Media + Technology

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“Technology has rocked
journalism to its foundations”

OLE JACOB SUNDE

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Is technology rocking the boat or sinking the ship?

Since the internet slashed the traditional news reader's value to one fifteenth, publishers have been reeling - desperately searching for new ways to sell their content. Then followed the rise of mobile users. Now, the news industry has been hit full force by what one observer, Frederic Filloux, in this report refers to as a social tsunami – the rise of news consumption on social networks. Technology has rocked journalism to its foundations. Meanwhile, young digital-first news outlets and publication platforms have mounted strong online challenges, redefining the way in which content reaches its audience. Today, third party publishing and programmatic advertising are challenging the very ways that journalism works. What are the consequences of this collision of technology and journalism?

Will these technological advances, as one contributor in this report suggests, merely be golden handcuffs for publishers, threatening to tongue-tie quality journalism? Or could solving the *technology versus content* riddle lead to a new golden era for journalism, enhanced by digital storytelling techniques and powerful distribution tools? In the *2014 Tinius Trust Annual Report*, we have asked some of the world´s cleverest media leaders and brightest thinkers to share with us their thoughts.

Embracing disruption

Several of our contributors endeavour to show us how the publishing industry can embrace disruption in order to survive, and even thrive. Tanya Cordrey, Chief Digital Officer at Guardian News & Media and member of the Schibsted board, shares how The Guardian went from being the ninth largest newspaper in Britain, to becoming the second largest English quality news site in the world. Media companies must understand how new technology changes the behaviour of news consumers, and The Guardian has decided to pursue the reader wherever he or she is, even on other platforms than their own.

With examples from the mobile marketplaces, Pierre-Francois Marteau, VP of Schibsted Classifieds, demonstrates how technology can be translated into gains for companies that embrace the value of data. Berlin-based tech think tank Third Wave further condenses these thoughts into a wonderfully simple analytical model, explaining how the wall between commercial and content departments must be torn down before a media company can be successful. Jonathan Stray, fellow at Columbia University's Tow Center, then takes a step back as he tries to imagine how a building full of writers and developers can enhance existing journalistic tools, and then tries to conceive the future for technology-driven journalism.

The war of ideals

However, new publishing and revenue models are in many ways threatening the ideals of independent journalism. Mathias Döpfner, CEO of Axel Springer, asks in his insightful contribution what will happen if publishers submit to the editorial whims of major internet companies like Facebook and



OLE JACOB SUNDE

Google. These companies, Döpfner argues, are not only the new content distributors, but also control the process of sifting, weighting and evaluating events. Is it a good thing if editorial departments and distribution channels end up being controlled by a single entity? Döpfner worries that journalism free of charge, only paid for through the submission of personal data, will loose its independence. Nevertheless, he remains hopeful that traditional publishing companies will manage to uphold their journalistic genetic code as a competitive advantage against tech and infrastructure companies in the digital economy. Aidan White, Director of The Ethical Journalism Network, echoes these sentiments. White lays out how a seismic shift in the power relations between editorial and commercial departments has created intense pressures on independent journalism. He believes that the effects of internet behemoths´ piggybacking and republishing of other entities content, is threatening the ethical foundation of journalism and editorial independence. Why does ethics in journalism matter? Because, as editors are increasingly outsourcing their editorial powers, this independence more than ever is what makes journalism important. A solid editorial ethic is precisely what sets journalism apart from other online expressions.

A clear, technology-driven journalism

So what are media companies to do? For decades, Silicon Valley has not been keen on developing products, which incurred high labour costs. Where content was needed, it has been generated by users - or plainly stolen. Now, as several of our contributors agree, quality journalism is returning to the mix.

Quartz Founder and CEO Kevin Delaney, asks whether a new publisher can thrive not only without a web front page, but entirely without a web page at all. Delaney argues that, ironically, it is easier these days to create a new media brand when you forego some of the traditional tools of online brand building, such as an elegant and carefully tended homepage. What does matter is the clarity you have about the content itself, its voice and your investment in its quality. Still, there is the challenge of retaining your content brand when published with third parties, which may be important for many brands in order to boost their traffic.

We must seek to develop alternative financial models for this kind of publishing. Two Dutch start-ups are answering the call, and share with us their experiences with models that could change the way independent journalism is created and distributed. Alexander Klöpping is the founder of Blendle, a company that has unbundled media content from many sources and offers it to users through micropayments. They have attracted a national Dutch audience of 250,000 people – to a large degree young people who have never paid for journalism – until now.

De Correspondent is a start-up based purely on investments from crowdsourcing. Its founder Ernst-Jan Pfauth explains how subscribers pay one year in advance, and in return receives clutter free, advertising free journalism independent of commercial strategy and click-baiting.

The internet has given us amazing access to knowledge. More than ever, journalists, editors and developers are needed to clarify what is important, to ask the right questions, to put information in context, and to present the news.

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Part 1

Media + Technology



The principle that applied to philosophers and historians during Voltaire's lifetime also applies to journalists.



The best times for journalism are yet to come

MATHIAS DÖPFNER
CEO, Axel Springer

Why digital publishing will thrive off the healthy tension between *technology* and *content*

"If you have nothing to tell us, but that on the banks of the Oxus and the Jaxartes, one barbarian has been succeeded by another barbarian, in what respect do you benefit the public?"

This is a rhetorical question. And a resounding denunciation of everything that is mundane. It was posed in 1764 by the French philosopher Voltaire.

Voltaire was concerned with the methods and style of story-writing: he believed that anyone who claimed to report on new and strange things should have in-depth knowledge and expertise, take his time and introduce the reader to the new culture, society and laws. And for that reason, Voltaire had no time for those mercenary writers who indiscriminately offered to produce stories for the booksellers of the Rue de St. Jacques in Paris – stories about Japan, Canada, the Canary Islands or whatever else happened to be in demand.

The principle that applied to philosophers and historians during Voltaire's lifetime also applies to journalists. Voltaire was able to access the world of publishing through his love for good stories and his belief in the greater benefit of such works. Being independent, having an opinion and taking a stance were crucial to him.

"We don't want to have editorial judgment over the content that's in your feed. You've made your friends, you've connected to the pages that you want to connect to and you're the best decider for the things that you care about."

These words are representative of a new interpretation of digital journalism. They were spoken by Greg Marra, a 26-year-old Facebook manager who is responsible for the News Feed, which is probably the world's most influential distributor of news



DR. MATHIAS DÖPFNER
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nowadays. He suggests that the readers and users themselves decide what they see and do not see - and that a company like Facebook is simply a technology provider. But these companies are more than mere providers. Facebook reports almost 1.4 billion monthly active users. Twitter has 288 million users, YouTube has 1 billion, Instagram has 300 million. According to a study by the Pew Research Center, 64 percent of Americans use Facebook, and a staggering 30 percent of American adults get their daily news via the social network.

News and stories are spread using algorithms, which are changed at irregular intervals at the discretion of programmers – programmers who do not give much thought to the significance of freedom of speech or democratic diversity of opinion. Often, they do not even realize what kind of social role and responsibility they have been given. They do not recognise their editorial power, a power that sometimes entails market domination. Today's news organizations will have to find a way to bridge these two mindsets. Publishers cannot thrive without incorporating technology.

Does this mean that tech companies such as Google, Apple, Amazon, LinkedIn, Twitter or Facebook are becoming not only the new distributors of content, but also coming to control the process of sifting, weighting and evaluating events? Is it a good thing if editorial departments and distribution channels end up being controlled by a single entity? Or will the traditional publishing companies manage to uphold their journalistic genetic code as a competitive advantage against tech and infrastructure companies in the digital media economy? Or maybe completely new protagonists, bloggers and aggregators – Buzzfeed, Vox, Vice, Global Voices – will become the major publishers of the digital world? In the tension between technology and content, stance and trust have probably never been as important as they are today. In a world in which content is increasingly becoming programmatic, responsible dissemination is becoming the publishing industry's true competitive advantage.

The digital achievement

Digitisation is the fourth great human achievement that has changed the face of civilisation, after the invention of language, writing and printing. And this change is faster and more profound in the areas of the media that most affect civilisation and democracy, than anywhere else. Those who are critical of contemporary culture and insist on fighting digitisation – and those who see digitisation as heralding the downfall of the republic – are about as progressive as an Aborigine who believes that getting on a train means leaving his soul behind on the tracks. The question, therefore, is not about the future of printed newspapers (one could have a heated argument on how long cost-cutting and economies of scale can generate satisfactory profits from print media, but that is not important). The decisive question is this: where does the future of journalism lie?

Firstly, staunchly defending paper as we know it today is a losing battle. It is also a pointless battle if it is not accompanied by a determined, adventurous attitude towards digital possibilities. Determination is not the same as copying printed texts onto the web and into apps. Determination means being on the front line of innovation.

I will admit that at Axel Springer we have a long way to go in this respect. Were we responsible for online journalism's great content innovations? No. Were we at least first to adopt them from the innovators? No. Do we write code as elegantly as we write text? No. Have we held our software engineers in the same high esteem as our editors? Not always, unfortunately. Do we give our people the resources and opportunities needed for them to think and act like entrepreneurs within the enterprise, or publishers within the publishing company? No. We are still not doing nearly enough.

In the first two decades of the internet, most publishing companies were careful not to rush it. They waited to see whether there was real money to be made with this 'Internet thing'. That approach does not work anymore, since those who wait for all the necessary proof will find

that others have long since cornered the market.

There will always be paper. It will just look a little different in the future. In just another decade the paper of the digital world, electronic paper, will probably look very similar to analogue paper. It will be thin, light, foldable, easy to roll up and available in different formats. It will not be made of pulp, but from plastic, and we will be able to reuse it for months – to watch videos, play computer games, write letters, chat in social communities and to read as many newspapers and magazines as we want to. The key difference between electronic and analogue paper is that electronic paper will be better.

That is why newspaper journalism on electronic paper can be better than today's journalism. That is, if we in the publishing business want it to happen.

Financing independent journalism

Most publishing companies are beginning to realise that the enemy of journalism is not the disappearance of paper. Rather, it is the culture of free editorial content. If journalism does not cost anything, then eventually there will be nobody left to finance it. Jeff Jarvis and other apologists of the 'free' ideology have been preaching for years that the currency on the internet is no longer money, but publicity. However, what many people are only slowly realising is this: these services, perceived to be free of charge, have a much higher end price. Those who pay with their behavior, pay with their freedom. Google's or Facebook's share value provides a good idea of their respective wealth of data: Facebook's current market capitalisation is close to 222 billion dollars. Google's is more than 374 billion dollars. In terms of stock market value, the internet giant is more valuable than Exxon Mobil. Data has become the new oil. The question of who owns this data will be one of the key political issues of the future.

For journalism, the stakes are clear: if journalism does not cost anything in itself and is paid for only through the submission of individual data, it will be the opposite of independent. Journalism will be at the whim of advertisers. Journalism, much more so than a Starbucks coffee or Pfizer drugs, needs to command a price. Independent journalism cannot solely rely on advertising.

Germany led the way in modern copyright by introducing an ancillary copyright for news publishers in 2013. For the first time in history, publishers now have a statutory right protecting their investments vis-a-vis search engines and aggregators. Of course, this measure was not popular with Google and other aggregators. They fought it hard –with lobbying before it was passed, and in court after it became law. Google dodged the new right, and even delisted publishers who exercised it. Many publishers, Axel Springer amongst them, view this as a clear case of abuse of a dominant market position, and have taken the case to court. The court proceedings will be lengthy – as always in cases of such exemplary importance. In the end, we hope for the establishment of a clear new precedent: that search engines and aggregators cannot make commercial use of publishers' content without compensation. This will be important for the entire industry.

Stick to your trade

The idea that technology is increasingly important for media companies has almost become a cliché. However, there is no need for overeager publishers to think that they must immediately morph into technology companies. Technology is becoming more significant, but publishers will never be technology companies, just as technology companies will never be publishers. This is how it should be. Every company has its own genetic code that determines its competences. If it tries to change this code, things usually go wrong. The proverb "Cobbler, stick to your trade" is still useful in the age of digital transformation.

For two decades, Silicon Valley considered content unimportant. The small amount of content needed to generate profits came, in accordance with the mantra, from the users. Alternatively, it was simply stolen. As long as others had enough money to invest in independent, critical research, investigations, features, comment pieces, business texts and other articles, everything was fine. However, things become problematic when old-school publishing companies run out of steam. Even the best search algorithm is of little use if it cannot find anything worth reading. The users cannot plug this gap alone. Collective intelligence can be a blessing, but there is also the phenomenon of collective stupidity and the tendency of almost all special interest groups to replace critical journalism with PR and surreptitious advertising. A future in which Coca Cola is in charge of worldwide reporting on soft drinks is not desirable. In Silicon Valley, more people are beginning to recognise this. AOL bought the Huffington Post, Jeff Bezos bought the Washington Post and Google has announced that future search results will give prominence to high-quality articles.



That is why we see journalists and technologists moving closer together. In the analogue world, journalistic achievement and technological production were strictly separated. The editorial department wrote and created pages, which they passed on to the printing department as ready-made product templates. In the digital world, on the other hand, journalistic creativity is only possible through close collaboration with technology

“Even the best search algorithm is of little
use if it cannot find anything worth reading.”

departments. There are still enormous cultural differences between programmers and journalists, even though both groups provide readers and users with news. They still are not united by the same passions, and do not share goals.

If the journalist does not know what the programmer can do and the programmer does not know what the editor wants, their products can never make the most of the aesthetic and content-related possibilities of digitisation. For this reason, one must view programmers and journalists as one cohesive creative group.

The golden future of journalism

For journalists, the digital world offers possibilities that make the limitations of the analogue era seem anachronistic. The fear that the internet heralds the end of journalistic substance seems plain stupid.

Online journalism has more space. Web pages have no length limits. The only reason to tighten an article is to make it better.

Online journalism is more up to date. There are no fixed deadlines. Any event can be reported in real-time. For decades, there has been no greater fetish in the editorial rooms than being up to date. Some complain that this strain on journalism is getting worse. However, anyone who wishes to take some time to think and deliver a substantial analysis of an event are free to do so. The ability to write something that is clever is becoming a crucial competitive advantage.

Online journalism is interactive. The reader immediately reacts to the content and can influence it. This direct exchange has several advantages. The journalists can now know how well received their work is. This is helpful, of course, but it is certainly not the only guideline for editorial content.

"Do we really have to play what we want again today?" was a guiding principle for anti-authoritarian kindergartens of the 1960s that can apply to publishers' thinking today: Readers do not always want to read only what they think they want. Still, it is good to know what the readers are thinking.

Reader interactivity is important for the quality of online journalism. It allows us to use the readers' intelligence and knowledge when we create content. Whether that involves immediately correcting a wrong number or using crowdsourcing to include new information systematically, interactivity can make online journalism more accurate and intelligent.

Online journalism spans different kinds of media. All types of media merge online to combine their best features: texts, radio and video can all be interconnected. This does not only offer aesthetic and creative opportunities for every journalist; it also gives the user better content.

All media are under transformation, and one question is becoming increasingly important: what will remain?

> "In what respect do we as publishers continue to preserve the freedom of speech and the democratic diversity of opinion?

The distinguished publisher

Good publishers distinguish themselves from by bad publishers – and from investors – through having clear socio-political values and ecological aims, and their aesthetic, artistic and creative opinions. These seemingly old-fashioned virtues will be even more important in the digital era than in the analogue era. When all information is available to everyone, everywhere, and at all times, stance and distinctiveness becomes all the more significant. A media brand is always an interlocutor, a personality. Otherwise, it would be little more than a transfer medium.

In a more developed and mature stage of online journalism, digital reading becomes less a matter of possibility, and more about substance. What do people really want to read and by whom? This sustainable value is worth paying for. Readers who pay for content have more autonomy and self-confidence. They are also more demanding. These readers no longer want everything from everyone. They want relevance, from a brand they trust for its research methods, veracity, and clear stance - which people can accept or reject.

Responsible dissemination is becoming the key phrase of digital publishing. Disseminators who accept responsibility and have something to say will be successful – whether they are bloggers or digital print brands. This is the heritage of newspapers. If the newspaper in this sense successfully emancipates itself from paper, then there is no reason to worry about its future.

While heralding this transition we must ask ourselves the critical question that Voltaire posed a quarter of a millennium ago: In what respects do we benefit the public? In what respect do we as publishers continue to preserve the freedom of speech and the democratic diversity of opinion? Ultimately, this is what determines our competence as journalists and the value of our journalistic brands. This is where our competitive advantage lies in the digital age.



Follow the user

—Digital news media and the next big shift

TANYA CORDREY
Chief Digital Officer, Guardian News & Media

In May last year, the Guardian passed a significant milestone. For the first time in our history on the web, over half of our traffic came from a mobile device or tablet.

We are not alone in this; across the industry, the data shows that almost all digital media organisations have now crossed The Rubicon, and the figures are moving only in one direction.

The birth of digital at the end of the last century transformed the news industry, unlocking enormous opportunities for those organisations that adapted (and punishing those that did not). The shift from desktop to mobile signals another step change, challenging once again all the assumptions on which the previous model was based.

So what do we call this new normal? Five years ago, we went 'digital-first'. Does this mean we are 'mobile-first' now? Maybe such labels are no longer useful. In the face of ceaseless change and disruption - of which the shift to mobile is only one element - trying to predict 'the future of media' might be unhelpful, not to say impossible. Who, even ten years ago, could have predicted the impact of

the smartphone?

Some things I think we can say. There is no doubt, for instance, that off-platform audiences will become increasingly important for publishers.

Contrary to fears of "filter bubbles", a recent study (How Millennials Get News, 2015) found that Millenials using Facebook encounter a wide, diverse range of news sources and editorial viewpoints - and the ability to like, share and comment helps them engage them closely with stories.

At the Guardian, we are well aware of Facebook's potential. Referrals from the network are up 185% year-on-year, with social media in general currently driving a quarter of our total traffic. Our journalism appears over 30 million times every day on news feeds, constantly exposing our brand to new audiences that might not typically engage with the Guardian.

> If publishers start sending their content straight to Facebook, will we still be publishers or just "content-creators"?

Our lively Facebook community of 4.3 million people attracts over 1 million comments a month and 100,000 likes, opening up an invaluable conversation with our readers. Not to mention the growing reach of our embedded video player, or the huge opportunities of YouTube. No-one working in digital news could fail to be excited by this.

Nevertheless, it also forces us to consider serious questions about our industry and ourselves. Are the social networks on which our traffic increasingly depends simply platforms, or should we start to think of them as publishers too - with all the attendant editorial responsibilities? And if, as has been proposed, publishers start sending their content straight to Facebook, will we still be publishers or just 'content-creators'? Does it matter? These are big questions, which I cannot promise to answer today.

The second major trend, to which I have already briefly alluded, is the shift to mobile. This has huge implications for the way we think about content, because it signals not simply a change in platform, but a fundamental shift in consumer behaviour.

What do we know about mobile users? First off, we know that they use fewer news sources. Indeed, a recent study (Digital News Report, Reuters Institute, 2014) found that 55% of mobile users in the UK use only one source - which means competition for readers is going to become fiercer.

We know they spent a much lower proportion of their time on browsers - just 12% in one recent estimate (The U.S. Mobile App Report, comScore, 2014),. This means that search is a less significant mode of discovery. To illustrate this point, consider that Facebook has already overtaken Google as the Guardian's main referral source on mobile.

We know that app users are loyal, and valuable. Users of the Guardian app account for over one quarter of total page views, with more than 1 million unique browsers through our apps every week, despite making up just 5% of total visitors. With the rise of HTML5 a few years ago, we debated the need to even have an app, especially in light of our decision to make the Guardian website responsive. Today we are thankful that we made that decision - our app users have almost doubled in the past twelve months, and we can see a direct increase in loyalty and engagement when our users move to using the app.

We know that smartphone users check their devices more than desktop users; over 200 times a day, if you choose to believe a survey published last year (Smartphone usage in the UK', Tecmark, 2014). Moreover, where desktop traffic to news sites tends to conform to working patterns, mobile habits are altogether more complex and variegated. Typical mobile users might start their day with a quick glance at the headlines, save in-depth articles for the commute home, and catch up on lifestyle content at the weekend. The days of a predictable lunchtime and teatime surge are behind us. So what, then, lies ahead of us?

It goes without saying that our publishing model must now be continuous and 24/7. Having a global audience and newsrooms on three continents helped the Guardian adapt to this quite early. The challenge now is to evolve that fluidity and flexibility so that we are providing the right content, in the right place, at the right time.

In other words, we need to be following our users wherever they are - whether that's on our platform or off our platform; on the commute or on the couch; Sunday morning or Wednesday lunchtime; in New York or Addis Ababa. The market is fragmenting and we all need to understand the implications. Many new nimble competitors are emerging - each one concentrating on just one small element of what used to be considered the total newspaper proposition.

The Guardian was quick to adapt to digital - it is why we are now the second largest quality English language newspaper site in the world, where just ten years ago we were only the ninth largest newspaper in Britain. The scale of this transformation is testament to the incredible gains to be had from embracing disruption. It is also a warning that we stand still at our own peril.



TANYA CORDREY is Chief Digital Officer at Guardian News & Media, heading up the organisation's 150 person strong product, engineering, data and analytics teams.

Trust in journalism: the ethical challenge of the information age



AIDAN WHITE is Director of the Ethical Journalism Network and author of To Tell You the Truth, a guide to ethical journalism published in 2008.

It has been more than 15 years since Daily Mail Editor Paul Dacre, one of the great contrarians of British journalism, famously told his staff at the newspaper´s annual summer party: *"A lot of people say that the internet is the future for newspapers. Well, I say to that: bullshit dot com."*

Much has changed in the world of journalism since then, and particularly for Dacre and his colleagues. Their Mail Online is now the most visited newspaper-owned news website in the world.

This website, dominated by celebrity and pictures rather than long-form reporting, may not be to everyone's taste, but it's an important part of the mix of the internet and media that has transformed, profoundly and irreversibly, the nature of journalism and its ethics.

Today, a new media generation is working in partnership with their audience in a freshly-scrubbed news environment. It involves old-school professionals like Dacre, whistleblowers, activists and concerned individuals who are using social networks, micro blogs, data journalism and an array of digital tools to develop new ways of gathering and presenting news.

But in the midst of the changing newsroom, owners and publishers face an uphill struggle to spark life into a depressed media market where news rarely delivers revenues that can sustain high quality journalism.

Even The Guardian, the world's third most frequently visited news site and an acclaimed leader in quality journalism, has had to live with eye-watering losses of more than £100 million since 2010 - even though it has provided news of immense public importance including the News of the World phone hacking scandal, and the Edward Snowden and WikiLeaks stories.

The Guardian and others battle to maintain and develop high quality content in a new digital business culture which many argue is itself profoundly unethical.

In his 2011 book Free Ride Robert Levine complained that every media business has had to contend with growing consumer demand for free online content.

As it is currently configured both technically and legally, he argued, the internet allows technology companies to reduce the price of content to zero by allowing them build businesses using content copyrighted by others.

By delivering content they don't pay for themselves, or by selling content for far less than what it cost to create, Levine says, information and entertainment distributors such as YouTube and The Huffington Post become "parasites" on the media companies that invest substantially in journalists, musicians and actors.

Therefore, it is not surprising that some journalists, editors and publishers have lashed out at internet rulers – Facebook, Google, Apple, and Amazon – who exploit media content while using technology to plunder advertising revenues.

But media have only themselves to blame for some of the recent blows to

"The internet was supposed to give us amazing access to knowledge – and it has, of course – but it has also created a tsunami of information coming at us from all directions."

journalism. Lacerating cuts in editorial spending and the elimination of the invisible wall between editorial and advertising has led to a surge of so-called "native advertising," hidden advertorials and paid-for journalism which has taken its toll on journalism.

The Ethical Journalism Network outlines the consequences in a recent report. It reveals how a seismic shift in the power-relations between editorial and commercial departments, has created intense pressures on independent journalism.

The growing tension between editorial and commercial departments was exposed in London in February 2015, when Peter Oborne, one of Britain's leading political journalists, dramatically and very publicly quit his job at the Daily Telegraph. He accused the management of censoring stories about HSBC bank - a leading advertiser of the newspaper - which was caught up in an international tax scandal. Tellingly, he broke the story on a current affairs news website.

The incident highlights why media who value their brand and want to maintain public trust need to have transparent and reliable internal controls to deal with potential conflicts of interest.

Oborne is leading calls for an overhaul of media governance rules and a fresh debate about the editorial independence of the British press. His case underscores the difficulties in keeping ethical journalism on track in the cash-strapped world of digital media.

The internet has given us amazing access to knowledge. It has also created a tsunami of information coming at us from everywhere. There is a barrage of rapid-fire real time news, with millions of information snippets. More than ever, journalists are needed to clarify what is important, ask the right questions, put information in context, and present the news with lashings of style.

There is more informal information sharing and more networking. The internet is creating spaces where many of the issues ignored by mainstream media are getting attention. News websites such as scroll.in (India) and Malaysiakini (Malaysia) demonstrate how editorial integrity is being strengthened in places where ethics are under pressure.

However, these positive initiatives are no alternative to developing a new ethical culture inside existing news media.

The internet brings with it new opportunities for the revival of transparent and accountable journalism. This will happen only if newsmakers fully grasp why ethics must be nourished and the craft of journalism strengthened

Why Ethics Still Matter

To understand the importance of news media in the digital age, it's useful to look at the difference between the other-regarding values of journalism and the self-regarding nature of free expression.

Journalism, let's remember, is not simply free expression. It is a form of expression rooted in respect for human rights and is itself constrained by a framework of values and ethics where stories and opinions flow from a fact-based culture of communications built on respect for accuracy, independence, impartiality, humanity and accountability.

This is what distinguishes the work of journalists from most people using social networks and online bloggers. On the web, people can say what they want. They can be deceptive, offensive, unrepentant, and abusive, within the law. Everyone can have their say and tell their story. But it's only journalism if it's ethical.

This necessary distinction explains why journalism at its ethical best can be an inspiration for responsible communications, and counter the worst manifestations of online hate speech, voyeurism, narcissism and prejudice.

Andrew Keen, a veteran of Silicon Valley, has exposed these threats, in his 2015 book The internet is Not the Answer. He is one of several writers who have targeted a web-based information culture that makes us better connected,

but less aware of the world around us.

It is a problem eloquently described by Ethan Zuckerman, director of the Massachusetts Institute of Technology Center for Civic Media and cofounder of the international bloggers' website Global Voices. In Rewire: Digital Cosmopolitans in the Age of Connection (2013), Zuckerman argues that the internet has made everyone less dependent on professional journalists and editors for information. People increasingly seek out information via social media or online searches. This comes at a price: we now become exposed to what we want to know at the expense of what we need to know.

One thing that made traditional forms of journalism useful, was that it exposed us to information that was new, out of our comfort zone and about which we knew little.

Foreign affairs, political and religious conflict, and the experiences of other communities and cultures can be crucial to understand. But in a world of do-it-yourself information structures in which the public interest is defined as what the public is interested in, there is a danger that the web can lead to increased ignorance and self-interest at the expense of pluralism and other-regarding principles of democracy.

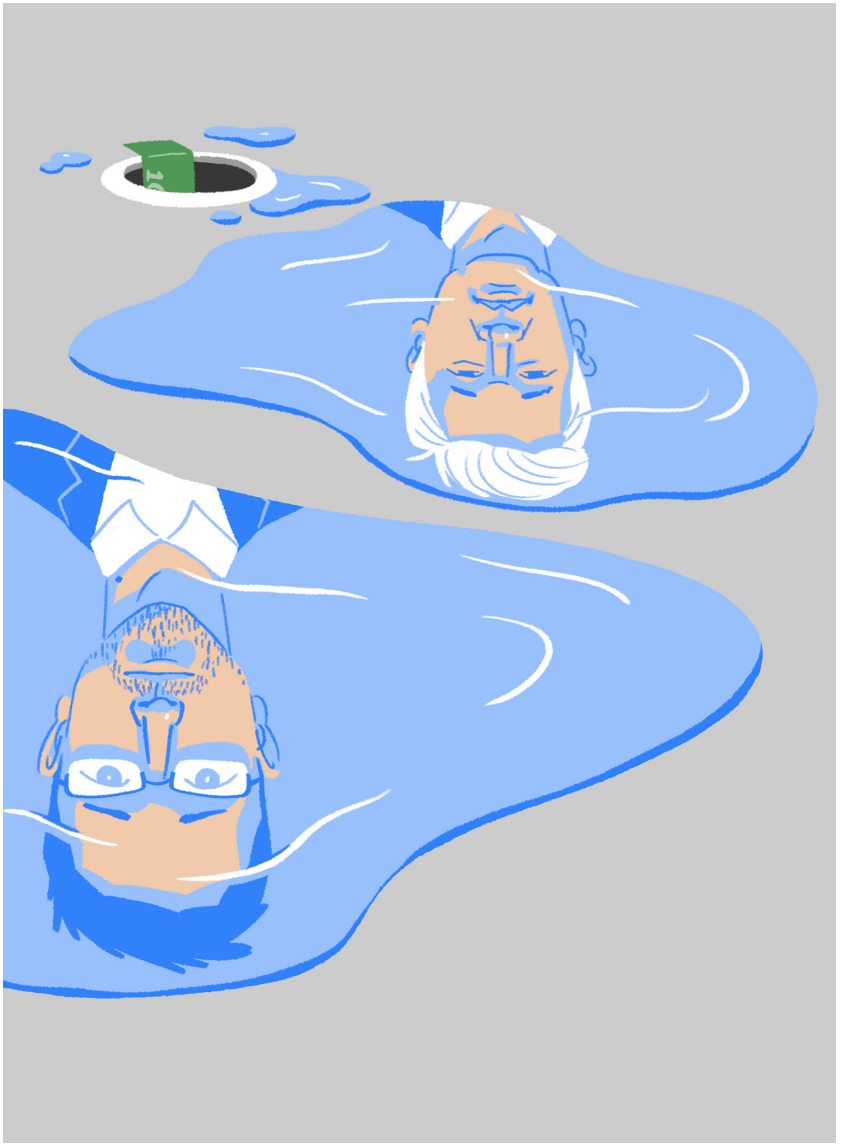
Journalism provides an opportunity to counter this danger by focusing on what reporters do best: telling stories that are interesting, relevant, stylish and, above all, trustworthy.

Big data: journalism finds safety in numbers

While media ethics have been defined and upheld for decades, the context in which they're practiced has shifted. Data journalism - using technology for rapid and targeted analysis of public information that flows in vast quantities onto the internet - is changing people's lives. But it is also raising ethical questions for reporters and editors.

In South Africa, data-driven journalism by the Ziwaphi community-based newspaper in the Nkomazi district, is improving the lives of people in the epicentre of the aids crisis. The crisis has been worsened by water contaminated by sewage. The newspaper has developed a way to use old smartphones to help residents get safe water. The phones are submerged in plastic bottles and take microscopic photos of water, which can then be compared to images from a public database to detect high E.coli levels. The results are then delivered to residents by SMS, informing them where it's safe to collect water.

In Kenya, a radio station has set up Star Health - a toolkit to help its audience do background checks on doctors through digital access to data on medical practitioners. They help people analyse data to isolate and expose bogus medics and others guilty of malpractice. (For instance, disco-



vering that a man working as a doctor turned out to be a vet.)

This democratisation of information is only useful if the original data is reliable. Journalists have to be acutely aware of personal privacy and security issues, as well as simple ethical obligations such as accuracy and fairness in reporting. It is not enough to acquire the technical skills to turn raw data into journalism. It has to be done in a way that both protects and informs the public that the data describes.

Jeff Sonderman at the Poynter Institute believes that editors need to pose a series of basic questions: *"Don't assume data is inherently accurate, fair and objective. Don't mistake your access to data or your right to publish it as a legitimate rationale. Think critically about the public good and potential harm, the context surrounding the data and its relevance to your other reporting. Then decide whether your data publishing is journalism."*

Nowhere has the issue of potential harm been more troubling than when WikiLeaks released data from the US Department of Defence and Department of State to multiple news media in 2010 and 2011 or when journalists at The Guardian and The Washington Post in 2013 faced tough editorial decisions over publication of documents provided by National Security Agency contractor Edward Snowden.

In both cases editors and reporters working on these stories had to make difficult decisions about what information to publish. They knew lives were at risk. The sensitivity of the subject matter and the global reach of the published data created a context that couldn't be ignored. In the end they recognised that these were stories too big for a single media outlet to handle, and opted for collaboration.

According to the Tow Center for Digital Journalism the way that these stories were reported, collaboratively syndicated, and the data itself protected, provides an important case study for journalism and media generations to come.

Ethical traps: verification, plagiarism and the rush to publish

At its best the internet is an information playground full of inspiring and entertaining moments. But it has a dark side where dodgy deals are done, dirty pictures exchanged and where bullies and bigots run freely.

Journalists aren't monitors or supervisors of how people behave - that's not their purpose. But they should be careful in their dealings with web-based sources. Malice and deceptive handling of the truth is ubiquitous. A trusted news brand needs to check facts, verify sources of information and steer clear of dangerous rumors and the rush to publish.

Never accept, for instance, images and statements on first impressions. In the world of digital manipulation, pictures are not always what they seem, and not everything someone says – no matter how outrageous – is newsworthy.

That is difficult at the best of times, but doubly so when the impulse of modern communications is information in the fast lane. Media that are eager to beat their internet rivals by chasing down revenue-generating clicks may be prepared to sacrifice the time journalists need to verify facts and ensure that their stories are ethical and balanced. It is a risky strategy: speed never trumps quality, and even the best of media can be embarrassed if they have a too-casual approach to online sources of information.

The kidnapping of a lesbian blogger writing from Damascus about the horrors of the Syrian civil war made the headlines of many major news outlets, but few had made the effort to check the sources. The story turned out to be a hoax, uncovered by bloggers carrying out simple journalistic checks. As one of the bloggers said: "It is a reminder that it does not always take enormous resources to cast light on important stories. It does take a willingness to ask questions that may not have occurred to others."

Sometimes, of course, in moments of emergency and crisis, journalists have to provide what information they have gathered, if only to give context to issues overheated by internet speculation. But when media publishes unverified content they need to issue a simultaneous "health warning", explaining where the information is from, why it might be unreliable, and subsequently correct errors as they become known.

Help is at hand. The European Journalism Centre has prepared a useful verification handbook which provides step-by-step guidelines on how to utilise user-generated content during emergencies. Getting the story right has also been the single-minded mission of Storyful, a Dublin-based social media news agency that helps media to verify news sources. The company is so successful it was purchased by Rupert Murdoch's News Corporation last year.

Ensuring that material is original, as well as the protection of copyright and sources, is essential when downloading information for free and without acknowledging sources is becoming accepted practice.

Plagiarism has always been a problem in journalism. Now, the internet has created a copy-and-paste pandemic. The audience should always be informed about the source. The only exception to this is when there is a pressing public interest or professional reason for not revealing a source. Remember: journalism is about transparency, disclosure and reliability.

At the same time, editors have to deal with the thorny problem of anonymous online communications, and especially the reckless behavior of so-called "Internet trolls" - people making anonymous and abusive attacks on other people.

Dealing with such intruders is difficult because the audience has been invited to comment on our work. It can be lucrative, drawing clicks and the attention of algorithm-driven advertising. The opportunity to comment on journalistic work also opens the door to fruitful debate. But unless it is controlled, it can merely provide an entry

"The dominance of the internet may have given birth to new forms of journalism, but has also put old-school values such as accuracy, humanity and accountability on the agenda."

point for abuse, prejudice, and hatred. Many media turn off the comments sections on issues that provoke hate and intolerance. Some stories – such as the Arab-Israeli conflict – can simply be too controversial.

But staying in control is not easy. The sheer number of comments can sometimes be too high for moderation. Some social networks, such as Facebook, don't even allow media to block comments. Applying one ethical standard to all of news media is a legitimate aspiration, but often unrealistic.

Nevertheless, media should try to apply firm rules about comments and anonymity. Clear guidelines will help the audience respect the values of journalism. Increasing the capacity to moderate online conversations can be expensive. But it is still necessary.

Hatred and terrorism in the picture

In times of crisis and tension, it is easy for journalists to submit to casual stereotypes and to react thoughtlessly to issues that require careful and sensitive attention.

Take the case of Terry Jones, an unknown evangelical Christian from the backwaters of rural Florida who became an overnight global media sensation in 2010, simply by announcing plans to publically burn the Koran.

No one would have noticed, or even cared, had this story not been picked up by a local journalist and magnified by international news agencies and viral online circulation.

The media that rushed to publish this provocation later acknowledged it was wrong to give a bigot such prominence. Jones was returned to obscurity (and in due course arrested while setting fire to 2,998 of the holy texts in 2013, this time beyond the public glare). His story should never have made the news agenda in the first place. The rush to publish ratcheted up an islamophobic media narrative that led to riots and scores of deaths in the Middle East. It could have been avoided if journalists had taken time to consider the context of the story.

Journalists will always make mistakes. But when mistakes like this are repeated it becomes worrisome. In 2013, a catalogue of journalistic failure surrounded the publicity accorded a controversial anti-Islam film posted on YouTube – Innocence of Muslims – by another Christian extremist. Its publication led to further rioting and deadly violence.

Isolated acts of individual extremist outrage can often be safely ignored. The same can't be said about the high profile violence and sophisticated web-based propaganda techniques of organised terrorists.

Using state-of-the-art cameras and recording devices attached to their clothing, extremists are able to produce slick, high-quality, and often shocking images of their murderous work. These are uploaded, either to public social networking sites where they hope to shock or influence broader public opinion, or to their

own internal websites known only to committed supporters, where the aim is to boost morale and recruitment.

With modern technology terrorists can live-stream their actions, raising the possibility of real-time, on-the-spot propaganda. Among the pioneers of such techniques were Iraqi militants from groups that have been linked to the Charlie Hebdo attackers in Paris in January 2015. The past year, militants in Egypt, Gaza, Iraq and Syria have all broadcast violent images of their work.

Slickly produced propaganda videos from terrorist groups like ISIS are broadcast via social media and picked up by mainstream media – even though they are an obvious part of the arsenal deployed by militants to spread their message.

The broadcast executions of ISIS hostages have raised troubling questions about what the audience should and should not be shown.

While most media chose not to show the explicit images of terrorist violence, media might still ask if they are too-easily seduced by high-quality terrorist propaganda. The drama documentary-style executions of journalists James Foley, Steven Sotloff and Kenji Goto has certainly brought a troubling question to editors: how do we tell the story without reproducing the propaganda of murderers and terrorists?

Trust in the future

Questions like these are reminders that journalism is just one of many players in the age of viral information. News media compete for attention in an emerging ecology of global news and comment where the work of journalists intersects with street-level activism, propaganda, political spin, and internet traders.

Many of the new players have no professional background, but can complement the media. They challenge the media´s power players, and lend voice to minority groups that are too often neglected on the traditional news platforms.

The future of journalism in this fragmented landscape of broader and more flexible public communications will depend on its ability to serve the public interest and by building trust in the ethical framework in which news is gathered, presented and circulated.

The dominance of the internet and its associated technologies may have given birth to new forms of journalism for a connected generation – think Buzzfeed and Vice News. But it has also put old-school values of journalism such as accuracy, humanity and accountability back on the agenda.

The media operates in a super-heated environment with a 24-hour news cycle. Gathering, editing and dissemination of news has become more sophisticated and complex. But the media´s continued commitment to truth seeking gives reason for guarded optimism.

Today's generation of journalists define the craft of journalism not just as the act of communicating using advanced technology, but as a way of providing information in the public interest that respects privacy, avoids malicious and deceptive handling of the facts, and respects the rights of others.

Their electronic, converged and digital newsrooms are a far cry from the world of journalism practised by the Daily Mail's Paul Dacre or The Guardian's outgoing Editor Alan Rusbridger. But most agree that the basic journalistic principles remain unchanged, even if the tools of the trade have changed forever.

The looming social tsunami



FREDERIC FILLOUX
Editor, Monday Note

The weight of social media distribution is such that news brands will be tempted to consider any deal that could expand their reach. Social media is the third rogue wave to threaten the news industry.

In modern economic history, no industry has been hit as hard and as fast as the news media. In only 15 years, news publishers have had to deal with two major tidal waves: first the web, then the rise of mobile users. Now a third wave is looming, with the rising news consumption on social networks.

Let us rewind the tape.

The World Wide Web basically wiped out revenue from the reader, reducing his or her value to a tenth or a fifteenth of a paper reader. In the Western world, many news organizations got over it. The survivors hastily reinvented themselves by downsizing news operations, shifting their workforce towards digital, or undertaking decisive business diversifications - Schibsted a textbook example of this.

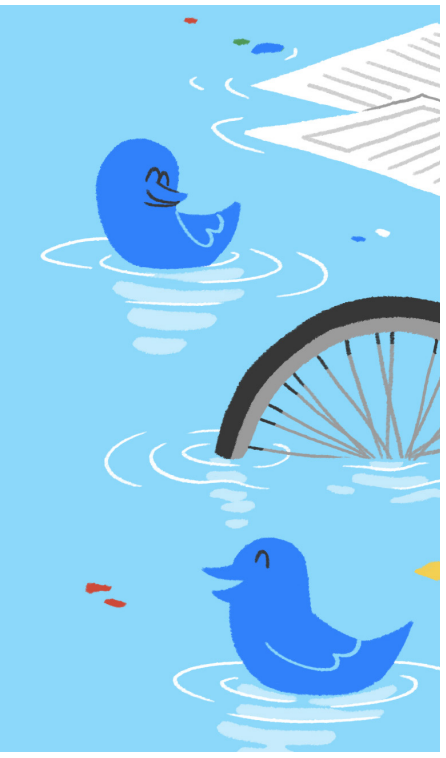
In the process, revenue models shifted massively.

The advertising stream was turned completely upside down as digital media morphed from a relatively low audience - high price model to a high audience-super low price model. As the digital ad market is becoming an automated marketplace, prices are pushed further down. Real Time Bidding (RTB) - once seen as the best way to sell remnant inventories - is now turning against publishers who are having a hard time protecting their premium spaces from continuous deflation.

The failure of the ad model

News publishers are facing a hard truth: The current form of digital advertising has failed to support value-added editorial. Rather than maintaining relative scarcity, media outlets have opened the floodgates of ad space availability. On any given day, a television news channel will host approximately 300 ad slots, the rates set by simple supply and demand. Digital media, on the other hand, has unbeknownst to itself created infinite supply. Every day, a news machine like the New York Times – known for its successful digital transformation as well as setting the gold standard of value-added journalism - pushes 700 articles (about 160,000 words), 600 images, 14 slide shows and 50 videos. That translates into about 200,000 stories and 15,000 videos every year, each of them hosting at least one ad format. No wonder prices are plunging.

As if that was not enough, digital advertising is prone to many types of fraud: robots that generate fake clicks;





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ad injectors that substitute legitimate ads with unwanted ones. The latest worry is the ad blocking plague. The impact of these pernicious browser extensions that remove ads from HTML pages, is vastly underestimated. The presumption that 25% of readers use an ad blocker could be way off. Technology and gaming sites often see four out of five viewers using ad blocking systems. A Q4 2014 barometer by Kantar media and Adledge studied billions of impressions, and concluded that 57% of formats served have not actually been seen by users.

Publishers have reacted to the collapse of standard advertising in two ways. The first way is to make readers pay for content through paywalls or subscription systems. The New York Times has generated a $200 million revenue line that did not exist four years ago - thanks to the newspaper's almost one million paying subscribers. However, very few media are in a position to deploy a successful paid-for strategy.

The second response is the emergence of new forms of advertising. A growing number of large media companies have built sustainable branded content divisions. Some have assigned large resources - strategic planning, digital and video production staff - to move upstream in the commercial value chain and create sponsored editorial for brands. The handful of players smart enough to embrace this new form of advertising with sufficient resources from the outset, have seen tangible windfall as branded or native ads at times have commanded triple digit CPMs – as many regular ads have fallen below 10 euro per thousand impressions.

Dealing with the mobile shift

When Schibsted launched *20 Minutes* in Switzerland 13 years ago, it was an overnight success (I had the privilege to edit *20 Minutes France* for six years). In just a few years, the paper became the most widely read publication in Switzerland.

In twenty-plus cities across France, scores of commuters in subways, trains or trams could be seen immersed in their morning read. Today this population has shifted to mobile. Unfortunately, news consumption accounts for only 10% of the time spent on smartphones - the rest commanded by social apps, instant messaging, and gaming.

In 2015, news organizations across the world have seen more than half of their traffic shift to mobile. According to a survey by Reuters Institute, 20% of news consumers say mobile is their primary access point. In the 18-24 segment, that proportion is 36%.

Businesswise, this second tidal wave of mobile has proved as damaging to news organizations as the first wave. While half of visits now come from mobile, in Western Europe and the U.S. mobile users still account for only 20% of digital ad revenue. Users tend to reject any form of advertising on the mobile's small screen - and the advertising community has been unable to come up with compelling formats. No one has been able to crack the code of efficient ads on smartphone, with the notable exception of Facebook – deriving 73% of its revenue from its highly targeted text ads. One single figure underlines the mobile blunder: While people in Western Europe and the U.S now spend the same amount of time on their smartphone as on TV, the advertising investment on mobile is just an eighth of TV media buying.

Desperate times often trigger desperate moves. In early 2015, for instance, a bunch of Dutchmen came up with a clever system to unbundle digital newspapers and sell articles-on-demand. Two large media companies, Axel Springer and the New York Times, took minority stakes in the venture - forgetting that the unbundling process is what decimated the music industry when iTunes began to sell songs for 0.99 cents. The unbundling also kills the notion of internal cross-subsidizing – i.e. where a large sports readership pays for the foreign coverage.

Of the one billion video views that Buzzfeed attracts every month, only 5% are viewed on the original site

“News brands should never forget that once they are locked into social dependency, there is no way back.”

Similarly, in March 2015 Facebook approached large news organizations like NYT, National Geographic, Quartz and Buzzfeed with a Faustian bargain: "We will distribute your content to people who will read you and trust us; we know who they are and we own the largest reservoir of readers imaginable; we will take care of distribution in every possible market, mobile apps, ad serving". Predictably, it has triggered an intense debate among smaller publishers wondering what they do if offered the same deal.

The third wave: the social tsunami

To understand the (fatal) attraction exercised by the social media phenomenon, we can look at Buzzfeed. On the surface, Buzzfeed.com is a compilation of dumb listicles and kitten videos generating a staggering 200 million monthly unique visitors - four times that of the New York Times - and one billion monthly page views, more than the ten largest French news sites combined. That is just the tip of the iceberg. Below the surface lies a rhizome, an underground vector that will distribute all of Buzzfeed's contents - including quality editorial produced by hundreds of journalists, some poached from The Guardian, The New York Times, ProPublica and Politico.

Most of this content lands on Facebook. While Buzzfeed generates 18 billion impressions per month on Facebook, only a tiny proportion of 2% (400 million) translate into clicks back on Buzzfeed.com. The same goes for videos: Of the one billion video views that Buzzfeed attracts every month, only 5% are viewed on the original site. Buzzfeed makes big money by using its propagation skills for advertisers willing to reverberate on social media.

This has led many media pundits to wonder if this is the news distribution channel of the future. After all, a third of the American adult population – and nine out of ten milennials! - gets its news from Facebook. Facebook combines a gigantic user base of 1.44 billion people with laser-like precision capability. The social network can pinpoint a Norwegian expatriate in Hong Kong and inject editorial contents from VG in his or her newsfeed. Who would not find this feature appealing?

There are two possible approaches to the social tsunami - leading to a critical strategic choice.

The first approach is pragmatic. One can utilize social media – and Facebook in particular - to connect with readers where they are. If Facebook is able to accurately retrieve a community of English speaking expatriates in South America, let's go for it. Many publishers are tempted by this irrefutable duality of volume and selection.

The second approach entails building on a brand's robustness and timelessness. The Financial Times, for instance, has methodically bypassed every intermediary trying to get between FT products and the public. They have resisted the appeal of Apple's AppStore, opting to create an independent web-app. While a web-app lacks some of the native app's functionality, it allows FT to cut around Apple's 30% commission and to preserve its relationship with the end user - while keeping the data that comes with it to itself. The FT did the same with its vast syndication business: When aggregators like Factiva and Lexis Nexis tried to act as resellers, like they are for thousands of publishers worldwide, FT demanded to keep the direct contractual relationship with the end user. The aggregators had no choice but to accept. FT's strategy paid off: FT.com has 500,000 direct subscribers (a 21% increase in 2014), and hundreds of distribution deals in which the FT is able to monitor use at the individual level to prevent overuse of the subscriptions.

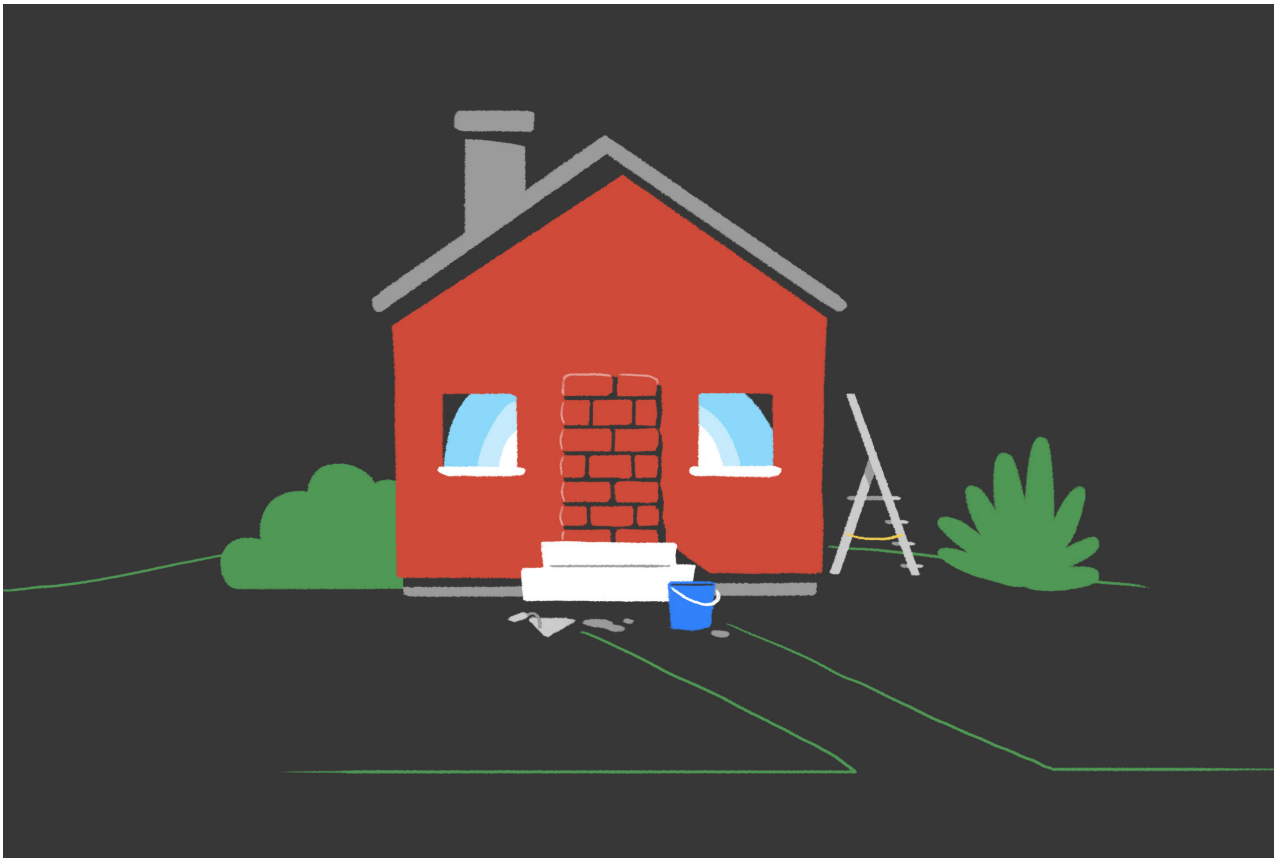
Very few media organizations are in this position where they can land their brand on the mobile phone's home screen, or dictate conditions to content aggregators. In real life, most news media will likely succumb to Facebook and its promises to deliver "eyeballs". Many have good reasons to do so. Especially newer brands will hope to save big on marketing by relying on social propagation.

Young or ancient, however, news brands should never forget that once they are locked into social dependency, there is no way back. To many publishers, the bargain will feel like golden handcuffs.

How to build a new brand in a new media landscape

KEVIN DELANEY

Co-founder, President, and Editor in Chief of Quartz



Quartz had no homepage when it launched about two and a half years ago. Readers navigating directly to qz.com instead just saw the article page for the top piece on the site.

We knew at the time that for the foreseeable future almost no one would type in our url to navigate directly to Quartz. And if virtually no one would come to our homepage, what was it if not a distraction from our efforts to quickly build a significant readership for our global business news site?

That decision allowed us to focus on the more critical job of writing content for the social web and minimizing the friction to its finding its readership around the world. It allowed our developers to focus on building other features, and it allowed editors to not spend any time on a homepage's upkeep. It also provided clarity for the reporters, who couldn't be distracted by the possibility that homepage placement played a role in an article's success, and could rather have to focus on helping spread their work socially.

Perhaps ironically, it's easier these days to create a new media brand when you forego some of the traditional tools of online brand building, such as an elegant and carefully tended homepage. What does matter is the clarity you have about the content itself, its voice and your investment in its quality. It also helps to have a strong sense of your target readership, and reinforce that among your journalists through frequent, recurring discussion. And design is important too, so the user experience of the core unit of content, such as the article page, is excellent. It was following this approach that Quartz managed to reach more than 10 million monthly visitors just over two years after its launch.

Quartz eventually got a homepage, as we experimented with using it to provide a reader service other than just an index of links published over the previous 24 hours. Our offering was instead a continuously updated briefing on the most important and interesting business news, written and edited by our journalists and building on our successful Daily Brief morning email newsletter. This new homepage has the virtue of serving loyal readers, and communicating to newcomers the filter on the world that is our brand.

But, even so, I argue that publishers need to go a step beyond all that and ask themselves whether they could succeed if no one ever came to their websites, let alone their homepage.

It might seem impossible to respond "Yes." However, what is clearer than ever is that publishers need to make their content available wherever the users are. Today, that involves distributing it directly via social networks, messaging apps such as Snapchat, and mobile aggregator apps like SmartNews. In some cases, it means tailoring content to the users of each of those platforms, as with Snapchat Discovery. And in an increasing number of instances, it means allowing the platform to directly host the publisher's content—rather than restricting the platform to just a headline, summary and hyperlink back.

Email newsletters are a simple example of how publishers can succeed without pulling readers back to their own websites. Some loyal users have told me they love Quartz and our Daily Brief morning email, but appear not to realize we even have a website. The newsletter lives outside our website, in subscribers' email inboxes. Thanks to the revenue from ads in the newsletter, this has been a successful business strategy despite the bulk of user activity now taking place outside of qz.com.

The approach to publishing outside your home page is

”Quartz has shown that a new publisher can thrive without a website homepage. Could a new publisher thrive without a website at all?”

accruing broader relevance. Facebook's algorithms appear to reward publishers with increased reach for anything else they might share after they upload videos directly to Facebook. In our experience, if you upload a video to your publication's Facebook page, more Facebook users generally see the following posts. As of this writing, Facebook hast started to host full article content from major publishers to speed loading for its mobile users. YouTube has vastly more potential for delivering viewers to a publisher's videos than most publishers' own websites. And Snapchat's Discover function was, in the beginning at least, reportedly delivering millions of views daily per publisher within its app.

In contrast, bringing readers back to your own website is hard, and is bound to become harder for many publishers as platforms such as Facebook presumably will distribute publisher content hosted directly on their platform much more broadly than content that's just a link back to the publisher site. Metrics that factor into the platforms' algorithms such as user engagement will be more positive when the platforms host the content, because it can load more quickly. This is especially important on mobile phones.

The same thing is happening in retail, where many independent retailers also sell directly in Amazon's online store due to the number of consumers they can reach that way, as opposed to trying to redirect consumers to their own sites.

Yet, the strategy of directing readers back to their own website is not easily abandoned by most traditional media companies. After all, selling ads against inventory on their own websites and apps is what they do best. They rely on subscriptions for a significant portion of their revenue, or have initiatives underway to try to do so. The data they collect about users on their websites is useful, and they can try to hook them with signups for email newsletters and other services.

The rise of web search and subsequently the social web has made it possible for upstart publishers to attract readers to their own websites. This is certainly an important component of a successful strategy. But there's also a risk of not being able to maximize your audience reach. Where news organizations previously needed to be excellent at printing and distributing physical copies of newspapers and magazines, today they must be excellent at creating application program interfaces (APIs) and reducing any friction inhibiting the spread of their content across the web.

This is not to say that publishers shouldn't be rigorous about enforcing their copyrights, making sure they have access to as much user data as possible, and working with partners that allow them to maximally monetize their content. There are some critical business components to this approach.

The first business element is that publishers need to be unrelenting in their efforts to make money from their content - wherever it lives. In some cases, this will mean selling advertising that appears on platforms other than the publisher's own website. In other cases, it means accepting a revenue share for the advertising that a platform sells itself. For now, competition between content access platforms means that some platforms will let publishers to keep 100% of ad revenue sold into hosted content versions.

The second critical business element is a publisher cost structure that supports the evolving economics of digital media. This is true whether the content lives exclusively on the publisher's website or not. But it's foundationally important for any publisher to succeed. Digital revenue can be significant, but it's certainly not the same as in the heyday of print.

Media thinker Jeff Jarvis has argued persuasively that publishers need to demand that platforms provide extensive data about users accessing their content. This data can be used for advertising sales and targeting other services and features to the users, such as sophisticated content recommendations and personalization.

A final element that publishers need to be good at is the visual expression of their brand. When most visitors start on your homepage, the design of your site is the key element for doing this. But what happens when they first discover your content elsewhere on the internet? Are there simple, recurring visual elements that reinforce the consumer's attachment to the brand and can make it more likely for them to be loyal readers however they access the content?

Traditional publishers with subscription bases and large online followings can certainly pursue the strategy of trying to draw readers into their apps and websites. They will have to continue to increase their focus on the quality of individual articles, article pages, and headlines, as the website homepage becomes less of a point of entry and social distribution is how readers find their content.

However, the success of news brands is to a large degree determined by how much they can grow. The website homepage can be little more than a distraction from that. And increasingly, a brand´s willingness and ability to let their content live outside its website will be critical to its growth. Upstart media brands will have to figure out how to generate revenue in such a scenario. But user reach at least partly offsets factors such as revenue sharing with platforms.

Quartz has shown that a new publisher can thrive without a website homepage. Could a new publisher thrive without a website at all? That is one of the most pressing questions of our day.



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Welcome to the intimacy era

The next generation of mobile marketplaces



PIERRE-FRANÇOIS MARTEAU

Senior Vice President, Schibsted Classified Media

In a time when bringing your smart phone to bed with you is normal, wearable technology and the so-called *Internet of things* is profoundly changing our relationship with technology. Today's mobile marketplaces are windows that allow us a sneak peek into our future life with technology.

It is a bit like being at the zoo, looking at some old giant turtle, or taking the kids to a Middle Ages theme park. I am talking about Blackberry users. They are still around, like old turtles. Blackberry users always look like serious businesspeople. You can see them on planes and trains, checking their funny little device into which some wizard has managed to squeeze a miniature computer keyboard.

Despite prominent users such as Barack Obama, Angela Merkel and Erik Schmidt, the Blackberry is as good as dead. None of us wants to share its fate. From its peak in 2008, Blackberry's market cap has shrunk by 93%. In the same period, Apple's stock has surged by 360%. Google's market cap has soared from $111 million to $361 million. Blackberry shrunk a desktop computer to pocketsize, sat back and watched its innovation surge, just to see it falter and slide to 35 million users worldwide. IPhone and Android smartphones entered the market with a native approach. Today they are reaping the rewards of 2 billion users.

From email to messaging

I do not mean to offend Blackberry users. It is a curable condition, after all. Nevertheless, we can learn from the Blackberry story: If businesspeople are the only users of your product, you are in trouble. Especially if your product is not specifically tailored to the enterprise market or some other niche. This is because businesspeople are not trendsetters.

The latest concept on the Blackberry path to oblivion is email. Can you remember how fun it was to be an early adopter, and then watch as the rest of the world caught up? And how Microsoft coughed up an impressive 400 million dollars to purchase Hotmail? By the new millennium, email had become universal, as natural and indispensable as water. Then came Whatsapp, the messaging service.

Have you tried to get hold of non-businesspeople lately? I still use email to send my kids - now in their teens and twenties - longer texts and attachments. Then I message them on Whatsapp or Facebook Messenger to let them know they have mail. With some luck, they will read it within 3 or 4 days. For speed and accessibility, email is no longer the standard solution.

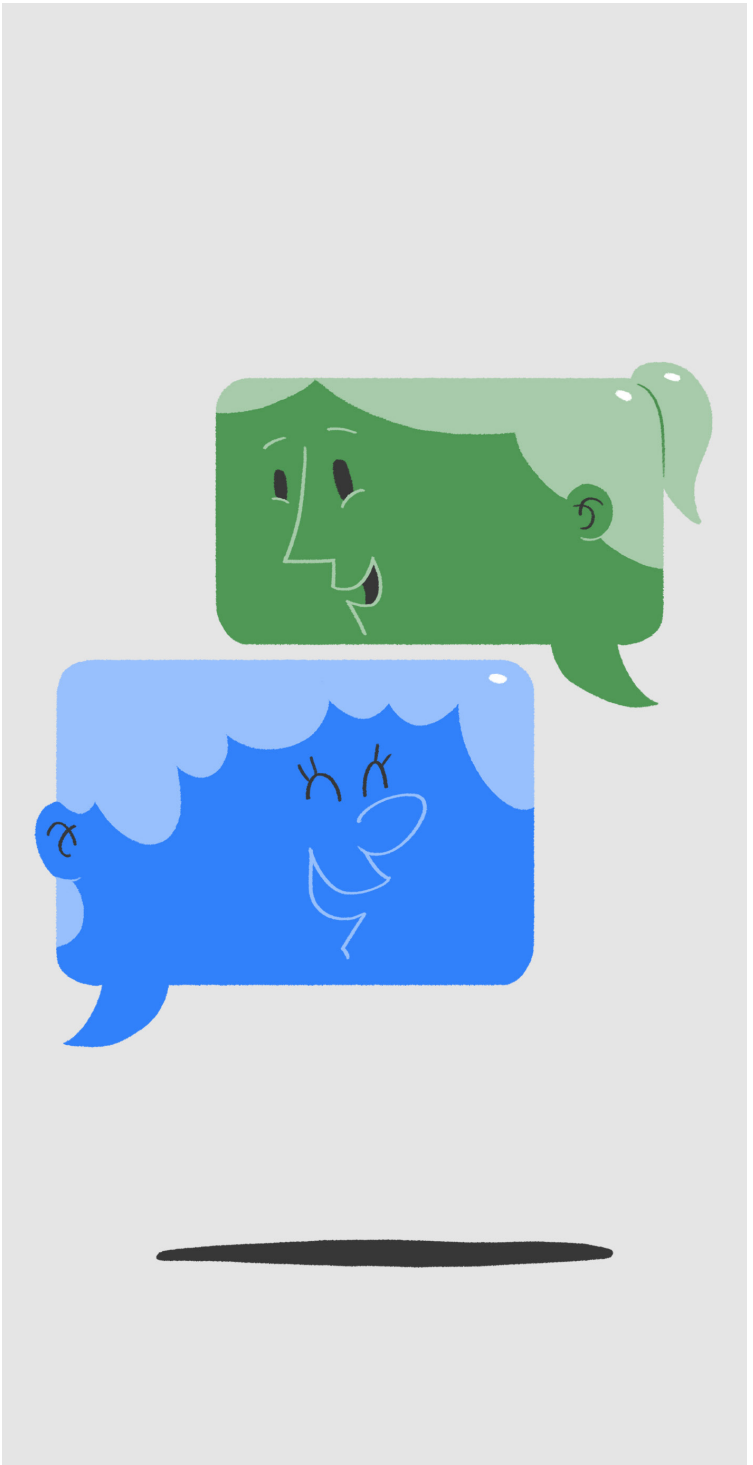
Messaging has been around for a very long time. Can you remember ICQ on the PC? Messaging came of age with mobile. It became nimble, always on, and free as air. For now, messaging has taken over the world. Today, nobody doubts that Whatsapp was worth the 19 billion dollars Facebook paid for the company a year and a half ago. Nobody questions Snapchat's decision not to sell at 3.6 billion dollars. Everyone realizes that Wechat is the real crown jewel of Tencent.

Messaging is the glue of the digital world. Some call it its operating system. It is universal and fast, the quintessential personal and always logged-on service. It is a platform for a broad range services, whether it is negotiating M&A deals, expressing condolences, or sharing dodgy pictures

Mobile marketplaces

Now, the messaging trend is entering mobile marketplaces. They obey simple, age-old rules: match offer with demand, connect people around tradable items, maintain an environment of trust. All of which, nowadays, is best achieved in the always logged-in environment of mobile devices, with messaging as its lifeblood.

Mobile is not just about technology. It is also about what happens when technology and user habits begin to merge: Always with me, always switched on, and so intuitive it becomes an extension of myself. Thus, what affects our business is not so much technology itself, but rather how it changes users' behavior and expectations.



Immediacy: We clocked it. It takes 30 seconds to insert an ad on Shpock, a mobile marketplace that Schibsted has invested in. On most "traditional" classifieds sites, this takes 4 minutes. Picture focus: We measured it. Shpock uses one hundred percent of screen space on its listing page for pictures. Other established classifieds services show approximately 30% pictures. Ads: We counted them. Shpock's ad growth is impressive. The company has a backbone of well thought-through user accounts and a solid messaging system, and is the first classifieds marketplace to truly grasp and unleash the power of mobile.

Mobile's most important quality is not its mobility, but rather its intimacy. In the early years, one got away with squeezing a web-based classifieds site into a mobile phone, in the same way Blackberry got away with shrinking the keyboard. Today, user expectations have turned this upside down. It used to be a "pull" world: Users knew what they wanted and searched for it. It has now become a "push" world: Users expect a curated feed, pushed at them for their enjoyment and convenience.

More than ever, users turn to marketplaces for pure entertainment. Mobile has driven serendipitous usage and marketplaces to new highs in traffic and content production. When the leading French classifieds marketplace Leboncoin released its first mobile app, the customer service began to receive a new kind of complaint: "You have destroyed my sex life. My husband was always an addict, but now he is taking Leboncoin to bed". Intimacy knows no boundaries.

Mobile is creating new marketplace constellations. This is especially true for younger users. 20 years ago, the Swedish classifieds service Blocket brought snowmobiles into its permanent shopping window. Today, mobile marketplaces are awash with all new accessories, fashion clothing, Play Station games, etc. Not to mention more abstract goods and services for which there were no marketplaces before the mobile, such as the taxi service Uber.

Mobile is about intimacy, and being the constant companion of the user. Wearables, with the Apple Watch as the frontrunner, are opening an era of even more intimacy. How will this further affect the marketplace? What about the *Internet of Things* and artificial intelligence? No one knows for sure, and only one thing is clear: we had better brace for more change ahead.

Introducing a digital framework for media companies

THIRD WAVE
Johannes Kleske & Igor Schwarzmann

In the future, every media company also needs to become a tech company.

If we had to boil all of our forecasting and consulting expertise down to one single piece of advice to the media industry, it would be this.

Look at Starbucks. Unlike most media companies, the Starbucks management understands the role that digital technology will play in their future. They have realized that, in order to keep selling coffee, they need to embrace the ways in which their customers use new technologies like the smartphone. Starbucks was one of the first retail brands to invest heavily in mobile-payment services and apps. Under the guidance of Chief Digital Officer Adam Brotman, they have continually experimented and field-tested new ideas and approaches. Their efforts have been centered on customer feedback. Starbucks understands that, in order to be successful as a coffee company in the future, they must also become a tech company.

Digital technologies have become such an integral part of our lives that any company dismissing this development will suffer immensely.

This is especially true for the media industry. Hardly any other industry has seen equally dramatic changes in consumption behavior because of new technology. Unfortunately, the media industry is also particularly resistant to change and to adopting the new technology paradigms.

But while the majority of the industry is waiting for the storm to pass, some new companies have been founded on the premise that this change is perpetual. For the last couple of years, we have been studying these companies closely to identify the patterns that set them apart. We have condensed our findings into a simple model - a framework featuring the areas and patterns most vital to a media company's success in a digital world.

In the first part of this article, we explain the model and discuss the insights connected with it. In the second part, we apply our framework to companies like Buzzfeed and Vox Media to highlight why they are currently so successful.

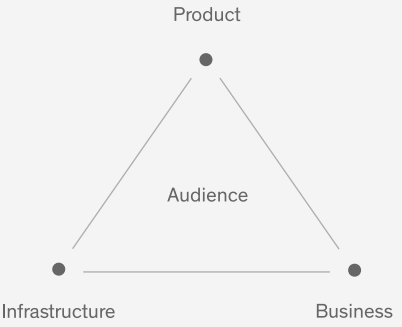




IGOR SCHWARZMANN & JOHANNES KLESKE
are founders of Third Wave, a Berlin-based think tank and digital strategy consultancy. Third Wave gives advice on technological trends and their effect on human behaviour.



The Framework Explained



This framework is not a how-to guide for building a news-publishing product. It is rather a mental model for how to think about and develop core parts of the company.

1

Audience

Every media company needs to start with and evolve around its audience: the readers, viewers, listeners, commentators, community etc.

2

Product

It is almost impossible to create a digital media product if you distinguish too strongly between the content, the people creating it and the content delivery.

That is why we define 'product' by the following components:

The Content
Anything that is written, produced, recorded, filmed. The editorial strategy and the "voice" (as in tonality) are part of this, too.

The Talent
The writers, journalists, photographers, film crews, fact checkers, legal experts and researchers. Also the formats: articles, slideshows, listicles, quizzes, clips, interviews, op-eds, etc.

The Frontend
The user experience. The technology interface and the audience perception of the content. Websites, apps, email newsletters, magazines, newspapers, PDFs, eBook readers, etc.

3

Business

This includes all the ways the company makes money: Advertising in all its forms (display, native, etc.), subscriptions, memberships, consulting, events, etc.

4

Infrastructure

This encompasses the servers, tools and systems that keep the company running. It is also where the content is created: The content management systems, databases, communication channels, the analytics dashboard, the tools and gadgets for reporting, writing, recording, maintenance and distribution.

Key Insights

Most media businesses have always contained these aspects. It is their interaction with each other, as well the pace of the resulting change, that gives new insight.

1

Collaboration

The three areas and their corresponding departments must not only be in constant contact, but also in constant interaction. The days of the separation of the product development department and the newsroom - commonly referred to as the separation of church and state - are over.

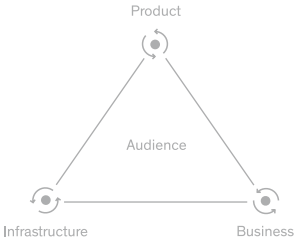
We most certainly endorse a transparent approach to income sources such as native advertising. Nevertheless, in a time when fresh ideas are in desperate need, much is lost when departments don't think and work together. The best way to set up a media business for the digital world and avoid silos is no longer to separate the three aspects of our model in separated departments, but rather to hire people with clear goals spanning more than one area.

All three areas also need to be perpetually connected to the audience. The product department needs to understand the audience's interests and opinions. The business department needs to understand where the audience's money is going, what they spend it on, and how they value the content. The infrastructure department must have a dynamic understanding of the audience's consumption behavior, favorite tools and devices, and payment preferences.

This means being involved in a continuous conversation with the audience. It means studying reports and conducting research, prototyping and testing.

2

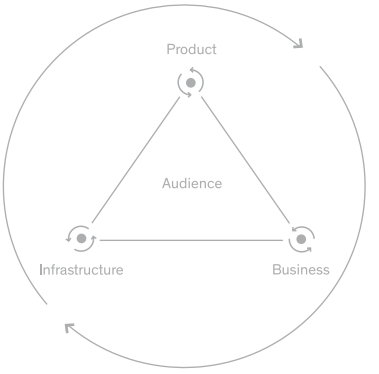
Iteration



The complexity and rapid progress of the digital world makes it hard to just plan, implement and then run with a finished product. This is also what current media companies, and even a lot of the ones "born digital", struggle with.

Some media companies iterate their content. They try out new formats, writing styles, video story lines, etc. Others experiment with new business models, opening event spaces, releasing special purpose apps or starting agencies. But only very few media companies iterate within their infrastructure development, continuously working to improve their website, optimizing CMS and the publishing process.

To be successful as a publisher in the future, a company needs to iterate continually in all three areas of our model. An iteration in one department must be shared with the other departments to inspire the iterations there. The result is a constant renewal of the whole company.



The Framework Applied

We have collected a few examples to show how the different areas of the model work when applying collaboration and iteration. The companies mentioned here exemplify initiatives that combine at least two of the areas.

The media companies best positioned for the near future are those whose work it is most difficult to assign to a specific area. They think less and less in those silos.

1

Audience
Buzzfeed

Few, if any, media companies out there are building their products in closer accordance with insights about their target audience than Buzzfeed. They started with the "bored at work"-audience. From there, their analytics tools and dashboards have shown them exactly how audiences have reacted to and shared every single story they publish. The knowledge they have gained about what works is giving them a larger and larger advantage in developing new products and growing their audience.

Peretti does not believe that his audience cares much about walls between verticals. His analytics tell him that readers have no problem looking at listicles with cat gifs before clicking a story about investigative reporting in politics, as the quote on the following quote explains.

That is why some industry veterans find it hard to grasp Buzzfeed. They only see the gossip stories and the animal pictures. They tend to overlook the strong hires Buzzfeed has made of political reporters and foreign correspondents. The recently announced fellowship for emerging writers and a book club are only two additional examples of Buzzfeed reinventing the bundle.

These moves are informed by Buzzfeed's insights into their audience, made possible by their in-house tool for analytics and their broad distribution. This, in turn, allows them to offer their advertisers a unique way to gain the attention of their audience. Buzzfeed does not do display advertising, only sponsored stories (native advertising). And they give their clients access to the same analytics and distribution tools that their writers have. Thus, Buzzfeed is a media company that is mastering all areas of the framework and is continually iterating throughout all of them.



"Imagine you are sitting at a street cafe in Paris. You have a copy of Sartre's *Being* and *Nothingness*, a copy of *Le Monde*, the newspaper, and next to you, as is often the case in Paris, is a cute dog. You read philosophy, you read the news, you pet the dog. You don't become stupid when you are petting the dog, you are just being human! And when you read the philosophy you are still worldly. And when you read the paper you are still intellectual. You talk to your friends at the cafe: sometimes about the dog, sometimes about philosophy, sometimes about the news, and, yes, sometimes about what you are eating for breakfast."

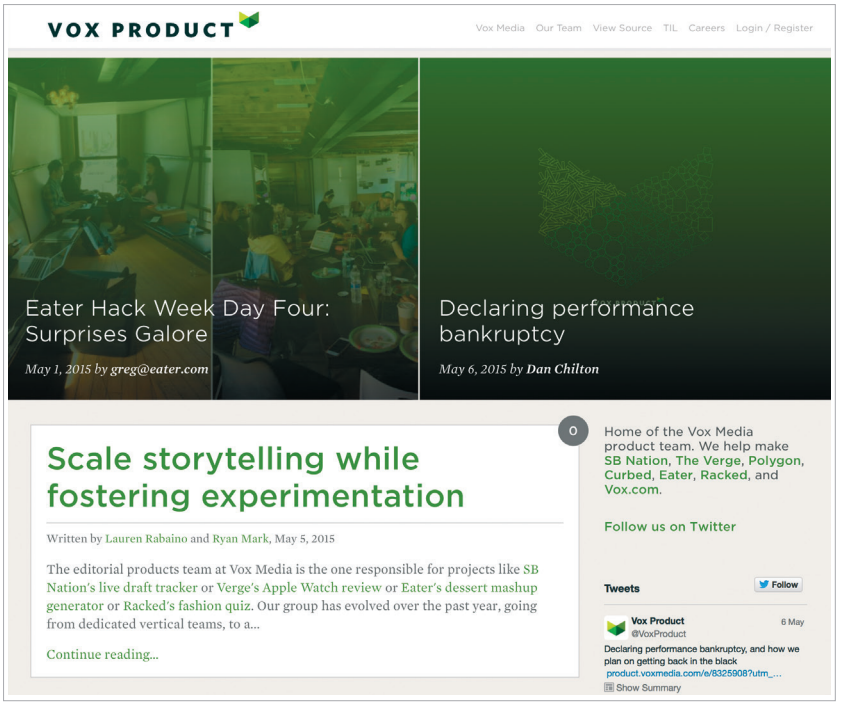
Buzzfeed CEO Jonah Peretti talks about the *Paris Café* concept

3

Product
Vox Media

Maybe the media company closest to fulfilling our model now is Vox Media, with seven digital brands such as The Verge and vox.com. In an interview with the Reynolds Journalism Institute blog last October, Jim Bankoff, chairman and CEO of Vox Media, laid out their current setup.

"We really can think of us in three parts: One part is we produce seven big consumer brands, consumer titles across seven big content verticals. So that's one part of the business. The second part is how we make money, which is around premium brand advertising, digital advertising and branded content, so we create content for our marketing partners and then we help them find an audience for that content as well, and that's our business model. And then the third part is the technology and the product platform that underlies all of it."



VOX MEDIA PRODUCT TEAM PRODUCT.VOXMEDIA.COM

No other media company we know iterates so strongly, constantly and collaboratively. Vox are especially impressive when in the product area of our model. Through hackathons and other initiatives, Vox tries to make it more common for journalists, technologists and marketers to work together. They know that their future depends on less prejudice and reservations between the different disciplines.

So on any given day, you'll see our technologists, our designers working really closely with our storytellers, our journalists, to help them figure out how to express their ideas in the most compelling way, ...

We like to joke that one can tell how fit a media company is for the near future by the size of its in-house design and development team. It shows how much they have understood the role of digital technology to their company's success. Vox Media has a 60 person product team of designers, developers, project managers and others. That is promising in our books.

3

Business
New York Times

Slowly but surely, the idea is sinking in at media companies that their business models' future is not that one big idea that will provide a new steady source of big bucks. Instead, a wide collection of small and very diverse approaches will do the trick. That is why many media companies are experimenting with business models that are much more diverse than just new ways to advertise and subscribe.

Some are adding event departments, setting up their own spaces for conferences, meet-ups and workshops. The Guardian, for instance, is rediscovering what it can mean to be an international media company with a local involvement.

One big trend in media business models is the re-bundling of content. One example is The Atlantic, which at the end of the year released its best technology writing as an eBook.

Another example is the New York Times. The paper has an archive with content going more than 100 years back. With the help of digital technology, they are discovering new ways to put this content into new products. One example is their new cooking app. From their leaked Innovation Report last year:

"The Cooking team is providing a fresh reminder of our treasure trove of evergreen content. For decades, we published and promoted a handful of new recipes each week. The new Cooking product better reflects the fact that recipes are timeless and best organized in other ways: by meal, ingredients, season and our critics' favorites."

Not only can they make use of their vast archives. They can sell it via apps or with sponsorship, and thus add to the income stream. This would be much harder if the New York Times Times had to go to external vendors for the development of apps and other products. With their large in-house development department, they can experiment with new formats for existing content and can shape the products to their audiences' preferences

This is also where we see the true future of "native advertising." By iterating towards new unique formats, media companies can offer unique advertising possibilities. Think more "promoted tweet", than "advertorials".

Other media companies are learning from the music industry. It has become common practice to offer premium versions of albums to the most dedicated fans at very high prices. This could be one direction that paywalls are heading. Companies can offer tiered memberships that offer added value. German Wired did this with its Founding Members Program, which offered a special edition t-shirt and access to exclusive content.

Again, it is much easier to offer something like this when the media company controls the platform and can develop and improve the added value services in-house. This is what retains membership.

4

Infrastructure
De Correspondent

By now, it should be pretty clear how important we think infrastructure is in our model. The examples of Buzzfeed, the New York Times and others show that every media company needs its own in-house development team that can build and iterate its own infrastructure continually.

The advantages to having your infrastructure developed in-house rather than by an external partner, is easy to see when looking at the Dutch De Correspondent, and its German copycat Krautreporter.

The crowdfunded journalism of De Correspondent was one of the big stories in 2013. Almost 19,000 people pledged 60 euros each for a one year subscription. To deliver on their promises, De Correspondent brought their agency Momkai in-house to build the website infrastructure. Publisher Ernst-Jan Pfauth:

Our custom-made CMS—called Respondens—is designed to make it easy for our authors to include different media types in their articles and to set up their own corner of the site with lists of favorite books and sites, and contact information such as Pretty Good Privacy email codes.

They have been iterating their CMS ever since. Last year in Germany, Krautreporter set out to repeat the success of the Dutch original. But after the successful crowd funding, they hired an external agency to build the website. When it launched, it mostly felt like a copy of an old version of the Quartz website. Not much seems to have happened since.

Seemingly, this difference does not influence the quality of the articles on each platform. But if you ask journalists about the content management system that they have to work with, you realize how much it influences their work. A constantly improving CMS not only makes it easier for journalists to focus on the content. It also deals much better with changes in audience behavior.

Vox Media's technological setup is even more auspicious. They call it their "media stack" and have labeled it Chorus. Vox understands that the only way to keep iterating towards the best possible content creation and delivery is to own the talent and the technology. Their media stack consists of layers like story creation, distribution to different audiences, metrics and analytics, community and conversation.

Vox Media has realized that they compete for the best talent not only with other media companies, but also with other technology companies. A big part of that strategy consists of creating the right atmosphere and ethos in the company. The product team is not seen purely as support for the "real journalists" in the newsroom. They are an integral and equally valued part of the whole.

MORE ON DE CORRESPONDENT
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Conclusion

The purpose of a framework is to communicate core principles and provide a guideline for implementation. Examples like Vox Media show that the borders between different areas of the model sometimes dissolve in practice. That is a clear sign that a media company has not only understood the new paradigms of collaboration and iteration, but has internalized them.

The near future will show if it is actually possible for a mature media company to make these necessary steps towards the digital future, or if it needs to be build into the foundation from the start (like at Buzzfeed and Vox Media). The New York Times is one of the traditional companies best equipped for this challenge. But their current struggles show how difficult it is to adapt.

The most basic application of this model, is not that media companies must finally adapt the new paradigms. It is rather that once started, that they never stop.

The editorial product

JONATHAN STRAY
Fellow, Columbia University



The traditional goal of news is to say what just happened. That is, after all, what "news" means. But there are many more types of non-fiction information services, and possibilities that few have yet explored.

I want to take two steps back from journalism, to see where it fits in the broader information landscape and try to imagine new things. First, we have to look at the shift from content to product. News production is more than story creation; it's also the process of deciding what to cover, the delivery system, and the user experience. Second, we need to look at algorithms. Every time programmers write code to handle information, they are making editorial choices.

Then we can begin to imagine all the wildly different editorial products we could deliver with a building full of writers and developers.

In this perspective, journalism is just one part of a broader information ecosystem that includes everything from wire services to Wikipedia to search engines – products that serve a need for factual information. These services all use some combination of professionals and software to produce and deliver it to users.

Here are six existing editorial products that journalists and developers are already working to enhance, and six more that they could create in the future.

Existing editorial products

1 Record what just happened

This is the classic role of journalism. The city reporter rushing out to cover breaking news, what the wire service specializes in, the reporting of events and establishing the facts. It is my sense that we usually have enough of this. Some will say there is much that is important that is not covered, but I want to distinguish between reporting a story and drawing attention to it. While social media and search engines now have the role of drawing attention to a story, actually creating the primary report is basic and valuable. Even here, in this classic role, developers have come to play an important part: data journalism is a booming specialty, covering everything from advanced data analysis to compelling interactive presentations.

2 Locate pre-existing information

This is a traditional role of researchers and librarians, and now search engines. Even when the product is powered entirely by software, this is most definitely an editorial role, because the creation of an information retrieval algorithm requires careful judgement about what a "good" result is. As Google's Matt Cutts said: "In some sense, when people come to Google, that's exactly what they're asking for: our editorial judgment. They're expressed via algorithms." All search engines are editorial products. That means that a search engine – or any online system that helps people find information – requires a combination of technical and cultural understanding, and therefore collaboration between writers and developers.

3 Filter the information tsunami

The act that produces your trusted information feed, whether that's Facebook's News Feed, Politico's morning emails or Google News. It's here that we most productively can complain that something "wasn't covered." Filtering the news depends on both automatic aggregation and human curation, because no one organization can produce original reporting on everything. As human effort can't match the scope of a web crawler, most filtering products lean heavily on software. Nor can a human editor prepare personalized headlines for millions of users. As with search engines, information filtering algorithms are both mathematical and editorial objects. The best products use clever combinations of machines and people. For example, Facebook uses algorithms to surface trending news articles, which humans then curate and summarize, which are then personalized for each user algorithmically in the "Trending" box to the right of the news feed.

4 Give me the background on this topic

Give me background on this topic. This is a version of locating pre-existing information, but in a summarizing or tutorial form. Because there are more complex issues than anyone can follow, a lot of news is going to be about topics and events that you don't know much about. This has been dubbed the news´context problem, and many have attempted to solve it. Entire sites are now devoted to explanatory



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"The tech world is allergic to any service which requires a lot of humans to deliver. That doesn't scale, or so the thinking goes."

journalism, such as Vox. However, Wikipedia is the 800-pound gorilla, and is gathering speed. No other product can match Wikipedia's scope, cost of production, or authority.

5 Expose the wrongdoing

This is the classic role of investigative journalism and its place in the ecosystem of accountability. Every government transparency initiative and open data nonprofit organization aspires to support this goal of absolute accountability. But transparency is not enough. Democracy needs people who are committed to exposing corruption, crime, and abuse. This can require inside sources and secret documents. It can also be about drawing attention to little-noted facts. It often requires serious data analysis, which is another place where writers and developers collaborate – as a glance at the last few years of Pulitzer winners will show. But it is always about scandal - what has been called "the journalism of outrage." This has sometimes made investigative journalism powerless in the face of huge systemic issues without a clear locus of wrongdoing.

6 Debunk rumors and lies

In this fairly new category, we have products like Politifact (fact checks what politicians say), Emergent.info (tracks the spread of rumors), and the venerable Snopes (collects and debunks urban legends). It seems a little strange that this is a new kind of editorial product. Traditional news media weren't much into debunking, and the "publish only true things" strategy may have been sufficient when there were many fewer information sources. As the internet has allowed both good and bad information to flow ever more freely, truth-testing has become a valuable public service, and journalists have learned to pay attention.

Some editorial products that don't exist yet

1 What can I do about it?

Accurate news is essential to know the world. But these news reports never tell you what you can do about it personally. Citizens have not grown apathetic. Rather, people are often overwhelmed in the face of large and complex problems. It is difficult to know where to start. We know that stories that include solutions are more engaging. In a recent study comparing the same story with and without a proposed solution, readers who read the solution reported being more likely to share the article on social media, and read other articles on the same site or on the same issue. The main problem is one of plausible effectiveness: If you have ten dollars or ten hours to donate, where should you put your resources? Not every problem can be helped by large numbers of small actions — but some can. Writers and developers can build a whole product around the question of what the reader could do.

2 A moderated place for difficult discussions

Traditionally, journalism has tried to present an objective truth that would be seen as legitimate by everyone. I am not convinced that truth always works this way. And I am certain that no institution today has this sort of argument-settling authority today. On the other hand, I do see a need for unifying narratives. For instance, Americans are more polarized than

they've been in decades. They fight online about anything from catcalls to tax rates. Perhaps there is a need for a safe place to talk, in which you know the other, with real human moderators gently tending the discussion and discouraging the trolls. Now that anyone can talk, the public sphere needs fewer authorities and more moderators. To me, this seems like a natural role for journalism.

3 Personalized news that isn't terrible

It probably seems obvious: different people want different news. This requires algorithmic recommendation to scale. The results, however, have often been unimpressive — as anyone who has complained about the Facebook News Feed knows. I have spent a lot of time with recommendation algorithms and have come to believe that this is fundamentally a user interface design challenge: How do you tell the computer what you want to see? Optimizing for clicks and likes inevitably degenerates into clickbait and likebait. Other systems require you to select in advance the subjects and people to follow. But none of these are really satisfying products, and I still don´t have a "mute" button for Kim Kardashian. I'm still holding my breath for an interaction design breakthrough, some elegant way to create the perfect personal channel.

4 The online town hall

Democracy is participatory in its nature – it is not enough to vote. But there is no scalable communication channel between citizens and government. So how to make your voice heard? And how hear the voices of others? How does a civil servant make sense of this deluge? We lack good models for a "conversation" that could include millions of people. I am imagining something of a mix between Reddit and civic-listening platform PopVox. This product, too, would require thoughtful moderation.

5 Systematic government coverage

Journalism has always been on the lookout for waste and corruption. But how many stories do you read about the Bureau of Land Management? Or the Office of Thrift Supervision, which should have been monitoring the financial industry before the crash? Sometimes, it seems like journalists pull their subjects out of a hat. If we're serious about the notion of an independent check on government, we need to get systematic about it. So far, no one reports department by department, bureau by bureau, with robot reporters scrutinizing every single open data feed. Sound boring? Maybe. But perhaps that just means that the current accountability journalism is badly skewed by the demands of entertainment.

6 Choose-your-own-adventure reporting

Story creation could be interactive. There have been crowdfunding platforms such as Spot.us and Beacon. But nothing operates on quite the level of granularity and speed envisioned by Jay Rosen's explainthis.org, where users type in questions for journalists to answer. There have been thousands of variations on the idea of having the users direct the reporting, from demand-driven production to a quiz after each story that aks "what should we report on next?" The point is to put journalists and users in an interactive loop. Good reporters listen anyway, but I want something stronger: a contract with the audience where they know exactly how to be heard. For example: "Our reporter will investigate the top-voted question each week."

What is journalism, anyway?

To ask the question of what journalism is, misses the point of what it does. And on that point, there has been a strange lack of innovation. Silicon Valley has never been afraid of wild ideas. But the tech world is allergic to any service which requires a lot of humans to deliver. That doesn't scale, or so the thinking goes. Meanwhile, the world of journalism has evolved and finally embraced software and new story forms. Yet the fundamental services of journalism are virtually unchanged. That is a pity. There are so many different and useful things you can do if you take a house full of writers and developers and set them to produce nonfiction.

We have barely scratched the surface.

WATCH THIS 102-YEAR-OLD FORMER DANCER AS SHE SEES OLD VIDEO OF HERSELF FOR THE FIRST TIME

21 DISNEY CAKES THAT HAVE NO BUSINESS BEING SOLD TO KIDS... THEY'RE HORRIFYING

WATCH WHAT HAPPENS WHEN THIS GIRL ASKS 100 GUYS TO HAVE SEX WITH HER

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Headlines from dose.com

How subscription models lead to more trustworthy journalism



ERNST-JAN PFAUTH
is co-founder and publisher of De Correspondent, a Dutch-language, online journalism platform. He is the former Editor-in-Chief at NRC Handelsblad and The Next Web Blog.

Ryan Holiday is a marketer. Even his name is catchy. Just like the title of his first book: *Trust me I'm Lying. Confessions of a Media Manipulator* (2012). Being a top marketer – Holiday served as Director of Marketing at American Apparel - his book is also written in a catchy way, stuffed with punch lines. Most of them revolve around how online journalism is broken. Holiday's diagnosis is as follows: Most online media outlets make money from selling ads. In general, the more traffic they have, the more ads they sell. Thus, the task of most online journalists is to generate traffic. In their quest for more page views, journalists are desperate for juicy stories. Marketers and 'media manipulators', like Ryan Holiday himself, supply those journalists with everything they need to do this, while serving their own agendas. In the book's opening pages, Holiday explains how he does this:

He designs a controversial billboard for a client and makes sure it gets a good spot in LA. Then he buys a spray can and defaces his own billboard. For act three, Holiday drives by and snaps a photo of the demolished billboard, which he sends to a blogger, who gladly posts it. Uproar follows. Box office soars.

What is crucial in a campaign likes this, Holiday writes, is to "trade up the chain". You can begin by sending your news to a low-profile blogger with zero to none journalistic standards. He will probably publish it. You now have a link to your fake controversy. Then you just wait for a more well-known blogger to pick it up. The billboard example is quite innocent. But what happens when Politico begins to follow obscure presidential candidates just to get more traffic on their site, to generate more sales? That changes the political arena.

With our Dutch journalism platform De Correspondent we wanted to escape this dangerous dynamic. In the spring of 2013, we expressed the wish to start an online publication that would focus on background, analysis and investigative reporting. The kind of stories that tend to escape the radar of mainstream media because they do not conform to what is normally understood to be 'news.' Because we wanted to be an independent outlet, we decided to focus only on readers as our source of income. Our site would be free of advertising and we didn't want investment capital. Instead, we asked for a subscription fee of 60 euros per year. We figured we would give it a try if 15,000 people committed.

To our astonishment, almost 20,000 people backed us within a month. Some of them also donated extra money. At the end of our crowd funding campaign, we had raised $1.7M. We got to work, hired a staff of 24, moved into an office in Amsterdam and built the platform. On September 30th, 2013, we launched decorrespon-



dent.nl. From that moment on, we have published around five in-depth stories, podcasts and documentaries every day.

At the time of writing, we have been live for eighteen months. It is truly liberating to only worry about the needs of our 34,000 members and not those of advertisers. Instead of viewing members as target groups for advertisers, we only focus on informing them in the best possible way. Instead of starting ad-friendly sections like *travel* and *career*, we can make editorial judgments solely based on the importance of a subject. Rather than hunting for pageviews, we can hunt for great stories.

The contrast to sites without the luxury of focusing on their reader's needs is enormous. In December 2014, The New Yorker profiled *The King of Clickbait*. It portrays 'Viral guy' Emerson Spartz, who obsesses over page views. His business model is to plaster his sites with ads. Originality is not a part of his business standards, because copy/pasting viral hits from competitors will generate more revenue for less effort. "More original lists take more time to put together, and we've found that people are no more likely to click on them." Please have a look at the headlines from his most popular site Dose.com, to understand what kind of articles Emerson's attitude serves you:

21 Disney Cakes That Have No Business Being Sold To Kids...They're Horrifying

Watch What Happens When This Girl Asks 100 Guys to Have Sex With Her

Watch This 102-Year-Old Former Dancer As She Sees Old Video of Herself for the First Time

The Manhattan Bridge Is World Famous. What They Just Found Living There Shocked Everyone

I don't mind that Spartz has chosen this business model. I am impressed that he has managed to build a company around it. But the problem with this King of Clickbait is that a growing number of journalists believe they should compete with him. They adopt his tactics. They start preaching the viral Evangelic in their editorial offices. And of course they are, because they get paid by the eyeballs they reach.

Thinking about how to reach your audience is fine. But lowering your journalism standards to go viral is not. And that's exactly what happens when you – as a journalist – look to Emerson Spartz for inspiration. You will only focus on pageviews. You won't worry about building a relationship with readers. You just want to trick them into clicking on your next listicle.

This is a short-term strategy to build traffic. And if you've first gone down that road, it is hard to turn back. When the advertising revenues dry up (and they will because Google, Facebook and other platforms are taking over the market), you won't be able to ask for a donation or a subscription fee. The reason is that you have no loyal readers left. You will end up hoping for one more hit on Facebook. 'Facebook should be eighty per cent of your effort', Spartz says.

It will be right around that time that audiences lose its patience with click bait and look for a thoughtful alternative: deep reads, analysis. A news site that is focused on getting them informed rather than addicted. A site they will be willing to pay for.

De Correspondent is hoping to be that site. We are investing all of our resources in strengthening the bond with our readers. For example, we try to help them share their knowledge. Because we believe every reader is an expert at something. Imagine that our health care correspondent covers the treatment of an illness. As a doctor or a patient, you will have something interesting to share with him. So we believe our correspondent should reach out to them. His readers are the biggest untapped resource of knowledge. 3,000 doctors know more than just one health care correspondent. That is why our correspondents always announce a new research project up front. This allows readers to reach out if they know something about it and want to share. This is also why our correspondents take part in the conversations below their articles.

Readers are our only stakeholders. So we can also be transparent about how we're spending their subscription fee. Celebrating our first anniversary, we shared a pie chart. It showed our members exactly how their 60 euros were spent. This transparency also led to interesting discussions about how to prioritize our spending. Most importantly, however, it led to more trust.

And that is the essence of a subscription model. It rewards investing in the trust of your readers. An advertising model doesn't. When selling ads, you have to decide how far you want to go in fooling your readers. How big will I make that native ad-label? Must I package these photo series in a slideshow because it will lead to more clicks? Should I make the question in my headline more click-worthy, even if the article doesn't really answer it?

Media manipulator Ryan Holiday describes how the newspapers of the nineteenth century steadily became more sensational. It began because the newspaper boys on the street needed spectacular headlines to sell papers. Trust in newspapers eroded. The publisher Adolph Ochs came up with a solution: He introduced subscriptions. From that moment on, readers would find the newspaper on their doorsteps. Regardless of how spectacular the headlines were. The model allowed journalists to focus on writing important stories and ignore the cheap stories. It led to the rise of one of the world's finest newspapers: The New York Times. Ochs created an opportunity to steer away from pulp journalism by introducing subscriptions. Similarly, web publishers can escape the ads race to the bottom by focusing on the needs of their readers.

A radical experiment with micropayments in journalism

ALEXANDER KLÖPPING
Co-founder, Blendle

In April 2014, we launched our pay-per-article startup Blendle in the Netherlands. The goal: to put all of the newspapers and magazines in the country behind one (quite sexy) paywall, and make it so easy to use that young people start to pay for journalism.

Back then, most newspapers and magazines in our tiny country assumed we wouldn't survive very long. After so many failed attempts by publishers worldwide to make money online, many believed the only future for online journalism was clickbait and cat videos. Why would people pay for journalism when there is so much free stuff on the web?

But here we are. With more than 250,000 users - almost all of them in the Netherlands - of which the vast majority is under 35 years old, we're proving that people will pay for great journalism (even though we like cat videos, too). And we are hoping that our second year will be an even crazier rollercoaster ride, with recently signed global licenses to sell The New York Times, The Wall Street Journal and The Washington Post, with many more to come.

The attention struggle

Why have people been unwilling to pay for great online journalism?

For publishers, it comes down to a struggle for attention. And because of that, many newspapers and magazines publish their best stories for free. Free stories get you a lot of traffic, and traffic can be monetized through advertising. But more and more publishers are realizing that they cannot build their business on this model. Advertising revenue is declining sharply; the competition from Facebook and Google is very strong; 41% of the younger people are already using ad-blocking plugins; more kids are browsing in incognito mode, leaving no cookies at all; and native advertising makes both readers and journalists very uncomfortable.

As The Economist's Tom Standage had said: "The Economist has taken the view that advertising is nice, and we'll certainly take money where we can get it, but we're pretty much expecting it to go away. I have nothing against advertising as a source of revenue as part of the mix, but I'm kind of amazed that people are trying to do that."

This is the reason that publishers all over the world are putting up paywalls, to diversify their income sources. Most end up with one of three models:

1 A metered paywall

Every month the newspaper gives away some articles for free. When your limit is reached, you have to pay up to continue. The New York Times has been doing this with reasonable success since 2011, and many publishers have aimed to follow. The thing is: while it may work for a huge newspaper in a huge market, it won't for smaller



papers in smaller markets. Only a small percentage of readers actually bump into the paywall, and few of those take out a subscription. You need tens of millions of visitors to make this worthwhile.

2 The freemium model

With this model, good stuff is available for free. But to see the really good stuff, you need a subscription. German newspaper Bild uses this ”plus model”: some articles are marked with a “Bild+”-logo, and you need to subscribe, in this case for 5 euros per month, if you want to read them.

3 The hard paywall

Every time you click a link, you’ll see something like this: Pay up now or leave! The best examples are the Financial Times and The Times in the United Kingdom. It works if you really, really want to read content from one of these (great) newspapers. Most people just leave the site after three seconds

Unbundling the news

The three models have one thing in common: they try to convince people to subscribe. This makes sense from the publisher’s perspective. If you have a lot of subscribers, for a publisher everything is awesome. However, online, most people no longer want to be forced into buying bundles. They don’t want to subscribe. Many even hate paywalls. They make us register again and again, at every newspaper or magazine we visit. And they make us pay monthly fees for websites with all sorts of stuff we don’t need. Journalism needs a great user experience. So, we started thinking.

What if:

— You could read all the journalism you care for in one place

— You would only need to register once to read all of it

— You would only pay for the articles you actually read

— You would get your money back if the story didn’t live up to your expectations

— No subscriptions

— No ads

That is exactly what we launched in The Netherlands one year ago. At the time, we pitched Blendle as “the iTunes of journalism”. But Blendle is not only about paying little if you don’t consume a lot. It is also about the convenience of reading and paying with only one click. It is about our focus on the very best user experience - the instant refund policy a good example. And it is about the way we help users to find the premium journalism that they find most interesting.

Over the past 12 months we have proven that, at least in the Netherlands, there’s a new market for publishers in addition to subscriptions,

street sales and advertising. Without spending a single euro on marketing, we now have over a quarter million users. We generate a very decent amount of money (I can't disclose how much, unfortunately, only that it's more than Apple generates for publishers) in our short existence. But more importantly: the money comes from people who previously weren't paying for journalism. My friends never paid for music and movies, until Spotify and Netflix came along. With Blendle, they're paying for journalism, often for the first time in their lives.

Micropayments work

These are some of the lessons learned in the first year of our existence.

1 Micropayments for journalism can work.

But not for news. We don't sell a lot of news in Blendle. People don't want to spend money on something they can get for free elsewhere. People do spend money on background pieces. Great analysis. Opinion pieces. Long interviews. In other words: people don't want to spend money on the 'what', they want to spend money on the 'why'.

2 Our users punish clickbait by refunding.

In 2015, sometimes it feels like the best example of modern journalism is Buzzfeed. Go to any journalism conference, and their logo will be on many, many slides. As a journalist today, you could think it's more valued to write clickbaity headlines than a well-researched piece of journalism. However, Buzzfeed doesn't work when people pay per article. At Blendle we see this every day. Clickbait-heavy gossip magazines, for example, get much higher refund percentages than the average (some up to 50% of purchases). Readers will only pay for content they find worth their money. So in Blendle, only quality journalism starts trending.

This way, micropayments could actually result in better journalism. As a publisher, you have to invest in incredible journalism to be able to sell them on a per-article basis. Thankfully, a lot of incredible journalism is produced every day.

3 Micropayments and refunds create a great metric for quality

For 20 years, publishers have been chasing pageviews, the metric that shows the number of times a web page is loaded. Here is what the CEO of analytics firm Chartbeat recently wrote about it: "The more pageviews a site gets, the more people are reading, the more successful the site. Or so we thought. Chartbeat looked at deep user behavior across 2 billion visits across the web over the course of a month and found that most people who click don't read. In fact, a stunning 55% spent fewer than 15 seconds actively on a page." This is why publishers have begun to look at engagement time rather than pageviews.

In The Netherlands, journalists now have access to two important extra metrics for their stories:

—How much revenue did the stories generate in micropayments?

— How many people asked for a refund after reading the stories?

If one goes up and one goes down, a publisher is doing great. (only 5% demand a refund.)

New money is good money

Micropayments is new revenue.

One year ago, some publishers in the Netherlands were worried: would the launch of Blendle result in cancelled subscriptions? Some even included questions about Blendle in their phone scripts when people called to cancel their subscription. Now we know for a fact that Blendle does not attract their current customers, but rather a new group that until now has never paid for journalism. And now that we have understood this, we can try to stay ahead of the curve for micropayments in journalism. We will work with publishers to integrate Blendle into their apps and websites.

Our second year will be about expanding internationally. We will soon know if Dutch people are just crazy, or if we're really on to something with the micropayments model. Hopefully, it will grow to become a viable revenue model for journalism. ●



ALEXANDER KLÖPPING is the founder of Blendle, a pay-per-article startup in The Netherlands. He is a former columnist for Holland's biggest youth newspaper and tech expert for Holland's most popular TV talk show.

Part 2

Annual report

Tinius Board



Ole Jacob Sunde

CHAIRMAN OF THE BOARD

Chairman of the Board of Schibsted ASA (since 2002). Founder and Chairman of the Board of Formuesforvaltning ASA (since 2000). Founded Industrifinans Forvaltning ASA in 1983 and was General Manager until 2000. Formerly a consultant with McKinsey & Co. (1980-1983). Various other directorships, including Blommenholm Industrier AS and Museum of Cultural History. Graduate of the Université de Fribourg, Switzerland (1976) and Kellogg School of Management, Northwestern University, USA (1980).



John A. Rein

MEMBER OF THE BOARD

John A. Rein is a corporate lawyer and partner at Wikborg Rein. He is Chairman of Blommenholm Industrier AS (Schibsted ASA's largest shareholder) and Chairman of Schibsted ASA's election committee. Mr. Rein was legal adviser to Tinius Nagell-Erichsen for almost twenty years until his death. Former Fellow of the Scandinavian Institute of Maritime Law (1978-1979), Contracts Manager, Conoco, London (1979-1981), associate Wikborg Rein 1981-1984 and partner from 1985.



Per Egil Hegge

MEMBER OF THE BOARD

Employed with Aftenposten 1962-2005. Twelve years as foreign correspondent in London, Moscow and Washington D.C. Editor of A-magasinet 1984-1988. Cultural Editor 1992-1998. 20 books, including biographies of Otto Sverdrup, Fridtjof Nansen and King Harald V. The Narvesen prize in 1969 and Riksmålsforbundet's Gold Pen Award 1993. Knight, First Class of the Royal Norwegian Order of St. Olav 2003. Bachelor's Degree from University of Oslo, specializing in Russian, English and Political Science (1966).



Kjersti Løken Stavrum

DEPUTY MEMBER OF THE BOARD

Secretary General of the Norwegian Press Association, former editor in Aftenposten, Oslo, Editor-in-Chief of the weekly magazine KK, journalist and various managerial positions in Aftenposten (1987-2013), director of communications of The Confederation of Norwegian Enterprise (NHO), former leader of the Oslo Association of Norwegian Editors and Board Member of the International News Media Association (INMA). Bachelor's Degree from University of Oslo and Manchester Metropolitan University, specializing in political science, economics and history.



Morten Goller

DEPUTY MEMBER OF THE BOARD

Morten Goller is a partner at the law firm Wiersholm, in particular relation to contracts law, public procurement and EU/EEA competition law. Formerly employed by the Attorney General (Civil Affairs) (1993-2001.) Cand. jur. from University of Oslo (1992) and Master of Law (LLM) from Columbia University, New York (1997). Admitted to the Norwegian Supreme Court Bar. Member of The Norwegian Complaints Board for Public Procurement, Board Member of Wikborg Rein and Chairman of the Board of Pareto Securities AS.



Karl-Christian Agerup

DEPUTY MEMBER OF THE BOARD

CEO, Oslotech AS (2010-d.d.). Co founder and General Partner Northzone Ventu- res, (1994-2009). Founder and Managing Director HUGIN AS, (1995-1999). Associate McKinsey & Co., (1991-1993), Engagement Manager (1993-1994). Corporate Planner Millipore Corp., Boston, USA, (1990-1991). Board Member of Aftenposten AS. Massachusetts Institute of Technology (MIT), Alfred P. Sloan School of Management, Master of Science in Management (1990). Copenhagen Business School, Business Economist/HA (1988).



TINIUS NAGELL-ERICHSEN
1934 - 2007

Ownership must ensure freedom and independence of Schibsted's media

TINIUS NAGELL-ERICHSEN

FREEDOM OF SPEECH IS THREATENED in many places around the world. I have become more and more convinced that ownership must ensure the freedom and independence of Schibsted's newspapers and other media. A free press is perhaps the best safeguard of a strong and vibrant democracy.

On this background, I wanted my ownership stake in Schibsted to contribute to continued editorial freedom, credibility and quality of the media that we own. I also wanted to ensure the long-term and healthy financial development of the Schibsted Group, with a strong, stable and Norwegian ownership.

With this in mind, the Group gave my ownership stake of 26.1 per cent special rights in Schibsted's Articles of Association when we decided to list the company on the stock exchange. I established the Tinius Trust in 1996 to ensure that the Schibsted Group continues as a media group, run according to the same main editorial and business guidelines as at present. The Board of the Trust was instructed to monitor this, while at the same time work to ensure the long-term, healthy financial development of Schibsted.

THE TINIUS TRUST HAS IN MY OPINION been a very effective obstacle against financially strong players who would otherwise have tried to take over the group. Without the Trust, Schibsted would probably not have existed in its current form, nor would we have had the same opportunity to further develop the company. The Trust has effectively limited any interest in taking over the company.

When media companies in other countries have wanted to have Schibsted as owner, we have noticed how the Trust has contributed to us being viewed positively as a business partner.

THE STRENGTH OF THE TINIUS TRUST is that, contrary to many other Trusts and other types of arrangements, it has power, and if that power is used intelligently, it will undoubtedly serve to protect the freedom and independence of the Schibsted Group.

I do hope that what I have done will benefit the holdings that I have worked to keep and defend over the years.

The Tinius Trust Annual Statement 2014

The purpose of the Tinius Trust

The Tinius Trust was founded by Tinius Nagell-Erichsen in 1996. The trust's basic capital is NOK 42,9 million. The trust holds all four voting shares and 80% of the non-voting shares in Blommenholm Industrier AS. This company is Schibsted's largest shareholder with 26.1% of the shares.

A change in the bylaws of Schibsted ASA requires a three quarter majority. The bylaws also stipulate that no shareholder can own or represent more than 30% of the shares. As long as the 26.1% stake is held together, the bylaws grant the Tinius Trust considerable influence. The purpose of the trust is thus to preserve Schibsted's independence and support its long term development.

Schibsted's broad array of services impacts the digital world. Its news organizations scrutinize power and let people engage in matters that affect their lives. Its marketplaces support recycling and eco-friendly trade. Its innovative growth services help people make informed choices. Schibsted seeks to empower the digital user.

Schibsted is in the process of developing into a technology based, global media company. The company has taken important steps during the past year. All the building blocks needed for the journey ahead are already in place; Publishing, Classifieds and Growth, all on the basis of strong technological platforms.

The trust's active ownership in Schibsted is built on two interlinked goals:

• The first is to secure quality and reliability in all Schibsted's services and products, including free and independent journalism

• The second is to work for Schibsted's healthy, long-term financial growth.

Blommenholm Industrier works to secure these goals through its vote at the General Assembly of Schibsted by contributing to the election of a competent Schibsted Board. John Rein heads the election committee on behalf of Blommenholm Industrier. Ole Jacob Sunde represents Blommenholm Industrier on the Schibsted Board.

The Tinius Trust also holds a B-share in Aftenposten. This means that a change of bylaws or the hiring of a new Editor-in-Chief at Aftenposten must be ratified by The Tinius Trust.

As a long term shareholder in Schibsted, the trust works to identify and understand the trends shaping the media business of tomorrow. The trust publishes an annual report in the form of an anthology with contributions by important international media leaders and thinkers. The trust further shares its insights on tinius.com, speaks at important events and hosts an annual Tinius Trust Summit.

Operations

In 2014, the Tinius Board has consisted of Ole Jacob Sunde, Per Egil Hegge and John A. Rein. In accordance with the bylaws, they have each appointed a personal deputy member, respectively Karl-Christian Agerup, Kjersti Løken Stavrum and Morten Goller.

At the end of 2014, the trust's ownership in Blommenholm Industrier AS was valued at NOK 33 million. The trust also holds an investment portfolio of NOK 37 million. The return of the portfolio in 2014 was 6,1%, reflecting a strong stock market and low bond yields. The trust received dividends of NOK 3 million from Blommenholm Industrier.

The 2014 full year accounts show a NOK 4,7 million net profit. The Board believes that this reflects the trust's robust position and solid day-to-day operations.

The annual accounts are based on a going concern assumption.

The trust paid NOK 100 000 in compensation to board members. The auditor received NOK 31 250.

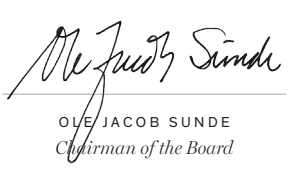
The trust adheres to the principle of equality and environmentally friendly practices in its operations.

New CEO

Until the spring of 2014, the trust was run by its board in collaboration with external service providers. However, the speed of digitisation in the media industry calls for a strengthening of the trust's knowledge base to fulfil its long term commitment to Schibsted. Sindre Østgård was hired as CEO in May 2014, and has contributed to widening The Tinius Trust perspectives as an active owner.

Tinius Nagell-Erichsen believed that a thriving democracy depends on informed citizens. The Tinius Trust continues its work to ensure that Schibsted plays a vital role in a digital age by providing people with relevant information, the opportunity to engage in discussion of topics that affect them, and providing services that improve their lives.

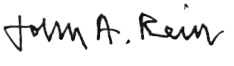
12. MAY 2015, OSLO



OLE JACOB SUNDE
Chairman of the Board



PER EGIL HEGGE
Member of the Board



JOHN A. REIN
Member of the Board



SINDRE ØSTGÅRD
Chief Executive Officer

Income statement
01.01 - 31.12

	Note	2014	2013
Operating revenue			
Other operating revenue	2	2 054 852	500 000
Total operating revenue		**2 054 852**	**500 000**
Operating expenses			
Personnel expenses	3	–1 538 974	–85 575
Depreciation	7	–5 735	0
Other operating expenses		–1 537 570	–1 360 548
Total operating expenses	2	**–3 082 278**	**–1 446 123**
Operating result		**–1 027 426**	**–946 123**
Financial income and financial cost			
Interest income, bank		50 528	7 950
Interest income, fixed interest fund		676 913	907 355
Realized gain (-loss) securities		4 016 731	1 535 859
Foreign exchange gain/(-loss)		–214 117	10 151
Other financial income		3 000 720	6 564 076
Unrealized gain (-loss) securities		–1 620 701	2 406 290
Other interest costs		–220 073	–473 470
Total financial income and fin. costs		**5 690 001**	**10 958 211**
Annual profit (-loss)		**4 662 575**	**10 012 087**
Allocations			
Allocation other equity	6	4 662 575	10 012 087
Total allocations		**4 662 575**	**10 012 087**

Balance sheet
as per 31.12.2014

	Note	2014	2013
Assets			
Fixed assets			
Tangible assets			
Operating equipment, fixtures, tools, office machinery etc.	7	36 014	0
Total fixed assets		36 014	0
Financial fixed assets			
Shares	4	33 248 988	24 175 402
Total financial fixed assets	4	**33 248 988**	**24 175 402**
Total fixed assets		**33 285 002**	**24 175 402**
Current assets			
Receivables			
Other current receivables	2	2 128 352	720 758
Total receivables		**2 128 352**	**720 758**
Financial current assets			
Unit trust funds	5	14 620 594	19 118 834
Hedge fonds	5	5 281 550	4 129 477
Bond funds	5	13 688 956	14 971 582
Money market funds	5	2 372 225	3 992 165
Total financial current assets		**35 963 325**	**42 212 058**
Bank deposits, cash, etc.		1 785 707	2 746 065
Total current assets		**39 877 384**	**45 678 881**
Total assets		**73 162 386**	**69 854 283**

	Note	2014	2013
Equity and liabilities			
Equity			
Paid-up capital			
Capital base	6	42 862 184	42 862 184
Total paid-up capital		**42 862 184**	**42 862 184**
Retained earnings			
Other equity	6	29 540 477	24 877 902
Total retained earnings		**29 540 477**	**24 877 902**
Total equity		**72 402 661**	**67 740 086**
Liabilities			
Other long term liabilities			
Trade credit		0	1 871 850
Total other long term liabilities		**0**	**1 871 850**
Current liabilities			
Trade creditor		184 353	150 650
Value added taxes		264 005	0
Other current liabilities		311 366	91 697
Total current liabilities		**759 725**	**242 347**
Total liabilities		**759 725**	**2 114 197**
Total equity and liabilities		**73 162 386**	**69 854 283**

12. MAY 2015, OSLO

OLE JACOB SUNDE
Chairman of the Board

PER EGIL HEGGE
Member of the Board

JOHN A. REIN
Member of the Board

SINDRE ØSTGÅRD
Chief Executive Officer

Notes to the accounts
2014

Note 1 — Accounting principles

The financial statement has been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small enterprises in Norway.

Assets intended for permanent ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables due to be paid back within one year are classified as current assets. Equivalent criteria form the basis for the classification of current and non-current liabilities.

Non-current assets

Non-current assets are valued at cost but are written down to market value when their decrease in value is not considered to be temporary.

Market-based financial current assets

Securities and fund investments which, directly or indirectly, are part of a trading portfolio are valued at fair value at the end of the reporting period.

Tax

The Tinius Trust is not deemed subject to taxation on its activities; see Taxation Act, section 2-32.

Note 2 — Operating income and operating expenses

The Tinius Trust and Blommenholm Industrier have identical purposes in relation to ownership of Schibsted shares.

On this basis, the boards of the abovementioned enterprises have resolved to distribute an annual allocation between Blommenholm Industrier and the Tinius Trust of costs related to promoting the purposes of the two enterprises. The arrangement and amount shall be reviewed annually by the boards of both enterprises. The allocation for 2014 was decided as follows: two thirds of the Tinius Trust's operating expenses shall be covered by Blommenholm Industrier AS.

Note 3 — Payroll expenses, remunerations, etc.

Payroll expenses	2014	2013
Wages/directors' fees, etc.	1 123 007	100 000
Employer's national insurance	184 446	0
Pension expenses	26 994	0
Other payroll-related expenses	204 527	0
Total payroll expenses	**1 538 974**	**100 000**

	31.12.2014	31.12.2013
Restricted tax withholdings	272 208	0

	2014	2013
Average number of man-years	1,0	0

Remunerations to key management personnel	General manager	Board members
Salary	786 363	100 000
Pension expenses	0	0
Other remunerations	204 527	0
Total	**990 890**	**100 000**

The general manager was appointed on 06.05.2014

Outstanding accounts and interest, employees	31.12.2014	31.12.2013
Outstanding accounts, employees (+receivables / - liabilities)	- 23 929	0
	2014	**2013**
Interest on outstanding accounts	0	0

Expensed remuneration to auditor for statutory audit during the reporting period totalled NOK 31 250 including VAT. Expensed remuneration to auditor for other services during the reporting period totalled NOK 0.

Note 4 — Financial non-current assets

Company	Quantity	Cost price
Aftenposten AS, B-shares	1	1
Blommenholm Industrier AS, A-shares	4	30 004
Blommenholm Industrier AS, C-shares	799 996	33 218 983
Total		**33 248 988**

Note 5 — Market-based current assets

	Cost price	Market value	Change in value during the period
Unit trust funds	12 601 403	14 620 594	2 456 079
Hedge funds	3 375 336	5 281 551	-884 426
Bond funds	13 560 928	13 668 957	-33 551
Money market funds	2 410 759	2 372 225	82 599
Total	**31 948 426**	**35 963 327**	**1 620 701**

Note 6 — Initial capital

Equity	Initial capital	Retained earnings	Total equity
Equity 01.01.2014	42 862 184	24 877 902	67 740 086
Profit/loss for the period		4 662 575	4 662 575
Equity at 31.12.2014	**42 862 184**	**29 540 477**	**72 402 661**

Note 7 — Property, plant and equipment

Property, plant and equipment	Office equipment	Total
Cost price at 01.01.2014	0	0
Capitalized during the period	41 749	41 749
Disposals	0	0
A. Cost price at 31.12.2014	41 749	41 749
Accumulated depreciation at 01.01.2014	0	0
Depreciation for the period	5 735	5 735
Disposals	0	0
B. Accumulated depreciation at 31.12.2014	5 735	5 735
A — B book value at 31.12.2014	36 014	36 014
Depreciation value	33,33%	33,33%

Articles of association for the Tinius Trust

§ 1 Trust name

The name of the trust is “Stiftelsen Tinius”.

The Board of Directors represents the Trust externally. The Board may authorize the Chairman and one Board Member together to represent the Trust externally.

§ 2 Basic capital

The Trust is established by Tinius Nagell-Erichsen in a deed of gift dated 8 May 1996, with a basic capital of NOK 42 862 184.

§ 3 Objective

The Trust is the owner of the four voting A shares in Blommenholm Industrier AS. The Trust shall manage these shares and other assets belonging to the Trust in accordance with the following guidelines:

The Schibsted Group is to be run according to the main editorial and business guidelines laid down on formation of the Group, guidelines which have since been governing the Group operations.

The Schibsted Group is to be run in such a way that it ensures free and independent editing of the newspapers owned by the Group and its subsidiaries involved in editorial operations.

The Schibsted Group is to strive for quality and credibility in all its publications, and defend values such as religious freedom, tolerance, human rights and democratic principles.

The Trust is to work to achieve the long-term, healthy financial development of the Schibsted Group.

When necessary, the Trust shall also work to impact the general conditions essential to ensure a free and independent press.

§ 4 The Trust Board

The Trust Board consists of three directors appointed by Mr. Nagell-Erichsen prior to his death. Each director is to appoint his/her personal deputy director. The deputy director automatically succeeds the director when his/her term comes to an end.

In the future, each Board Member shall at any time appoint a Deputy Member who will also be his/her personal successor. The director who has appointed the deputy can, before the deputy becomes a full Board Member, reconsider and appoint someone else to be his/her personal deputy.

The Board elects its own Chairman.

§ 5 Decision-making by Directors

If a Board member is unable to attend a scheduled meeting, he/she must give notice in due time for his/her deputy to be present. There is a quorum only when all members of the Board, or their respective deputy/deputies, are in attendance.

The Board’s decisions should be unanimous. If that is not possible, even after consideration of the issue in question at a new Board meeting, the majority decision stands.

The Board of Directors can, within the scope of the law, unanimously adopt amendments to the Articles of Association and proposals to dissolve the Trust.

The Board of Directors shall endeavour to reach solutions in accordance with the intentions stated in § 3 Objective, but are expected to show considerable business flexibility.

§ 6 Auditor

The auditors are elected by the Board.

Tinius Trust

The Tinius Trust was established by Tinius Nagell-Erichsen in a deed of gift on 8. May 1996 and has a basic capital of NOK 42 862 184. Nagell-Erichsen transferred the four voting shares in Blommenholm Industrier AS to the Trust on 5. May 2006. Blommenholm Industrier owns 26,1 per cent of the shares in Schibsted ASA and is the company's largest shareholder. The Tinius Trust thus manages the largest block of shares in the Schibsted Group.

Amendments to Schibsted ASA's Articles of Association require a three quarters majority, and according to the Articles of Association no shareholder can own or vote for more than 30 per cent of the shares. Schibsted ASA's Articles of Association also ensure that important decisions made by the Group's subsidiaries require the support of three quarters of the votes cast at the General Meeting of Schibsted ASA.

As long as the Trust owns more than 25.0 per cent of the shares outstanding, these provisions give the Trust considerable influence over the ownership of Schibsted. Nagell-Erichsen stated that he wanted to use this influence to ensure that Schibsted remains a media group characterised by free, independent editorial staffs, credibility and quality and with long-term, healthy financial developments. This is also stipulatedin the Trust's Articles of Association.

Tinius.com

WWW.TINIUS.COM is The Tinius Trust's website. The website follows developments in the rapidly changing news media industry, through blogs and links to noteworthy comments from media observers.

Over the last few years – the annual reports have included interesting essays about the role of journalism, the state and development of the news media – and the changes that the industry is facing.

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The signature on the third page
of the annual report is
Tinius Nagell-Erichsen's.

Thanks to Daniel Butenschøn and
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TINIUS TRUST

2014