishers, and have historically been valued in the magazine industry at $5-$20 per name in liquidation circumstances. Nevertheless, such collateral is not a very bankable asset like real estate, which lowers lenders' willingness to risk.

As philanthropists use their capital in smart ways to improve social capital markets, they can build a stronger ecosystem to grow independent media.

Future Possibilities

People interviewed for this project highlighted future possibilities (see graphic below) that add weight and complexity to the new realities described in Vol. 2. Most of these trends are underway. While they have yet to reach game changing scale, many of them will.
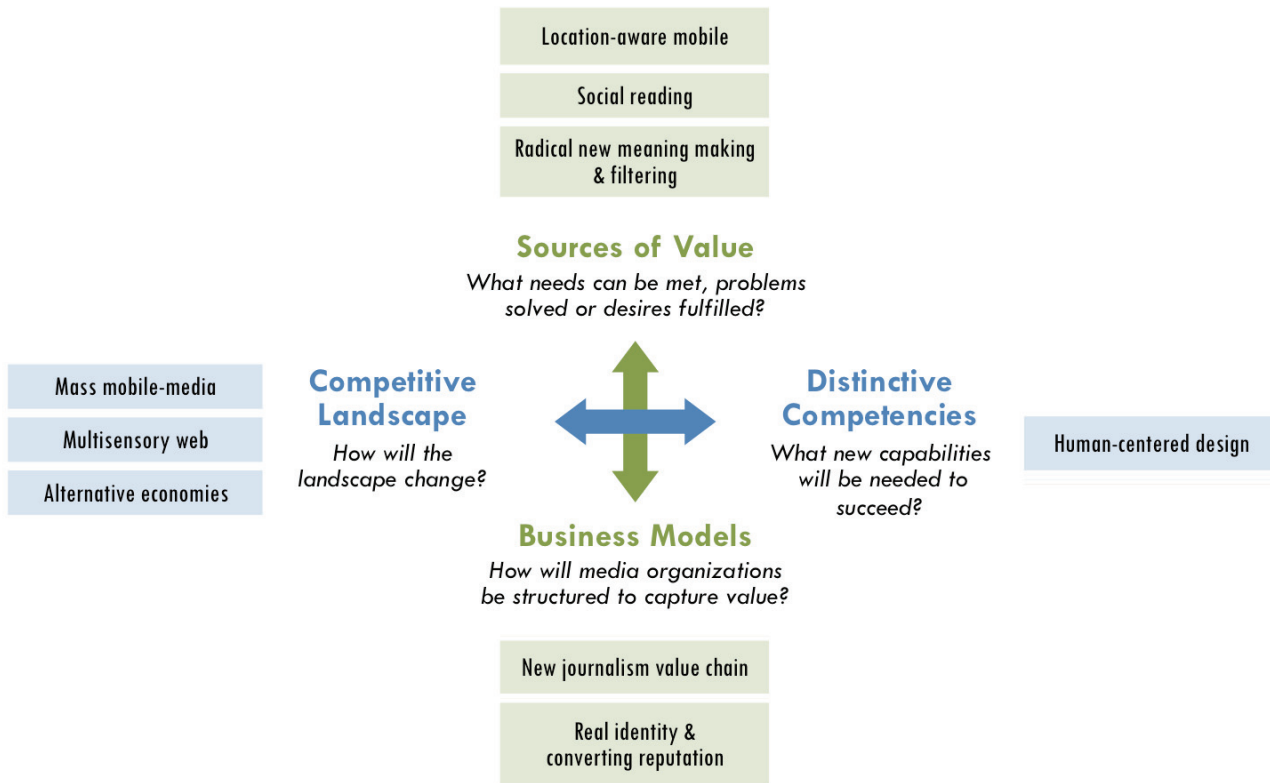
Mass mobile-media

Battelle predicted that mobility would become a presumptive aspect of everything on the web by the end of 2009. Mobile phones and netbooks are just the beginning. Companies are building photography, video and audio recording into more than just phones and laptops. Apple's iPod nano added video recording for the first time in September 2009.

Although the use of mobile phones has reached unprecedented levels worldwide, full integration with the web has barely started. Usability is still the biggest barrier for most people. BBC News reported in January 2009 that 61% of users interviewed in the UK and US said setting up a new handset is as challenging as moving bank accounts and 95% said they would try more new services if mobile technology were easier.[1] This signals the potential explosion of mobile usage as devices become easier, faster, smaller, cheaper and more integrated with the web. Shirky believes that what he calls "ubiquitous prosthetic media devices" will be one of the biggest game changers. He recalls the Oakland BART tragedy
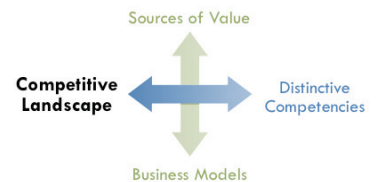
when a policeman killed a young African-American: "Think of all the images that came from people who were there—not just one but many images—thanks to the fact that everyone had a built in camera in their coat pocket." Iran's 2009 presidential election is another sign of things to come. If independent media helps more people use the media-making power in their pockets, they will revolutionize journalism.

Multisensory web

We are returning to an acoustic and visual culture akin to the way most people communicated before the printing press. Video is quickly overtaking the web and will diminish the primacy of long-form, text-based journalism. Although people are consuming more information than ever before, they are reading less.[2]

As it turns out, our brains are not wired to read. We adapt. "The act of reading is not natural," writes Maryanne Wolf in *Proust and the Squid* and explained why learning to read has been critical for human development. Marti Hearst, a professor at UC Berkeley's School of Information, goes as far as claiming, "The forms of communication that will do the cultural 'heavy lifting' will be audio and video, rather than text."[3]

The impact of text will decline further because of an emerging multisensory web. Shapes and gestures are already augmenting or replacing text input on touch screens, game consoles (e.g. Wii) and other devices, and 3-D televisions and computer displays are expected to hit the market in 2010.[4] We will eventually have the ability to transmit smells and other data about the physical world, such as air samples to test for pollution. For instance, the Defense Sciences Office in the U.S. Department of Defense, which focuses on "mining 'far side' science," is working on a way to make multi-sensory data converge in real time, just like it does in humans.[5]

"There will be things we can't even image when the web is more multisensory and we can smell and touch," notes Bracken. New devices of all kinds will feed this transformation.

Online users live simultaneously in a virtual and real world. The gap between them is shrinking. Facebook and Twitter are virtual worlds as much as Second Life, just without the graphical interface. As social networks evolve, they will increasingly function and look like real life. There are already names for all these realities—*virtual reality*, *augmented reality*, and even *augmented virtuality*—but it will eventually all just be "reality." As online media becomes more accessible, mobile and multisensory, there might not be much of a difference between real and virtual worlds. "What will the convergence of platforms mean?" asked John Gaeta, a visual effects designer for the Matrix film trilogy asked at a conference in Berkeley.[6] "Games and films won't look different from one another," he said, "so you can have a transparent passage from a real piece of content to a virtual piece of content." Convergence will be like having trap doors that lead seamlessly between different worlds. This phenomenon has come to be known as "transmedia storytelling."[7]

Journalism has treated online media as a "horseless carriage"[8] rather than reimagining a new form of journalism suitable for a multifaceted, converging web. If platform convergence is challenging today, a multisensory web, combined with mass mobile-media will make the media landscape even more complicated. The time it takes independent media organizations to participate in such innovations may not be worth the short-term benefits. However, if they do not take radical steps to keep up with early innovations, the gap between their internal competencies and how people relate to information will become even greater.

Sources of Value

Competitive Landscape

Distinctive Competencies

Business Models
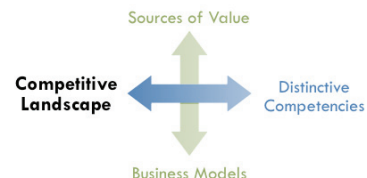
"As someone in his 40s, my generation grew up believing that we'd all end up in cyberspace with all of our heads floating in virtual worlds. Not one of my students believes this will happen. As it turns out, the Internet augments real-life and doesn't replaces it."

– *Clay Shirky*

Rise in alternative economies

"We are discovering that money isn't the only motivator," said Chris Anderson of *Wired*. "Altruism has always existed, but the web gives it a platform where […] zero-cost distribution has turned sharing into an industry. In the monetary economy it all looks free—indeed, in the monetary economy it looks like unfair competition—but that says more about our shortsighted ways of measuring value than it does about the worth of what's created."[9]

In many ways, traditional economic theory is insufficient; human motivations are more complicated.[10] Many people have forecasted that the "free economy" will collapse because people are not paid. "Well, for two decades things haven't collapsed. Clearly the theory of human motivation is wrong," says Shirky.

The economic crisis may be fueling a larger shift. People are more willing to question capitalism publically. Bellwethers of growing skepticism include *The Daily Show,* the *Colbert Report* and Michael Moore's latest film *Capitalism: A Love Story,* which have all taken major financial and media industry players to task. More than wingnuts are raising a voice. The Pope blasted capitalism[11] and Heads of State in Bolivia, Cuba, Dominica, Honduras, Nicaragua and Venezuela declared "Capitalism is leading humanity and the planet to extinction."[12]

Although a pendulum constantly swings for and against capitalism, the emergence of alternative economies and currencies are becoming more viable. This zeitgeist is redefining the traditional work force. More Americans say that recognition, personal growth and flexibility are at least as important as money. Companies are redefining how they recruit and manage talent as a result.[13]

Growing non-financial motivations will feed citizen journalism and professional-amateur collaborations. If the growing amateur ranks produce reporting that is "good enough," users' willingness to pay for higher-quality journalism may further deflate.

Independent media organizations have often operated via nonmonetary incentives in which volunteer and low-pay labor are the rule rather than the exception. This means that independent media organizations are well positioned to take advantage of a rise in alternative economies. Yet, it also means they will increasingly compete with other organizations to use this type of currency.

Human-centered design

In his *Atlantic* article, "Is Google Making Us Stupid?" Nicholas Carr describes the many ways the Internet is shaping our minds, and admits that, "I've had an uncomfortable sense that someone, or something, has been tinkering with my brain, remapping the neural circuitry, reprogramming the memory."[14]

While technology may be changing us in profound ways, the next online frontier is how technology adapts to us. When companies are disrupted by new technologies or demographic shifts, their problems still have *people* at their heart wrote Tim Brown, president and CEO of the innovation and design firm IDEO. "They require a human-centered, creative, iterative, and practical approach to finding the best ideas and ultimate solutions. … By [human-centered design], I mean that innovation is powered by a thorough understanding, through direct observation, of what people want and need in their lives and what they like or dislike about the way particular products are made, packaged, marketed, sold, and supported."[15]

"A human-factors approach assumes that the things we'll carry in the future are not going to be invented so much as *discovered*—that the answer to the question

Sources of Value

Competitive Landscape ←→ Distinctive Competencies

Business Models
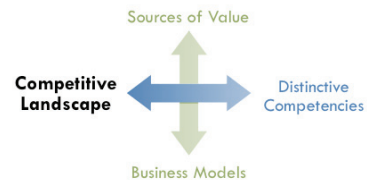
"Free shifts the economy from a focus on only that which can be quantified in dollars and cents to a more realistic accounting of all the things we truly value today."
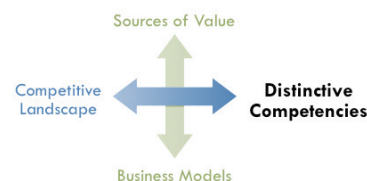
— Chris Anderson[H]

"Why does Burning Man work? Why does Wikipedia work? Why does Alcoholics Anonymous work? Maybe (independent media) will be self-funded or a barter economy."

— Katrin Verclas

Sources of Value

Competitive Landscape ←→ **Distinctive Competencies**

Business Models

of what devices we'll carry will become obvious as we learn more about human behavior," explained Claire Tristram in *Technology Review*.[16] Therefore, as mobile and multisensory devices proliferate and alternative economies grow, media organizations will find the best path forward by following its users.

Anthropologists are more likely than technologists to identify the next groundbreaking innovations in media. Nevertheless, technologists are still driving much of the innovation in the industry. Motorola's Iridium satellite phone, bankrupt in 1999 after $5 billion of investment and just a year on the market, is infamous example of failure that can happen when technologists, not customers, drive a product.[17] In this light, Battelle has questioned Google's engineering focus, which could ultimately be its weakness in the future.

"(Journalists) write stories that *they* think are important, but that's not what the consumers want," according to Ashish Soni of the University of Southern California's Information Technology Program. Those journalism organizations that still have a hard time understanding their customers may find it hard to adopt a human-centered approach. A number of progressive media projects have undergone facelifts in the past five years in an effort to appeal to a younger demographic. This is a part of human-centered design that independent media-makers sometimes ignore because they do not want to look too slick or commercial, at times to their detriment.

Media-makers cannot understand users by simply embracing new online tools and demographic realities. Amy Gahran of the Poynter Institute believes the next game changers could come from cognitive scientists such as Harvard's Steven Pinker and others. Journalists need to, "find tools to work the way the brain works and mirror how people interact in the world and with each other," she says. For instance, there is a correlation between memory and emotional impact: The most memorable media content has the greatest emotional impact on its viewers. With a better understanding of the mind, journalism organizations could design the next generation of news distribution systems and collaboration platforms.

Social behavior makes media platforms even more complicated to design. James Surowiecki wrote in *The Wisdom of Crowds* that, "The solutions to coordination and cooperation problems are not like the solutions to cognition problems. They are fuzzier and less definitive…"[18] And, researchers say there is still a long way to go in understanding how to apply offline human behavior to online media.[19] To this end, journalists would be served by engaging in the frontiers of such research and learning from it, particularly because their central competency will increasingly be to design and build strong communities.

Location aware mobile

Mobile devices' ability to detect a user's exact location will revolutionize how we find, discover, create and interact with information.

The wave of location-based services has barely begun. Latitude on Google Maps and services from other companies such as Loopt already enable a user to broadcast their location and find friends. Location awareness will change how everyone interacts with their offline environment in even more dramatic ways.

People will not consume media primarily as a departure from their offline lives, but they will use it to enhance everything they do. Android and iPhone have augmented reality (AR) browsers that superimpose online information on its screen based on users' physical surroundings. The devices even know if a user is sitting still or walking. Wikitude, for example, draws from Wikipedia entries when a user is near a landmark. Furthermore, shopping applications such as the iPhone's LikeThis, G1's Shop Savvy and some Amazon applications enable users to

"It's the essential human question that drives Google. I bring it up all the time. Community. Media. People. How do you make people scale?! How does Google, a company driven by algorithms and scale, find its Voice? … It can't be all algorithms."

– John Battelle[JJ]

Sources of Value

Competitive Landscape ⟷ Distinctive Competencies

Business Models
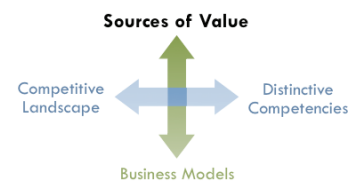
photograph bar codes or objects to compare prices, retrieve product information and aid mobile search based users' location. The greatest leaps will come as satellite-positioning (GPS), tilt sensors and compasses become commonplace on most mobile devices.

Location-based data opens up a new Semantic frontier of filtering information and making it more meaningful. With support from Nokia, MIT researcher Sandy Pentland is developing a "passive social graph" by collecting location-based and Bluetooth data. He conducts "reality mining" to see whose mobile phones come in proximity with each other. According to ReadWriteWeb, "Pentland predicts a future when he'll be able to use frequency of calls, physical proximity and interruptions in conversations to determine for example who among your Facebook friends is a real life friend, who you've never met in person and who is your superior in a workplace hierarchy."[20]

Furthermore, location-based reality mining is "a new method for precise measurements of large-scale human behavior," according to Pentland, and could be used to detect epidemics among other things. For example, if a significant portion of people do not go to school or work one day, as system might alert public health officials of a problem.

This sort of reality mining raises a whole new set of privacy and ethics issues that have to be balanced with its social benefits. Services will likely only be opt-in and analyze aggregated data to maintain anonymity. Google's Latitude service includes a "memory leak" to remedy privacy concerns. Pentland said in an interview with MIT's *Technology Review*, "The people making policies don't know what is possible, and they don't necessarily make policies that are in our best interest. … These capabilities are coming, but we have to come to a new deal. It doesn't do any good to stick your head in the sand about it."[21]

Location awareness will help news become more relevant to users without any user input needed. Possibilities exist for journalism at many levels. Imagine:

- News alerts sent to people based on their location, for example, when an underground explosion in San Francisco's Tenderloin caused a power outage for 8,600 residents in June 2009.

- Users scanning products for price comparison and getting news about a company, a health issue or consumer safety.

- An immediate call for volunteers that reach people who happen to be nearby.

- A network of users that enable media outlets to find a trusted source for a breaking news story in a specific area (e.g. Kansas tornado).

- The ability to send news about the Dali Lama to users who have travelled to Tibet.

- Users receiving news based on their friends' locations? (e.g. New York on 9/11, New Orleans in August 2005).

Social reading

"The problem of how media has evolved is that it has isolated people," says Gahran. "Your role was passive and to take it in. That damaged society in some ways." Weinberger points to the early history of writing when reading became internalized. "Some people say that's the origin of modern consciousness. The voice we heard externally, reading to us, we now hear internally."

> "Location awareness is the single most important evolution in our data ecosystem."
>
> *— Ben Rigby, The Extraordinaries*

Sources of Value

Competitive Landscape ⟷ Distinctive Competencies

Business Models
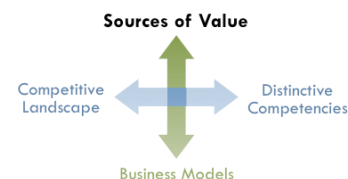
Cognitive scientists who study how the brain evolved say there were deep changes in our brain structures once reading and writing emerged. Marshall McLuhan famously describes how the emergence of communication technology as early as the printing press affected how we think, which had profound impact on social organization. Weinberger believes it is about to change again: "When you think of reading, you think of being by yourself, sitting quietly and reading in the hammock. Now reading may be a social act and this may change how we think." The growing mobile, acoustic, visual and interactive web enables a new experience—*social reading*.

Television is already evolving into a more social experience. Just before Barack Obama's inauguration, for example, CNN incorporated Facebook Connect. "For the first time, users could watch live TV online, invite their friends, chat with them while viewing and enjoy a social experience around Internet TV," according to the Razorfish *Digital Outlook Report.*[22]

Socratic Journalism

Now that online platforms have reached a scale for mass conversations, "social reading" may become the central metaphor for new media, which includes social editing and producing. This trend could change journalism in more significant ways than we have witnessed already.

How could such conversations be different from those on any social networking site? The answer might be in the role the journalist plays. Since reading and watching television was an individual act, the journalist's role as an "educator" was paramount. People learned about current affairs privately, which equipped them to interact publicly. With social reading, people learn about current affairs and engage with others at the same time.

Journalists become conveners, facilitators and instigators in an inquiry process. They work with others to understand an issue more fully. Brave New Films (TMC member) has advanced such an approach to online documentary projects with Robert Greenwald's "Rethink Afghanistan."[23] As a result, a reporter's own skills and knowledge combine with that of users, to reach an outcome that is simultaneously more immediate, suspenseful, emotionally engaging, credible, and ultimately more comprehensive.

In the future, journalists will not simply report news for news' sake; they will call readers to be problem solvers who think critically and iteratively with each other. Essentially, they go from declarative and adaptive reporting to being *Socratic journalists*.

Radical new ways of meaning-making and filtering

The next phase of filtering will center on the evolution of the "Semantic Web," which Soni describes as an interactivity evolution a step beyond aggregation that aims to makes information more meaningful and useful. According to an article co-authored by Tim Berners-Lee, who is credited with founding the web, the semantic evolution "lets users engage in the sort of serendipitous reuse and discovery of related information that's been a hallmark of viral web uptake."[24]

"Meta tagging" as we know it today is just the beginning. The Semantic Web builds upon any metadata (e.g. hyperlinks, location, time, movement or categories) to infer greater meaning from information.

However, Berners-Lee admitted that the Semantic Web remains largely unrealized. "They've been working on solving this problem for 10-15 years," Soni points out. "But no one is anywhere near a product or solution yet." He says that

Sources of Value

Competitive Landscape — Distinctive Competencies

Business Models
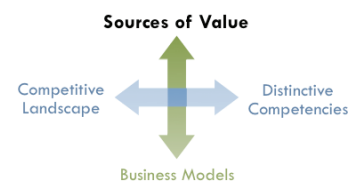
technology is the barrier. "It turns out that [automatically] understanding the relevance and importance of documents is hard."

Nevertheless, new ventures are making progress. For example, Wolfram Alpha, a computational knowledge engine, computes answers (in contrast to simple search) from large datasets. Although such efforts have a long way to go, each step will create new value for how we filter and make information more meaningful.

Who makes sense of the world?

The evolution of the Semantic Web depends largely on how we organize and structure information online, how pieces of information relate to one another, and how we relate to it all. This topic, called "ontology," is a highly-debated area in technology.

"There's this war between people who look for an algorithmic way to connect pieces and those that look for human ways," Weinberger says. Some people believe in automated approaches to tagging, while other believe in "folksonomies," where we can figure out the main ideas of content by analyzing people's hand-tagging, such as you find on Flickr images. While most technologists acknowledge utility in both, Weinberger says that depending on personality, they tend to favor one and never look at the other. "It seems to go fairly deep into what we think language is, what it means to be social, how much of the world you think can be synthesized and represented."

There are flaws in both approaches. Weinberger explains that people mostly use hand-tagging to trigger their memory, not to make sense of a topic. Although it is a bottom-up approach, he calls it a flawed taxonomy. On the other hand, he notes, algorithms have not worked well either, "because people are pretty stupid about language and language is resilient against algorithmic approaches." Nevertheless, he believes that it would be wildly foolish to think it will stay that way. "The scale of information is such that all assumptions about distilling information won't hold."

Shirky believes ontology itself is over-rated. "You don't really need to choose a category," he says. "One of the great freedoms of digital data is there is 'no shelf.' Media outlets are very comfortable with taxonomies, but these were more for organizing careers, not content." In a 2005 blog post on the subject, he said the debate ultimately comes down to the question, "Does the *world* make sense or do *we* make sense of the world?"

If the *world* makes sense, then we would have to reconcile all different points of view into one "theoretically perfect view of the world." However, if *we* are the ones who make sense of the world, then an endless variety of viewpoints are possible. We do not need to place one top-level way of making sense over any other, which has been an implicit goal of traditional journalism. "The semantics here are in the users, not in the system," he wrote.[25] Therefore, the future of online journalism will be bottom-up approaches to making meaning.

Value of discovery

A more developed Semantic Web will certainly help users more easily find information they want, but the long-term potential for journalism will be how it helps people discover new ideas and perspectives.

"Discovery is the untapped value on the web now," Anderson proclaimed at Nokia World 2007 and said filtering and information structuring is the solution.[26] For example, in 2008, AlterNet received 3.3 million visits from three referral sites designed to tap the value of discovery: Digg, StumbleUpon and reddit. Clearly, there is considerable value when new visitors—who are not predisposed to a political viewpoint—discover AlterNet's content. Impressively,

86% of the visits from StumbleUpon and 74% from Digg were new people to AlterNet, compared to less than half of visits from other types of referral sites, such as the Huffington Post.[27]

In comparison, only 65% of AlterNet's visits from search engines were new readers, which shows that search is often less effective for discovery than referral sites. Interestingly, Digg and StumbleUpon depend largely on interpretation by *people* rather than algorithms. This indicates that systems that efficiently aggregate human interpretation at a large scale have great value. Nevertheless, AlterNet's top 10 referral sites represented only 14% of the its 35.5 million total visits in 2008, which reveals that discovery still has unfulfilled potential in generating traffic.[28]

Furthermore, without better discovery capabilities, online advertising's growing focus on behavioral targeting could simply entrench users' existing attitudes and opinions and many publishers will follow suit, which is not a good omen for democracy. "The main difference between artificial intelligence and behavioral targeting is that behavioral targeting takes past patterns and applies it to the future," wrote Andreas Roell, Chairman and CEO of Geary Interactive. "Behavioral targeting is like a review mirror, whereas artificial intelligence constantly evolves and prioritizes behavior to make better recommendations over time."[29]

In order to tap discovery's value, media organizations could take two steps:

- ***Share metadata more broadly.*** Together, such data may be more valuable than if media organizations reserved data for their own purposes. Pooling metadata can help improve artificial intelligence, which drives the automated aspects of discovering new information on the Semantic Web.

- ***Take a long-term view of users' online experiences.*** However, technologists, entrepreneurs and journalists share a key limitation in this regard: They can be overly focused on short-term results. For example, a Google programmer, who asked to not be named, said that the engineers and designers at Google usually look only at the short term. "Use-case scenarios," a central tool for software developers, are typically created for users' first ten seconds to ten minutes of interaction. This programmer believes tremendous value is missed by not looking at longer-term use cases.

  Similarly, a study on Flickr revealed potential value for developing online content with a long-term view. Researchers discovered that 20% of the pivotal first step in a "social cascade" (viral uptake) took longer than a month. Therefore, discovery that leads to eventual viral spread can include use cases of much longer than 10 minutes.[30]

  Lastly, journalists often believe that "truth telling" comes in one fell swoop and is published in one blowout article. However, as Emily Dickenson once said, "The truth dazzles gradually or else the world would be blind." Discovery is a constantly evolving state for people, which could be an opportunity for independent media. If journalists can seek to meet people where they are, their truth telling could have a more powerful impact in users' discovery over time.

  The best-case scenario for independent media, according to Weinberger, is that "there will be structures in place that [enable news to] challenge me in ways that I *want* to be challenged, but that ten years ago I didn't think I wanted to be challenged."
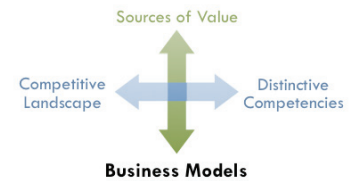
New value chain of journalism

While media organizations are trying many different revenue models, the models that succeed in the long run will find a place in a new value chain of journalism pictured on the following page. A "value chain" is a chain of activities, each of which add value to a product or service. The financial success of any business model depends on the ability of an organization to capture value *they* create.

Journalism's old value chain was delineated with clear roles and exchanges of value. The new value chain reflects more roles. One organization often plays multiple roles. In the old model, advertising also had clearly defined roles. It mostly concentrated on publishing and broadcasting. In the new model, advertising is spread across more players.

Since the market is still forming the new value chain, independent media can work together to experiment with new models, promote new relationships among players and advance new standards in measuring and valuing content. Individual organizations can use the value chain to explore strategic questions for themselves, such as:

- What role do we play in the value chain now?

- Where do our strengths fit best? & Where could our role become most valuable?

- Is it best to focus primarily on one role or integrate many roles at once?

▶ **What if...**
we build a new ecosystem for journalism?

Old & new value chains of journalism

Old value chain

philanthropy or government

selling other products

advertiser → creative agencies → media planning & buying

writing/ producing → publishing & broadcasting → distributing → consuming

publishing & broadcasting
Content owners
Paid marketing, sales & fundraising staff
Paid suppliers

distributing
Public radio/TV
Granted broadcast licenses
Nonprofits granted tax breaks

consuming
Subscription
Single-pay
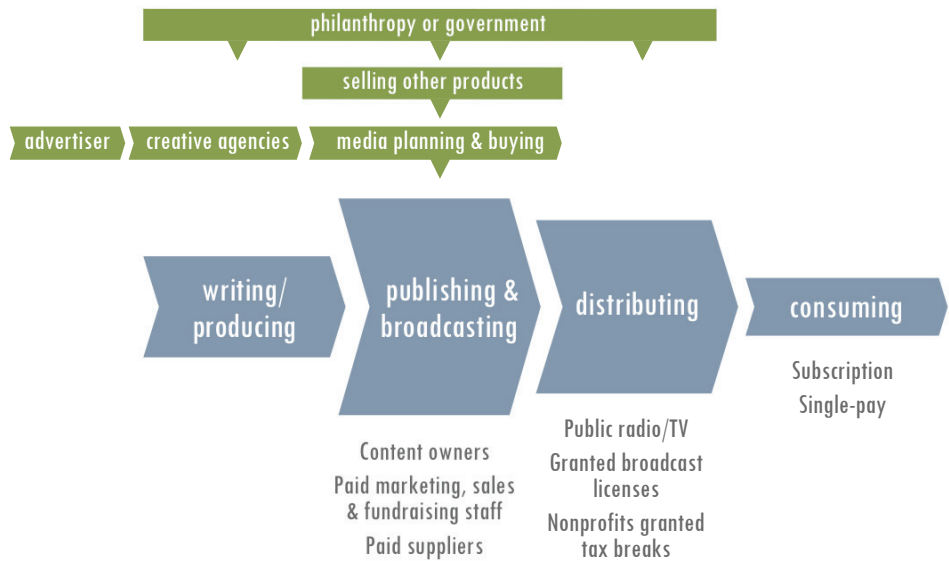
New value chain (working model)

volunteer & open-source labor

philanthropy or government

selling other products

advertising (disintermediation of advertiser, agencies & media buyers)

writing/ producing → publishing → distributing/ aggregating → retrieving & storing → consuming → combining & sharing → connecting → impacting

writing/producing
Content owners
"Conceptual Scoops"
Increasingly includes "Journalpreneurs"

publishing
Content owners
"Conceptual Scoops"

distributing/aggregating
Offline & online
Convergence (cross platforms & devices)

retrieving & storing
Search
Discovery
Cloud Computing
E-readers

consuming
Subscription & Single-pay
Micropayments

connecting
Social
Community
Conversational marketing
In-person events

impacting
Social change
Policy change

Source: compiled from interviews. The new value chain is a working model based on observed industry dynamics.

Today, some people say that advertisers are not willing to pay. Others say that readers are not willing to pay. Still others say that government or foundations are not willing to pay. Although sources of funding are more fragmented, the riddle of who pays will eventually be solved as relationships in the value chain get sorted out. Different parties will be willing to pay *something*, or else "we're going to start getting what we pay for, and we may find out just how little that is," as Surowiecki wrote in his *New Yorker* article, "News You Can Lose."[31] This risk could easily extend beyond magazines and newspapers. The Razorfish *Digital Outlook Report 09* claimed that unless television advertising evolves, it "may be at risk of losing premium content altogether."[32]

For many years now, there has been an oversupply of production capacity. Not only can everyone freely publish on their own, but media organizations and individuals alike can also reach the same global audiences which causes redundancy. "Now here's what a lot of people seem to forget," Nicholas Carr pointed out: "*Excess* production capacity goes away, particularly when that capacity consists not of capital but of people. Supply and demand, eventually and often painfully, come back into some sort of balance."[33]

As supply and demand balance out, it is still uncertain how relationships in the value chain will parse out. Will players try to cover many roles? Or will they build strength in one or two roles where they have comparative advantage?

Simplicity often wins. For example, in May 2009, Time Warner CEO Jeff Bewkes, explained in a press release that the decision to spin off AOL was so that each company could concentrate on its core competency.[34] For similar reasons, Battelle doubted whether Facebook's attempts to outcompete Twitter would work, because Twitter is as simple as a pencil. In contrast, he compared Facebook to Photoshop saying, "There's so much you can do with it, the pencil function gets lost. … Back in 1997, Yahoo was a pencil to Netscape's Photoshop. In 2000, Google was a pencil to Yahoo's Photoshop. … Will history repeat itself?"[35]

There are many possible ways the value in the chain could crystallize.

- The value of simplicity could lead some media organizations to focus on creating quality investigative journalism and leave chasing eyeballs to other media organizations that are willing to share revenue with them.

- Content could become even more differentiated. For example, stories with viral potential live free online, while more specialized premium content is used to build deeper, more loyal communities willing to pay subscriptions, donate, or make other payments. However, this move may rub against an aim to make news broadly available to the public.

- Publishers could use metadata to make information they produce more useful and valuable (further defined in Vol. 2, p26).

- Non-profit media companies may win greater foundation support if quality reporting declines, especially if they can more reliably measure that they preach beyond the choir.

- A "new social contract" between the press and the public could lead to more public support for journalism, if not also a shift in consumers' expectations of free news.

There will inevitably be different places on the value chain to capture value. If smaller players do not proactively figure out their roles, the big players will likely determine them.

"Is there a way to reverse the broad expectation that information, including content assembled and produced by professionals, should be free?"

— David Carr[Y]

"The problem is that we've depended on the work of the old in the new. We can all consume our news on Yahoo News or Google News or any other one of our potential news sources, but most of the stuff that we read is paid for by the print industry. … We are going to see a lot more capitulation (from the print industry before we see models arise)."

— John Battelle

▶ **What if...**
we collectively tested new revenue models.

Jump Back
How will the big players affect the game?, Vol. 3, p7

The answers to two questions will affect the value chain in coming years: "Will there be a new demand for quality journalism?" and "Will more reliable and consistent measures create greater distribution of value?"

Will there be a new demand for quality journalism?

The rise of free content will inevitably continue. However, some content could become more expensive as well. Stewart Brand, a futurist who created *Whole Earth Catalog*, WELL and Global Business Network, famously started a meme in 1984, "Information wants to be free. Information also wants to be expensive."

Brand explained, "Information wants to be free because it has become so cheap to distribute, copy, and recombine—too cheap to meter. It wants to be expensive because it can be immeasurably valuable to the recipient. That tension will not go away. It leads to endless wrenching debate about price, copyright, 'intellectual property,' the moral rightness of casual distribution, because each round of new devices makes the tension worse, not better."[36]

Information becomes expensive when it is based on scarcities. Movie theaters can charge, in part, because a film is not available outside theaters. Attention and reputation are growing scarcities online. As users gain control of their information and identity online, the personal data could become the most expensive information of all and why the most trusted publishers will succeed.

There may be another scarcity emerging: the quality of investigative reporting. The price of news has dropped to zero due to information over-abundance. However, if the supply of *quality* news shrinks, it may create a vacuum in which the best writers and producers have renewed potential to earn money. In fact, Nicholas Carr believes a radical reduction of production capacity could actually help solve journalism's problems. "The number of U.S. newspapers is going to collapse … and the number of reporters, editors, and other production side employees is going to continue to plummet. … As all that happens, market power begins—gasp, chuckle, and guffaw all you want—to move back to the producer. The user no longer gets to call all the shots. Substitutes dry up, the perception of fungibility dissipates, and quality becomes both visible and valuable. The value of news begins, once again, to have a dollar sign beside it."[37]

Conceptual Scoops

The greatest potential to capture value in journalism may be from "conceptual scoops," a term Battelle uses to describe investigative reporting that not only breaks new information, but also creates new frames for social and political issues. "Once you have a robust model for news online," Battelle says, "that's where conceptual scoops are going to live." This type of reporting could spawn a new business-to-business model in journalism.

What happens when the pipeline for conceptual scoops dries up? Will aggregators have a new willingness to pay for them because they drive traffic? As a result, some journalism organizations may focus on investigative reporting and sell it to a smaller number of enterprise customers as "temporary exclusives," rather than reaching for the broadest audience by themselves.

A consortium can help break conceptual scoops. Michel said that from her experience Huffington Post, she learned that "a network, not an individual reporter, breaks news."[38] Nevertheless, the "scoops" still come from individuals who lead the investigative work. Perhaps with standardized measure of influence and reach, money will flow back to the media organizations that did the hard work of unearthing the stories. Similarly, paying journalists could have renewed potential based on stories' performance.

"I think there is more of a hunger on the part of a larger segment of the public to access better and more information about the huge issues facing all of us."

— *Julie Bergman Sender, Balcony Films*

Will professionals or amateurs be more valuable?

Many people believe that user generated content will continue to grow even if demand for professional content renews. Amateurs can cover more ground and often do a better job than professionals on some subjects. Many new media ventures bet their models on tapping users' passion. "(An amateur) might have passion for the school board in Methacton, NJ, for instance," said Ben Rigby, co-founder of The Extraordinaries. "There is no way that a 'professional' journalist is going to care enough—or spend enough time to understand the Methacton school board the way that an amateur—who is not being paid—will. The amateur will go to every meeting, dig through documents, videotape every session, talk to every commissioner, and know all of the parents because he or she is passionate about it."

Andrew Keen remains skeptical. In *The Cult of the Amateur: How Today's Internet is Killing Our Culture*, Keen predicts that user-based information-gathering will fall apart. If YouTube's track record is an indication, there may be some truth to Keen's theory. YouTube has found that advertisers are not interested in user-generated content. In fact, YouTube has had to buy the rights to professionally produced content in order to attract advertisers, which will cost them $260 million in licensing in 2009, although the site's total revenue will only reach $240 million.[39]

Shirky disagrees with Keen. "We have all of these examples of places where groups of people are motivated by something other than money," such as the Apache Web Server and Linux. The workforce has also radically shifted; people go in and out of professions more readily. The label of "professional" has become a fluid distinction as a result. People who leave media as a vocation will continue to produce it as an avocation.

Regardless of profession, the best people will rise to the top. "This sorting out process will be good (for journalism)," says Shirky, "because the commitment to the current business model of commercial chasing of page views has a huge overlap with the rise of mediocrity in content and media professionals."

Journalism may thrive most in the future by motivating and supporting people to report the news more effectively—irrespective of their professional training.

Will more reliable & consistent measures create greater distribution of value?

Successful business models hinge their ability to measure value. "A well-measured medium is a more valuable medium" according to Nielsen Media Research's website.

As more reliable and commonly accepted metrics emerge to measure content performance, the more that organizations can estimate the value they create. And, others can estimate how much they would be willing to pay for it. Money will flow to where there is value in the chain. Marketing analytics are based on this sort of reliable measurement, and deals are done based on it.

As metrics become better, publishers may be able to use new incentives for writers and producers. Also, a publisher could potentially convince aggregators to pay based on content's performance. Aggregators could sign up freely or cheaply and pay if content spreads past a targeted threshold. If the price is low enough, and the aggregator can accurately measure the performance, it would be in their interest to share earnings in exchange for reliable content.

▶ **What if...**
we standardized raw data, metadata & metrics?
we actively coordinated "deal-making"?

In particular, better ways to measure *engagement* and *impact* online will likely hold the greatest potential for independent publishers in the future.

Metrics for engagement

For many independent publishers and aggregators, 60-70% of their online visits are for less than 10 seconds, and 50-60% of all visitors only come to the site one time. With such ratings, traffic number can often be a misleading sign of engagement.[40]

Some people say that "page views" are becoming an irrelevant metric. In fact, many companies such as Nielson/NetRatings, Compete and Facebook are moving to "attention-based" web metrics based on time spent on site. Last July, Microsoft introduced "engagement mapping," a way of measuring the *return on investment* based on how all interactions with marketing efforts lead users to take action.[41] There is still disagreement, however, on the best way to measure engagement. Managers of projects such as Yahoo's Buzz believe that comments, ratings, frequency of sharing and clicks are better metrics for engagement.[42]

If measuring attention is the future of advertising, then why is there still so much emphasis on measuring page views? Muhammad Saleem, a social media consultant and contributor to open-source journalism project Newassignment.net, said the problem is a disconnection between the advertising and publishing industries. "The reason why there is an eternal quest for traffic, not only in terms of unique visitors, but also maximizing page views per visitor, is because advertising networks let you in on the basis of how much traffic you're generating, and your eventual income is based on the number of impressions (and clicks)."[43]

New metrics for engagement will profoundly affect all publishers, particularly smaller independent publishers who do not generate as many page views, but serve a niche that can deliver great value. Furthermore, if independent media organizations start viewing news as a "loss leader" and sell other products, engagement measures could become critical to their business.

For example, measuring the "average revenue per visit" (ARPV) based on advertising revenue is a common practice. However, people such as Benjamin Joffe, Managing Director at Asia Internet consultancy +8* and Co-Founder of MobileMonday Beijing, have called for new measures such as "average revenue *from* user" (ARFU). ARFU is based on non-advertising revenue directly from users such as digital goods (e.g. background music, avatars or casual games) or real-world products, which may be a better measure of a user's engagement from a financial perspective. For independent publishers, it could include users' donations. Joffe said that advertising has caused media companies to focus too much on generating page views, not making their services better. "Users are mere 'eyeballs,' while the real clients are advertisers. The revenue mix defines the service DNA."[44]

With stronger engagement measures a publisher can better estimate the lifetime value of a customer to make marketing and customer acquisition investments.

While advertising is making progress in measuring engagement, nonprofits also need to find better ways to measure how engagement leads to social impact in order to attract philanthropy.

"It is more important than ever to develop new media mix models that recognize the intricacies of channel interaction … we need to adopt new ways of measuring to account for the true complexity of media in the digital age."

– *Razorfish Digital Outlook Report 09*

Metrics of social impact

Most independent media organizations are driven by their social purpose more than business. However, measuring social impact is difficult, especially when it comes to goals that include influencing political dialogue, promoting progressive values, or launching a new meme. The complexity of factors contributing to impact online makes it harder for organizations to pinpoint their value. Independent media organizations must simply bear witness about their ultimate social impact through anecdotes. Nevertheless, the more reliably they demonstrate impact, the more philanthropic funding they can attract.

Josh Catone wrote on ReadWriteWeb that an engagement-mapping tool "will become really powerful when it can measure not only ad views that lead to a purchase, but also any other type of online or social interaction."[45] Imagine the value for social change that independent publishers could derive from tools that reveal exactly what online activity leads to social action.

Mother Jones examples

We can look at some examples from *Mother Jones* to illustrate the issues many independent media organizations face in measuring social impact.[46]

First, there can be quite a big difference between popularity and influence. Harris said, "There are probably 10 stories where I could say, 'here is where conventional wisdom was on an issue before a *Mother Jones* story, and here's where it was after.'" An example of influence is the *Mother Jones's* exposé about Exxon-Mobile's funding of 40 different groups that were systematically denying the science of climate change. The story came out a year before the film *An Inconvenient Truth*, and Harris said that it put the heat on other media for giving such nay-saying groups equal treatment with the Intergovernmental Panel on Climate Change.

Second, impact is even harder to measure when it comes to affecting small groups of the most influential people. The Jan/Feb 2007 issue of *Mother Jones* exposed a profiteering racket by an Australian consortium that helped states privatize their road systems. The article was not widely read beyond people with a direct interest in highways, although *Mother Jones* did hand deliver the story to all members of Congress and legislators in eight states. A year after the article, Harris said "No big deals have gone down." The scale of impact does not necessarily correlate with size of audience.

Third, if "conceptual scoops" were easier to measure, perhaps investigative journalism outlets could capture greater value for them. For example, Google News executives reached out to Harris in 2007 to help solve a problem. Their system determined "news" by what showed up simultaneously on sites such as nytimes.com, washingtonpost.com and wsj.com. However, the Googlers knew that *Mother Jones* broke important stories months ahead of these outlets, yet they could not figure out how to teach their computers to recognize the newsworthiness of such stories. If *Mother Jones's* primary social value is breaking important conceptual scoops, and if Google of all companies cannot tell whether this type of content is news, then it is easy to see the difficulty publishers have in measuring the impact of investigative reporting.

"If we don't influence the public conversation, then what's the point of having a magazine like this?"

— *Monika Bauerlein, co-editor, Mother Jones[S]*

Real identity & converting reputation

 "What I want to know," Shirky asks, "is how easy will it be 10 years from now to use my real name on the web? How easy will it be to access things without separate logins across the web? And, will my reputation and standing as a member be used? In short, will how we function and behave on the web become close to how we work in the real world? If this happens, we can see many new business models being possible."

If this convergence happens, then qualified advertising revenue would be easier to support. Also, media outlets would be able to build communities of users who are willing to support them because those users get public credit for it. Shirky believes that so many of the problems we have right now are due to anonymity, which get disproportionately worse at scale, creating high costs in terms of usability and preventing many models from being tried. "You simply can't have large-scale communities with anonymity. Anonymity doesn't scale."

Virtual wealth in terms of reputation needs to be convertible to real wealth in order to be valuable. Lessons from the gaming industry indicate the potential value for media organizations of all kinds. "Players learn how to customize and to create within the online spaces, as well as how to extract this value back into the real world," according to Cory Ondrejka, former Chief Technical Officer of Linden Labs, makers of Second Life.[47] In fact, sometimes reputation is more valuable than time in this regard. Ondrejka learned from user behavior in games that "time-constrained users can make the rational economic decision to use real world currency to advance their character rather than time." Citing research, Ondrejka claimed that the value of reputation has created a market in real-world currency for virtual game items, game currency and characters.[48] While gaming has many differences with journalism, these dynamics demonstrate the potential value from reputational effects. Capturing this value will be increasingly possible as online measurement further develops and standardizes.

Lastly, the Federal Trade Commission's (FTC) new truth-in-advertising regulations for social-media might open new windows of opportunity for media organizations to tap the value of reputation. The FTC, which has not changed its guidelines for endorsements and testimonials since 1980, plans to hold advertisers liable for false statements online.[49] Since many marketers use bloggers and other individuals to spread information, the methods of qualifying real-life identity will become more necessary.

In summary, journalism organizations could refresh their business models if they are prepared for five possible shifts in the value chain.

- If the supply of quality journalism decreases, demand for it may increase.

- If amateur reporters' motivation and skills continue to grow, organizations could produce (in combination with professionals) more, quality content with less resources.

- If prices hit a level acceptable to consumers in relationship to the convenience and value they receive, they may be willing to pay or donate.

- If publishers can measure their value more reliably, they can capture more of that value by cutting deals with others in the value chain.

- If the value is more easily and clearly identified for *engagement* and *impact*, new value might come from sources such as foundations, government, individual donors and even consumers themselves.

- If media organizations can help users build their reputations and convert it monetarily, they will tap a new source of value.
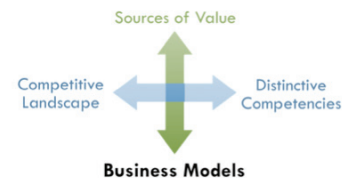
"Anything you can consistently convert to cash is a form of currency itself, and Google plays the role of central banker for these new economies."

— Chris Anderson[H]

Conclusion: The American Way

"We're watching hundred of billions of [bailout] dollars being spent unaccountably to support supposedly our 'American way.' I think at some point we have to ask whether or not the 'American way' includes journalism."

— John Battelle

Do Americans view journalism as a public good that is critical to our country's intellectual infrastructure and American exceptionalism? Do they believe that the strength of our democracy depends on a diverse and free press?

The "big thaw" of media's old paradigm is drowning many traditional journalism outlets. If everyone—in the public, private and non-profit sectors alike—believe that journalism is part of the 'American way,' we need a new paradigm for it to thrive.

"So how do you change paradigms?" asked Donella Meadows in *Leverage Points: Places to Intervene in a System*. For an answer, she pointed to Thomas Kuhn, who wrote the groundbreaking book *The Structure of Scientific Revolutions* about science's great paradigm shifts. "In a nutshell, you keep pointing at the anomalies and failures in the old paradigm, you keep speaking louder and with assurance from the new one, you insert people with the new paradigm in place of public visibility and power. You don't waste time with reactionaries; rather you work with active change agents and with the vast middle ground of people who are open-minded."[1]

In order to succeed, The Media Consortium must speak with assurance about its strategic vision, work with those who are advocates for a new paradigm and not waste time with reactionaries who want to save media's old paradigm. Journalism is evolving despite journalists and often without their years of experience. If journalists do not find new ground—even if it means dramatically changing their professional roles—they may drown.

By bringing together technologists, entrepreneurs and media-makers to increase experimentation, leverage their collective power and build audiences as communities, independent media can not only rise with technological tide, but also achieve the goals of inclusivity and fairness they espouse.

List of participants & process

The research process for this strategy project involved many different forms of input and discussion between July 2008 to July 2009. Key components included (participants listed below):

- Identified key uncertainties for the future through an online survey of TMC members and interviews with outside thinkers.

- Conducted a scenario-building workshop with TMC leadership (staff and board) and outside thinkers based on the most relevant future uncertainties.

- Produced a "Future Scenarios Report" and "Guidelines for Game Changers" (Appendix D).

- Solicited project ideas through online survey of TMC members and several one-on-one conversations among members (listed below).

- Identified key trends and future possibilities through outside expert interviews (listed below).

- Evaluated early research findings to a group of outside thinkers (listed below) as part of a dinner salon/workshop.

- Held internal conversations about research findings and implications for TMC's future direction, including a TMC membership meeting (Feb. 2009).

- Presented strategy report and project ideas to TMC membership (July 2009).

TMC scenario workshop in New York City

Pictured left to right:

Mitty Owens
Teresa Stack
Ann Friedman
Don Hazen
Rinku Sen
Jay Harris
Art Kleiner

Outside expert interviews[1]

- John Battelle, author of *The Search: How Google and Its Rivals Rewrote the Rules of Business and Transformed Our Culture*, CEO & founder of Federated Media

- John Bracken, Program Officer, MacArthur Foundation

- Amy Gahran, E-Media Tidbits, Poynter Institute

- Jay Harris, Publisher, *Mother Jones*

- Jay Heindrich, author of *Thank You For Arguing* & magazine consultant

- Leo Hindery, partner, Intermedia (private equity)

- Larry Irving, Vice President of Global Government Affairs for Hewlett-Packard Company and former Assistant Secretary, U.S. Department of Commerce

- Craig Newmark, Founder, Craigslist

- Vivian Schiller, CEO of National Public Radio. Former general manager of NYTimes.com

- John Schwartz, President, EBS Companies

- Clay Shirky, author of *Here Comes Everybody: The Power of Organizing without Organizing*; adjunct professor NYU graduate Interactive Telecommunications Program (ITP)

- Ashish Soni, Director of the Information Technology Program (ITP) at the Viterbi School of Engineering at the University of Southern California

- Alex Stefan, Executive Director, worldchanging.org

- Don Tapscott, author, *Wikinomics*

- Katrin Verclas, Co-Founder, MobileActive

- David Weinberger, author of *Everything is Miscellaneous*, journalist, fellow at Harvard Law School's Berkman Center for the Internet and Society

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[1] We use quotes for these interviews in present tense throughout the report.

Participants in scenario-planning meeting

- Ann Friedman, Deputy Editor,
  The American Prospect

- Jay Harris, Publisher, *Mother Jones*

- Steve Katz, Vice President for Strategy and
  Development, *Mother Jones*

- Andrew Golis, Deputy Publisher, Talking
  Points Memo

- Rinku Sen, Publisher, *ColorLines*

- Don Hazen, Executive Director, AlterNet

- Teresa Stack, President, *The Nation*

- Roberto Lovato, Associate Editor, New
  America Media

- Tracy Van Slyke, Project Director, The
  Media Consortium

- Erin Polgreen, Senior Program Associate, The
  Media Consortium

Outside-in thinkers (external resources):

- Art Kleiner, Editor-in-Chief, *Strategy+Business*
  magazine (www.strategy-business.com)

- Mitty Owens, Senior Deputy Director, NYC
  Office of Financial Empowerment, former
  Program Officer at Ford Foundation

- Mike Stanton, Publisher, *The Bond Buyer*
  (leading daily newspaper of public finance)

**Participants in one-on-one conversations and
TMC member surveys**

- Geraldine Cahill, Director of Communications
  and Social Media, The Real News Network

- Sandy Close, Executive Director, New
  American Media

- Emily Douglas, Content Editor,
  RH Reality Check

- Frank Emspak, Executive Producer, Workers
  Independent News

- Jan Frel, Senior Editor, AlterNet

- Ann Friedman, Deputy Editor,
  The American Prospect

- Sarah van Gelder, Editor/co-founder,
  YES! Magazine

- Andrew Golis, Deputy Publisher, Talking
  Points Memo

- Jay Harris, Publisher, *Mother Jones*

- Linda Jue, Director/Executive Editor, G.W.
  Williams Center for Independent Journalism

- Steve Katz, Vice President for Strategy and
  Development, *Mother Jones*

- Roberto Lovato, Associate Editor, New
  America Media

- David Michaels, *Current Affairs*

- Erin Polgreen, Senior Program Associate, The
  Media Consortium

- Lisa Rudman, Executive Director, *Making
  Contact*, National Radio Project

- Nicole Sawaya, media maven/digital
  agrarian

- Rinku Sen, Publisher, *ColorLines*

- Julie Bergman Sender, Producer, Balcony Films

- Kim Spencer, President, Link TV

- Kathy Spillar, Executive Editor, *Ms. Magazine*

- Teresa Stack, President, *The Nation*

- Johanna Vondeling, Vice President, Editorial
  and Digital, Berrett-Kohler Publishers

- Kevin Weston, Youth Communications Director,
  New American Media

Participants in salon discussion

- Jen Angel, co-founder of *Clamor* magazine,
  Indymedia activist/writer

- Jamais Cascio, Co-Founder,
  Worldchanging.org

- Everett Harper, Director, Customer Lifecycle
  & Acquisition Marketing, Linden Labs
  (Second Life)

- Steve Katz, Vice President of Strategy and
  Development, *Mother Jones*

- Peter Leyden, Founder, Next Agenda;
  formerly Director, New Politics Institute &
  Managing Editor of *Wired* magazine

- Ben Rigby, Co-Founder The Extraordinaries,
  author, *Mobilizing Generation 2.0* (Jossey-Bass)

- Ben Temchine, Senior Producer, Your Call
  on KALW

- Felicia Wong, Senior Vice President, Investment
  Services, Democracy Alliance

- G. Pascal Zachary, journalist and teacher at
  Stanford Journalism school and former senior
  writer at the *Wall Street Journal*

About the author of *The Big Thaw*

Tony Deifell is president of Q Media Labs, which explores questions of how media, technology and business shape society. Q Media Labs provides strategy consulting, leadership training and new project development for clients such as The Democracy Alliance, The Media Consortium, Google, UCLA and the Echoing Green Foundation, among others. Its recent work includes case studies about *Mother Jones*, AlterNet, Sierra Club and Brightcove's online media business models.

Tony has spent two decades as an entrepreneur, organizational strategist and media-maker. He founded and led for eight years the Institute for Public Media Arts, a company that promoted "user-generated content" before there was a label for it. His work received recognition by the White House as a national model in diversity education. Tony was a fellow in the W.K. Kellogg Foundation's National Leadership Program and has served on national boards including Active Voice, Kellogg Fellows Leadership Alliance and Social Enterprise Alliance where he co-chaired its public policy initiative. Tony was a founding board member of KaBOOM!, the national market leader for community-built playgrounds. He also served as the KaBOOM!'s Chief Strategist and led a $5 million investment deal from the founders of eBay. He designed the organization's national advocacy campaign, "Playful Cities USA" (now in 93 cities) and helped develop its online social-networking platform. His work at KaBOOM! was the subject of a Harvard Business School case study.

In addition to developing strategy, Tony actively makes media. He created the successful participatory-art project wdydwyd?™, which challenges people to answer the question, "why do you do what you do?" In 2007, he published *Seeing Beyond Sight* (Chronicle Books), an award-winning book of photography by blind teenagers that was in the *New York Times Book Review* and the *Los Angeles Times* and featured on KQED's The Forum with Michael Krasny. As unusual as "blind photography" may sound, Tony draws broadly applicable lessons from it to talk about leadership and innovation and challenges people to consider what they *see* and *don't see*.

Tony studied anthropology at the University of North Carolina at Chapel Hill and earned an MBA from Harvard Business School where he started a national conference about leadership and values. In 2008, the UNC-Chapel Hill acknowledged Tony's work by selecting him for its Distinguished Young Alumnus Award—a distinction he holds in common with former FCC Chairman Kevin Martin, Congressman Jim Cooper and sport star Michael Jordan.

Contact: Tony@QMediaLabs.com

Special thanks to Nicole-Anne Boyer for collaborating on *The Big Thaw*. She is a strategist, foresight specialist, and facilitator with a passion for creating "better futures," and Managing Director of Adaptive Edge. Nicole (pictured to the right) co-facilitated the scenario-building workshop that set the foundation for this project.

Tracy Van Slyke is Project Director of The Media Consortium. Tracy (right) is co-author of *Beyond The Echo Chamber: How a Networked Progressive Media Can Reshape American Politics* (2009, The New Press), a book on the impact of the progressive media on the political and media landscape from 2004 to 2008.
Contact: Tracy@themediaconsortium.com

Erin Polgreen is Senior Program Associate for The Media Consortium. From 2005-2007, Erin (right) was the Associate Publisher for *In These Times*.

Discussion worksheet

Break into small groups of three to eight people. Choose a person to report out.

Each group selects one of the following provocations to discuss (different one for each group).

Group 1: Alternative thinking no longer falls within the traditional definitions of "progressive."

Group 2: The line between mainstream & independent media is blurring.

Group 3: The source (publisher) of news is losing relevancy.

Group 4: The role of publisher is shifting from content creator to community convener.

Questions for each small group

If the assumption in the statement is true…

1. What notions would we have to give up to move forward?

2. What capabilities or competencies do we need in order to succeed?

3. Which models & metrics are most important?

The Media Consortium's history & membership

In early March 2005, two-dozen leaders from the worlds of independent print, radio, television and Internet media answered a call from *Mother Jones, The Nation* and *The American Prospect* to discuss "Independent Media and the Future of Democracy." It was the first time in at least a decade that independent media content producers and distributors came together to talk about strengthening our effectiveness. We continued the conversation through 2005, expanding to include many more media organizations. We looked to diversify our membership beyond print and text-based media outlets as well as include organizations that reached specific target audiences, women, people of color, etc.

In early 2006, The Media Consortium formally coalesced. The Media Consortium's Project Director Tracy Van Slyke calls the first few years of the network the "dating years." TMC worked to build bridges, relationships and networks among individual organizations where none had existed before. Smaller projects were organized, mostly around business and marketing opportunities. For the first few years, there were disagreements about whether editorial collaboration should exist and if so, what it would look like.

By 2008, The Media Consortium had reached a turning point. Its staffing increased from two part-time staff in 2007 to two full-time staff in 2008. Relationships and strategies began to coalesce and fully inform the process for strategically developing projects and assessing their success.

When the consortium first formed, its members were wary of sharing information and working together. TMC provided space for developing deep professional relationships. Overall, TMC is creating the space for independent media to collectively strategize for a dynamic future. TMC's work is ensuring growth and unity within the sector, rather than the fracturing and folding that mainstream and traditional media outlets are facing.

Members are increasingly comfortable with working together to share ideas and collaborate around projects. Joint editorial, marketing and business projects are part of The Media Consortium's 2009 focus. Members are confident about this work's internal benefits—so much so that many have begun collaborating outside of TMC supported projects.

Our mission is to amplify independent media's voice, increase our collective clout, leverage our current audience and reach new ones. We believe it is possible and necessary to seize the current moment and change the debate in this country. We accomplish this mission by fulfilling our five strategic principles:

- Foster Collaboration and Coordination

- Build and Diversify Media Leadership

- Focus on Audience Development

- Bring Money and Attention into the Sector

- Support Innovation in Journalism and Business Models
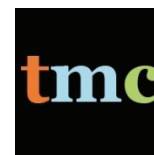
Membership

The Media Consortium currently has 45 members. Members include magazines (and their websites), video producers, television networks and radio networks, book publishers, online news producers and more.

More than 50% of TMC membership is made up of primarily text-based media organizations that range from magazines to online-only news sites. But more media outlets are moving beyond their primary platform and delivery systems due to quick industry shifts. Many now produce and distribute a mix of text, video and audio within their online operations. Within five years, many of these formats will be integrated across all our members.

Most of TMC's members are "pure-play" journalism organizations, ongoing diversity goals are also considered. TMC also reviews how the changing media and political landscape impacts our ability to fulfill our mission. The Media Consortium's membership body is a "hybrid" group of media organizations. Some examples include: advocacy and journalism, individuals, the progressive blogosphere, media distribution organizations and media outlets that have both a social justice and political focus.

Membership requirements

Members must be committed to:

- Amplifying the power of the independent media to foster a more informed, just and open society.

- Promoting the gathering and dissemination of news about current affairs in communities underserved by mainstream media.

- Supporting "mission-driven" media outlets whose missions encompass promoting the public interest in political, social and/or cultural diversity.

- Encouraging the participation of underrepresented communities in civic affairs by enhancing their connections with opinion leaders and policy makers.

- Research and development of innovative approaches to media production and distribution.

- Enhancing the practice of journalism in the public interest.

- Organizations where participation would confer a non-incidental private benefit are excluded from membership.

Active TMC Members
(All have online activities):

Magazines: Mother Jones, In These Times, The Progressive, The American Prospect, The Nation, Washington Monthly, Yes! Magazine, Ms. Magazine, Texas Observer, Hightower Lowdown *and* ColorLines.

Online-only news sources: Wiretap, Grist, The UpTake (video), Talking Points Memo, RH Reality Check, OneWorld, Feministing, Huffington Post Investigative Fund, Center for Independent Media, AlterNet and AfroNetizen.

Television networks: LinkTV and FreeSpeech TV.

Television Shows: The Young Turks (*online) and* GritTV (*on FreeSpeech TV, online and syndicated to public access channels).*

Radio: Air America, Public News Service, Democracy Now! Workers Independent News and National Radio Project.

Book Publishers: Chelsea Green, The New Press and Berrett-Koehler.

Video: Brave New Films, Balcony Films, GlobalVision and Real News Network.

Other (training, syndication, production, networking organizations): G.W. Williams Center for Independent Journalism, Women's Media Center, American Forum, The Nation Institute, NAMAC and New America Media.

Guidelines for generating game changing ideas

"Game changer" working definition: Developments (projects, initiatives, strategies, new models, innovations) that "change the game" for independent media by increasing its impact and influence in the next five years. These are not incremental strategies, but rather big, bold moves that The Media Consortium could take advantage of in a rapidly changing media landscape.

Strategic moves

How can we think about game changers? To simplify, there is a continuum of strategies that might create game changers for TMC.

1. REVOLUTIONARIES

These game changers tend to be über innovations. They create entirely new market spaces, categories or social innovations that never existed before—and change the boundaries and rules of the industry or sector as a result.

Examples — Airlines, motor vehicles, telephones, computing, semiconductors, internet. Note that many revolutionary innovations came about by 1) combining a range of existing technologies, e.g. Internet 2) a supportive context or "paradigm shift" that allowed them to emerge.

2. DISRUPTORS

Whereas revolutionary innovation typically comes from the "outside-in," disruptive game changers start within the boundaries of a defined industry or sector. They tend to be more "bottom-up" or lateral in their genesis. Disruptive innovations are also different because they often start out as *lower cost options* with *inferior performance* in unpromising markets, which makes them hard to spot and taken seriously at the beginning.

Examples — Encyclopedia Britannica was unable to recognize that CDs & DVDs would be a disruptive format. In addition, disruptive innovations frequently "democratize" services and enable customers to be part of the process. By this, they increase access or the ability of customers to do things that were previously done by a group of experts in a centralized fashion (For example, computing, photocopying, blogging). In any event, these strategies are called "disruptive" because they displace the incumbent players or technologies.

Disruptive innovations come in two forms:

a) **New market disruption** creates new value by targeting "non-customers." These are people with needs that were *not being served* by incumbents. Or there was a bottleneck in the way of their ability to consume the offering.

Examples — Personal computers, World Wide Web, FedEx, Intuit's QuickBooks, eBay, online auctions, MP3, iPods (downloadable music format) and Grameen Bank.

b) **Low-end market disruption** creates value by targeting customers who are being *over-served*, or do not need the full performance required by high-end users. Often products overshoot the ability of consumers to adapt to the new features. Low-end disruptors reframe the offering by simplifying or focusing on the specific needs of these niche segments.

Examples — Minute clinics, home diagnostics, digital photography, photocopying, instant messaging technology, and microwave ovens.

3. ADAPTERS

Though not as flashy and memorable, sometimes incremental innovations that are combined in novel or timely ways, can become game changers. First movers are not always successful in the end, so being a "fast follower" is often the savvy way to go. Google, for instance, was late to search.

Adapters come in two forms:

a) **Design & differentiation**

Examples — Apple's "trickle down" strategy from the high-end to mainstream consumers through unique positioning and good design. Google's simple interface helped make this late entrant the market leader in internet search.

b) **Cost reduction**

Example — Wal-Mart's supply-chain approach

Characteristics

The following characteristics describe potentially gamechanging ideas for independent media:

‣ *Surprising and **unexpected** (reaches beyond the traditional tactics of progressive media)*

‣ ***Time horizon** for manifestation two years or more*

‣ *Holds **potential risk** that is equal to the reward/benefit that it could create (for TMC and/or its members)*

‣ *Utilizes **technology** that is early enough in its adoption cycle to leverage early-mover advantage*

‣ *Potential to lead to new solutions or opportunities for **social impact***

‣ ***Simple** and intuitive*

Impact

Successful results from a game changer may include one or more of the following:

‣ ***Improve collective performance** by 3x or more in either audience reach or influence (yet to be specifically defined)*

‣ ***Significantly differentiate** progressive media from competitors in news, opinion and commentary that will cut through the noise (including changing prevailing assumptions about progressive media)*

‣ ***Attract new or greater funds** from philanthropy or commercial sources*

‣ ***Add significant value to relationships** between TMC members and their customers, suppliers, funders and partners required to bring progressive content to market*

Innovators to watch

Many new and established media companies are experimenting with ideas to take advantage of the new media landscape. *The Big Thaw* could only include a few of the innovators worth watching. Please add other organizations and individuals at http://themediaconsortium.com/thebigthaw.

Advertising

- **Adify** is a build-your-own vertical ad network platform, which powers SustainLane & Ad Progress Network. (www.adify.com)

- **DoubleClick Network Builder** is DoubleClick's new platform for vertical ad networks. (www.doubleclick.com/products/networkbuilder)

Augmented reality browsers

- **Acrossair** is an iPhone app that retrieves information based on your surroundings using the phone's video camera. (www.acrossair.com)

- **Nokia's MARA** (Mobile Augmented Reality Applications) (research.nokia.com/research/projects/mara/index.html)

- **SixthSense,** by MIT's Pranav Mistry, "By using a camera and a tiny projector mounted on a hat, 'SixthSense' sees what you see and visually augments any surfaces or objects you are interacting with. 'SixthSense' projects information to any surface, walls, and the objects around us." (www.pranavmistry.com/projects/sixthsense)

- **Wikitude** draws from Wikipedia entries based on users' location and displays it on Android and iPhone's camera view. (www.wikitude.org)

Blogs & news aggregators

- **AlterNet** (www.alternet.org)

- **Boing Boing** (boingboing.net)

- **Daily Kos** (www.dailykos.com)

- **FiveThirtyEight.com** is a political blog by Nate Silver, who balances polling data with pollsters' track record among other factors. (fivethirtyeight.com)

- **Global Voices** (globalvoicesonline.org)

- **The Huffington Post** (www.huffingtonpost.com)

- **Talking Points Memo** (www.talkingpointsmemo.com)

- **Townhall.com** is a conservative aggregator. The site is more multi-platform than most progressive news sites. (townhall.com)

Constituency management

- **Care2** is a web community that helps members take action around social issues. It's a good way to collect emails for new constituents through opt-in petitions. (www.care2.com)

- **Convio** is a constituent relationship management system (eCRM) that synchronizes communication touch points and membership status across internal databases and external platforms such as Facebook. (www.convio.com)

Crowd sourcing, citizen journalism & pro-am models

- **Citizen Global Studio** is a startup "online collaborative studio that brings individual content creators and mainstream producers together to create *broadcast-quality* media of any kind." (citizensglobalstudio.com)

- **Help Me Investigate** (helpmeinvestigate.com)

- *Minnesota Star Tribune* published the Coleman/Franken ballots for readers to examine. (senaterecount.startribune.com)

- **NewAssignment.Net** links professional journalists and amateur contributors. It partnered with The Huffington Post to start OffTheBus. (newassignment.net)

- **The UpTake** is a citizen journalism venture that uses low-cost technology, including live broadcasts from mobile phone cameras. (www.theuptake.org)

- **Ushahidi** "Crowdsources crisis information" in Kenya. The platform takes in reports from field via mobile devices. Reports are collated into web-based platform/presentation and certain info is sent back via mobile. (www.ushahidi.com)

Hyper-local

- **Bay Area News Project.** Warren Hellman, a San Francisco investment banker, is partnering with KQED and the University of California, Berkeley, to start a nonprofit to fill the gap in local news due to newspaper cutbacks. (www.bayareanewsproject.org)

- **Everyblock** is "a news feed for your block" (www.everyblock.com)

- **National Public Radio's local affiliates.** Vivian Schiller, CEO of NPR wants to work with member stations "so that as local newspapers die away we can step into the breach to make sure that there is not a vacuum there." Her experience leading NYTimes.com will help NPR innovate.

- **Newsmixer.us,** from the Cedar Rapids *Gazette*, uses an open-source platform and Facebook Connect to engage users in Eastern Iowa in conversations about the news (newsmixer.us)

- **Patch** plans to support small teams of journalists to produce hyper-local news in communities. Tim Armstrong, Google's President of Advertising for North America and Latin America, is underwriting the effort. (www.patch.com)

Location-based mobile

- **Google Latitude** lets you broadcast your location to your friends. (www.google.com/latitude)

- **Loopt** is similar to Latitude, yet predates it. (www.loopt.com)

Measurement

- **Microsoft's "engagement mapping"** measures the *return on investment* based on how all interactions with marketing efforts lead users to take action. (advertising.microsoft.com/engagement-mapping)

- **Quantcast** (www.quantcast.com)

Micro-blogging & micro-volunteering

- **The Extraordinaries** recruits volunteers to do simples tasks on mobile devices (www.theextraordinaries.org)

- **Twitter** "has a tiger by the tail" according to Battelle. See Micro-blogging, p25. (twitter.com)

Micropayments

- **The Information Valet Project** is an initiative of the Reynolds Journalism Institute at the Missouri School of Journalism. (informationvalet.wordpress.com)

- **Intuit,** the maker of QuickBooks software for small businesses, is announcing a new service called Intuit GoPayment, that will put credit-card processing technology into most cell phones. (mobilepayment.intuit.com)

- **Journalism Online** (www.journalismonline.com)

- **PayChoice** has created a Vendor Relationship Management (the reciprocal of Customer Relationship Management system) that enables micropayments across a wide array of news sites (cyber.law.harvard.edu/projectvrm/PayChoice)

- **Spot.us,** community-funded reporting. (spot.us)

Multisensory web

- **Defense Sciences Office** (DSO) of the Defense Advanced Research Projects Agency's (DARPA) focuses on "mining 'far side' science." DSO is working on a way to make multi-sensory data converge in real time. (www.darpa.mil/dso/thrusts/index.htm)

- **Distributed sampling:** "The pulse is shared, quite literally, using efforts like Stanford University's 'quake catcher' network, in which seismic activity is measured by tapping into the sensors commonly found in consumer laptops." (qcn.stanford.edu)

Nonprofits & philanthropy

- **Knight News Challenge** awards as much as $5 million a year for innovative ideas that develop platforms, tools and services to inform and transform community news, conversations, and information distribution and visualization. See their winners to get ideas. (www.newschallenge.org)

- **"L3C"** (Low-profit Limited Liability Company) is a new type of LLC structure that better suits a mix of commercial and non-commercial revenue.

- **Network for Good** is an online fundraising service for nonprofits. (www.networkforgood.org)

Organizational structure & new journalists

- **Co-op efforts** like Puerto Rico's *Daily Sun* (bit.ly/p6o9M)

- **Federated Media Publishing** is blending old & new producer models (www.federatedmedia.net)

Platform convergence

- **Boxee** pulls together multiple sources of Internet video in an easy to use interface that has caused many users to cancel their cable subscriptions: "On a laptop or connected to an HDTV, Boxee gives you a true entertainment experience to enjoy your movies, TV shows, music and photos, as well as streaming content from websites like Netflix, CBS, Comedy Central, Last.fm, and Flickr." (www.boxee.tv)

- **Google Voice** gives a user one number for all his or her phones. (www.google.com/voice)

- **Google Wave** is new a cross-platform way to communicate and collaborate, which is the way email would have been designed if it were invented today. (wave.google.com)

- **O'Reilly Media,** a computer books publisher in the loosest sense, "spreads the knowledge of innovators through its books, online services, magazines, research, and conferences." Tim O'Reilly has been a leading advocate of the open source movement and Web 2.0. (oreilly.com)

Print's big players

- *Economist* (www.economist.com)
- *Guardian*, UK (www.guardian.co.uk)
- *New York Times* (nytimes.com)
- *Wall Street Journal* (www.wallstreetjournal.com)
- *Washington Post* (www.washingtonpost.com)

Rapid programming

The following tools can help achieve "[rapid, low-cost innovation](#)" (Vol. 2, p18)

- **AJAX** is used to create client-side interactive web applications and helps drive user experience and engagement. (www.ajax.org)
- **CakePHP** (cakephp.org)
- **CodeIgniter** (PHP) (codeigniter.com)
- **Django** (Python) (www.djangoproject.com)
- **Microsoft PSP.net** ([psp.net](psp.net))
- **Symfony** (PHP) (www.symfony-project.org)

Online identity

- **OpenID** allows users to use a single online identity and password to sign into multiple websites. With one billion user accounts on 50,000 websites, OpenID is helping decentralize the online media landscape. (openid.net)

Research

- **Berkman Center for Internet & Society** "We're trying to do empirical research to see how information is moving through the blogosphere and into mainstream media," says Weinberger. (cyber.law.harvard.edu)
- **Neiman Journalism Lab** (www.niemanlab.org)
- **New America Foundation** is a policy institute focused on the changing conditions and problems of our 21st Century information-age economy. (www.newamerica.net)
- **OpenNet Initiative** "investigates, exposes and analyzes Internet filtering and surveillance practices in a credible and non-partisan fashion." (www.opennet.net)
- **The Pew Research Center's Project for Excellence in Journalism** (www.journalism.org)
- **The Pew Research Center for the People & the Press** (people-press.org)
- **Steven Pinker**, a linguist/neuroscientist and author of *The Language Instinct*, researches how people communicate with each other and with themselves.

Search & filtering

- **digg.com** extended their content-voting system to advertisements. "Digg's Ads Make Me Want to Click On Them. I'm not the only one," said Hunter Clarke on theNEXTWEB.com. It has improved click-through-rates by 27 to 37 times.[1] (digg.com)
- **Newstrust.net** provides a credibility filter, online opinion and amateur journalism. Reviewers evaluate each story against core principles of journalism, such as fairness, accuracy, context and sourcing. (newstrust.net)
- **StumbleUpon** captures the value of discovery better than search. See Value of discovery, Vol. 3, p18. (stumbleupon.com)

Semantic tools & intelligent aggregators

- **CALO** (Cognitive Assistant that Learns and Organizes) led by SRI International and funded by Defense Advanced Research Projects Agency (DARPA) is "one of the largest artificial-intelligence projects ever [...] The goal of the project is to create cognitive software systems, that is, systems that can reason, learn from experience, be told what to do, explain what they are doing, reflect on their experience, and respond robustly to surprise." (caloproject.sri.com)
    - **Siri** "There is already one quiet commercial spin-off from the [CALO] project. Siri Inc., based in San Jose, Calif., plans to introduce a personal assistance service in the first half of 2009. Still in 'stealth' mode, with a small private test version of its service, Siri has raised $8.5 million from two venture capital firms."[2] (http://www.siri.com)
- **Passive Social Graph.** Sandy Pentland of MIT conducts "reality mining" by collecting data of whose cell phones come near each other to create a "passive social graph data." (See Location aware mobile, Vol. 3, p15)
- "**Silobreaker** finds people, companies, organizations, topics, places and keywords; understands how they relate to each other in the news flow, and puts them in context through graphical results in its intuitive user interface." (http://silobreaker.com)
- **Wolfram Alpha**, a computational knowledge engine that computes answers—in contrast to simple search—from large datasets. (www.wolframalpha.com)

Social media & conversational media

- **Facebook Connect** offers mobility of data across networks and has recently added a crowdsourced translation feature (http://developers.facebook.com/connect.php)

- **Jive Software** (www.jivesoftware.com), **Pluck** (www.pluck.com) and **KickApps** (www.kickapps.com) are create-your-own social network platforms focused on enterprise customers (e.g. HBO).

- **Ning** is a create-your-own social network platform (www.ning.com) focused on consumers.

- **OpenSocial** is Google's set of social network applications (APIs) that allows friends to share their social data across networks such as MySpace, Yahoo!, Ning, orkut and Friendster. (www.opensocial.org)

Translation

- **dotSUB** "On dotSUB you can view, upload, transcribe, and translate any video into and from any language." (dotsub.com)

- **Lingua translation project**, a volunteer network of translators (from English to other languages) that focuses on Global Voices' content. (globalvoicesonline.org/lingua)

- **Meedan**, software-based translation project. "Meedan is bringing Arabic and English speakers together in conversation about world events using emerging machine-assisted translation technology." (www.meedan.net)

User interfaces

- **Apture** enables a publisher to enhance its site with a multimedia layer above its web pages. (www.apture.com)

- **Cooliris** creates a rich graphical "3D Wall" on desktop and iPhone browsers to view photos, video and news. (www.cooliris.com)

- **Zemanta** allows you to find related images as you blog (helps create links for Google search). (www.zemanta.com)

Video & television

- **Google TV Ads & Navic**, which introduced a supply-demand model for buying and selling television ads. (www.google.com/adwords/tvads) (www.navic.tv)

- **Internet Protocol Television** (IPTV): **Apple TV** (www.apple.com/appletv), **Roku** (www.roku.com). **Slingblox** (www.slingmedia.com) & **HAVA** (http://www.myhava.com) break down the conventions and gateways we have in place around accessing television content.

- **Justin.tv** is the largest live-video site online (22 million visitors/month) (www.justin.tv)

- **Ustream.tv** launched in early 2009 their new white-label, live-video service, "Watershed." (www.ustream.tv)

- **Seesmic** provides real-time video conversation. (seesmic.com)

- **TiVo** "TiVo's "Stop II Watch" rating service provides "active measurement of how viewership changes with the ability to time-shift programming." (www.tivo.com & stopwatch.tivo.com)

- **Qik.com** is the leading live video service for mobile devices.

- **ZunaVision** and **Innovid** insert Flash-based assets into video post-production, so a blank wall in a video could suddenly contain a movie poster, digitally inserted at the time of delivery. (www.zunavision.com) (www.innovid.com)

Other experiments

- **DocumentCloud**, a unified database of original source documents created by a collaboration of the *New York Times*, ProPublica, Talking Points Memo, The National Security Archive, Gotham Gazette. (documentcloud.org)

- **E ink** manufactures electronic paper displays (EPD) for the Amazon Kindle, Sony Reader and others. It produced the electronic cover in Esquire's September 2008 issue. (www.eink.com)

- **Microsoft Office Labs** tests concepts and published research about technology change to come (www.officelabs.com/Pages/Envisioning.aspx)

- **Google Labs** showcases what the company is planning next. (www.googlelabs.com)

- **TagSense** has developed Radio Frequency Identification (RFID) ink that can be tracked and identified without using an electronic chip. This can make the print news interactive. (www.tagsense.com)

Notes & sources

Sidebars | *notes & sources*

[A] In reaction to Shirky's commentary in "Newspapers and Thinking the Unthinkable," a member of the California Media Workers Guild wrote: "We're supposed to just feel good that we're living through a revolution. I guess we could have written a blog for Europe during the bubonic plague saying, 'Get over it. It's happening, it will trim the herd, and there'll be more stuff for those who are left. So what if you lose a few family members.' That would have made it okay. (…) But [Shirky] insults us when he says we don't need newspapers — suggesting that our mission has been only to pulp trees into newsprint." See Blunz, "Brilliant Drivel," gLOGg, March 15, 2009.

[B] This quote is often attributed to Marshall McLuhan. While McLuhan popularized it, he repeated it as an unattributed saying. Matie Molinaro, Corinne McLuhan, William Toye, *Letters of Marshall McLuhan*, Oxford University Press, 1987.

[C] Howell Raines, "On This Anniversary: Who We Are," *New York Times*, November 14, 2001.

[D] Sascha Meinrath keynote address, eComm, March 7, 2009. (transcript link)

[E] Richard Tedlow, "Leaders in Denial," *Harvard Business Review*, July/August 2008. Tedlow is the author of the forthcoming book *Denial: Why Business Executives Fail to Look Facts in the Face*.

[F] Donella Meadows, "Leverage Points: Places to Intervene in a System," The Sustainability Institute, 1999.

[G] Richard Tedlow, "Why Bad Things Happen to Good Companies," speech, Harvard Business School, 2002.

[H] Chris Anderson, "Free! Why $0.00 Is the Future of Business," *Wired*, February 28, 2008

[I] Martin Peers, "Future Shock for Internet Ads?" *Wall Street Journal*, February 17, 2009.

[J] "Unbound," *Economist*, July 7, 2008.

[K] Amanda Michel, "Get Off the Bus: The future of pro-am journalism," *Columbia Journalism Review*, March/April 2009.

[L] *Ebony* and *Jet* magazines' struggles to stay afloat was a topic of news talk shows in March 2009. K. Tempest Bradford (The Angry Black Woman blog) acknowledged that part of the problem was that *Ebony* had not kept up with technology changes or kept their content current to young readers. "Roundtable: Can Detroit Bounce Back?" National Public Radio, March 9, 2009.

[M] Thomas Crampton, "14 China Internet insights About.com learned launching Abang.com," Thomas Crampton: China, Internet and new media seen from Asia (blog), January 14, 2008.

[N] Meeyoung Cha, et al., "Characterizing Social Cascades in Flickr," WOSN'08, August 18, 2008, Seattle, Washington.

[O] Eric Alterman, "Out of Print: The death and life of the American newspaper," *New Yorker*, March 31, 2008.

[P] Cass R. Sunstein, *Republic.com 2.0*, Princeton University Press, 2007.

[Q] Cory Ondrejka, "Escaping the Gilded Cage: User Created Content and Building the Metaverse," *New York Law School Law Review*, Volume 49, Issue 1, 2004.

[R] David L. Altheide, *Creating Reality: How TV News Distorts Events*, Sage Publications, 1976, p. 17.

[S] Tony Deifell, "*Mother Jones*," independent case study, Democracy Alliance & & EBS Companies, October 2008.

[T] Tony Deifell, "Brightcove," interview with Adam Berrey, Democracy Alliance & EBS Companies, September 2008.

[U] Jack Meyers, "Jack Myers on the Future of Television: Realities and Opportunities for Media Companies and Marketers," *Digital Outlook Report 09,* Razorfish, March 9, 2009.

[V] John Battelle, "Conversational Marketing: PGM v. CM, Part 3," John Battelle Searchblog, March 9, 2007

[W] Gary Levin, "'Simple economics': More reality TV," *USA TODAY*, May 7, 2007.X

[X] Alana Conner Snibbe, "Drowning in Data," *Stanford Social Innovation Review*, Fall 2006.

[Y] David Carr, "Let's Invent an iTunes for News," *New York Times*, January 11, 2009.

[Z] Nicholas Carr, "The writing is on the paywall," *Rough Type*, February 10, 2009.

[AA] Melissa J. Perenson, "Game Economy Grows with Micropayments," *PC World*, October 4, 2008.

[BB] David Kaplan, "NYTCo Earnings Call: Citing Weakness in Display, About.com Shifts Emphasis To CPC Rev Model," paidContent.org, January 28, 2009.

[CC] Nicholas Carr, "Is Google Making Us Stupid?" *Atlantic*, July/August 2008.

[DD] Nicholas D. Kristof, "The Daily Me," New York Times, March 18, 2009.

[EE] Michele Gershberg, "Citigroup sees better Amazon Kindle sales," Reuters, August 11, 2008.

[FF] Zachary Coile, "Pelosi goes to bat to keep Bay Area papers alive," *San Francisco Chronicle*, March 17, 2009.

[GG] Jessica Clark and Pat Aufderheide, *Public Media 2.0*, Center for Social Media, February 2009.

[HH] Tracy Van Slyke, "The future of investigative journalism," *Guardian*, April 16, 2009.

[II] "Once the unequivocal frontrunner in information technology and telecommunications, the U.S. has fallen from 1st to between 15th and 21st in the world in terms of broadband access, adoption, speeds and prices. The most recent data from OECD underscores the fact that the U.S.

broadband penetration ranking remains stagnant. Such a dramatic decline has prompted calls for a "broadband Apollo project," a nation-wide initiative to build advanced fiber-optic communications infrastructure to connect every community, constituency, and interested individual in the country." Benjamin Lennet, Sascha Meinrath, "Building a 21st Century Broadband Superhighway," New America Foundation, 2009.

JJ John Battelle, "Can Google Find Its Voice?," John Battelle Searchblog, March 11, 2009.

Letter from Project Director | *notes & sources*

[1] 11.3% were ages 25 to 34, 18.5% ages 35 to 49, 29.8% ages 50 to 64 and 19. Catalyst, 2009.

Vol. 1: Executive Summary | *notes & sources*

[1] From TMC members' self-reported data, collective websites had 18.5 million visits as of June 2009. The total collective reach includes overlapping visitors. However, research from 2006 showed that the overlap among member/subscriber lists among TMC members was just 25%, based on analysis from Paradyz-Matera, a third-party list-management analysis firm. Website visits are used as a proxy to benchmark the current online activity of TMC members. Many TMC members' content reaches a much larger collective audience if third-party websites such as YouTube and blip.tv and off-line distribution were added. Although, consistently collect this data for benchmarking purposes was not possible. Self-reported data can vary greatly based on how metrics are defined and measured. However, this appears to be a reliable collective number. Quantcast can be used in order to check consistency of the members' data with a common measuring stick. Online statistics were retrieved from Quantcast on June 23, 2009, which gave an estimated online reach of 18 million website visits. Approximately 23% of these sites were measured directly, and 47% of the sites were "rough estimates" by Quantcast. Approximately 30% of the sites did not have enough data to estimate traffic, but these publishers have a relatively small impact on the cumulative number of online visits.

[2] Donella H. Meadows, *Global Citizen*, Island Press, 1991, p4.

Vol. 1: Adaptive Strategy | *notes & sources*

[1] Andy Grove was former CEO of Intel and author of "Strategic Dissonance," a paper that is used (with modifications) to frame this report. The model is modified for this report to be more relevant for industry-wide analysis. Specifically, we reconfigured the "Adaptive Strategy Matrix" in *The Big Thaw's* first volume. The vertical axis between *Sources of Value* and *Business Models* replaces Grove's axis between *Corporate Strategy* and *Strategic Action*. Grove also built on theories of business school professors, Clayton Christensen (who coined the term "disruptive technology") and Michael Porter. Robert A. Bergelman and Andy S. Grove, "Strategic Dissonance," *California Management Review*, 1996.

[2] "IBM's slowness in taking advantage of the RISC microprocessor architecture (which it had invented in the mid-1970s) was, no doubt, attributable, at least in part, to top management's perception of IBM as the leading "mainframe computer" company in the world." (Grove, p16) "Intel's exit from the DRAM business, for instance, was delayed by the fact that top management was still holding on to Intel's identity as a memory company (instead of a microprocessor company), even though the company had become a non-factor in DRAMs with 2-3 percent market share by 1985." (Grove, 15.) Note: DRAM was a key innovation in computer memory in 1970. Intel's strategic shift occurred 5-6 years after their market share began to decline.

[3] "In December 2008, the Fitch Ratings service, which monitors the health of media companies, predicted a widespread newspaper die-off: "Fitch believes more newspapers and newspaper groups will default, be shut down and be liquidated in 2009 and several cities could go without a daily print newspaper by 2010." (Hirschorn, *Atlantic*.) In 2008, 525 U.S. magazines closed, and which is expected to increase in 2009. eMarketer, March 27, 2009.

Vol. 1: Old Paradigm | *notes & sources*

[1] "Among the 2,000 responses that poured in, the judge most liked 'All the World's News, but Not a School for Scandal.' But even the judge did not find that preferable to Ochs's creation, 'All the News That's Fit to Print.'" Clyde Haberman, "150th Anniversary: 1851-2001; Banner Headlines and Comic Strips," *New York Times*, November 14, 2001.

[2] Howell Raines, "On This Anniversary: Who We Are," *New York Times*, November 14, 2001.

[3] Studies have shown that, under the right circumstances, groups more often converge on a "correct" answer than individuals left to their own decisions. This dynamic occurs in Delphi forecasting methods (http://en.wikipedia.org/wiki/Delphi_method) and arctic survival simulations. Another example: In "Who wants to be a Millionaire?" the "ask the audience" lifeline is correct 90% of the time, whereas "phone a friend" is correct 65% of the time. (See James Surowiecki, *The Wisdom of Crowds*, 2004.)

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