



Source



By Niklas Olson
For your reading pleasure

Executive summary

The media environment is changing rapidly and the printed press is losing ground. I fear that this trend will soon reach a tipping point internationally which will result in a radical move of the advertising expenditures.

Something new is needed that breaks loose of the chains of traditional media and that has the possibility to utilise the concepts that consumers value of different platforms (interfaces).

Source is an aggregator that digitally collects news from all News Corporation's (further known as News Corp) current newspapers to manually adjust these to take advantage of opportunities of diverse platforms.

The brand *Source* will be distributed through three different interfaces, the Internet, mobile and print. This will be three different sides of *Source* that each provides news in a way completely accommodated to the platform.

The Internet version of *Source* will be centred on consumer interaction. There will be a vast amount of options for interaction, and there should be no limit to how involved the prosumers can be in the content.

The printed version of *Source* will focus on high quality images and longer reflective articles. It will also include material created by prosumers from the Internet version of the brand.

The mobile version of *Source* will take advantage of the mobile platforms absolute advantage above other platforms, speed. Consumers of the future will first be aware of a news event by their mobile device, later to turn to the Internet and printed version for a more complete version of the story.

The major resource needed in this project is the collaboration of journalists and editors in other News Corp brands. There will be a need to synchronize the information format between the different brands to be able to truly utilise the possibilities of *Source*.



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This is News Corp

News Corp is the world's largest media conglomerate with activities ranging from TV to mobile entertainment. In short, News Corp is a giant with enormous resources in content, money as well as employees.

The focus of News Corp's activities has since the start been news and entertainment. Besides a couple sidetracks such as the buying of social platform MySpace and mobile content provider Jamba!, this focus has survived through the years.

Today the consumption of news and entertainment is changing, and News Corp has taken measures to follow this change, which has resulted in new experimental ventures. The most recent example of News Corp's will to evolve their business is the founding of new media lab Slingshot earlier this year.¹ The new company will act as a web incubator, nurturing new ventures.

These new ventures do not necessarily have a connection to news or entertainment; instead, the focus will be set on developing new business concepts for the web. This is a result of how news and entertainment consumption has changed while moving onto the web. News is no longer something you passively consume, it is something you discuss, rate, add to and so further. Entertainment is showing a similar change. This has evoked the need for News Corp to be in the frontline of not only news and entertainment, but also of new media in general.

The operations

News Corp is mainly active in printed media (books, newspapers, magazines), radio, TV and the Internet. The company controls many influential and well-known brands such as HarperCollins, The Times, 20th Century Fox, The Wall Street Journal and MySpace. In excess of these, News Corp also owns several more non-related businesses, such as 50% of the National Rugby League and Fox Sports Grill (a restaurant chain).²

The breadth of News Corp's operations makes the company very resourceful in several areas. Between the walls of this company, the collective wisdom of thousands of journalists, technicians and others is gathered. This makes it possible for News Corp to embark on almost any kind of business.

Task focus

In order to suggest a new brand for News Corp, I have chosen to focus on one particular area of News Corp's operations, the news. This choice is made to narrow down the task to a more hands-on size. The choice is also made with the development of the newspapers in mind; this is an area in strong demand of fresh ideas and new business concepts. More on this development further on.

Another reason for this choice is News Corp's enormous network of connections to advertisers because of their current activities. This connection will show very valuable in the future when advertisers move from printed media to digital.

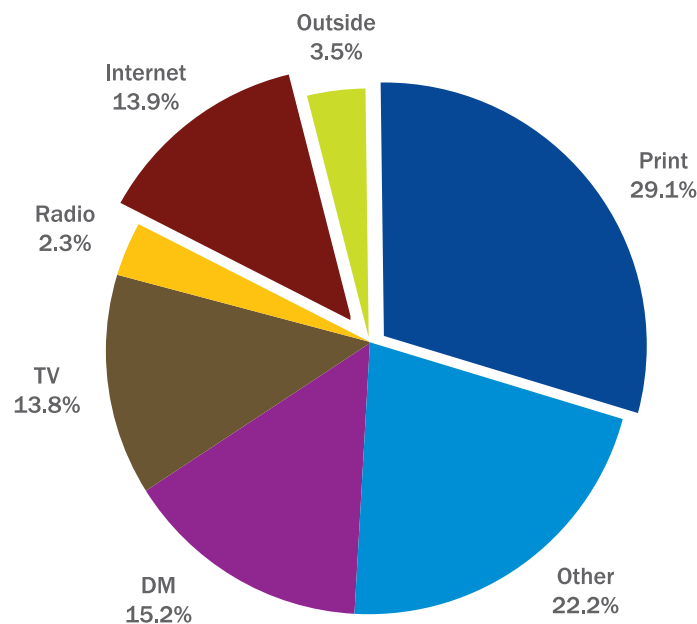
The focus does however not imply that entertainment and community are to be left out of the equation; these are both integrated parts of modern news distribution and will as such be implemented in my proposal.

What is happening to media?

In recent time, the speed of change in consumer media consumption has increased. Mostly, this is due to the vast source of media made available through the internet both from stationary as well as mobile platforms.

This development is shaking the industry heavily; advertisers are no longer as certain of where to put their budgets or where they may find their target group. With the Internet, unlimited possibilities line up and consumers spread more than what were possible during the reign of the old media (Television and newspapers).

A very visible sign of this change is that the relatively new marketing channel that Internet provides, in the late 2007 in Sweden surpassed spending on TV commercials.³ Sweden is just one example, many more countries have already gone through this, and more are certainly to come.



The above pie chart (also known as "the cookie"⁴) shows distribution of advertising spending on different media in Sweden, late 2007.⁵ It is worth noting that the printed press still has a majority share of the overall cookie and with its 150 years of operations and accumulated knowledge still is a strong player.

Trends

There are two different factors to keep an eye on while evaluating the trends of news distribution. Firstly, we must make clear where the consumers are today and where they are moving. Secondly, we must look to where the advertisers are today and where they are headed.

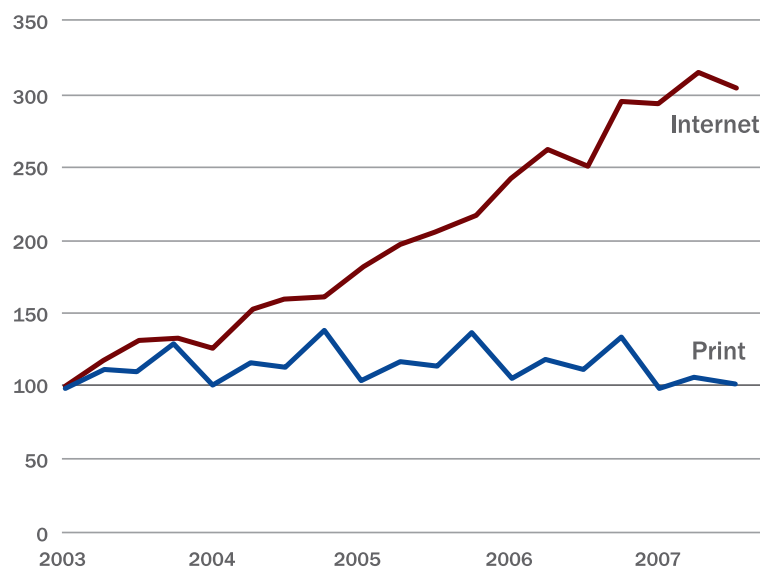
What is problematic with this kind of approach is that it supposes that the movement of advertisers and consumers is linear, when it in reality might show different patterns. In the US there has been signs of the printed press reaching tipping point, where they don't attract enough readers to attract advertisers and from there on fall steeply in reach.⁶

Understanding the theories of the tipping point is vital in the understanding of how the switch between internet and printed press will occur. According to theory, it will not change linearly. Over the course of a couple of months, the reach of the newspapers will simply plummet while the online publications will show a sharp increase.⁷

Of course, this is speculations. We cannot see into the future, still it tells us something very important. That is, the change in consumer patterns might occur a lot faster than anticipated.

The advertisers

As the cookie above shows, the internet as a platform for advertising is today larger than television, still it is not even half that of the printed press. However, recent development of online advertising tells us that something is changing here. In the American market, the spending on online advertising has seen a sharp growth in comparison to spending on the printed press as seen in the graph below.

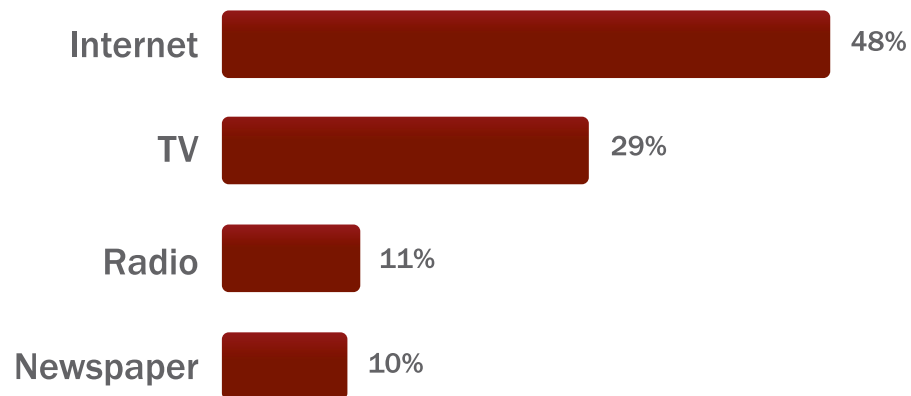


In some aspects, this graph tells us where the advertising spending is going to be in the future. What we do not know, is at what level it will settle.

The consumers

According to the News Paper Association of America, the readership of printed newspapers has since 1998 declined from 58.6% of the adult population to 48.4% in 2007.⁸ This trend clearly shows how the consumers are switching to other media channels for their news consumption.

Whats your primary source of news and information?



The above study of American news consumption might give a hint of where the consumers are moving.⁹

The task at hand

While developing a new brand for News Corp that relies on the resources of the company, it is important to have a perspective on time.

If we look at the market today, the printed press still has the largest share of the advertising, so an investment in this area would seem clever. Even if we were to look at the trends, we might conclude that it will be a long time before the Internet will reach the levels of advertising that the printed press enjoys.

Since News Corp already incorporates several printed papers with their own websites, we must work on creating something unique, something that uses the resources of these newspapers, but still offers something completely different.

We achieve this in two ways:

- We create a solution that is targeted at the future web-consumer and not the present.
- We create something completely new, something that is not bound by the chains of traditional printed media.

By creating a solution aimed at future consumer behavior, we are able to set trends and be a part in the shaping of the future. By creating a completely new brand we are able to do things that no printed media could do due to their heavy traditions and old structures.

Source, the concept

Source is an aggregator that digitally collects news from all News Corp's current newspapers to manually adjust these to take advantage of opportunities of diverse platforms.

The concept of a news aggregator

A news aggregator acts as a collection point of news from many different sources. If, for example, The Wall Street Journal was to write an article about the recent developments in the stock exchange and the New York Post made a feature about the effects of the stock exchange on your private economy, the news aggregator would be able to collect these two articles into one. In this way, a news story can grow to include many different angles on a certain matter, and in the aggregator, there sure will be something for everyone. Maybe you are concerned about how the stock exchange will affect your loans, or if the prices of oil for your car is affected. In the aggregator, all this information around a news story is collected, and at the same time it has the power to promote the angle that it thinks is most relevant to you.

Today, news aggregators act on external data and collect this in an automatic fashion, such as *Google news*¹⁰. Algorithms sort and connect news from different external outlets to make up a more complete picture of the events.

The big disadvantage with current news aggregators is that they do not have access to the source material, they only get the limited amount of information that the news outlets are sharing. For example, this results in Google News not having pictures to show with its stories.

With News Corp backing it up, *Source* will change this. By leveraging the resources of different brands in News Corp, *Source* has the possibility to be the world's first functional news aggregator.

Getting the news

What really makes *Source* different is the inside possibility to collect data directly from News Corp properties. However, there are some certain requirements to enable this. For one, the news outlets of News Corp will have to synchronize their ways of formatting their news. This will not have an impact on how the news will be presented; they will just have to store the content of the news in a certain manner, presumably in an XML-format.

Synchronizing in this way between the different outlets opens up to enormous possibilities. The news can then be shared between the outlets, and every outlet can format them in their own certain manner or choose to use just the parts that they find interesting.

To make the concept clear, let me bring an example. If the tabloid News Of The World was to publish an article about spotting Britney Spears cutting her hair in a salon on Fleet Street, the content of the article would be formatted with these different parts: A heading, an introduction text, the story itself, a list of pictures and the name of the author. News Of The World would then use this data to format the article accordingly to their papers specific visual profile.

If this way of storing data could be unified in all companies in News Corp, a world of possibilities would open up.

The power of meta-data

In excess of the data mentioned above in the Britney Spears article, the author could for example also include the data of the exact location of the hair salon. Perhaps this information would not be used in the paper edition of News of The World, the interesting part is when this piece of news is collected by our news aggregator.

Source will be able to make use of these different parts of the article, called meta-data, such as the address of the hair salon. In its digital interface, *Source* could for example provide a map with the exact location of it. Perhaps there is also information on what kind of hair cut Britney Spears chose, which could result in a reference to an article about hot haircuts.

This is just an example to show how big the opportunities would be with this sort of synchronized data. What if an article about the stock market could automatically include graphs of all stock mentioned, pictures of the CEO and the last annual reports. Perhaps we could also refer to interviews with the different CEOs. The extra value that a news aggregator such as *Source* could bring to an article are enormous.

Platforms

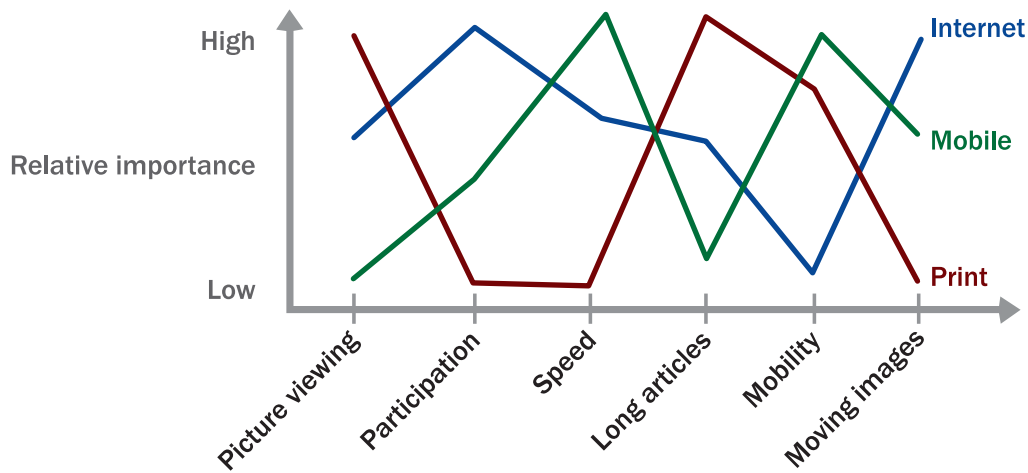
As could be seen in the case of the chicagotribune.com, one of the major success factors was the ability to utilise the different platforms different strengths.¹¹ *Source* will be the ultimate example of this.

The concept of *Source* is digital in its nature, all the news are aggregated into one digital place. However, this does not imply that *Source* will only include digital outlets. The *Source* brand will reach across a number of platforms for one good reason. *Source* will leverage the different capabilities of every different platform to make sure that that particular platform actually adds value to the content.

In order to do this, we must first study the different features of different platforms. We will do this by designing a value curve of three different platforms, the Internet, printed paper and mobile. The reason for choosing these is that they all rely on written text and not on sound or video. This makes it possible to compare these outlets and create separate offerings for each and every one of them. *Source* will also include TV and radio, but these formats have their own strengths, separate from the written word.

The first step of our value curve is to, by looking at the consumers, find out what they value when they consume news. There is certainly a lot of different aspects to value in news consumption, but in my value curve, I have focused on the most important ones and how well different outlets attain to these needs.

Here it might be important to note that there is no real difference between a mobile platform and the Internet, perhaps they should instead be named mobile device and stationary device. Still the interface you interact upon is very different in the two devices, which has made me make the division that is being made.



Picture viewing

Here, the different formats show very different strengths. For one, this is not something that the mobile version of *Source* should focus on, the screen of a mobile device is not large enough to enjoy large pictures. On the other hand, both print and Internet has good possibilities of displaying large pictures. They differ in one important way, the Internet has the possibility to display an unlimited amount of pictures while the printed press has the possibility of a better image experience due to the press quality.

This is one of the largest strengths to the printed press, the *Source* edition for printed press will therefore have a large amount of high quality pictures. It is also important to note that such pictures as celebrity spotting is not included here, they belong more to the fast news section.

Participation

There is no way to participate in a newspaper directly, user made content might be included, but not until the next printing round. On a mobile device, the possibility

is there, but still the keyboard of a mobile device is too small to give a good user experience.

The Internet on the other hand has a great opportunity to let consumers interact with the content and create social knots around certain news.¹² It also gives consumers the possibility to turn into prosumers by uploading their own data, such as pictures and videos to a news event. This might be considered the major strength of the Internet as a distribution channel, and therefore, the Internet part of *Source* should be highly centred on it. This was also brought forward as one of the major success factors of the *chicagotribune.com*.¹³

Speed

In speed, the Internet and mobile is far superior to the printed text. Therefore the printed version of *Source* should not contain short news with breaking stories, instead it should focus on reflection and longer stories.

The platform with the absolutely largest advantage of speed is the mobile. In the mobile platform, important news can reach you any time of the day with short simple messages. This will in the future be the first connection to a breaking events type of news. From here on the consumers will turn to the internet to get more information such as images and discussion. After this they will turn to the printed press with deeper analyses and such.

Speed will be the major focus for the mobile version of *Source*.

Long articles

It is obvious that long texts are not suited very well for mobile devices with small screens (besides the probably short termed trend of mobile novels currently occurring in Japan¹⁴). Studies have also shown that people show reluctance against reading to large amounts of text on the Internet. Internet reading is more about skimming the information and sticking to certain paragraphs or headlines.

This is a value that the printed version of *Source* will take great advantage of. The printed version will contain longer and more reflective articles on news events.

Mobility

The Internet seen from a computer screen is not much of mobile, unless you carry around a laptop. Instead, both the mobile interface as well as the printed suits well to be carried around. This implies that the printed version of *Source* should be small and easy to carry.

Moving images and sound

Here, obviously, the Internet will be our strong player. The internet version of *Source* will contain content from News Corp's TV, movie and radio companies.

An important aspect here is that this part of *Source* is not forced to happen on a computer screen. It might as well be connected to a TV or radio, with the difference being the broadcasting medium, which here will be the Internet.

The interfaces

So *Source* will have three different interfaces, also known as distribution channels. The consumers will be able to enjoy material from *Source* through their computers on the Internet, through a printed paper or through their internet enabled mobile device.

Internet

The internet version of *Source* will be all about interactivity and speed. Here you will find the hottest news first, and you will also be able to participate by commenting, rating and sharing data.

The Internet version of *Source* will also contain all the long tail news that does not fit in the printed version. By aggregating news from so many sources, this will be a significant amount of information.

Print

The printed version of *Source* will utilise just the factors where print is superior to other formats, the high quality images and the longer articles.

This makes the printed version into a product quite similar to The Times and other weekly magazines. The difference with *Source* will be its great connection to its other interfaces. Comments contributed on the Internet will be featured in the printed version and there will also be more to find out by going online.

Mobile

The mobile version of *Source* will focus heavily on fast news, almost like introduction texts to the longer stories on the internet and in the printed version.

Opportunities

The largest opportunity is perhaps that of securing the advertisers. If *Source* becomes the success it is meant to be, News Corp will significantly increase its reach. By this increased reach, there is more space to be sold to advertisers and so, more profits to be made. Due to the possibility to implement modern provision based advertising solutions, there will never be an abundance of spaces to show ads, instead there will be a battle of the spaces that exist.¹⁵ This will be important when the advertisers move more and more of their advertising expenditures to the internet.

The main goal of *Source* is to establish News Corp in the future of news distribution. The lessons learnt from this venture will have a great possibility to be shared in the company.

Risks

There are several risks combined with creating a new brand with this much ambition. The most apparent one is the risk of cannibalization of other News Corp products. One must take to mind that most of News Corp's newspapers already today have spent large amounts of resources on establishing themselves on the Internet. In this sense, it is both important to internally communicate that *Source* is not a competitor to these, but something unique, and to make sure that *Source* really attracts a new kind of consumer instead of stealing visitors from other News Corp websites.

We always run the risk of the adaptation of new media being slower than calculated. If this were to happen, *Source* would be too early with many of its progressive ideas, such as advanced advertising options for cell phones, and not be able to reach an amount of consumers large enough.

There is also a risk that the environment will catch up and that other actors will find new ways of offering a similar service. Already today, the core idea of news aggregation is under heavy competition from actors such as Google and Yahoo!.¹⁶ But if News Corp is able to leverage their resources in a good way, *Source* would have a competitive edge hard to beat.

Resources needed

The infrastructure of the *Source* project will be complex and the development costs should not be underestimated. The building of a completely new brand will also be a very costly matter. In the establishment of this new brand, we can always leverage the other companies under the News Corp umbrella. For example, we might draw traffic to the website from MySpace, or we may promote the magazine in The TV Guide.

The most complicated resource to attain for the new brand will be the cooperation of the editors from other news publications within News Corp. By asking these people to adjust the way they work, is to demand a lot and they might not be too happy about it.

One of the strongest resources of News Corp is their expertise in handling with advertisers. Also this resource will help *Source* attain the success it is aiming for. With lots of experience in selling advertising in different formats, the possibility for interesting advertising solutions and new ways of reaching consumers opens up.

If we look upon News Corp from the perspective of the three markets it is acting on, brought forward by Aris and Bughin¹⁷, *Source* manages to leverage News Corp brands market position among authors and advertisers, and combine these into a new offering for the end consumer.

Timeline

A project of this magnitude would require at least one year of development time of the different channels. In addition, a large staff of both technicians as well as editors would be required. When these initial steps are taken, a long process awaits when all the different publications of News Corp are to implement the new principles of using meta-data in articles.

In one years time *Source* could be released to the public. At first, focus would be on delivering high quality on the most often searched for data, leaving the long tail out. After time, *Source* will grow in staff and routines to be able to do more and more with all its aggregated news.

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