



Presentation to the Mid-America Press Institute's  
Journalism Management Summit / Jan. 13, 2010

By

Bill Densmore,  
2008-2009 fellow and consultant to the

Donald W. Reynolds Journalism Institute

at the

Missouri School of Journalism

St. Louis, Mo.

[Densmorew@rjionline.org](mailto:Densmorew@rjionline.org) / 617-448-6600

# Today's conversation

- Problem identification: The end of news(paper)?
- The need to collaborate
- RJI process and initiatives
- From gatekeeper to “infovalet”
- EXPERIMENT: One service – “Circulate”
- Coalition building – Midwest collaborative
- Ideas/discussion: Charging/paying for content
- Discussion – other ideas?

These slides and materials will be at:

<http://www.newshare.com/mpi>

## **Challenge: How to sustain values, principals, purposes of journalism?**

- Mass markets splintering
- Search advertising effective competitor (*Google's Schmidt: "invent something"*)
- Classifieds done better on the web
- We go anywhere for information-without-walls
- What sustains journalism in this environment?

## “Solutions” publishers are looking at:

- Protect print by charging for all online content.
- Charge for some online content:
  - Niche content
  - Deeper content like archives
- Membership model:
  - Special privileges and services for online members
- Associated Press’ 3 Ps: protect, point, pay
- RJI – checking the assumptions . . .

# RESEARCH: Starting points

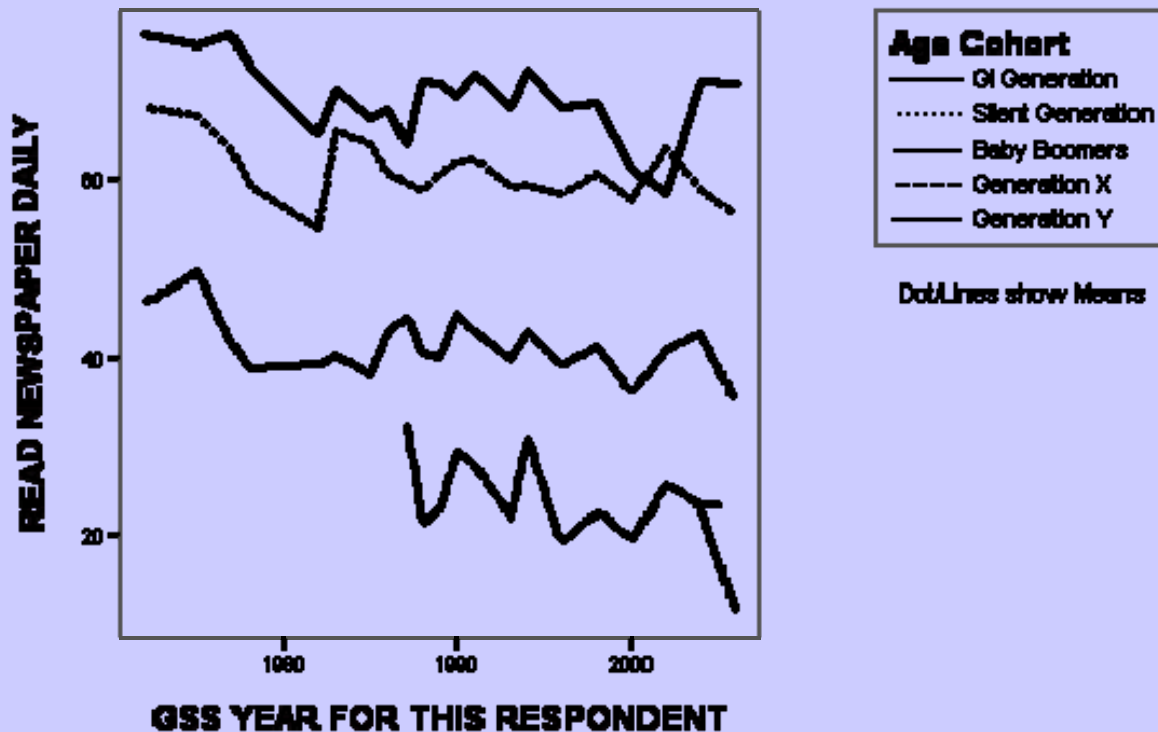
- Less than one percent of time spent online is at daily newspaper Web sites. (Nielsen, NAA)
- The average newspaper site visitor spends less than one minute per day. (Nielsen, NAA)
- Daily newspaper print readership is in a steep demographically driven decline. (Pew)
- More people get their daily news from the Web than from daily newspapers. (Pew)
- The question: how to pay for, and profit from, an online news ecosystem

## The newspaper audience is graying

- Each younger age cohort reads newspapers less.
- And over time, each cohort reduces its readership.
- The average print newspaper reader is now nearly 60 years old.

## Newspaper readership by age cohort

**Figure 2:: Percent Reading Newspaper Daily by Age Cohort**





Source: Data from General Social Survey Cumulative File

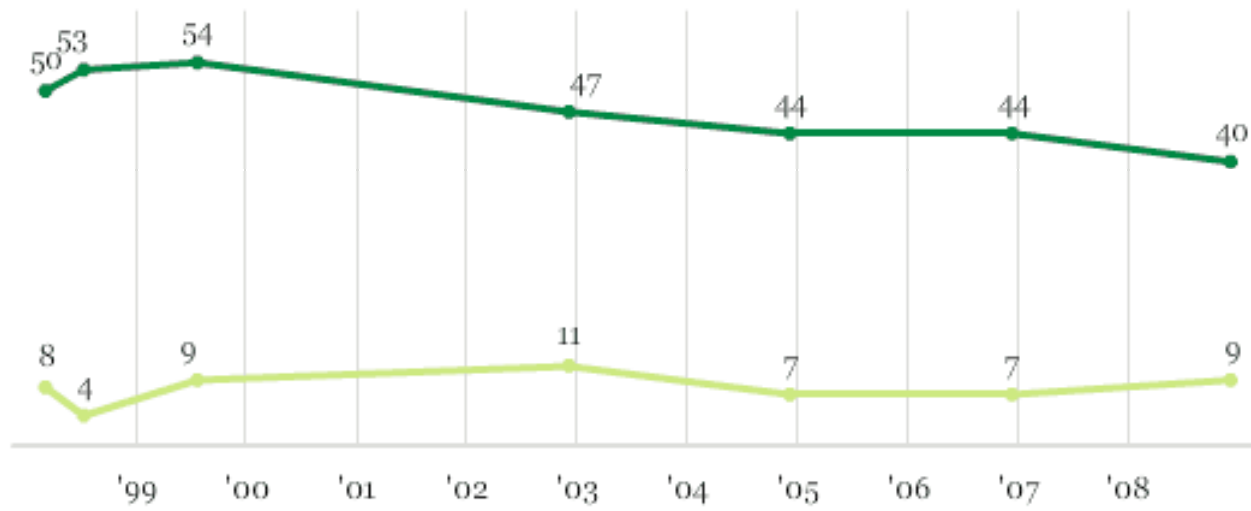
## The news audience continues to shift to the Web

Please indicate how often you get your news from each of the following sources -- every day, several times a week, occasionally, or never. How about -- ?

% Every day

 Local newspapers

 National newspapers




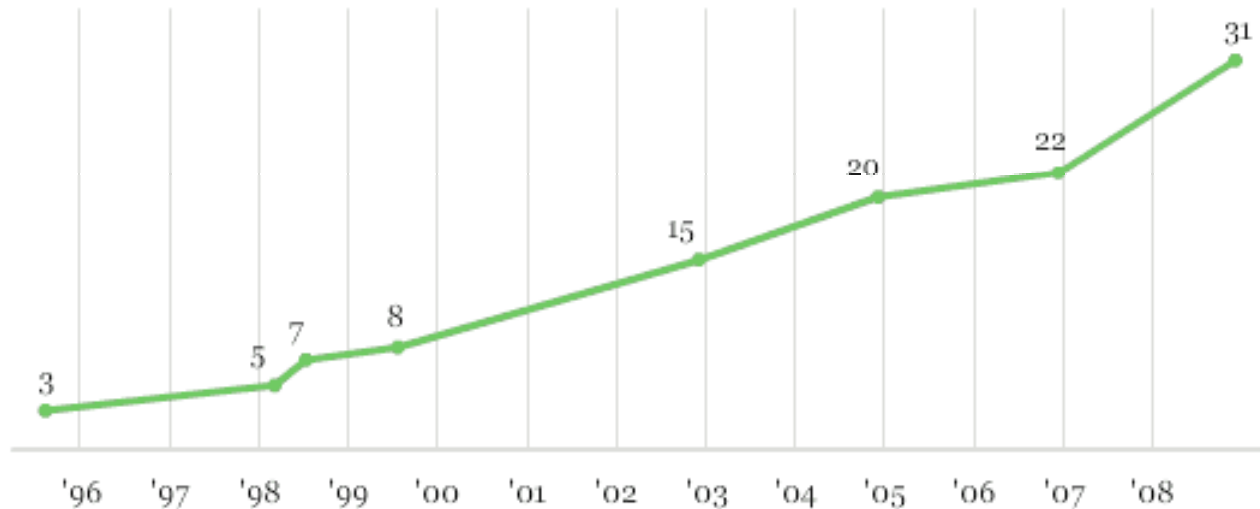


# The news audience continues to shift to the Web

*Please indicate how often you get your news from each of the following sources -- every day, several times a week, occasionally, or never. How about -- ?*

% Every day

 News on the Internet



GALLUP POLL

# The background

- AP, trade and weekly publishing
- 1994 – a “train wreck coming”
- *Access to info from anywhere* – no longer print
- Clickshare: “Making the market for digital info”
- Mass market advertising seen as the sole answer
- CONCLUSION: Market not ready; hibernate
- 2005 – The Media Giraffe Project

# MEDIA GIRAFFE Project



*“Find and spotlight people making innovative, sustainable use of media to foster participatory democracy and community.”*

- Profiles database – 400+
- “Glass half full” innovation
- Convenings as Journalism That Matters
- Facilitating “news literacy”



**Search Giraffe Prospects:**

- Search all Giraffe prospects
- Search Giraffe prospects with a profile
- Search Giraffe prospects without a profile

Show Only Type:

Show Only State:

## Media Giraffe Prospect List

Showing #1-15 of 355 records.

For details on a Giraffe prospect, click on the name field.

Next »

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

name ▲	city	state	firm	type
None	Arlington	VA	Coalition of Journalists for Open Government	group
None			BeniciaNews.com	local
None	Bethesda	MD	Editorial Projects in Education Inc.	ownership, magazine
None	East Bay, San Francisco	CA	BeastBlog.com	blog, local
& Lise LePage, Christopher Grotke	Brattleboro	VT	iBrattleboro.com	local, sustain
(Anonymous), Riverbend			Riverbend -- Baghdad Burning author	book, political

### Giraffe Prospect



Pete Stidman  
Founder  
Alliance for  
Community  
Journalism  
[See Full Profile](#)

# The Media Giraffe Project mission

Submitted by Bill Densmore on Sun, 09/14/2008 - 17:52.

in [About MGP](#)

## Innovation for democracy; standing above the crowd

### THE MISSION

The Media Giraffe Project (MGP) mission is to foster participatory democracy and community. We do so by discovering and celebrating above-the-crowd individuals making innovative, sustainable use of media. They use fresh, effective tools and approaches that empower and inform citizens.

By focusing on media role models, our website, conference, planned book, film, curricula, and workshops, we:

- Celebrate and support innovation in both traditional and emerging media.
- Help citizens find and support -- as both consumers and creators -- media that informs civic dialog and aids open, participatory government.

### THE PROBLEM

Join the Media Giraffe  
Project mailing list  
Enter your Email:

## The need to collaborate

- Opportunity: D.W. Reynolds Journalism Institute
- Urgent task: Advance methods to sustain journalism
- Address identity, privacy, advertising, commerce
- Many contributors of ideas (via "Blueprint" events and – you today!)





## Using the RJI process:

- 1. Ideas
- 2. Research
- 3. Experiments
- 4. Solutions

... FELLOWSHIPS



# RJI initiatives



## *Blueprinting the Information Valet Economy*

 University of Missouri

Missouri School of Journalism | [Contact RJI](#) |

# RJI Donald W. Reynolds Journalism Institute

Ideas. Experiments. Research. Solutions.

## WHO WHAT WHY

- About RJI
- RJI Blog
- Reynolds Fellows
- RJI Projects
- E-Readers and the DPA
- Pictures of the Year Int'l
- Journalism Library
- Media Accountability Systems
- Research
- Speakers and Presentations
- RJI in the News
- Events
- RJI Image Library
- RJI Live

[Home](#) / [RJI Projects](#) / [Bill Densmore, 2008-2009 Fellow](#) / [A new business model for journalism: Circulate](#) / The 5 key questions about generating revenue from online content

## Bill Densmore, 2008-2009 Fellow

### The 5 key questions about generating revenue from online content

#### What do they want? And where's the money?

*In an interview with the American Press Institute, 2008-2009 Reynolds Fellow Bill Densmore outlines four things digital news consumers want, what the media ecosystem will look like in five years, what news consumers will pay for and what platform they might use.*

December 14, 2009

#### 1. What do digital consumers want?

Digital consumers want four things:

**TRUSTWORTHINESS:** The Internet offers access to information from anywhere. But can you rely upon it to make critical life decisions? It's for this reason that some of the most trusted brands in traditional media have successfully ported to the Web and why local newspapers -- for their traditional constituencies at least -- can also port their core service -- trustworthiness -- to the Web, whatever the product.

#### Circulate Bios



**Bill Densmore**  
Co-Founder

Bill is one of the inaugural Donald W. Reynolds fellows at the Reynolds

<http://www.infovalet.org>



# RJI initiatives

<http://www.rjionline.org/>



- Digital Publishing Alliance – Roger Fidler and the tablet newspaper (1994)

University of Missouri | Missouri School of Journalism | Contact RJI |  Search

# RJI Donald W. Reynolds Journalism Institute

Ideas. Experiments. Research. Solutions.

## WHO WHAT WHY

- About RJI
- RJI Blog
- Reynolds Fellows
- RJI Projects
- E-Readers and the DPA
- Pictures of the Year Int'l
- Journalism Library
- Media Accountability Systems
- Research
- Speakers and Presentations
- RJI in the News
- Events
- RJI Image Library
- RJI Live

[Home](#) / [Donald W. Reynolds Fellows Program](#) / Roger Fidler

## Roger Fidler

### Finally - the news industry starts to catch up

A generation ago, in 1992, Roger Fidler issued this challenge: "What the newspaper industry desperately needs is a new vision for the 21st century—a vision that, as strange as it may seem, is not dependent on ink-on-paper printing."

At the time, Fidler, born in 1943, had taken a leave from the Knight-Ridder newspaper group, where he was a graphic designer and new technology thinker, to plan for the future of print media while a Freedom Forum fellow at Columbia University.

Fidler compared newspaper executives to railroad tycoons. Those tycoons knew, in their heart



1994 Video: Roger Fidler describes his controversial vision for digital publishing, a vision which has now become a reality.

310C Reynolds Journalism Institute  
Columbia, MO 65211-1200  
Phone (office): 573-884-0175

# RJI initiatives

<http://www.rjionline.org/>



- “News in every pocket” – Clyde Bentley  
<http://www.vimeo.com/9394151>

A screenshot of a Vimeo video player interface. The video title is "Clyde Bentley: Why editors should make the move to mobile now" by Bill Densmore, posted 1 day ago. The video player shows a man with a mustache speaking. To the right of the video player is a list of recommended videos, including "Front Porch Forum: Private online communities amon...", "Michelle Ferrier explains why she's involved in Jo...", and "Scenes from Journalism". The interface includes a "SHARE" button, an "EMBED" button, and a "Settings" gear icon.

Clyde Bentley, a Donald W. Reynolds Journalism Institute fellow, explains why newspaper editors need to move now to deploy news and update services for mobile devices in this short clip recorded Jan. 11, 2010 at his University of Missouri office in Columbia. (Video by Bill Densmore)

# RJI Mobile survey ideas



- What do people want on the go that they don't necessarily want when static?
- What are the core concepts (example: convenience) that guide uses and behaviors for mobile?
- Does mobile news consumption stand alone or is it part of an integrated system
- How do the needs for mobile news differ among demographic cohorts?
- What creates credibility for mobile information?
- Does a mobile device need to be a phone to have success?



# Other RJI initiatives

## <http://www.rjionline.org/>

- Business-model case studies – Michael Skoler
- Advertising solutions for mid-market papers – Stephanie Padgett
- New-media best practices – RJI Collaboratory
- Cross-silo convenings – [journalismthatmatters.org](http://journalismthatmatters.org)
- **2008-2009:**
  - Fancher – Reimagining the Journalists' Creed
  - Thompson – “Wikipediaing the news”
  - <http://www.rjicollaboratory.org>



# Some other RJI initiatives

- News literacy –  
Reynolds Summer Journalism Workshops
- MIT seminar, Oct. 2009 / Melissa Wantz  
<http://www.mediagiraffe.org/wiki/index.php/mit-media-literacy-journalism>
- It's about demand, not just supply
- Why we need to change (VIDEO):
- <http://www.youtube.com/watch?v=ISNYH5FZH4>

InfoValet 

The Biggest Opportunity

**Navigating the  
Post-Scarcity  
Economy\***

## The \$4 Billion plunge

Newspaper shares lost nearly \$4 billion in value in July, an amount greater than the combined market capitalization of all but the three largest publicly held



# GAME ON!



- Should the fight be framed as
- **AGGREGATORS vs. NEWSPAPERS? No.**
- The challenge is how to move the industry beyond search, beyond aggregation, to personalized, privacy-protected service to (and sharing with) individual users.





# **SOLUTION TIME**



## PROCESS STEP ONE: Gather ideas

- *The Dec. 3-5, 2008 convening*



- More than 50 people attended
- TEXT/VIDEO: <http://www.ivpblueprint.org>
- Next step . . . . research

**Newspapers have 40 million+  
paying customers**

**Build that relationship base  
beyond news(paper).**

## **Our conclusion:**

### **News as service -- not product**

- Helping user discover, access info from anywhere
- Creating a conversation, community ... network
- Not just about the story; smaller, larger remix
- Convenient, simple access and value exchange
- The news social network

# Strategy after the mass market

- Create intimate, personalized, customized, permission-based relationship
- Between the consumer and “InfoValet”
- Whether that consumer is part of a "mass" irrelevant to their needs and value
- Make money providing service, not just marketplace marketplace
- Less worry about pay walls and "losing eyeballs" with interest-based advertising.

## What's needed? Four elements

- PRIVACY management for consumers; getting value for your 'persona'
- PERSONALIZED information stream
- ADVERTISING made more effective through interest-based customization
- COMMERCE for content – enabling subscription networks and vicarious (per-click) sale to the right person at the right time.

## **SOLUTION / working “hypothesis”**

- An information-industry collaborative
- Build, own and operate a shared-user network layered upon the basic Internet.
- Allowing end users to:
  - Own, protect, share demographic and usage data
  - Update role, effectiveness, compensation for advertising
  - Advertising delivered directly, publisher “marketplace” gone
  - Easy sharing, selling, purchasing of online content
  - One ID, one account, one bill



CIRCULATE



## FIRST SOLUTION

A customized, user-authorized service which interactively manages local newspaper branding, advertising, personalized news links and social-networking features by populating a persistent bar across the top of the browser window.

- . . . Private beta in April
- . . . A way to “monetize” content

<http://www.circlabs.com>

*The news discovery network*



CIRCULATE™

---



## **MISSION**

Support authoritative journalism . . . by deploying disruptive services that combine a user self-profiling, a networked content discovery and customization service, a news database and one or more registration and/or transaction processors . . . to create a privacy-protecting way for users to discover and – optionally subscribe to – free and premium news and information on the web or mobile.





CIRCULATE™

---



## HOW IT WORKS

- A step beyond search – to discovery
- Consumer signs up with most-trusted local/topical source
- Voluntary “persona” -- demographics, info preferences
- “Circulate Bar” discovers relevant info / offers value
- Optionally makes continuous recommendations
- Applies to news, advertising and new services
- Invites optional subscription to network resources (\$3/mo?)



The Circulate Service™:

<http://www.circlabs.com/test/demobar2>

user: demo pswd: circul8



CIRCULATE™

---



# Circulate: marketing and sign-on

- Circulate is marketed initially through media partners.
- Consumer signs up with home-base participating news site.
- Circulate Bar installs with one click, appears in your browser window.
- Consumer answers basic questions: demographics, information preferences, interests.
- Circulate appears as on-screen content notification tool showing home-base brand.
- Circulate travels with you wherever you go on the Web.



- ▶ Share this link on Facebook
- ▶ Share this link on Twitter
- ▶ Recommend this story to Circulate users
- ▶ Recommended by 12 friends

14 comments

What does it say about civilized society when the mayor can't leave her car without it getting stolen?  
[Next](#) | [Previous](#) | [Expand](#)

[My News Sources](#) | [My Account](#) | [Privacy](#) | [About Circulate](#)

[www.telegram.com/findit](http://www.telegram.com/findit)  
 Click here to view your local business directory

**telegram.com**  
 WORCESTER, MASSACHUSETTS

# NEWS

telegram.com

CURRENT WEATHER

48° / RAIN  
 → More weather  
 → CITY HALL CAM

[Home](#) | [News](#) | [Local](#) | [Deaths](#) | [Opinion](#) | [Sports](#) | [Money](#) | [Living](#) | [Multimedia](#) | [Marketplace](#) | [Real Estate](#) | [Jobs](#) | [Cars](#) | [Advertise](#) | [Contact us](#)

Today is May 5, 2009 | [The Day In Pictures](#) | [Blogs](#) | [On the Common](#) | [Entertainment](#) | [Court Records](#) | [World & Regional News](#)

Browse from categories like **findit** at [telegram.com/](http://telegram.com/)  
**Travel**



SHARE Larger text Smaller text Print this article Email this article

Tuesday, May 5, 2009

# Mayor's family SUV disappears from drive

By **Steven H. Foskett Jr.** TELEGRAM & GAZETTE STAFF  
[sfoskett@telegram.com](mailto:sfoskett@telegram.com)  
 23 comments | [Add a comment](#)

**findit** at [telegram.com](http://telegram.com/)  
 Browse from Categories like  
**Travel**

**findit**



- ▾ Share this link on Facebook
  - Post as my status
  - Post first 100 words
  - Post as a note
- ▶ Share this link on Twitter
- ▾ Recommend this story to Circulate users
  - Recommend to all my friends
  - Recommend to specific friends
- ▾ Recommended by 5 friends
  - ▶ Bill Densmore, Williamstown, MA
  - ▶ Jeff Potter, Shelburne Falls, MA
  - ▶ Barack Obama, Washington, DC
  - ▶ Alan Smithee, Hollywood, CA
  - ▾ Joe Gunther, Brattleboro, VT
    - Facebook | Twitter

## 12 comments

- ▶ so the mayor calls the police...
- ▶ I think 'Enough' got it right...
- ▶ I agree that this is an irrelevant...
- ▶ Q, you should work for MSNBC. ...
- ▶ Are you kidding Mayor Lukes? ...
- ▶ Dear Ms. Lukes, Are you....
- ▶ How can people be so calous...
- ▶ This so called story isn't worth ...
- ▶ Just a guess....maybe someone ...
- ▶ no cheap shot 'same ole' ...
- ▶ It's only the month of May and...
- ▶ Forget the car, this is one ...

[Expand all](#)
[My News Sources](#) | [My Account](#) | [Privacy](#) | [About Circulate](#)

[www.telegram.com/findit](http://www.telegram.com/findit)  
Click here to view your  
local business directory

**telegram.com**

WORCESTER, MASSACHUSETTS

**Stolen SUV?**  
Vigalantes available  
to exact vengeance

**Become a mayor**  
Online degree teaches  
political savvy and skills

**Visit Worcester**  
Travel links galore,  
bargain fares

**Worcestershire sauce**  
Buy it by the case  
online, tax free

# NEWS

telegram.com

## CURRENT WEATHER

48° / RAIN

[→ More weather](#)
[× CITY HALL CAM](#)
[Home](#) | [News](#) | [Local](#) | [Deaths](#) | [Opinion](#) | [Sports](#) | [Money](#) | [Living](#) | [Multimedia](#) | [Marketplace](#) | [Real Estate](#) | [Jobs](#) | [Cars](#) | [Advertise](#) | [Contact us](#)

 Today is **May 5, 2009** | [The Day In Pictures](#) | [Blogs](#) | [On the Common](#) | [Entertainment](#) | [Court Records](#) | [World & Regional News](#)

Browse from  
categories like

findit at [telegram.com/](http://telegram.com/)  
**Travel**











findit at [telegram.com](http://telegram.com/)

Browse from



### My News Preferences and Sources

- Show me local news within  miles of zip code
- My news sources
- My news feeds

[My News Sources](#) | [My Account](#) | [Privacy](#) | [About Circulate](#)

[www.telegram.com/findit](http://www.telegram.com/findit)  
Click here to view your local business directory

**telegram.com**  
WORD EATER, MASSACHUSETTS

# NEWS

telegram.com

#### CURRENT WEATHER

48° / RAIN  
→ More weather  
→ CITY HALL CAM

[Home](#) | [News](#) | [Local](#) | [Deaths](#) | [Opinion](#) | [Sports](#) | [Money](#) | [Living](#) | [Multimedia](#) | [Marketplace](#) | [Real Estate](#) | [Jobs](#) | [Cars](#) | [Advertise](#) | [Contact us](#)

Today is **May 5, 2009** | [The Day In Pictures](#) | [Blogs](#) | [On the Common](#) | [Entertainment](#) | [Court Records](#) | [World & Regional News](#)

Browse from categories like **findit** at **telegram.com/** **Travel**



SHARE Larger text Smaller text Print this article Email this article

Tuesday, May 5, 2009

# Mayor's family SUV disappears from drive

By **Steven H. Foskett Jr.** TELEGRAM & GAZETTE STAFF  
[sfoskett@telegram.com](mailto:sfoskett@telegram.com)  
23 comments | [Add a comment](#)

**findit** at **telegram.com**

Browse from Categories like **Travel**

**findit**



### My News Preferences and Sources

Show me local news within  miles of zip code

#### My news sources



Washington Post  
[Add as source](#)



Washington Times  
[Add as source](#)



Boston Globe  
[Add as source](#)

[See more sources...](#)

#### My news feeds

##### International news feed

NONE  MAXIMUM

Tanzania, sea turtles, pachyderms, Idi Amin, Nehru, oligarchy, Comcast, LOLCats, World Court, recycling, boustrophedonic writing, Bernard Madoff, Donald Duck

CUSTOM TAG LIST

- ▶ National news feed
- ▶ Arts and entertainment news feed
- ▶ Style news feed
- ▶ Sports news feed
- ▶ Opinion/commentary news feed

[www.telegram.com/findit](http://www.telegram.com/findit)  
Click here to view your local business directory

**telegram.com**  
WORCESTER, MASSACHUSETTS

**Elephant food**  
Your online source for exotic pet chow

**Visit Tanzania**  
Travel links galore, bargain fares

**Nehru jobs**  
Telegram classifeds offer the best deal

**Idi Amin biography**  
Order now and get free shipping

**Recycling Foundation**  
Make your tax-deductible donation

**Comic books**  
See current auction results at eBay

**Arcane writing systems**  
Learn speedwriting for ancient scripts

**High speed Internet?**  
Your lowest prices for DSL connectivity

**I Can Haz Cheezburger**  
Translate any Web site to LOLspeak here

**Save the Turtles**  
Help them stay in their shells

**Worcestershire sauce**  
Buy it by the case online, tax free

**Best deals on new cars**  
Come to our showroom in Worcester



CIRCULATE™



# Addressing key problems for consumers, publishers and advertisers

## For Web users:

- A hyperpersonalized news stream without the hassles of search, RSS, bookmarking or aggregation
- Clear and strong protection of privacy

## For publishers:

- A way to connect with **individual users** migrating to the Web
- A way to increase share of online attention
- Multiple revenue streams including payments for content

## For advertisers:

- Opt-in preference-targeted advertising that enables direct conversations between consumers and brands





## **Circulate: Four core benefits**

- Enhanced consumer privacy, personalization, choice
- Method for newspapers to drive traffic to each other's websites.
- Platform for interest-based advertising (value, relevance)
- Multi-sites without “gates” – the “unwalled garden”

### **ANALOGIES: Profit providing info from anywhere**

- *The “Miracle on 34<sup>th</sup> Street”*
- *Marshall Field: “Give the lady what she wants.”*



## Possible business models -- CONTENT

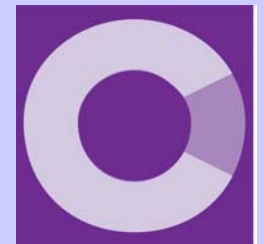
- Shared-user network for news-oriented social interaction
- Subscription access to multiple websites (cable model)
- Access by time, or bundle
- Economic purchasing on a per-item basis (music, video, text)
- Enables "public radio model" too (Kachingle, others)

# Business models – ADVERTISING

- Rewards for activities, viewing ads, sponsored material
- Example: The Ford Explorer PDF download
- Advertising network based on interest not inference
- Higher CPMs for the news industry
- Consistent with Federal Trade Commission privacy guidelines

## **BENEFITS to the consumer**

- Discovery – better than search / info finds consumer
- Privacy control – opt-in or out
- Choice of most trusted “InfoValet”
- Interest-based advertising choice and viewing
- Simple access to valuable content with one account across multiple websites
- “Porous paywall”





CIRCULATE™

---



# Benefits to the publisher

- No technical integration required for basic implementation
- Easy to explain and sell to consumers
- Enhances publisher's Web site traffic
- Local and national interest-based advertising
- Local brand “always on” across Web surfing
- Enhance, solidify relationship with customers
- Platform for experimentation with different models of paid content / network effect



CIRCULATE™



# Multiple revenue opportunities for publishers

- Increased, higher-value traffic to participating sites: local site revenue
- Preference-targeted text ads on the bar
- Preference-targeted display ads in expanded mode
- Future: affiliate and lead-generation revenue
- Future: branded and paid-curation channels
- Subscription and per-time content sales



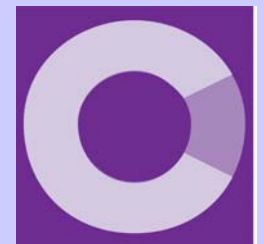
CIRCULATE™

---



# FUTURE ENHANCEMENTS

- Microaccounting network for content sales
- Aggregate and settlement payments
- Platform agnostic (mobile / eReader) ; multiple “InfoValets”
- Economic purchasing on a per-item basis (music, video, text)
- Enables "public radio model" too (Kachingle, others)  
for third-party trusted content and revenue sharing





# Circulate is **DISRUPTIVE**

Circulate shifts power of consumer relationship back from aggregators (Google, etc.) to content creators/owners as “InfoValets.” Initial offering is for news industry.







# **Circulate is CONVENIENT**

The browser function is always with the consumer and provides relevant content wherever they are online. Content comes to consumers, who then click through to participating sites.





# **Circulate is COMMERCE**

Authoritative sources of news and other content now have options for monetizing their property (e.g. subscriptions, per-click) and the ability to experiment with different models. Revenues are shared among publishers.





# Circulate is SOCIAL

Vast potential for social-networking tools to stimulate relationships between and among publishers and consumers and among/between publishers.





- ... Consumers circulate*
- ... News circulates*
- ... Advertising circulates*
- ... Subscribers circulate*

# Measuring success – outcomes

- Reinvented relationship with citizens
- New business for news organizations
- New ecosystem for news aggregation, customization, sharing
- New revenue besides advertising
- A news social network





## **ADDITIONAL NOTES:**

### **THOUGHTS ABOUT CHARGING FOR CONTENT**

**Follow the efforts of the  
Midwest Newspaper Consortium:**

**<http://www.newshare.com/wiki/index.php/Jta-associations>**

**CircLabs private beta of Circulate Bar™  
Starts in April; <http://www.circlabs.com>**





CIRCULATE™



## Industry study: NAA's Paid Content Task Force

- Request for information from solution providers
  - Initial submissions received in July
  - Report released/leaked in early September
- 11 respondents:

<b>Solutions Under Development</b>	<b>Solutions Based on Existing Tools</b>
CircLabs Journalism Online Mather Economics NewsNav ViewPass	Google IBM Microsoft MyWire Oracle YouData



CIRCULATE™



# NAA's RFI Respondents

<b>Company</b>	<b>Description</b>
CircLabs	Building a distribution mechanism that brings news to users wherever they are and can enable paid content
Google	Proposes to build a premium content system for newspapers
IBM	Proposes to pair their Networked Interactive Content Access system with a customized e-commerce portal
Journalism Online	Building an e-commerce platform for individual publishers
Mather Economics	Building a platform for processing payments in multiple formats
Microsoft	Proposes to build a digital-content monetization platform
MyWire	A network designed to aggregate, organize and interconnect high-quality content
NewsNav	Proposes to organizes content into "thematic brand channels"
Oracle	Proposes to build a solution to RFI specifications
ViewPass	Proposes a nationally branded, industry-owned "audience-monetization system"
YouData	Micropayment system with an advertising engine that rewards users for viewing ads



# What do digital consumers want?

- TRUSTWORTHINESS
- ACCESS
- CONTROL
- VALUE

What kinds of content are consumers willing to pay for?

- Convenient experience, not content
- Tools for knowledge discovery

How do they value privacy?

- Millennials will trade demographics for value
- Key is to be rigorously transparent about offer

# Who WILL Charge the Consumer?

## SOON?

Consortiums

(MediaNews Group;  
Journalism Online, LLC)

Independent Publications

Mobile-Formatted News

The New York Times  
News Corp. Publications

## HOW?

Subscriptions

Voluntary Memberships

Metering

A la Carte

# TESTING TO COME: What will users pay for?

- Convenience – one-bill, one-account, one ID
- Niche content: deep coverage of sports, business, special interests
- Exclusive content with value to users: topical data, financial advice, entertainment
- Addictive content: games (WoW: \$2.16 billion)
- Hyperpersonalized news streams
- Curated content channels

## Some services consumers are likely to pay for include:

- Public or non-proprietary information discovered or collected in new and insightful ways that lead to unexpected insight or knowledge.
- Services that deepen relationships, make our day go faster or more easily, or give us exclusive or empowering knowledge.
- Services that allow us to make money or save money.



CIRCULATE™



# Charging for content (1)

- Circulate will accommodate multiple payment models. (subscriptions, per-item charges, sampling before payments, variable pricing, bundled print/online, site is partially paid, partially free, etc.)
- Circulate will enable content payment transactions with or without the downloaded Circulate Bar software:
  - For consumers without the download, publisher site displays site-specific Circulate Bar.
  - Both downloaded bar and site-specific bar allow consumer to add a transaction account to their profile.
- Transactions are handled via third-party processor



CIRCULATE™



## Charging for content (2)

- Downloaded bar and site-specific bar both control access to paid content via a master password system.
- CircLabs maintains customer accounts **in partner brand**.
- Each participating publisher has access to account data for their participating customers. Access is via an API to data that is stored by CircLabs. **Publisher “owns” user**.
- Publishers can modify the customer database via the API, for example to allow print subscriber access.
- CircLabs provides monthly reconciliation and revenue share.
- CircLabs develops networked subscription options.

## RESEARCH QUESTION No. 1

- How will consumers value their privacy in trade for digital goods?

When will an online consumer be willing to provide unique demographic or personal-preference information? What offer (benefit, value, cash) equates with how much sharing of demographic information? And on what terms?

- Findings: Age dependent and offer dependent.

## RESEARCH QUESTION No. 2

- Valuing news information?

**If unique news or critical information about your community (topical or geographic) were not available for free, would you pay to get it? Would you want to pay per story (or event), by subscription? Would you want the bundle to include access to information from many websites, rather than just one?**

- Seeking answers via operational research





# What will users pay for? Alan Mutter (Newsosaur) says...

1. You **cannot** charge for such commoditized content as world, national, business, sports and entertainment news.
2. You **might** be able to charge for local coverage, if it is sufficiently intensive, comprehensive and exclusive to make it required reading for residents of the targeted community.
3. In the business-to-business realm, you **probably** can charge users for exclusive information that helps them make money, avoid losing money or, ideally, both at the same time.
4. You **probably** can charge consumers for two things: (a) exclusive entertainment content and (b) authoritative information that helps them hang on to more of their money.

# Newsosaur's paid-content criteria

<b>Uniqueness</b>	How likely are you to find the content someplace else?
<b>Routineness</b>	Is the content a special class of information or such common stuff as weather reports, stock quotes or sports scores?
<b>Time sensitivity</b>	Will the value of the information deteriorate over time?
<b>Business urgency</b>	Is this information that will help someone in business make (or avoid losing) money?
<b>Targetability</b>	How tightly targeted is the information to the interests of the consumer?
<b>Entertainment value</b>	Unique entertainment content – like the first opportunity to hear a popular singer's new recording or the sneak peek of a movie trailer
<b>Localness</b>	The closer that unique content is to home, the more it is worth, especially if it is exclusive.
<b>Home economics</b>	If it helps consumers save money – like the refrigerator ratings in Consumer Reports

## In addition, CircLab's Martin Langveld adds...

1. You **can** charge for specialized, niche content, e.g. local sports coverage with video, trail maps.
2. You **might** be able to charge for curated content streams.
3. There's **anecdotal** evidence that you **can** charge for a hyperpersonalized news stream.
4. You **will** benefit financially from engaging the community in new ways, e.g. community blogging, news cafés.
5. You **will** benefit financially from using social media to reach your community where members are spending time.



Thank-you.

Bill Densmore  
Consultant / 2008-2009 Fellow  
Donald W. Reynolds Journalism Institute

Co-founder, CircLabs Inc.  
Columbia, MO / Williamstown MA  
Densmorew@rjionline.org  
617-448-6600  
<http://www.circlabs.com>