TINIUS TRUST

Future Platforms for Independent Journalism

ANNUAL REPORT



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Welcome to Journalism's Tipping Point

OLE JACOB SUNDE
Chairman of the Board
Tinius Trust

AS A RANGE OF EXPERTS explore the concept of *Future Platforms for Independent Journalism* from different angles, there is one clear message: We all need to move fast to keep up.

First, the good news: There finally seems to be an awakening to the notion that quality journalism is key to the survival of well-functioning democracies. There are also an increasing number of voices stressing that not only do we need journalism to support democratic values, but also declaring that quality, rather than quantity, is what engages people and makes them pay for content. Therefore, the argument is slowly but surely moving away from clickbait and reach, and in favor of quality content and engagement.

Publishers are flirting with the giants, letting them distribute some of their content and seeing what ad dollars this approach leaves on the table

The disturbing news is that one key question still has no answer: Are publishers doomed to become marginalized as mere content producers, or can we actually evolve our position as independent news service providers? The best solution would be for media companies to develop logged-in ecosystems, gathering user data to improve personalized user experiences as well as attracting advertisers. However, publishers have not yet focused on developing ecosystems. The investments in the platforms to support an ecosystem are substantial and far outpace the resources of almost all media companies. Therefore, the vast majority of users for any publisher are anonymous, and users' intents are equally unknown. We know the effects; both news consumption as well as advertising budgets are moving away from publishers' own sites towards Facebook and the like.

Consequently, publishers are flirting with the giants, letting them distribute some of their content and seeing what ad dollars this approach leaves on the table. How will this influence a free and independent press — our editorial accountability, our financial stability, and our relationship with our users? From what we know, this alternative will also imply that publishers are surrendering the opportunity to monetize their content. Furthermore, some publishers are concerned that they will lose editorial power when the tech companies have discretion on which stories to publish when and to whom. And how will all of this influence our ability to innovate?

It only becomes even more complicated for content providers as the tech companies become more interested in publishing — not for its own sake, but because news creates engagement and therefore helps them keep the attention of their users. This extra engagement is already becoming particularly important because sharing of personal information is slowing down on the social sites.

Publishing is not a primary goal for the tech companies, and they have limited desired to get involved in content creation or to be held accountable for it — so far, for them publishing is simply a means to an end. To us, of course, it is our reason for being. The tech companies' main interest lies in user engagement, which again drives advertising money. The Western European digital ad market is huge, forecasted to reach $38 billion in 2016 — of which $15 billion is display advertising.

This year's Tinius Report is dedicated to exploring the theme *Future Platforms for Independent Journalism* from a range of different angles and perspectives. To examine this issue, we have invited some of the leading thinkers and practitioners in the world to share their views and visions. Even though opinions differ, there are some common denominators: All contributors have a passion for publishing, everyone agrees it has to change, and they are all trying to shed light on possible paths going forward.

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Future Platforms for Independent Journalism





The Economics of Independent Media

ALAN RUSBRIDGER

Editor in Chief of the Guardian for 20 years.
Chair of the Scott Trust from September 2016


NEWS

CONVENTIONAL THINKING will not be enough to help news organisations survive — still less thrive in — the revolution gripping the news business. Deep pockets and structures protecting journalistic independence will be *essential*.



ALAN RUSBRIDGER was, for 20 years, Editor in Chief of the Guardian. During that time he helped lead it from being the 9th largest daily paper in the UK to one of the world's leading global news organisations. He was awarded the 2014 Pulitzer Prize for the Edward Snowden story. He is now Principal of Lady Margaret Hall, Oxford, and is due to become Chair of the Scott Trust in September 2016.

I WRITE THIS ON THE DAY the Independent's printing presses fell silent. For more than 30 years, the newspaper had struggled with the increasingly difficult economics of serious news publishing. In the end the owners, the Lebedev family, simply didn't have deep enough pockets to keep print going while investing in a digital future. Print died; long live digital.

The great Hollywood screenwriter, William Goldman, wrote of his business: «Nobody knows anything.» For anyone trying to manage a newspaper over the past 15 revolutionary years or so — never mind today — those words will have a resonance. Not because the CEOs and finance directors of media companies are clueless, but because the external content of our industry is sometimes so far beyond our control.

The digital guru, Emily Bell, vividly described the most recent transformation of the outside weather recently in a Columbia Journalism Review piece titled *Facebook is eating the world*:

«Something really dramatic is happening to our media landscape, the public sphere, and our journalism industry, almost without us noticing and certainly without the level of public examination and debate it deserves,» she wrote.

«Our news ecosystem has changed more dramatically in the past five years than perhaps at any time in the past five hundred. We are seeing huge leaps in technical capability — virtual reality, live video, artificially intelligent news bots, instant messaging, and chat apps. We are seeing massive changes in control, and finance, putting the future of our publishing ecosystem into the hands of a few, who now control the destiny of many.»

She is right. Facebook alone took revenues of $18 billion in 2015 — up 44% year on year. In the last quarter of last year Facebook's advertising revenues soared 57% from the same period in 2014. If even Facebook is surprised by the amounts of cash washing into its coffers, how are the rest of us supposed to plan?

Conventional thinking goes out of the window.

Conventional thinking says it is profligate to make losses: profit is the key. James Murdoch famously ended a 2009 lecture with the ringing declaration that «the only reliable, durable, and perpetual guarantor of independence is profit.» The founder of the Independent, Andreas Whittam Smith, had a similar mantra for his newspaper in its early days.

But at the time James Murdoch spoke, his newspapers, The Times and Sunday Times, were losing money hand over fist — and were being subsidised by his father. A few years earlier, his own company launched a predatory

Schibsted has the Tinius Trust. The Guardian's equivalent is the Scott Trust, which was born in 1936 and is intended to see the Guardian through thick and thin times and to preserve its independence.

price war to put the Independent out of business. The Independent made losses every single year since, but never lost its independence.

Most serious forms of journalisms over the years have been sustained by one form or other of subsidy. The reader has seldom in history paid enough to sustain the costly business of broadsheet news. The subsidy may have been in the form of advertising — but that model has, famously, fundamentally changed. Most often it has been an arrangement whereby profits from one company or individual have been transferred to make up the shortfall in a paper's publishing balance sheet.

Tony O'Reilly kept the Independent afloat from the proceeds of his antipodean news chains. The Observer's former owner and editor, David Astor, subsidised the paper's losses for decades. Murdoch re-routed the profits of his tabloids into his broadsheets. The Guardian was the beneficiary of profits from the Manchester Evening News and AutoTrader. Amazon's Jeff Bezos is investing in the Washington Post's rebirth; the previous owners, the Grahams, simply didn't have the cash. Ebay's Pierre Ombidyar is financing the new web-only operation, the Intercept.

Everyone (bar a few print romantics) now accepts we must learn to be digital to survive — and also that the cost of innovation and experimentation is formidable.

Rupert Murdoch knows that, and has been prepared to lose substantial sums to get to the other side of the river bank. He started, and then closed, an iPad paper, the Daily, which cost $30 million to develop and $500,000 a week to operate. He bought MySpace for $580 million and sold it for $35 million six years later.

Were these profligate failures? Or were they bold investments in the future which didn't work for reasons largely beyond his control? I tend to lean toward the latter camp: Whatever else you might think about Murdoch, he has consistently been willing to try new things — and to spend whatever it takes — in support of journalism.

Schibsted has the Tinius Trust. The Guardian's equivalent is the Scott Trust, which was born in 1936 and is intended to see the Guardian through thick and thin times and to preserve its independence.

In monetary terms, the Scott Trust is no match for a News Corps or a Daily Mail and general Trust. In my time as editor we did not, alas, devise a new economic model — any more than anyone else has. But the Trust did carefully build up a reasonable endowment — in the end likely close to £1 billion.

Most endowments work on the principle that it is reasonable to spend up to five percent of the total endowment funds in any year — smoothed over a number of years. The Trust and the Board — mostly external appointees — have had to weigh whether the greater risk to the future of the Guardian lies in investing too much too fast, or too little too slowly.

It is a subject on which many people have an opinion. In one week recently I read that we had recklessly invested in an uncertain digital future — and also that talented developers were leaving the Guardian because we were moving too timidly.

Would Guardian Media Group (GMG) act the same if it were a conventional company with shareholders? Almost certainly not. All newspaper business models today are an act of faith. The Scott Trust and GMG's act of faith has been faith in journalism.

It is a faith which has been sustained since the foundation of the Trust — and, arguably, since the birth of the Guardian in 1821. During that time there have been barely a dozen editors and, effectively, just one owner. That stability helps grow a strong journalistic culture — which is the first prerequisite for success.

But how much is *too much* or how cautious is *too slowly*? There is, as one Guardian commercial executive noted in late 2014, *no low-risk option*.

Within months — at times, even weeks — the external weather changes. Adblockers were a cloud in the sky in late 2014. Now they're a considerable headache. But a much bigger — and newer — dilemma facing newspaper managements is whether to allow — or even encourage — others to distribute their content.

As Bell notes in her essay, digital natives such as Buzzfeed, Vox and Fusion have built their presence by working within new distribution systems, not against them.

But is that right for so-called legacy players? Can any newspaper with an eye to the long-term future really reject Facebook, Apple or Google, given that these three platforms practically are the internet for many of their users? That looks folly.

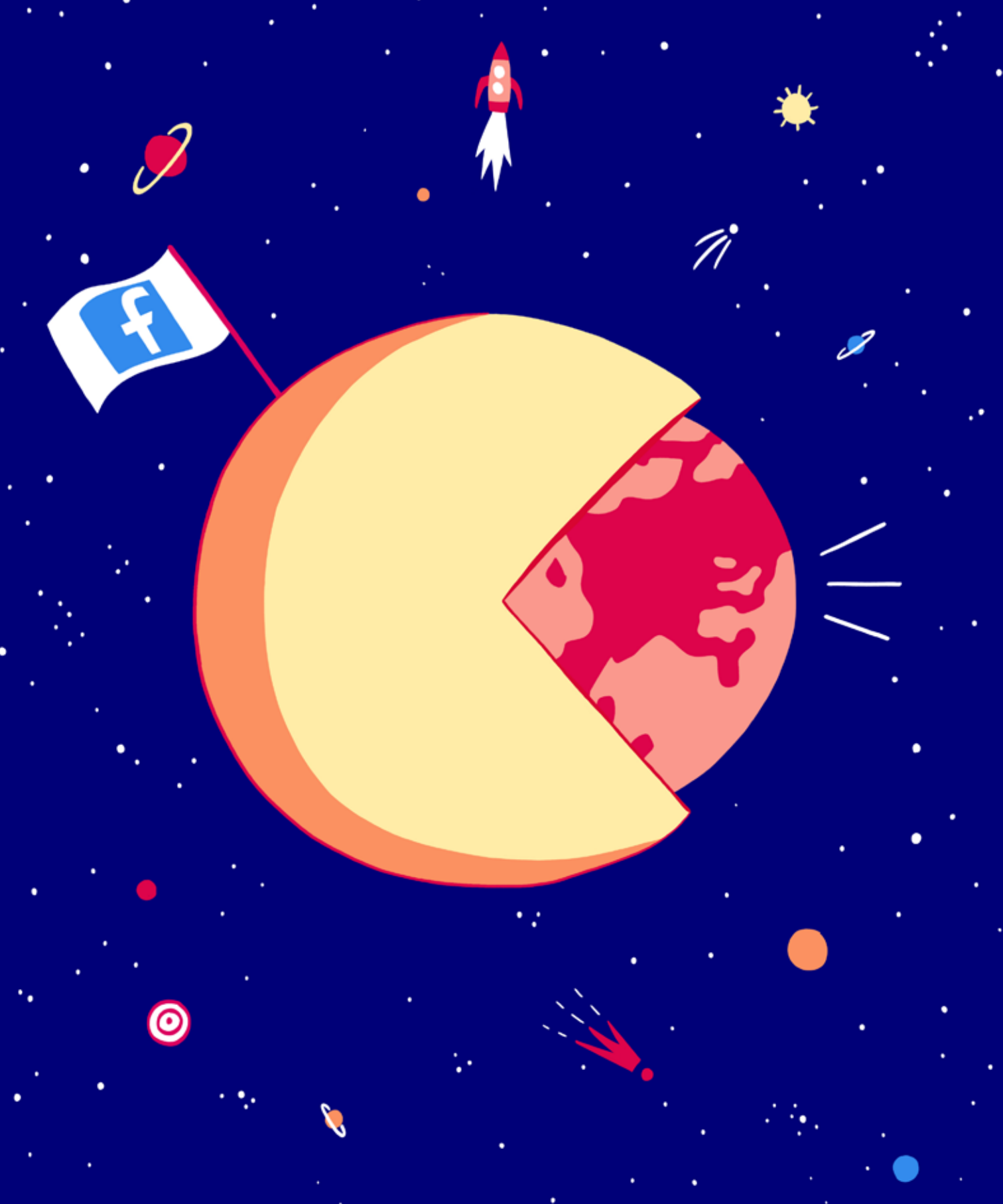
But being enthusiastically on these platforms is also fraught with risk, as Bell notes. Newspapers lose control of distribution. They don't have any influence over the algorithms which reveal, or downplay, their content.

When Bell was at the Guardian as Head of Digital, she regularly walked into my office with amazingly radical predictions. Most of them seemed mad at the time. Some were. But many of them turned out to be spot on.

See how she conceives the future now: «Even maintaining a website could be abandoned in favour of hyperdistribution. The distinction between platforms and publishers will melt completely.»

Is she right? Well, she is now on the Scott Trust, which can offer advice if asked, but which leaves the day-to-day management of the Guardian to the team in charge. Luckily, we have a terrific editor and CEO. Each generation has challenges to solve. This is one of theirs.

The birth of the Independent in 1986 seemed — and was — dramatic at the time. Its death in print is a sad moment to note. But I suspect it may end up as just a footnote in the ultimate history of the whirlwind media transformation of our time.



The Relationship Status of Journalism and Platforms: It's Complicated

EMILY BELL

Founding director of the Columbia University's
Tow Center for Digital Journalism

JOURNALISM has fully embraced the power and reach of social media platforms, and there's no turning back. But in the process, has journalism given up its greatest strength — its *independent* autonomy?



A leading thinker, commentator and strategist on digital journalism, **EMILY BELL** is founding director of the Columbia University's Tow Center for Digital Journalism. An award-winning print and online writer and editor at Guardian News and Media, Bell is a trustee on the board of the Scott Trust.

WHAT HAS HAPPENED in journalism in the past year has created what we might call the *publishers' dilemma*. A central question all companies are now grappling with is how much of the infrastructure of publishing and advertising sales to keep complete control of, and how much to give away to distributed platforms. As the world becomes dominated by mobile, social gatekeepers — the Facebooks, the Apples, the Googles — journalism is becoming a minority activity in a converging ecosystem.

Over the past twelve months, technology companies have offered strong incentives to individual publishers to create much more journalism on their platforms than ever before, with Snapchat *Discover*, Facebook Instant Articles, Apple News, Google's Accelerated Mobile Pages, and Twitter *Moments*. The time has passed when publishing could claim to draw strength from its independence. Using distributed platforms is seen by some as being the ultimate Faustian pact — independence traded for a chance at survival.

A few years ago, the news industry paid almost no attention to the Facebook F8 developer conferences in San Francisco. The annual meeting where Mark Zuckerberg talked to technologists about what the company would build next was of interest only to technology reporters. But in 2016, publishers swarmed into a packed theater to hear what Facebook was planning.

Facebook has become a useful proxy for how we think about the relationship between news, journalism and technology. A year ago, when Facebook was first suggesting that publishers could publish directly onto its platform with new *instant article* pages, there was a cautious approach by a handful of selected partners. Now publishers clamor for the rapidly growing platform to not only work with them, but to actively help them find solutions to collapsing business models. Facebook executives at F8 this year looked nervous.

«We've helped game developers make millions of dollars, but with news we are still figuring it out…and we want to help you figure it out,» said Justin Osofsky, the head of media partnerships for Facebook, managing expectations within the room and across the industry.

That publishers care so much about what Facebook is thinking is a testament to how intertwined news publishers have become with social platforms. According to figures from social media metrics company Parse.ly, Facebook in 2015 became the largest traffic referral source for the sites it measures — for the first time, ahead of Google. And Facebook also owns the messaging service WhatsApp and the photo sharing site Instagram, both of which are growing rapidly and encouraging different types of social activity.

Newspaper publishers were among the first businesses to really understand, and feel, the powerful changes that the internet brought to bear. As long ago as 1995, newspapers were imagining what a world would be like where you could, and probably would, publish 24

hours a day. Such a simple acceleration in publishing seemed like an extraordinary change back then, yet it was comparatively trivial. Today journalism faces a much bigger transition — a profound change to every aspect of its practice.

Newsrooms are already moving quickly. Key newsgathering is done through social aggregator sites such as Dataminr, with social media editors now central players in commissioning and shaping the output of a newsroom, rather than optional afterthoughts. Teams at operations ranging from the Wall Street Journal to BuzzFeed have news and curation teams that work on content and journalism only for third-party sites.

The gravitational pull of large platforms is unavoidable. Ignore it, and your business model has to exist wholly outside the current ecosystem, as advertisers, readers, listeners and viewers now access their news and information diet through a very small number of US-based companies.

The game of pursuing scale is not bringing the rewards hoped for in news. As advertising sales hit the floor at the beginning of 2016, even the strongest businesses started to falter. Newspapers like the UK's Independent withdrew from the market, digital sites like Mashable swiftly closed whole news operations, and even BuzzFeed, the model for building a new business out of viral content and native advertising, was revealed to have missed its revenue targets by a long way in 2015. Advertising as a model for publishers is broken. Subscription models are becoming more attractive, but nevertheless still only work for a small number of elite publishers. And non-profit news, with very small budgets but often extraordinary results, is becoming a much more significant model for journalism, even in market-driven America.

The next wave of applications that will change reading and viewing habits is already here. Livestream video, virtual reality, messaging apps, bots that create and curate stories and automatically deliver them to your phone — these are all technologies that are already being used by both platform companies and news organizations. With each iteration of technology, we slide further and further away from the notion that to be a news publisher means to own everything — the journalist, the presses, the direct relationship with advertisers. Larger publishers such as the New York Times believe they must invest in 'destinations' for their readers and separate ways of working with advertisers, in order to create leverage in this slippery and changing environment.

The sudden and irreversible shift in how we publish and receive news means that the structure of newsrooms, and the size and focus of their technologist teams, will have to shift as well. A newsroom with a creative and talented head of product is at an immediate advantage. A newsroom where the curation team or social media editor are effectively editing stories and making critical strategic decisions will do much better than those that are marginalizing key distribution techniques. Data is more central than ever; stories have to be tested as they are released; products have to be built on a detailed knowledge of user behaviour; advertisers effectively want *full service* from publishers or no service at all.

The next set of decisions publishers have to make will be about how much of the infrastructure of publishing to keep. Dumping a legacy web publication system will soon be as imperative as exiting print was for newspapers. A news organization based on a studio model is just around the corner, where editors will work with journalists to make their stories work on whatever platform or medium attracts audiences or revenue.

Where does this leave journalism? As power structures around the globe shudder with the revelations in the Panama Papers, it is heartening to see that the potential and impact of journalism are not diminished, but rather finding new forms through which to thrive.

It is, without doubt, beneficial to journalism that it has managed to capture the attention (and a sliver of resources) from the platforms and search engines that have denuded traditional publishers of much of their purpose and revenue. The more that journalism is recognized as potent and essential by people like Mark Zuckerberg or Larry Page, the more beneficial it is to the field. But the limitations of platforms' transparency regarding how news is distributed still needs careful scrutiny.

We know that there is enormous amplification power in networks. The 1.6 billion "active" Facebook users represent a figure approaching 25 percent of the Earth's entire population, a far greater number than a single publisher has ever been able to claim. The responsibility they now have to distribute information fairly and transparently across countries and borders is a role Facebook did not necessarily seek. The civic and legal issues of this kind of power over information have not been close to properly explored, and there are few codes, legal frameworks or even agreed-upon standards which we can apply to the situation.

The European Union has been one of the few regulators to make effective interventions; even here, we see the solutions are rarely perfect. The famous 2013 *right to be forgotten* ruling from the European Court of Justice addresses the issues of privacy against a continually published archive. Yet it is far from perfect, and favors those who have the time and money to pursue a case to have search results adjusted.

Dealing with the complexities of setting new norms and standards, preserving archives for civic and democratic purposes, and allowing journalists, publishers and the public to know why certain items are removed or censored — these are all pressing issues in this new relationship between platforms and those who seek to publish through them.

The dilemma of how to make money in a market which is no longer under your control continues to be the primary survival challenge for news. But the civic issue for democracy — how we will navigate and clarify this new relationship in a post-broadcast world — is in many ways far more important.

Death to the Mass

JEFF JARVIS

Professor and director of the Tow-Knight Center for
Entrepreneurial Journalism at the City University of New York




Google
amazon

MEDIA MUST REBUILD its business around relevance and value, not volume.



JEFF JARVIS is professor and director of the Tow-Knight Center for Entrepreneurial Journalism at the City University of New York Graduate School of Journalism. He is the author of "Geeks Bearing Gifts: Imagining New Futures for News," "Public Parts," "What Would Google Do?", and the ebook "Gutenberg the Geek." He was creator of Entertainment Weekly; TV critic of TV Guide and People; Sunday editor and associate publisher of the New York Daily News; and president and creative director of Advance.net. He is cohost of the podcast "This Week in Google" and blogs at Buzzmachine.com.

IN MASS MEDIA, we have debated for generations whether content or distribution is king. Turns out neither is. There is no king. Instead, the kingdom is ruled by the relationships among its citizens.

Relationships, of course, fuel Facebook's empire as it connects people with each other. Relationships inform Google as it uses what it knows about each of us to deliver greater relevance in everything from search results to email prioritization to maps. Each of these giants knows every one of us as an individual. Each is a personal services company.

Not the news business. We still treat the public we serve as a mass, all the same, delivering a one-way, one-size-fits-all product that we fill with a commodity we call content. What has died thanks to the abundance and choice the internet enables is not print or newsstands, longform or broadcast. What has died is the mass-media business model — injuring, perhaps mortally, a host of institutions it symbiotically supported: publishing, broadcasting, mass marketing, mass production, political parties, possibly even our notion of a nation. We are coming at last to the end of the Gutenberg Age.

Rather than continuing to try to maintain our content factory, whose real business is selling eyeballs by the ton, imagine instead if news were a service whose aim is to help people improve their lives and communities by connecting them not only to information, but also to each other, with a commercial model built on value over volume. Imagine if news understood its role not as a vertically integrated industry that owns and controls a scarcity — the printing press, the broadcast tower, delivery trucks, the audience, space or time in media, and lately attention — but rather as a member of the community it serves and as a player in a larger, complex ecosystem of information, data, technology, and relationships. Imagine all the ways that technology enables us to realize our true mission of informing communities, far beyond what we could do with our old, one-way, one-size-fits-all mass media of print and broadcast.

If we are to reimagine news as such a service — built on relationships and thus relevance and value — then it is necessary to reconsider many of our fundamental assumptions about our business: that we manufacture a product filled with content; that our core competence is distribution to audiences; that audiences must come to us to consume our content; that the public is as nostalgic as we are for our old media of print and broadcast; and that we have a proprietary hold on trust and authority. We also cannot continue to act like the proprietors of monopolies and oligopolies, believing that we can go it alone and don't need to collaborate with the new entrants, like Facebook and Google, which we would like to think stole the audience and ad revenue that once belonged to us. Get over it.

We all know the fate of Gutenberg's

invention. I have nothing against print, just as I have nothing against horses as a means of transportation or telephones as a means of talking, but we cannot hold onto an unsustainable technological artifact out of romanticism. I have been among those who argue that news must become digital first. To the companies I work with I offer a simple definition of that buzzphrase: **A legacy news company must become a fully sustainable (read: profitable) digital enterprise before the date at which print becomes unsustainable**. And that date is...? Sooner than we wish to think.

Digital — not just new media tools, but, more specifically, the internet — enables us to build a kind and quality of journalism that simply was not possible in old media. What makes the net new and valuable is that it enables relationships. My belief in a relationship strategy for news — which I explored in my book GEEKS BEARING GIFTS: *Imagining New Futures for News* — inspired the creation of a new Master's degree in Social Journalism at the City University of New York Graduate School of Journalism, where I teach and direct the Tow-Knight Center for Entrepreneurial Journalism.

In that program, my colleague, Dr. Carrie Brown, and I direct our students to select communities that identify themselves as communities (that is: not fake, demographic labels like "millennials") and then to observe and learn to listen, so they can discern the problems and goals these people share. Then and only then can we, the journalists, bring our tools to bear to help them.

Thus the ability to build new products and services around communities becomes a central skill of the new news company. Witness how Vox, Quartz, BuzzFeed, and other successful newcomers have put product development at the heart of their organizations. At CUNY, we recently convened more than a dozen of the best product chiefs in the business — from the three companies I just listed and from legacy forebears including *The Guardian, The New York Times*, and *The Washington Post*. The newcomers no longer manage silos in industrial organizations — editorial on this floor, commercial on that floor, technology behind that door. They run small, cross-functional teams that include the necessary constituents — product (formerly known as editorial), audience (though I loathe that term for its implied passivity and consumption), commercial (that is, revenue), technology (no, every journalist will not become a coder — the elusive hack-hacker), design (not just of presentation but of use), and data. These teams need to be empowered to identify a customer need and build a product to meet it.

Many new skills and jobs are required in these remade organizational structures: the ability to observe, listen to, and empathize with a community; the ability to use new products to generate data about users so we can serve them with greater relevance; the ability to maintain user profiles at an individual level and analyze and act on the data there. In our meeting with product development people, I also heard interest in a new job responsibility: user advocate (though I could argue that should be the job of an editor).

In the newsrooms I visit, I often hear the self-interested question: What is the newsroom of the future? Perhaps the better question is: What does the new newsroom make? I suggest we need to be in the business of making products that more specifically serve groups of a few definitions:

Communities — These can, of course, be geographic: serving a town or neighborhood. There are many other communities to consider: the retired, small-business owners, ethnic diasporas, parents of small children, addicts, activists, teachers, lesbian women, gay men, divorcees and on ad infinitum. Beware mere demographics — I have less in common with people who look like me than pollsters and marketers would lead us to believe, and making a product or service for a statistical grouping risks patronizing them ("what do women want?"). Beware the false community, defined externally, such as millennials or American Hispanics (who are actually comprised of many diasporas). And beware the brand and the belief that people who happen to buy our product are members of a community we define around us. Find communities that are self-defined and underserved and learn how to serve them better.

Interests — Almost all communities are, in the conception of Benedict Anderson, imagined communities—that is, groups of people who likely have not met but who gather around a common need or desire. Even if I do not know other cancer patients and might not consider myself a member of a cancer community, it is clear that I share information needs with others in my situation. There is, of course, no scarcity of interests that can be served: football team fans, environmentalists, crafters, foodies, people selling homes, people buying homes, job-seekers, cat owners, dog owners (look at Meetup.com and see just how specific this can become — say, pug owners). Beware thinking that people organize their interests around our newsroom taxonomy: news, life, business, sport. Also understand that topics are not necessarily interests. Google News head Richard Gingras likes to use this example: He was fascinated by the story of former New York Congressman Anthony Weiner — famous for exposing public pictures of his private parts — not because Gingras was interested in New York politics or Weiner's genitalia, but because he cannot resist the story of a fall from grace. Interests must be defined not in newsroom terms — the content we happen to have, the way we assign and organize our organization — but instead in the terms of the interested.

Use cases — In GEEKS BEARING GIFTS, I argued that mobile forces us to imagine and serve the many different use cases of news, just as mobile required Facebook to build or buy services for different use cases of social connection — Facebook for organizing friends' information; WhatsApp and

We junked up and slowed down the web with ever more ads and applications on pages, forcing our users to download megabytes when the content and information they seek can be contained in kilobytes

Messenger for communicating with them; Instagram for sharing moments. We should consider the use cases of news: waking up and wanting a quick view of what's happened (the home page is a rather poor answer to this need); following and receiving alerts on stories that matter to us; getting background on a story (Wikipedia has fulfilled that function and now Vox is trying to make a business of it); connecting with members of our communities to talk or take action. So long as we still print a newspaper, we also should reconsider its use case: Do people truly still need a product that tells them what happened yesterday, which they likely already know?

Thus the new news organization produces a constellation of services giving groups of people what they need. How does it make money? The industry is exploring various new revenue streams. None will be our singular savior (so far, tablets, paywalls, and native advertising have all turned out to be false messiahs). At CUNY, I am trying to help public media in the United States and *The Guardian* on extending models of membership and public support of journalism, which is the logical extension of a relationship strategy. Some enterprises — notably *Texas Tribune* — are earning revenue and enhancing relationships through events. Schibsted, Springer — and someday soon, I presume, Jeff Bezos' *Washington Post* — are turning their promotional power and their user data into e-commerce opportunities.

And advertising? Just as we know the eventual fate of print, we know where the commoditization of advertising through abundance, programmatic, and retargeting leads: downward. Yet media must still depend on advertising, for there is not enough money from the generosity of the public, foundations, government (God help us), or commerce partners to support even more efficient visions of our work. And we can rest assured that it will take generations — if ever — before brands and marketers themselves learn that they, too, can build direct relationships of relevance and value with their customers, bypassing marketing expense.

The question is whether we can sell marketers something of greater value. I hope we can sell them a skill. Consider that BuzzFeed doesn't really sell media space and time as legacy companies do. BuzzFeed sells a skill: «We know how to make our stuff viral so we can make your stuff viral, too.» Vice, similarly, sells its talent at making stuff cool. News organizations should demonstrate that they

know how to serve communities with trust and relevance — and then offer that skill to other companies that wish to do that themselves. We can do that as consultants. We can create products that serve, say, beer fans, giving them information, convening their communities, and — this is an idea from one of our Social Journalism students — organizing brewery tours. We can become service organizations that end up competing with public relationships agencies, which I argue need to flip themselves on the head and become the representatives of the public to the company rather than of the company to the public.

All that is challenging enough to imagine and accomplish. But, of course, the net being the net, life gets only more complicated. Building relationships is made even more difficult on the distributed net, which forces us to interact with the public we serve everywhere except on our sites. Suddenly, not only is our content less valuable, but so is our distribution. Of the five billion interactions BuzzFeed has with its public each month, only one billion occur at BuzzFeed.com; the rest occur on Facebook, YouTube, Instagram, Snapchat, and platforms yet to be invented.

And now come Facebook Instant Articles and Google Accelerated Mobile Pages (AMP), further driving publishers to distribute their work. Both solve a problem of our own creation: We junked up and slowed down the web with ever more ads and applications on pages, forcing our users to download megabytes when the content and information they seek can be contained in kilobytes. We drove them to install the ad blockers that hurt our advertising businesses. (Ultimately, we in media need to fix not only the web page but also advertising itself, representing the interests of our users and setting new standards for quality.)

In this latest structure of the net, our web sites are no longer destinations. Neither is content itself. Last year, I attended the VidCon — the Comic Con of YouTube — where I learned that in young people's lives, content is not a product to be consumed. For them, content is a social token that feeds their conversations. That is, when my daughter sends her friend a video, she is not recommending this as content her friend should stop and consume. Rather, she is using this media to say something about her or her friend or their relationship. She is saying about a video: «This speaks for me.» Or: «I get the joke.» If we follow this notion to its logical conclusion, content is no longer a product or a destination — and perhaps no longer a brand — but merely a cog in someone else's conversation.

Content is not king. Distribution is not king. Conversation is the kingdom.

I believe we have no choice but to distribute what we do as widely as we can. How can we still presume to force people to come to our sites when our content can travel to them? The good news is that with Instant Articles and AMP, content can travel with business model attached. The bad news is that in an era when first-party data is a prerequisite to building relationships with people, Facebook and Google know more about our users than we do. So we need to negotiate with them to get interest data about our users and usage data about our content. When I say this to publishers, I hear them protest that Facebook and Google would never give up data. But have we asked? And when I say this to the platforms, they say that publishers wouldn't know what to do with the data if they had it. Are the platforms wrong? Today, they probably are.

But Google and Facebook could teach the news industry how to better build and serve relationships. Why would they help us? First, European publishers — particularly in Germany — declared war on Google, spending their political clout to pass protectionist copyright laws. Google responded with its Digital News Initiative. Silicon Valley needs friends in our industry. Second, it is in the interests of both platforms and publishers to create means and standards for the transfer of first-party data about users in ways that serve and protect users' interests and privacy — before regulators kill our chances to do this. Third — and least cynically — I believe the platforms are sincere when they pay tribute to the value of news and say they care about its future.

I will even go so far as to say that we in the news business should look at building some products and services for specific communities entirely on the platforms — e.g., service to a community of interest on Facebook; news services on YouTube; alerts via Twitter, Snapchat, and WhatsApp; convening communities of customers via Slack. The platforms, in turn, would be wise to help us, thereby building business, soothing regulators, and better serving their users.

We need peace in the kingdom. Because of that belief, I spend a good deal of my time talking with publishers and platforms about each other. I still see a considerable gap of understanding between them, breeding unnecessary distrust. Of course, all these companies will act in their own interests; they are companies. The journalistic skill most useful in business negotiations is skepticism. But it is in the interests of all parties to understand each other and work together.

To accomplish that, I believe the industries need cross-pollination. Perhaps the greatest benefit of Google's Digital News Initiative and its Newsgeist events is that each side learns more about the other. At our next convening of product development executives in news, we will invite product (sorry: not business development) people from platforms so they can dig into specifics on small matters (e.g., Facebook and Google treat a news organization's desire to update the news differently) and large (can we begin to build standards for data exchange?). News companies are desperate to hire technologists. I also suggest that the platforms would be well-served to hire senior journalists — just a few — not to build competitive news operations (who wants to go into that business?) but to act as translators between our cultures and, more importantly, to help the platforms better serve their own users. That is what we all want to do. None of us are kings. We are all merely servants of the public.

A Platform Future for Publishing

FRODE EILERTSEN

Executive Vice President, Schibsted Media Group,
currently leading Schibsted's New Growth initiative.


NEWS
IPC
NEWS
WWW.

THERE ARE TWO CLEAR PATHS ahead of us: Submit to the platforms to survive, or innovate and thrive.

It is spring 2016 in San Francisco. It is the best of times. We are first row at F8, Facebook's own show-off tech conference, gathering some of the best and brightest digital minds, developers and partners. This year's very special guests: carefully selected publishers from around the world to feed the beast that drives engagement. On stage, 32 year-old Mark Zuckerberg is on a mission, with ambitions to make the world a better place. The impressive way his company is turning it into tangible reality is indeed inspiring for millions, if not billions, of people. Mark Zuckerberg is not only innovating on the Internet, he is becoming the Internet.

In Munich, it is gray and cold. It is the worst of times. We are at DLD, a European tech conference. In stark contrast to F8, it feels less like a conference about innovation and future opportunities, and more like a victim therapy session for "Old Europe." The air is filled with panic and reeks of fear, with most panelists crying for regulation and competitive government protection, rather than focusing on competing through innovation. The publishing industry is hardly present, they are busy at home cutting costs. The concerned industry executives on stage are from transportation, energy, banks, healthcare, retail; because the US tech giants are not merely controlling the Internet — they are eating the world, the cities and the economy.

Pause the film: Amidst exciting and pioneering plans such as Artificial Intelligence (AI) powered services, using unmanned airplanes to deliver the Internet for "the next 3 billion," and rolling out Virtual Reality to the masses, Facebook is also putting energy into the far less sexy endeavor of improving the news portion of its core service, the News Feed, for its 1.6 billion users. New initiatives, products, features, and capabilities such as Instant Articles, Facebook Paper, Save to Facebook, and news bots are all aimed at improving the value for and engagement of its users. Despite the best of intentions, Facebook's activity within news is also producing some unintended consequences: One is undercutting the funding of independent journalism by taking over the lion's share of newspapers' historic advertising revenues. Another is even more significant: Facebook may soon become the newspaper of choice for most people in most markets — all without contributing to the production of a single piece



FRODE EILERTSEN, an Executive Vice President of Schibsted Media Group until recently in charge of Strategy, Products and Technology, has been a driving force in Schibsted's digital transformation into a global internet company. He studied law in Oslo, earned a degree in computer engineering from Dartmouth and his MBA from Harvard Business School, and spent two decades in the technology sector in Boston and Silicon Valley as a venture capitalist, founder and CEO of startups, and as a global leader of technology in the energy sector for McKinsey & Company. Today, Eilertsen leads Schibsted's New Growth initiative.

of content or acknowledging editorial accountability.

Cut to the helicopter shot: Software is eating the world, and information is transforming it. 60+ years into the Information & Communications Revolution, we have reached what London School of Economics Professor Carlota Perez calls the *deployment stage* of the 5th technology revolution where the benefits (and disruptions) of information technology are finally starting to affect society at large, transforming every industry, every job, and every person's daily life.

As a traditional bellwether for many industries, the media is feeling impact of this change most urgently, as independent journalism is hit by the disruptive changes in consumer preferences: Habits and needs of readers and citizens have completely changed — going from print to digital, generic to personalized, and from info scarcity to abundance and overload.

The result is that dissatisfied readers are mostly unwilling to pay much, if anything, for subscriptions to yesterday's news products, and when combined with the perfect storm of platform companies commandeering publishers' advertising revenues, the result is disruption and upheaval. Value chains and business models of publishers must be reconstructed, jobs of journalists and editors must be re-examined, the publishing product must be re-invented, and the role of independent journalism as a pillar of free society must be reaffirmed. In sum, publishing is increasingly marginalized, with lower revenues to produce journalism, and with the distribution, monetization and the very interface with readers increasingly being controlled by platforms.

So publishers are facing a very hard choice: surrender, or innovate and compete.

So why are the platform giants so interested in the future of publishing?

To properly answer this question, we need to look back at publishing after World War II. It was indeed the best of times for 60 years, with readership and revenue growth. Publishers were able to do something that now seems impossible, making record profits while also providing a service whose reach engaged and informed the entire population, whose product protected free speech and facilitated open democratic discourse, and whose independence and integrity held powers-that-be accountable. Brands were top-of-mind in any market, and the owners were among the most respected and recognized figures in society — all because news publishing concerned and engaged us all.

As we know, this era came to an end about 10 years ago and has been followed by a rapid decline — first in print, and then also through a perfect storm in digital with emerging platforms becoming substitute news providers. As legacy media predominantly focused its attention on "classical" business levers rather than trying to innovate and compete, becoming masters of cost control, Silicon Valley revealed its appetite for entering the news services category: news aggregation, newsfeeds, Google AMP, Facebook IA, Google Reader, Facebook Paper, and more recently, bots.

But why?

Why do Silicon Valley tech companies all of a sudden not only want to work with publishing content, but also become the distributors and providers of choice for consumers?

At first blush, the answer seems easy— it's all about taking over the lion's share of publishers' advertising revenues as these revenues increasingly migrate online. And this is true; from a business perspective, there is no doubt that this is the end goal for the internet giants. After all, more than subscription- or transaction-based revenue models, advertising is still the undisputed "killer" business model online. News and classified advertising represent both high-volume and high-quality inventory that is essential for the likes of Google and Facebook to be able to monetize their user bases.

However, from a platform perspective — one focused on building a long-term, top-of-mind, sustainably loyal relationship with its users, and using this foundation to continue growing users and expanding an ecosystem of innovative services on top of its platform — the platform giants' foray into news services is motivated by a profound **battle of engagement**.

Why is that? Because engagement — the active and extensive usage of a platform — is both **finite** and **essential** to the success of any platform. Engagement, when measured in time spent online, is naturally finite for each user. The number of minutes spent on one site means less time available to spend on another site, or reading a newspaper, or watching TV. It's a zero-sum game, and hence a fierce battleground for supremacy between the different platform ecosystems. The reason the battle is fierce is because engagement is essential to monetization, service innovation and user retention: The more time users spend on a site, the more ads can be shown to them (monetization), and the more their data is captured to improve and identify new services; and the more time and services a user consumes on a given platform, the more likely she is to continue using the platform in future.

But how does this battle of engagement connect to news publishing? Let's assume that people engage with the things that address their underlying needs. In a modern world, our basic human needs generally fall in three categories: the human, the citizen, and the everyday being:

— The **Human** need is the manifestation of the fact that humans, at our core, are social beings. We seek and need contact with other human beings, and we cherish extensive and rich communication and interaction with others.

— The **Citizen** need is a reflection of those things that make us more than a mere beast. Our thirst for enlightenment in the form of knowledge and insight, as well as the practical need for being informed of the world around us that affects our lives.

— The **Everyday Person** represents our daily need to accomplish routine household tasks in our lives — small jobs, repairs, the purchase of products and services — and to be entertained. A large part of the Internet economy is all about addressing our everyday needs in more convenient, faster or cheaper ways.

As seen in this model, news publishing represents one of the most essential pillars of human need and engagement — which is why news publishing has been so central to society in the print era, as well as one of the most important engagement platforms in the digital era. Engagement, in the form of the frequent consumer usage of a platform that news media represents, is the real motivation behind platforms' interest in news publishing.

Why platforms and ecosystems are changing the game

While our needs as human beings — including our need to be informed citizens — are constant, over the past 10 years some technology and product innovations have fundamentally changed the world and the everyday context in which we humans operate. The emergence of smart devices, an explosion in sensors (from GPS to audio/video/photo recording to health monitors), and cloud computing making all services and data sharable and available across devices anywhere and anytime, has resulted in each of us being tethered to a 24/7 life recorder. This convergence has of course created new problems in the form of information overload.

Thankfully, along with these problems have come new remedies in the form of a revolution of data and advanced analytics/artificial intelligence (a.k.a. "Big Data"), as well as the linkage of this data to individual identity (logged-in across devices). This has created a whole new personalized product solution space aimed at addressing our human needs and helping us accomplish our "consumer jobs." The solution is tailored by personalized filters ("algorithms") that factor in who you are, where you are, and what you want.

Now let's apply all this theory to publishing — let's start with the reader perspective, historically an overlooked area within publishing, and consider the impact that the information revolution has had on us all, best illustrated by the research of the University of Southern California's Dr. Martin Hilbert: In the middle ages, the average European citizen would be lucky to read the equivalent of one book (the Bible, naturally) in a lifetime, and even 100 years ago that number had only increased to about 50 books; today that trickle has grown to a tsunami of 15,000 newspaper pages *per day*! As content creators and contributors, we have gone from creating 2.5 pages a day just 30 years ago to almost 500 pages today — a 200-fold increase.

What is my point? That at the genesis of the World Wide Web in 1993, the role of publishing was what it had always been: to carry out its noble mission of societal enlightenment and authority accountability as the gatekeepers of scarce news content — information, insights and analysis about the world around us. Simply put, publishers were entrusted with the power to decide the what and the how: what to dedicate content creation resources (journalists) to and thus which news events to report on, and how to cover the content they chose to include — and what to leave out. The differentiator is what defined great journalism, powerful writing and distinctive storytelling.

Fast-forward 22 years, and it is indeed a world turned on its head. Along with the smart device and sensor explosion, we have information overload. News content is everywhere, and the majority of such content is neither exclusive in source or distribution. What is still scarce and sorely lacking is order amidst the chaos.

The solution is found in personalization and automation. If you look at any online service that's enjoyed any modicum of success in recent years, it's been characterized by being always logged-in and cross-device — tailored, friction-free and time-saving due to end-to-end streamlining and automation. These are the characteristics of any "unicorn" service, be it single-product offerings such as Uber, AirBnB, Spotify, or Klarna, and in particular platform ecosystems such as Google and Facebook.

Personalization is a self-reinforcing game that heavily favors platform giants and their logged-in ecosystems, for the simple reason that both personalization and data collection require lots of data about each user. Thus platform ecosystems are focused primarily on collecting data about a user across devices (only possible if a user is logged in) and using this data to build rich user profiles, which in turn makes it possible to offer deep personalization and effective automation. Nobody currently captures more data, or invests more resources in turning this data into valuable personalization and automation, than Google and Facebook.

Why is this new solution paradigm good for the user?

Simply put, because it solves their problems, helps them do their jobs, and perform their tasks. In today's world, this solution paradigm makes everyday life easier. And users flock to those who offer the best personalization and automation.

Why publishers are losing to platforms and, why it matters

Publishers sit on one of the most valuable engagement pillars of the Internet, have large volumes of premium advertising inventory, and have potential access to great data about their readers — data that in many respects is as good as the data Facebook and Google sit on. This is the key to create personalized services and sustainable business models: The more data you have about a user, the easier to fine-tune and improve existing services to increase their usage (and data), and the easier it is to detect trends and patterns that can be used to innovate and launch new services (... to then generate even more data about users). Logged-in users also create the opportunity to become a foundatio-

nal platform for an entire ecosystem of users and businesses to build on, launch and interact. This dynamic, with a core of user data facilitating user engagement and growth, is a new type of winner-take-all scenario that risks having a few players controlling not only part of the value chain, but the entire environment — the Internet.

Look closely at what both Facebook and Google are doing, buying and building, and you'll see that they are aiming straight for the heart of publishers' business, building ecosystems based on an engagement strategy of publishing combined with intent data. Facebook is evolving its Newsfeed from a pure friends feed to an increasingly curated news service (high engagement) while rolling out Facebook group-based Local Marketplaces (rich in valuable intent data) in their app, and combining these with the most powerful social graph and audience-targeting machine in the world.

Google comes from the position of owning extremely powerful intent data through search, and right now is making publishers a very compelling offer of access to their platform's news content and user engagement. Their strategy is the same as Facebook's, to leverage premium publishing inventory with user intent data, and their goal is clear: to win the user engagement battle and capture the lion's share of advertising revenue.

Let's pause for a minute: If the tech giants are replicating publishers' core domains, of which they have little specialist or locally relevant knowledge, it triggers an observation and a question.

The observation is: If publishers are sitting on one of the Internet's most valuable and vibrant engagement platforms, with valuable user intent data, it means that we are sitting on a great unfulfilled potential to build ecosystems ourselves. Picture a Norwegian or Swedish ecosystem, where you log in once and get easy access to all quality content and journalistic stories from sources you trust, where the data you share is used transparently to create better services for you, and is protected in a way you can control. Imagine if we, together, could use our combined positions and local knowledge, enhanced with a step up in new digital disciplines such as data science and analytics, software engineering, and product design, to create better local ecosystems, with better services for people and society, than the Silicon Valley tech giants.

The question is: Given this analysis, given the battle for engagement, given that the paradigm shift towards logged-in engagement ecosystems has been going on since the iPhone launched in 2007, *why aren't news publishers responding forcefully, using their position of strength to unite, innovate, compete and win the battle of platform-based ecosystems?*

The short answer is: Because publishers don't actually capture data about their users, and as a consequence don't really know them. Therefore publishers are unable to meet today's user needs around personalization, or even use their data to enhance the value of their advertising solutions.

That's the short answer. To properly answer this question, it's worth taking an honest look at our starting point as well as our motivation.

Our starting point as publishers is that legacy media is not only being disrupted, but nearing outright extinction: On the news product side, consumers have moved from print to mobile, where their needs are not met by today's legacy news products, and they are therefore increasingly consuming news off-platform. On the business side, consumers' willingness to pay is at best a mere fraction of traditional print subscription prices, at the same time that platform companies are chipping away at the advertising revenue that publishers increasingly just to survive. The end result is that the majority of news consumption is taking place away from domains controlled by a content producing editor.

Platform companies are winning, and this is — regardless of their best intentions — an undeniably bad thing. We see it in the democratic process in the US, where over 60% of American citizens cite Facebook as their primary news source — and that is before the machine is even fully up and running. You see it in the way that Facebook uses its algorithms to control what you see, filtering out art (nudity) but allowing hate speech, all while taking down news pages under pressure from political regimes like Turkey. Still, they claim "we have no role" when confronted with editorial accountability or their responsibility as a de-facto publisher.

So let's just imagine for a moment what will happen when a handful of global platforms get to exclusively decide what information we see, control what kind of journalism is promoted, and dictate the economic terms of funding independent journalism — all without caring about or investing resources into producing any journalistic content of their own.

Why does this actually matter for you and me? What is our motivation for preventing the tech giant platforms from winning?

Because a few global platforms from the US and China taking control of the creation, economics, and consumption of news will be bad for innovation, journalism, readers, and, ultimately, society.

It will be *bad for innovation*, since the platform giants are not focused on innovation in journalism per se; and since they already control the interface to the users, they effectively make it impossible for publishers to innovate around news services.

It will be *bad for journalism*, because a journalist or publisher is no longer free and independent when someone else is dictating reader access and journalistic formats, and completely controls your economic means. You lose responsibility, you lose independence, and you lose authority and credibility.

It will be *bad for readers*, as it will not be transparent what they get to see or why they see it; as potential beneficiaries of innovation, they lose out; as participants in a democracy, they risk being uninformed "filter bubble" casualties.

Most importantly, it will be *bad for society*. Any democratic society needs a free and independent press to hold aut-

horities accountable, to uncover abuses of power, and to ensure that citizens are informed, engaged and empowered to participate in the democratic process.

Two options: surrender or innovate

Platforms are changing the game, and they are coming for publishers' readers and advertising revenue, which is bad news all around. And yet, we as publishers still posses unique expertise, valuable positions and unique local knowledge that together can create new opportunities.

As I write this, publishers around the world are considering their options.

We can surrender. We can say that the platform battle is over, declare Google, Facebook and Apple winners and join one or multiple of these and try to make the best out of the situation. The problem is that while the *New York Times* and *Washington Post* (or Buzzfeed for that matter) might be able to scale English-language journalism globally via distributed publishing, very few other local markets and languages can scale. Certainly not the Nordic languages, and not even the large European languages such as French, German or Italian. Even forgetting such concerns as editorial independence, transparency, integrity, or ability to innovate — the core advertising monetization model is broken, and it's hard to see how we can fund a critical mass of independent editorial teams of competent journalists.

Alternatively, rather than surrender, we can imagine...

Imagine an ecosystem that is not Google/Facebook.

Imagine that a critical mass of quality content is available in a premium journalistic ecosystem.

Imagine that our data is incredibly valuable for monetization and for developing a personalized, trust-based relationship with the user that can then be used for the development of more innovative services, taking advantage of the fact that publishing is one of the most engaging activities in our lives.

Imagine if we assumed responsibility for our own destiny: Complemented our strengths as publishers with investments in tech and product to take control over user data and user interfaces, to innovate, improve and deliver tailored, user-friendly, content-rich and expressive editorial and advertising experiences, which in turn ensure happy, loyal users and advertisers willing to spend time and money with us.

This imagined path represents an alternative digital future for publishing driven by innovation, redefining what news services are in a digital age, serving society and its citizens, and generating the kinds of profitable revenues necessary to ensure long-term sustainable independent journalism.

A possible digital publishing future – an alternative mission and ecosystem

Allow me to go one step further and share a possible publishing mission. A mission that could become a future path for digital publishing and journalism that is not beholden to the editorial and commercial mercy of California-based tech companies.

This mission, a redefined reason for publishing's existence (and one that Schibsted believes in) is *to build the foundations of a functioning democracy, by* ***closing the gap between what people already know and what they should and/or want to know*** *— so that people are empowered to make informed decisions about their personal life, community, society and governments.*

In order to realize such a mission, our publishing vision (or ambition) must succeed in transparently and intelligently connecting and engaging people with **credible** and **relevant information** at the right time and place, through adaptive, highly granular, rich storytelling.

At first blush, a critical reader may argue that this may sound like the timeless and noble mission that has always defined publishing around the world, that continues to set publishers apart from the pure technology-driven

Build the foundations of a functioning democracy, by closing the gap between what people already know and what they should and/or want to know — so that people are empowered to make informed decisions about their personal life, community, society and governments.

companies. However, when matched with today's altered reader habits and needs (individual filtering, balanced selection and synthesis, insight and understanding) in a highly complex, information-overloaded, multi-device, always-connected world, this mission changes publishing's

— **competence** to place new disciplines and expertise in the form of sophisticated technology coupled with rich data and advanced analytics, at the very heart of the newsroom;

— **way of working** to become data-based and user-centric; and

— **products** to become 1:1 (logged-in) rather than broadcast in news curation, user-centric rather than content-centric in news presentation, and two-way social and engaging.

The platform companies are being so successful in their quest to become primary interfaces for news consumption precisely because they have the competence that publishers sorely lack. Their platforms and way of working are iterative, data-based and user-centric, and their products are highly personalized.

For us to succeed, we must therefore embrace these changes and match the capabilities of the platform companies.

And as a pre-requisite and original motivation for it all — we must start to know our users by taking control of our data and user interfaces. As Schibsted's Adam Kinney discusses in more detail in his article *We Need a Data Revolution*, we must start to individually identify and capture data about our users over time and across devices (through log-in) and translate this data into deep knowledge about our users. And then use this knowledge to shine a user-centric light on everything we do — as journalists, as editors, as product developers, as entrepreneurs.

What we must do: Create a next-generation publishing service

Taking control of our data and user interfaces and stepping up in the core domains of global tech companies gives us the right to play in the battle for user engagement and news consumption.

But can we compete, differentiate and win? Absolutely! We publishers have unique advantages that we must use to innovate and deliver a superior news experience. This includes editorial accountability through full transparency on how algorithms work regarding users, unrivaled curation expertise to yield superior algorithms, and deep content creation.

Based on these advantages, and combined with great data and technology, we at Schibsted have found it easy to imagine future news services in the form of an intelligent personal digital editor...

— ...that draws on a content pool of thousands stories to offer complete, yet highly filtered, news coverage to close the gap between what you know and need to know,

— ...that adapts the storytelling to each user, going below the article level and personalizing the content atoms and visuals of a story,

— ...that is transparent about why and how content is selected to each user, and who can be trusted to provide a balanced view of the world,

— ...that delivers a seamless experience across all devices,

— ...that engages users in tailored discussions around content,

— ...and that links content with reader action— *actionable journalism*—for people to take action as engaged citizens based on what they read and learn

As Schibsted's Espen Sundve further discusses in his article *Next-Generation Publishing Products*, these imaginations are opportunities publishers have to reimagine publishing products that no Silicon Valley tech company can match. It requires that publishers have the will individually to change their competence, way of working, and products.

At an industry level, it requires that publishers come together in an ecosystem, pooling data about content and users, supported by a platform ecosystem business model that ensures the friction-free flow of content and data across all. To beat the platforms, we must ourselves be a platform — to provide the technical glue and the brains for login, data analytics, personalization and advanced publishing functionality needed for optimal flow of pooled content and competitive ad targeting. No individual media company in any market — be it Germany or Spain, France or the United States, India or Brazil — is big enough to do this alone. Not even Schibsted in our unusually strong markets of Norway and Sweden.

Is this all difficult to achieve? Of course it's difficult, particularly for an industry not accustomed to collaboration, nor used to moving with urgency and agility. But we have the choice as an industry, to either imagine and explore a future together, or risk not being a part of a future at all.

We believe we have a purpose to fulfill, something worth fighting for — maybe now more than ever.

So if we are even close to be in position to make that difference – how could we not do our very best to try? Just imagine...


Austin
TEXAS
HOLLYWOOD

Journalism from 40,000 feet

JAN HELIN

Former editor in chief and CEO for Aftonbladet for eight years.

IF YOU WANT TO UNDERSTAND the future of journalism, we first need to take a step back to understand the forces that are pushing it inexorably forward.

Let's zoom way out to look at the big picture. Not just the future of journalism, as if it were an isolated question. Let's not even start with current hot topics, such as whether an algorithm is better than an editor, or if bots will replace apps.

Let's go all the way up to where the air is thin. We'll be able to see quite a distance, but I should warn you to be careful about the free flow of ideas that is brought on by the exhilaration of oxygen deficiency in combination with magnificent views. Things might appear obvious and easy in that state of mind. It might remind you of that liberating first drink on a long flight. Then when you've landed, everything's a mess again and lots of people start bugging you about everyday stuff.

But for now – let's stay up high and look down.



JAN HELIN was the editor in chief and CEO for Aftonbladet for eight years. Before that he had a long career as a reporter and staff writer for Aftonbladet. This spring he is beginning a new position as Head of programming for Swedish National Television company SVT.

Information is just streaming along in a way that makes it more accessible and cheaper than ever. But it also seems that people are really only using it to explore what's already familiar to them. In the United States, 60 percent of internet users now say their primary news source is Facebook. To become informed citizens, they trust an invisible algorithm that they don't understand and can't hold accountable for curation of the news.

Technology is beginning to develop itself, all on its own. Up until this year, artificial intelligence was science fiction, a stream of algorithms that might turn into reality sometime in the future. But in March this year Google's DeepMind artificial intelligence program defeated Mr. Lee Sedol, the human world champion in the ancient Chinese board game of Go. We were forced to move the future 10 years closer to us. CNN ran full speed ahead. In April, they were the first western media company to release a newsbot on Facebook's Messenger platform. Powered by artificial intelligence, it can handle your request for news in a second. The CNN bot isn't very smart yet, but it's learning.

Capital is streaming more freely and faster in a way that makes it look more like information than money, at least from on high. And this money flow no longer heeds the boundaries that we formerly used to define nations — in fact, Capital has fundamentally lost its connection to nations. The disruption of the financial sector will most likely resemble the revolution in the media industry, but the scale will be much more massive. Will there be any money around to finance free and independent journalism to report on this huge change?

Politics is not keeping up. Political undercurrents with roots in Europe's darkest corners are making coinage out of Capital's disinterest in the Nation, in combination with increased migration, and are trying to re-establish nationalism. These forces are calling journalists "enemies of the nation" and directly threatening free media. The ethnically, culturally and religiously homogenous national state — the caliphate — is the political idea that is growing fastest right now. Opposing forces that want to promote humanistic values are labeled "politically correct" and are hated and threatened in social media. In tougher and liberally underdeveloped environments, they are labeled "kafir" and are hated, threatened and decapitated. These are the darkest conceivable political times. Again.

People are increasingly streaming across national boundaries for two reasons. Either they are fleeing for their lives from areas hit by war, poverty or famine, or they (a much smaller, but equally clear stream from all over the globe) are migrating towards the large technical centers on the American West coast and the Chinese East coast. Their proven brainpower gives them the opportunity to work with some of the most powerful institutions on the Earth today. Google, Apple, Facebook, Amazon, Tencent, Alibaba and Baidu are neither American nor Chinese companies whose purpose is to strengthen the US or China. These internet giants are global entities with no national concept beyond paying as little tax to them as possible, which is why historically large amounts of capital are now floating in tax havens outside of American territory. Internet giants are rebuilding our world, but not our nations. They are revolutionizing the way we distribute information, but have no obligations to free and independent journalism.

But what do these five meta trends have to do with the future of independent journalism? Let's descend a bit and have a look around at how each manifest with our feet back on the ground:

Information and journalism

It's the morning rush hour in the neighborhood surrounding London University, heading towards Facebook's European head office. Going through rush hour on the way to the office is a very concrete experience of the new world order. A steady stream of people, ages 20 to 40, of every possible ethnicity, are walking firmly and decisively towards their daily bread. This is a migration of the sharpest brains from all over the globe, on their way to one more day of developing the world's fastest growing journalistic platform.

Nick Wrenn, head of Media partnerships at Facebook, has convened a meeting of Scandinavian publicists to get feedback on a product called Instant Article and launch a number of news items on the platform. Every Scandinavian publicist of note is represented. He presents the news:

— MENTIONS. A special function reserved for notable people, journalists, artists and politicians with their own followings. Via Mentions they get access to tools such as live video and live interaction.

— ASK THE LEADERS. An interactive program format and pure editorial project where Facebook users can have live discussions with a public personality without being filtered by a program host. Sky News has already tested this format as the first partner. The first guest was British Prime Minister David Cameron, who interacted and answered questions for two hours with Facebook users.

— LIVE VIDEO. BBC and Danish TV2 are actively using this live service on the Facebook platform to profile their correspondents with an audience that doesn't watch linear TV.

— 360 VIDEO. Facebook's video player can now handle a format where you can twist the image so that you see everything in 360 degrees. This was effectively illustrated by a YouTube star who filmed himself surfing through a rip curl, and you can experience everything in 360.

Facebook has worked out a publishing strategy that they are very actively marketing to European publicists. Nick Wrenn presents the newly formulated vision for Facebook publishing: "Connect people to the content and creators that best inform and entertain them." Can anyone with something to say

remain uninvolved?

Facebook currently has the world's best audience segmentation for targeting information. But they have a low level of intentional data. This is one of Facebook's few weaknesses. Simply put, we could say that the internet began with anonymous users, went to identified users and is now rapidly moving to a place where we know what users want. A marketplace is extremely good at gathering data on what user intentions are when it comes to consumption. This is what we identified in the Schibsted Global Publishing strategy during the fall of 2015, and presented to Schibsted's board at the beginning of December 2015.

The strategy in brief: Using Schibsted Media Platform, we structure the data and load the publishers' inventory with data from marketplaces, as well as other companies with significantly revealing user data. The publisher in turn provides frequency, reach, premium advertising inventory and interest data to the ecosystem and a deeper understanding of the user.

This was in large part a more precise version of Schibsted's earlier ecosystem strategy, which — in my view — was lacking in its view of publishing. Now the strategy is in place and the media platform is under construction — but where is Schibsted's promotional road show to publishers around the world? We have nothing to be ashamed of. What we have produced so far in the Schibsted Media Platform is the best content management system I have ever come across in the publishing world. But to move it requires a top-level dialogue with partners, coupled with a slow and methodical selling job, if we want to be part of the game. And I'm afraid there isn't much time.

Google in this respect has the exact same strategy as Schibsted — to charge publishers' inventory with data about user intentions. Google has the world's largest collection of intentional data via its search engine. They have an effective ad platform in Double Click. Their weakness has been that they lack a platform for publishers' content. But they're changing that now. Google has put a massive number of developers to work on building AMP — Accelerated Mobile Pages. AMP cuts across all existing platforms, including Facebook. The prototypes they've shown so far are lightning fast and glide seamlessly over your own platform and social media. Facebook and Google are just now moving in completely opposite directions. Facebook is making its platform more into a walled garden where you are welcome to plant things, but they do not want roots to grow outside of that garden. They have succeeded in getting publishers all over the world to reduce their presence in the food chain to being production companies and content suppliers. Google is opening its platforms more and more. It's visible for anyone to see that this is a battle between a proprietary internet and an open web.

Ever since Amazon's founder Jeff Bezos bought the *Washington Post*, it has been under complete digital renovation. Next to the Schibsted Media Platform, it is the most advanced platform for publishers in the world. The platform, called project Loxodo, permits (among other things) panel testing of content against competitors' content or against that of the *Post* itself. It includes built-in modules where an editor adds three versions of headlines and pictures; an optimization algorithm decides which version to use, based on user data. The platform can send out different versions to social media platforms and its own platform, depending on which combination of text and image performs best. The platform also supports optimization of a data-informed ideal publishing flow. The *Washington Post* promotes its platform widely. According to a conversation I had in March with the Post's Chief Product and Technology officer Shailesh Prakash, they now have five partners on board for Loxodo, and five more in the pipeline.

No one says it out loud, but consider for just a moment whether Jeff Bezos plans to fill the Post's inventory with Amazon's gigantic volume of intentional data...Is Schibsted's publishing strategy about to become someone else's reality?

The startup trend in publishing is clearer now than it was a few years ago – startups build their brands deliberately to try to become so strong they trump the platforms they're built on. It appears to be an alternative survival strategy. The outcome of that is undoubtedly some good journalism. Whether it also works for survival remains to be seen.

The two clearest cases are BuzzFeed and Vox. Both started as platform players, and Vox still to some extent is. Founder Jim Bankoff started Vox as a tech company with a passion for journalism. Their platform is impressive, but today they have adopted more of a cross-platform strategy. They don't pull enough traffic directly to their platform, so instead they are shifting their focus to lead quality development in journalistic niches and branded content for all platforms. In this they are challenged by the scruffier BuzzFeed and one of the coolest publishing brands on Earth: Vice.

They all specialize in engaging users on a deeper, more personal level than traditional media. They are daring to go deeper into niches in order to build credibility and relevance, compared with legacy news media that often emphasize readership and breadth over niches and personality. This is an interesting development in journalism. The question is: Can it survive without a firm proprietary platform? Or are we witnessing a march into the abyss on platforms that offer effective distribution, but no sustainable business model?

Another question is if Schibsted is able to light up the future path for publishers globally. An overall map has been drawn by Schibsted's global publishing strategy. The rest is a question of will, ambition and beliefs.

Technology and journalism

Austin, Texas bubbles over with faith in the future, developmental optimism and the will to seek in-depth understanding of digitalization during the week of South by Southwest Interactive.

Kevin Kelly, managing editor of cult tech magazine *Wired*, has the ability to follow tangents of current trends to capture the underlying movements.

Now he's sitting on a stool, talking to thousands of enraptured listeners. This is the year that artificial intelligence took a giant step that no one thought would be possible for another ten years. The fact that a computer beat a world champion at the board game Go is a sensation. In all probability every new innovation will be built on some type of artificial intelligence in the years to come. Kevin Kelly has devised a formula for the startups of the future: Idea + Artificial Intelligence = Future Product. In another ten years he predicts that the formula will change. Artificial intelligence will then be a commodity. A stream you tap into. The formula will be turned around: Artificial Intelligence + Idea = Product.

Kevin Kelly could have added that this development is generally expected to play out on chat platforms. One of the largest paradigm shifts since the introduction of apps and Apple's ecosystem via their App Store is waiting to happen. As this is being written, Facebook has just opened up the "Bot Engine" on their Messenger platform. A bot is basically a bit of software that can carry out automated tasks via a script over internet at dazzling speed, handling ad hoc user requests using artificial intelligence to deliver better and better responses. Another front in the platform wars is emerging...

So far my imagination can't see beyond applications in text and perhaps voice. For example, you put a direct question to United Airlines through their bot in Messenger: Is the flight on time, are there seats left? And you'll get an answer in less than a second and can buy that seat with one click — or by saying the word *buy* to the bot. Compare this with the airline's current app, where some poor developer has had to contend with a communications manager who completely loused up the app with information you don't need, and which takes you many minutes to dig out the same answer.

Through bots, you'll soon be able to buy things and have them sent to your home, make restaurant reservations, buy food and hundreds of other services you need daily. And it's no coincidence that these bot-driven services are going to be built on chat platforms. Both the technical architecture and the user experience are prepared for this. The only thing that isn't ready yet is the advertising market. There are no ad products developed for chat channels. But you can bet that there will a long wait for that innovation.

Chat platform usage is breaking all kinds of records. Facebook Messenger alone has about 800 million active users every month. That's more than a hundred times as many who used an iPhone when Apple launched The App Store. Chat applications today have more users than all social networks in the world combined.

Bots are also getting names. The latest financing rounds in Silicon Valley were almost all about bots: Howdy (a bot that powers teams by automating common tasks), assi.st, (a traveling/shopping chat bot) Hyper (a bot that makes your computer more efficient), Pana (a travel bot), Scout (a gaming bot) and Luka (a restaurant bot that is developing into connecting users with other kinds of bots).

So you could say that a bot on a chat platform is like an invisible app. And since we all love to refer to popular culture and are depressed by references to *Minority Report*, which described the interaction between human skin, glass and content before it became a reality, everyone is now talking about a much older film. Stanley Kubrik's slow, poetic space adventure from 1968 – 2001: *A Space Odyssey* – set to the orchestral strings of Johann Strauss, with the HAL 9000 computer in a leading role. That's where we're headed. Being able to ask a computer whatever you want, and it will answer you. Or ask it to do things, and it will get them done.

Read a bit further and you'll meet my friend Tom Xiong in China, and you'll understand that we are looking way too much at the US if we want to understand the internet. In China, this is already a reality, and Facebook is struggling to catch up.

Apart from a number of news services expected to be driven by bots on chat platforms, artificial intelligence is mainly going into storytelling via virtual reality.

Every media group is experimenting with virtual reality in some form, from the Swedish Broadcasting System to the *New York Times*. But what does it mean? Kevin Kelly says that what we are seeing is a transformation of the internet, from being a place where we've collected information to being about connecting us to experiences. The future of live coverage is not just about real time. When the team arrives on site and gets their VR cameras going, you'll be able to be present in the event. We've seen this already in 360 video, when CNN experimented with a 360 camera during President Obama's State of the Union address — or when ABC set up a 360 camera in Times Square during that powerful late-winter snowstorm. All published on Facebook.

For journalists, all of this most likely means that artificial intelligence will completely change the way news is discovered, curated and consumed. News bots might be a new paradigm, we might think of news apps as an early step of packaging news that later develops into bots within communication apps. Bots based on artificial intelligence will be able to deliver ad-hoc tailored news that might link you to the immersive, rich VR user experience of live events. I'm looking forward to reading about Schibsted's bot strategy for publishing.

But for now, let's end this reflection with a quote from Kevin Kelly from Austin, Texas: «Remember, it has always been hard to believe the future.»

Capital and journalism

It's a slow afternoon in a fashionable residential area in Los Angeles. Anthony Watson watches his pool clea-

Meanwhile, the societal upheaval from digitalization, and the digital transformation of lots of other industries, will make it vitally important to have a strong, independent media to help explain and facilitate the discourse.

ner packing up his equipment. His pool cleaner belongs to the 100 million people in the US who exist outside of the financial system, with no relation to a bank other than when he sends money to his aged parents in Juárez. Each transaction costs him $25. This drives Watson, Barclay's former CIO, nuts. Because he knows the real cost of the transaction: two cents.

Based on this type of frustration and deep insights into banks, Anthony Watson quit Barclay's and started Upload. In little more than a year, the company has carried out transactions worth one billion dollars. This breakthrough into the market wouldn't have been possible if the banks had understood disruption in depth and adopted a reason to be stronger than financial margins.

Instead, about $19 billion will be invested in Fintech this year, in companies like Anthony Watson's Upload.

Banks are ganging up in order to defend their old business models. But today they are only protected by politically motivated regulations. Technology is challenging them at a fundamental level. And guys like Anthony Watson, driven by both technology and a credo to offer a fair deal to his Mexican poolguy.

There are obvious parallels with the media industry here. Anthony Watson claims that what is happening now with money is that it is clearly being reduced to information — to ones and zeroes. When the internet made distribution of information free, media companies were thrown into their most turbulent period ever. So why should anyone pay $25 to transfer money to their family in Mexico? Digitalization has made it illogical, and also immoral, according to Watson. He has never had to pay such fees to a bank for such simple services, for the simple reason that he has a different relation to his bank than a Mexican pool cleaner.

Is there anything that can change this world order? Digitalization says yes, while the American banks' deeply rooted ties to Washington politics say no.

Some people speculate that Blockchain, the technical platform behind Bitcoin, the internet currency, could be used for the world's exchanges and marketplaces. This would mean a massive disruption for banking systems. This would theoretically mean that all of the world's back office systems would be automated. According to an interview in *Dagens Nyheter* with Sweden's former Minister of Finance, Anders Borg, this would mean that well-educated bankers would be suddenly declassed. He compares this with how the media industry was completely transformed by digitalization, and journalists felt declassed. The deep concerns this created on the job markets paved the way for populism. The only true cure against populism is increased wealth for the people, according to Borg. People don't want to change overnight. We want to experience security, be seen, and hear that we are important.

If digital job destruction does hit the finance sector – which many believe will happen – there will be many more visible upheavals in society than we experienced in the media industry, since the world has so many more financial people than journalists. On the whole, it would be a more just world, since it would be harder to force Mexican pool cleaners to pay crazy fees — a moral crime. But at the same time this development would yank the rug out from under a place it has never been yanked before — an educated middle class in the western world.

Meanwhile, the societal upheaval from digitalization, and the digital transformation of lots of other industries, will make it vitally important to have a strong, independent media to help explain and facilitate the discourse.

Politics and journalism

Over the Christmas holidays in 2015, there was a midnight raid on free journalism in Warsaw, Poland.
«All journalists, editors and news producers can be fired!» announced Piotr Glinski, the Minister of Culture. The

government could then assign its own handpicked new managers to Poland's state-run TV company, TVT, and Polish Radio, plus the public news agency PAP, and 17 local channels.

There was no difference at all in the wording of the official Polish explanation and the choice of headlines in the Swedish extreme rightwing publication Nordfront: «New law in Poland to clean up cultural Marxists in state-owned media.»

«Culture that is publicly financed should be patriotic and tell the world about Polish heroes.»

That wasn't taken from some hate forum on the net, it's an extract from Polish Prime Minister Beata Szydlos's inaugural speech. And to make sure no one misunderstood it, her media spokesman, Krysztof Czabanaski, explained that it is about «changing public media to national media.»

In this way, Minister of Culture Glinski can justify the new media law, which gives him direct political control of media companies, through a well-worn argument from many countries today:

«Media companies are crawling with liberals and leftists.»

Not a word about journalism, of course. How it's a process and a craft, and how, if it is to be non-partisan, it must be taught and practiced with no regard to your own political opinions. And of course not a word about the importance of an independent media, free from political pressure. Instead, a public statement from a member of parliament from the Law and Justice party who said: «Impartial media is an idealized myth that makes it harder to run this country.»

This is, of course, a view of media and democracy that will prove to be disastrous. We recognize this all too well in European countries today. Political forces that say that independent media are actually a political elite who suppress people and their true opinions are like a warped mirror where independent journalists are painted as a degenerate liberal invention that the nation must get rid of.

In an interview with the German newspaper Bild, Polish Minister of Foreign Affairs Witold Waszczykowski defended the implementation of media laws and the disavowal of the Polish Constitutional Court by saying, «The previous center-right Polish government followed a political agenda that was skewed to the left. As if the world, according to Marxist theories, was decided by fate and could only develop in one direction — towards a new mix of cultures and races, a world of bicyclists and vegetarians.»

People who ride bicycles and eat vegetables may be suspect in some ways to some. But government influence over such groups in a democracy should reasonably be none at all.

In Hungary, what Poland is trying to accomplish is largely already a reality. A new government body – the Media Council – has been active since 2010. It only has delegates from the ruling party, Fidesz – a nationalistic and strongly conservative party. All media groups – including individual bloggers – must register themselves with the Media Council. Media can be fined for *politically unbalanced* or just *generally unbalanced* reporting. What is balanced or not is decided by the government. The Media Council can also demand that journalists reveal their sources.

We must be able to see this now. How this constant hacking at media is part of a policy. How the systematic labelling of journalists as suspicious is an ideology.

And this, as well as publishers' self-confidence, is fading as fast as their business models are crumbling. It's starting to look more and more like a build-up of a perfect storm against a free media.

If we can't manage to see this on our own home turf, we can see in Poland how quickly these political movements can be converted into laws. In Hungary we can see how they can become political practice.

The populist forces growing all over Europe today are all directly opposed to the media and accuse them of being partisan and of being a part of a conspiracy against the people. Let's be clear about one thing – these forces don't want independent media; they want politicized media.

If Schibsted ever doubted why we're here at all – go back to the core, to free independent journalism. This is where we find our raison d'être. The soul of our digital ecosystems.

The craftsmanship of independent journalism is under severe attack from several directions. It needs strong and smart defenders more than ever. Schibsted should not hesitate on «to be or not to be» in journalism. You have the best story in the world on the tip of your tongue – how the strategy of the digital ecosystem saved free and independent journalism. It needs to come off that tongue and go out to the world – with confidence and self-esteem.

People and journalism

The hutongs in Beijing are aligned mainly in an east-west direction. But it doesn't help. For an outsider it's impossible to navigate in neighborhoods whose alleys were built under the Yuan dynasty (we in the west would call it the 1200s). Mongols under the legendary Kublai Khan established the network of streets that still sets the tone in central Beijing.

After an intensive week of visits and studies in the Chinese digital ecosystems, I'm on my way to a dinner down in the hutongs with my friend Tom Xiong. Once CEO of tv.nu, today he's an entrepreneur and founder of a startup in Shanghai.

We connect on WeChat, asking about each other. A map comes up. I see Tom in the telephone, and he sees me. We write a few greetings and instructions and then turn on the voice function until we are 50 meters from each other and start waving.

We have just used one of 1200 services on WeChat. There isn't any digital service you've heard of that isn't already on the platform. Everything from airport parking to ordering a cook to fix dinner, or someone to do your nails or clean your home. And yes, a technically brilliant news feature with a problem –

there is no such thing as free and independent news in China. But technically it's better than most news apps you see in the west. The development in China, with digital ecosystems tightly knit into the actual transaction of money for service, is what drives things like the bot frenzy, and payment solutions on chat platforms back in the western hemisphere. Facebook founder Mark Zuckerberg's well-known fascination with China isn't just about his wife's family background and learning the language. It's about what his company is best at – seeing, learning, understanding and adapting with the social graph always as the foundation.

It's turning into a fine evening. We talk about how the clearest needs for journalism have been turned 180 degrees. Just ten years ago, researchers were pretty much in agreement that the need for journalism emerged because citizens generally lived with an information deficit. More news and information was good for the informed citizen in a democracy. Even information whose quality could be questioned was better – in an academic sense – than less information. Partly confirmed stories could land a question on the agenda so that discussion and clarity could follow.

Today the situation in the grand dialog among journalistic researchers is roughly the reverse. Citizens live in a surplus of information. So why do people need journalism?

Media research is pretty much in agreement that the publishers' mission must to a large extent be about verifying information, curating and explaining complex events.

These aren't new assignments for a newsroom, but is the emphasis? Or are most editorial teams still generally focused on pumping out more news, when users generally suffer from information surplus?

Are most editorial teams still generally focused on pumping out more news, when users generally suffer from information surplus?

This is a big issue. Too big to settle even on an evening like this with inspiring company in the hutongs. We claim that the award-winning Omni has grasped something that exclusively helps users curate. And Vox is also on to something, when they completely focus on explaining the news rather than reporting it.

A little later at a bar that is reminiscent of someone's living room, my thoughts begin to zoom around again. The bar's owner is what we in the West would call a hipster, although he is close to 70 and from Beijing. His bar has the largest collection of Scotch I've ever seen (including Scotland). The bar is tiny, but furnished in a way that makes it impossible to say if we are in Beijing, Vancouver, Stockholm, New York or Barcelona. The owner is playing Lou Reed on vinyl, the walls are decorated with his art, which could be described as a digital rework of photographic negatives. He's working casually on his computer with something at the same time that he serves us. There are two cats on the bar counter. A modern bicycle is hanging on the wall. I don't know if he eats meat, but this suddenly reminds me of «a new mix of cultures and races — a new world of bicyclists and vegetarians.» So far, the Polish nationalists have a point. It's not that their analysis can't be understood, it's their conclusions that are outrageous.

Here in the bar, a new global set of shared values becomes concrete and tangible. A new community where art, culture and technology meet — without respecting any national boundaries. A commercial meeting that makes it meaningless to travel somewhere to shop — everything is the same. And it's the same microbrew and the same conceptual restaurants and the same boutique hotels and the same brands, and the same transport company and the same big chains. But it's a communal meeting where the center of power is a number of internet giants rather than the government of national states.

The young people we observed in London that morning — no matter where they're from — would surely feel more at home with the old Chinese hipster and his digitalized art than with the community their nation-states are so desperately trying to maintain.

But what about those left behind at home? Those without sufficient brainpower or other capacities that might enable them to manage migration to the internet giants, into their promised land of technology and art. What's to become of them?

How many of them will find a place in the new global community? How many jobs will its revolution – digitalization – create? And how many jobs will be destroyed?

You're feeling it now, right? The air is thinning out again... but the connection to our thoughts about journalism are crystal clear:

This is one hell of a story.

We Need a Data Revolution

ADAM KINNEY

Vice President of Data and Analytics at Schibsted Media Group. Previously he led Analytics at Twitter.


PRESS

FORGET HITS—ENGAGEMENT is what will save journalism in the digital era. So why can't we measure that instead?



ADAM KINNEY is Vice President of Data and Analytics at Schibsted Media Group. Previously he led Analytics at Twitter and was a data scientist at Google. He now lives in Oslo, Norway.

Over the past few decades, media companies have plunged into the digital world with varying degrees of success. While some have flourished, many others are still struggling to discover a business model that works—and nearly all would acknowledge that their profitability is not as high as it was in the print era. Meanwhile, many of the new disruptive forces in digital have embraced social media to drive huge volumes of pageviews, but these new models don't leave much space for serious journalism that requires significant time and money to create.

Fundamentally, I believe that these problems all stem from underinvestment in data and a lack of deep understanding of media companies' users. Having spent a number of years working in social media, I can attest that social media companies have a huge advantage over traditional media in their understanding of their users and their ability to leverage that understanding to create a highly engaging product. In order to compete for users' attention in the digital era, we must match social media's data sophistication, but in a way that plays to traditional media's fundamental strengths: original journalism and independent editorial judgement. Schibsted Media Group has a great head start here, and I couldn't be more excited to help fully realize this revolution in data. But the truth is, in many media companies, this change is long overdue. If the media industry is to thrive in the years ahead, we must join forces in data technology to revolutionize the way the media industry uses data.

Measuring the Right Things

Driving a data revolution starts with measuring the right things. Many companies, naturally, tend to focus on metrics that are directly linked to monetization. Often in digital publishing, revenue is tied to ad impressions, which are in turn a function of pageviews. As a result, journalists are accountable for driving ever-higher pageviews for their articles. Under pressure to chase pageviews, many digital media companies have resorted to creating content that is shallow and quick to produce, enticing users into clicking with misleading or exaggerated headlines. These techniques do drive higher pageviews—for a time, at least. But the user experience is terrible, the pieces are unsatisfying and far too often fail to deliver on the headline's promise—so rather than building an ongoing loyal audience, these practices inevitably create the need to get more and more new users for each piece. Does anyone believe this is a sustainable business model? What happens to the democratic ideal of an informed, empowered citizenry when this race to the bottom plays out?

Time-on-Site

This trend in digital publishing towards shallow, quick-hit pieces is a direct result of the focus on pageviews. But the good news is that there is a better way. The focus of digital publishing should be on building a large loyal readership—people who make reading digital media a daily habit. And if you want loyal, engaged readers, you need to measure them and understand them. Rather than pageviews, the focus should be on deeper metrics like time spent on site and number of days visited in the last week. These stats give a deeper measurement of user engagement and habits. It's true that focusing on these metrics as a publisher may cause a short-term decrease in page views, and thereby also hurt ad revenue. But in the long run, this focus on building an engaged, loyal user base will result in more sustainable

pageviews and better opportunities for monetization.

The Influence of the Right Metrics

Once the right metrics are being tracked, every aspect of digital products should be oriented towards optimising these metrics, thereby building an ever-larger loyal and engaged user base. There are two ways the right metrics can have a positive impact on digital media products: First, they can guide decision making in product design and editorial judgement. Second, they can guide algorithmic control of specific aspects of the product. Let's dive into the specifics of each.

Product Design and Editorial Judgement

A well-run data analytics function will produce a steady stream of useful insights about the product's users. With the right metrics in place, analysts can focus their attention on understanding what types of content and media products create loyal, engaged users. The analysts can then break the user base down into segments representing different kinds of users who like different kinds of products and content. They will track cohorts from each of these segments over time to see what kind of product flows and content result in higher engagement and which result in lower engagement. They will run experiments to verify their findings.

But there's a catch: This work will be in vain if the product owners, editors, and journalists are not actively collaborating with the data analysts and using their findings to drive higher engagement levels. Journalists can learn which of their pieces contributed to higher engagement, and, in collaboration with the data analysts, learn why their pieces had the effect they did. Journalists can then use this knowledge to create the kinds of content that will appeal to a large number of people and keep their readers coming back for more. Editors can learn how combinations of various kinds of content can work together to drive higher engagement across whole segments of users, and ultimately across the entire user base. Empowered with this knowledge, editors can then plan and assign a mix of stories to give their publication the best chance of growing an engaged user base. Product managers can learn what kinds of product designs and flows will enable users to find the right content easily and quickly. All of these people should be in constant communication with data analysts to continually refine their understanding and experiment with new approaches.

Algorithmic content sorting

Different segments of users are interested in different types of content. Of course, in reality each individual has unique tastes and expectations from media that are slightly different from anyone else. In describing how data analysts can collaborate with different media functions above, I emphasized addressing segments of users because segments allow us to think about the varying needs of different types of readers.

To truly give every user the best experience, we must go beyond segments to individuals. This can't be done practically by humans alone because there are so many more users than analysts, editors, journalists, and product managers—which is where algorithmic content sorting comes in. Algorithmic sorting can ensure that each user sees exactly the content most likely to engage them every time they visit the site or app. There is sometimes trepidation regarding using algorithmic methods in media. Don't we risk removing human editorial judgement from the process, which gives each publication its own distinct voice? On the contrary, to be truly effective, I believe algorithms must, like any useful tool, be handled by human editors. Editors, working in collaboration with data analysts, have expertise in the mix of pieces that best reflect both their publication's mission and the selection of content that will build a large engaged audience. Some content, like breaking news, can be written quickly and cheaply. Others, like longform investigative pieces, take a great deal of time and money. Getting this balance right, in essence constructing the right palette of content available to serve in real time, is a human function. Selecting from this palette to meet each individual's preferences is an algorithmic function. Optimizing the way that these two work together is how I believe digital media can truly thrive.

Monetization in the Digital Age

Of course, for digital media to thrive, we must also address monetization. For digital media, that most often means advertising, but let's not forget that building a large, engaged audience of users who visit again and again opens up business models beyond advertising. Notable examples are meters, paywall subscriptions, and micro-payments. All of these models require a loyal, engaged user base to really work. That being said, most digital media is monetized by advertisements so it is worth spending some time addressing ads.

Let's assume that we have a digital media product that operates as I descri-

These capabilities only need to be built once if media companies join forces to collaborate on a single publishing and advertising platform.

bed above; product managers, editors, and journalists work collaboratively with data analytics and algorithmic content sorting to optimize the product for building a large engaged audience. The currency of such a product is attention. Everything in the product is finely tuned to direct the user's attention to the content that will engage them most. Now, imagine we put some display ads on the page. What happens? Some users will see an ad that catches their eye and click on it, taking them off the site. We have essentially directed the user's attention away from our finely-tuned engaging content in exchange for money. And if the ads are not as finely-tuned as our original content is, then we have also decreased the overall engagement of our users in exchange for money. There is nothing inherently wrong with this model, so long as we acknowledge the trade-off and work to minimize the decrease in user engagement. And to minimize that decrease in engagement, we must treat advertisements with the same attention we give to our own content.

Seen from this perspective, the solution is clear: Media companies do not produce advertisements, but they can ensure that ads are high-quality and personalized to the user. To do this, they must leverage the same user insights and algorithmic sorting to ensure the best-available advertisement is matched to each user's personal interests and preferences. The vast majority of digital media companies outsource ad targeting to 3rd parties, but this introduces new inefficiencies. If a media company invests in data analytics and algorithms as I suggest above, then it makes sense to use these same capabilities to minimize the engagement cost of making money through advertising.

A Global Powerhouse

All of this is naturally much easier said than done. Many digital media companies are driven by financial considerations and simply do not have the significant capital and development time required to build data analytics and personalization capabilities. It is not realistic, or even desirable, for every media company to build the same data functions. In fact, these capabilities only need to be built once if media companies join forces to collaborate on a single publishing and advertising platform.

In this model, the participating media companies would provide the content, the user data needed to power insights, and the ad inventory. The platform would provide the right metrics, the personalization algorithms, and the ad targeting. Each media company would still run their own destination site and app, but the sorting of the content and ads displayed would be determined by the platform. In fact, content from one company could even be shared with other companies through the platform to enable a super-personalization that drives engagement higher than would be possible with a single publication on its own (and with revenue-sharing arrangements to compensate the content creators). In the end, the platform would take a cut of ad revenue, but this would be well worth the higher user engagement and hence higher revenue that the platform enables.

Such a platform would have several advantages over ad-centric platforms like Google's and content platforms like Facebook's Instant Articles. Unlike with a pure ad platform, media companies would get the benefit of analytics and personalization services that build a loyal audience. And unlike with Instant Articles, media companies would have full product control that comes with a destination site and fuller flexibility in monetization. Perhaps most significantly, a media-built platform would have publishing as an inherent part of its DNA, and would have a sensitivity to issues like freedom of the press and censorship that are sometimes lacking in the tech industry.

This kind of media platform has many advantages. It enables the kinds of data technology and practices that build a large, engaged user base without the need for every company to build these capabilities themselves, it provides a viable business model for media companies in which they can still focus on their core mission, and it enables editors and journalists to join forces with data analysts to understand their readers to a greater depth than ever before. Significantly, such a platform has a chance to have sufficient scale to be a global powerhouse in digital advertising. As much as the platform would be a boon to media companies around the world, it has the potential to be a huge success for the media company that can build it. Schibsted Media Group is well on its way in revolutionizing data usage to drive user engagement. But we need all media companies to join us in building these capabilities to secure a bright future for independent journalism.



Rise of the Distributed Domain

CORY HAIK
Chief Strategy Officer of Mic

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CORY HAIK is the Chief Strategy Officer of Mic, where she leads the company's strategy and growth initiatives across editorial, product and sales. Prior to Mic, Haik was at the Washington Post, leading innovative initiatives to grow new audiences on mobile and platforms, and part of two Pulitzer Prize-winning teams at The Times-Picayune and The Seattle Times.

THE BATTLE FOR AUDIENCES will be fought and won "off-platform," on distributed platforms where published content is presented and consumed away from a publisher's own controlled user interface platform (app or website)... sort of. Facebook Instant Articles, Apple News, Google Newsstand, Google AMP, Snapchat Discover — these are all important players in the game of reach. And there is no shame in wanting that reach. Journalism cannot have an impact without a reader or a viewer — but when you grow your audience off-platform, what are the implications?

Many have written doomsday scenarios around this, and many of the points seem somewhat fair. There are merits to both sides, and we will continue to debate this for some time. But to start, are we even speaking the same language? What exactly is distributed? What's on-platform? Never mind how we count it all or prioritize the players.

Strategy lies in the contours of many of these off-platforms. Given that much of what we're talking about is technical and nuanced by implementation, the winners will be the ones who understand where the opportunities are and build positions there quickly.

Distributed semantics?

Google AMP is not a distributed platform as defined above. And it really has nothing in common with Facebook Instant Articles other than the fact that it's 1) mobile and 2) fast. AMP is based on a technology that's been around for a long time; HTML was written by your publisher's developers. Google just gathered the industry to rally around a mobile standard to make it perform better. The traffic goes to YOUR domain and, as such, falls in the traditional *referral traffic* bucket, a.k.a. *on-platform*. It's owned and operated content: You control it and can edit and optimize it in real time. You also control the user journey, conversion funnel and monetization levers, including all associated advertising pieces. Let's call this good ol' domain and referral traffic.

Snapchat Discover, on the other hand, is a distributed platform in its full glory. It was one of the first off-platform products that publishers embraced as a vehicle NOT meant to drive traffic back to the almighty publisher's own domain. The presentation is uniquely custom to Snapchat, the edit and optimization of content is only partially controlled, with

the monetization and analytics entirely out of the hands of publishers. Chat applications such as Kik, or even chatbots — they will likely all fall in this bucket. Facebook Messenger? Well, that's still to be seen. In general, these distribute off-platform experiences that are more custom, built specifically for specific platforms and devices. This is generally a new and creative space for publishers, but the monetization and analytics pieces are still unfolding. These characteristics all define the pure-play distributed off-platform paradigm.

What about Facebook Instant Articles? Is it distributed? Again, there is nuance here. The truth is actually somewhere in between the publisher's own domain (on-platform) and distributed (off-platform). While Facebook Instant content technically lives off-platform, it offers many of the same elements that referral traffic to a publisher's domain does. Not fully, but a ton more than, say, Snapchat Discover — to start, comScore counting and monetization equal to that of web traffic on Publisher's X domain. Also some control over content presentation, editing and optimization within the article, and even some extra features to play with. There are some elements that are lost, like the conversion funnel pieces that are very important to publishers who are looking for subscribers. But Facebook is also pushing to open more tools for publishers to give them better levers. This marks the rise of the Distributed Domain: something that sits in between referral traffic on-platform and pure-play distributed off-platform.

Platform specialists

An important point to note is the strategy involved in thinking through all of the platforms. However, this is not strategy in the traditional sense. It does not come from sitting in a boardroom or reading through trade publications. This comes from working within the platforms and understanding the live changes and opportunities that are occurring. The Wall Street Journal recently published a piece on The Rise of the Platform Specialist:

> Publishers are increasingly posting content directly to platforms such as Facebook and Snapchat, so readers don't need to visit each publication's own website or app. But each platform they work with has its own technical requirements, processes, hurdles and pace of evolution.
>
> Publishers need to understand how many people are accessing their content, how to generate revenue from it through advertising and other means, and what type of content is best suited to which platform. Meanwhile, someone needs to be on the lookout for the next hot app or service.

Every publishing company that values the distributed landscape must have someone within their organization who sits between editorial and business that is helping to manage these platform relationships. This role is vital in that it manages the relationships, helps to shape the production on the ground level in the newsroom and also guides the company strategically on decisions around volume, monetization, user retention and the like.

Adaptive storytelling

Platform specialists are in some ways organic outgrowths of adaptive storytelling. Adaptive storytelling is the platform-by-platform approach for creating and producing journalism across various surfaces and devices. The idea is that what is created (written, designed, produced) for the likes of Snapchat Discover is not the same as what is created for, say, Apple News or video that is built primarily for a desktop viewing experience. Adaptive storytelling or adaptive journalism also takes into account the devices on which users are consuming content:

It's a return to storytelling with a device-first sensibility. One of crafting news and news experiences that put the user first. The most exciting part is that it gives room for experimentation — demands it, in fact.

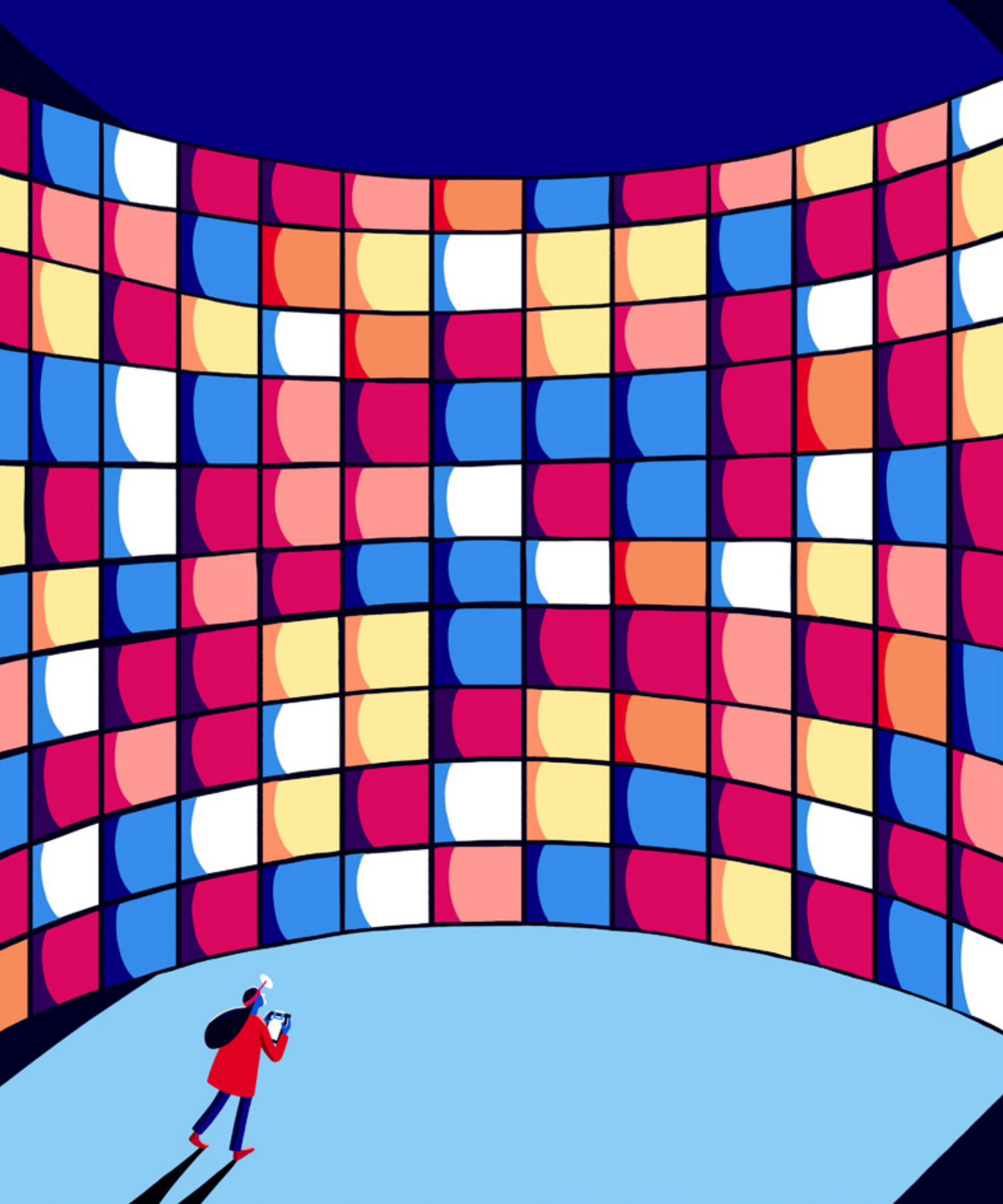
There are *gifts of the device* that the publisher can take advantage of when creating the content. For example, viewing 360 video on mobile is an experience that can be tied into your phone's accelerometer and viewed by physically moving your phone around. This is not something that a user can experience on desktop.

If you take this adaptive storytelling approach to the platform and distributed world, you'd know that both YouTube and Facebook now support 360 video within their platforms. It would be the job of the *platform specialist* to understand those new capabilities, and to think about what creating that kind of content means within a newsroom and where it falls on the priority list.

Strategic outlook

Platform specialists and adaptive storytelling are very much a part of how we are thinking at Mic. We're also looking at our goals for growth in two clear categories: Unique Visitors (on-platform) and Distributed (off-platform). For now, if we can count comScore and fully monetize, it goes into the former. For Facebook, Instant Articles slots in there. If Apple News begins to count comScore, it would also fall into the Distributed Domain for us. Publishers will likely see more of this Distributed Domain category, as platforms open up and work with publishers in a more integrated way.

Why does it matter? Because it's the future. But aside from that: Additive channels across the distributed landscape are how digital players will grow big audiences. Fully understanding how to count, optimize and ultimately monetize these channels will be key. We're still in the early days, and the landscape will continue to shift. We are widely optimistic, bullish even, that every single new platform offers an opportunity to reach new users. We just want to make sure we are accounting for each and every one of them in the best way possible across our business.



The Importance of Thinking About Cross-Platform Data

How BuzzFeed approaches data today, and why it's always changing

DAO NGUYEN
Publisher at BuzzFeed

AS PUBLISHER AT BUZZFEED, I get one question more than any other: What's the one metric you value above all others? I'll let you in on a secret: *there is none*.



DAO NGUYEN is BuzzFeed's Publisher overseeing the company's technology, product, data and publishing platform. From 2001 to 2008, she worked at Le Monde Interactif, publisher of the leading news site lemonde.fr, where she served as its Chief Executive Officer starting in 2006. She has a degree in Applied Mathematics / Computer Science from Harvard.

JONAH PERETTI, OUR CEO and Founder, hired BuzzFeed's first data scientist in 2010, to predict when and how articles would go viral on the Internet. It was, and is, a challenging problem. We are still thinking about this same question today, but a lot has changed in six years. BuzzFeed then was focused on entertainment and viral media. Today BuzzFeed teams in 11 countries publish content from breaking news to scripted shows on over 30 platforms in seven languages. For a publisher charged with collecting and understanding all the attendant data, the task has never been more complicated, more prone to error — or more exciting. Even two years ago, when we all lived in a simpler media landscape, we believed there was no «one metric to rule them all». Today that is even more true.

BuzzFeed started talking about pursuing a distributed strategy in January 2015. Instead of focusing primarily on our website and apps, and using social networks as a way to send traffic to them, we were going to aggressively publish our content directly to platforms like YouTube, Facebook, and Snapchat. This meant that our daily, weekly, and monthly traffic reports tracking Unique Visitors (UVs) to our website and page views were suddenly outdated. Platforms like YouTube and Facebook don't regularly provide UVs to publishers, so we needed a new set of data to measure the overall reach and impact of the company.

Internal Unique Visitors numbers (using Adobe or Google Analytics) only measure unique browsers of our website, mobile apps, and Facebook Instant Articles. In the case of analytics firm comScore, UVs measure our U.S. web, app, and Instant Article audience plus desktop YouTube viewers. comScore UVs as they are reported today do not include people who:

— Watch our YouTube videos on mobile (over half of our YouTube views are on mobile)

— Watch our videos and comics on Facebook, Snapchat Discover, Instagram, Yahoo, Tumblr, Vine

— Use our website or mobile app outside the U.S.

For a long time, the digital media world was obsessed with driving traffic to their own websites but in today's cross-platform world, that metric just doesn't encompass all of the content we create and produce at BuzzFeed. In fact, We estimate that our current comScore metric of about 80 million UVs represents less than one-fifth of our actual global reach, based on ad hoc data provided by partners. Less than one-fifth. UVs were useful for a long time. And for some publishers, they still are. But it's time to stop talking about UVs as a way to measure online audiences. Future media companies who publish on many platforms (like BuzzFeed does) will need to look beyond a simple, one-size-fits-all approach to data, and get comfortable with the more difficult and chaotic world of data in a platform environment.

In order to do this at BuzzFeed, we've had to scale up our data science team, currently a team of 10 data scientists (and growing!) inside our tech group of 180 engineers, product owners, and designers. The scale of our data has increased sharply as well: each month we can examine over 6 billion views of text, image, and video content created by BuzzFeed in addition to hundreds of billions of data points from third party sources.

We've found ourselves tackling hard to solve problems, finding surprising (and sometimes entertaining) answers, which I'd like to share with you here. Below is the framework on which we've built our data science organization, and some insights we've learned that I hope will be helpful as we move more fully into the world of social platforms and apps.

Anonymize all usage data

First and foremost, we respect the privacy of data. At BuzzFeed, our policy is simple: we anonymize all usage data, have strict internal policies around our employees only accessing data in the aggregate form and are building technical safeguards that would alert us if that policy is breached.

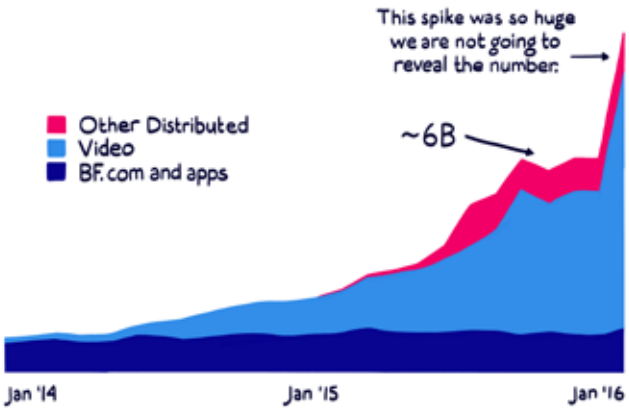
Embrace complexity

Recent debates about the most important or newest web metric do not distract us. Unique visitors matter, shares matter, front page visits matter, app DAUs (Daily Active Users) and MAUs (Monthly Active Users) matter, social media followers matter, diversity of traffic sourcesmatters, time spent matters, editorial judgement matters, UX, design, and brand perception matter, press pick-up and moving-the-conversation matter, scoops matter, diversity of content matters, and we are probably missing a few others. In other words – it's a long list.

BuzzFeed is a combination of art, science, and good judgement. Understanding that balance is a competitive advantage.

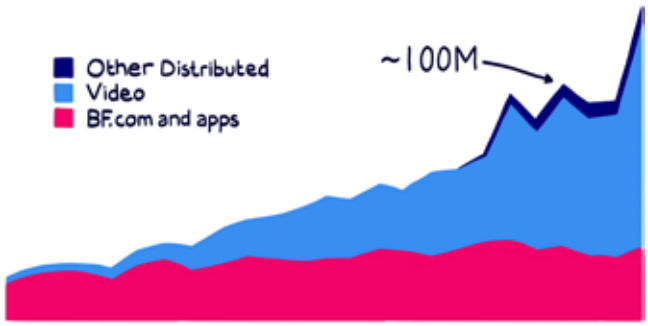
To measure the overall reach of the company, we look at a combination of metrics that are available across platforms. Here is a sampling of what that data looks like.

Monthly Content Views



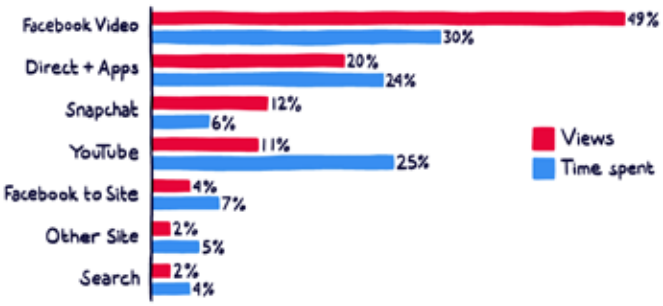
Content views are views of BuzzFeed content (videos, articles, lists, illustrations) regardless of the platform on which it lives. Not included are homepage or feed views or impressions of link promotions on social networks.

Monthly Hours Spent



As we all know, Facebook, YouTube, and Snapchat all count video views in different ways. Hopefully though, they count minutes in the same way, so time spent helps us understand more about what our audience is doing.

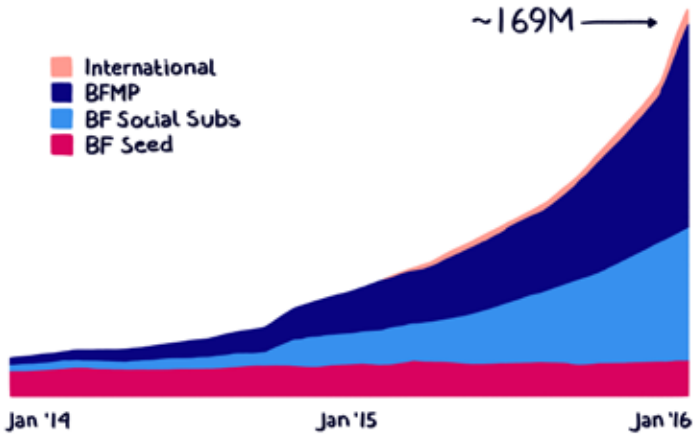
Percentage Views vs. Time Spent



We can look at referral sources and platform locations to see which ones over-index and which ones under-index for time spent.

December—November 2015 data

Total Subscriptions



We define subscribers as people who have taken an action to show an interest in the BuzzFeed brand, such as people who use our mobile apps, sign up for our newsletters, visit our homepage, or follow our social feeds. This helps us understand different relationships with our audiences and how they are growing.

Be humble: Data is best used for learning, not vanity

Now that I've shown some really big numbers about BuzzFeed's reach, I'll recommend that we don't get too high on ourselves. Knowing our top-line numbers is useful for understanding large trends and for bragging (yes, we do brag!), but it doesn't help us make better content or connect with our audiences. Ultimately, the reason we care about data is that we hope to learn something from it. We should look to other, smaller numbers for that.

Questions matter more than answers

If you don't ask the right questions then you won't get useful answers. Yet there is an all-too-common assumption that the *standard* questions are the only ones that can be asked. Suppose an editor, wanting to know how his stories are doing, asks for a page-view report. A *web analytics* team could simply pull this data and send it to him. At BuzzFeed, the data science team handles web analytics; so before pulling the data, we will discuss with the editor what, intuitively, she is trying to understand, and then figure out which metrics best measure that. And if we're not currently gathering data for those metrics, we can take steps to start doing so. This is the simplest example. As problems get more complex, asking the right questions matters even more.

Be skeptical about the data

There is a sadly pervasive belief that data = truth. If numbers are involved, it must be true, and the more numerous the numbers, the truer the truth! The cult of *big data* assumes that with volume of data comes trustworthiness. The reality is that every data collection scheme is a set of rules coded by humans; any experiment could hide inherent biases; every model's assumptions could be wrong. If the methodology is faulty, then it doesn't matter how much data you have. Size doesn't trump technique; both matter. Data scientists are duty-bound to question the viability of data sets, to reconsider methods of analysis, and to question the degree of "truth" that can be extracted. Only then can we get closer to understanding what is happening, which is always more complex than a single number can hold.

Data can tell you what happened, but rarely why

Let's say we've asked the pertinent questions, set up the least biased experiments, and analyzed the optimal way. Fabulous — we know something! While we have figured out something that happened, we shouldn't assume that we know why. We can certainly speculate, and design further experiments to test hypotheses, and even ask users with surveys, but it's always unproductive (and usually counter-productive) to think we know more than we actually do.

Sometimes a lot of data will tell you what will likely happen. Predictive analysis is one of our core areas of research. But again, we can create a predictive algorithm that works well and is based on correlations seen in the data, but it doesn't mean we understand the *why* of what we're trying to predict. Correlation and causation are not the same; and we need to think about when it makes sense to act on correlation.

Data is only as powerful as the organization behind it

BuzzFeed has a thriving, effective data science team because the culture of the company allows it. Some examples of how culture is critical to the success of data science:

— The whole company is aligned along a clearly articulated strategy, and so the questions that are asked have some of this long-term thinking in mind.

— Both editorial and business teams are lean and experimental, so they can test data hypotheses fairly quickly. Flexibility is key: having the data is pointless if you can't use the data; as is speed: having the data is equally pointless if you can't use it before it becomes outdated.

— We've invested in a technology infrastructure that can support data science needs: frameworks for large-scale collection and processing of data, tools and APIs (Application Program Interface) for obtaining and analyzing data, ad-hoc data stores for analyses, and an A/B testing platform.

— Employees in every group and at every level are aware that data (and, more broadly, technology) are core to our success. In fact, all employees get

trained on BuzzFeed's approach to data and our home grown technology at orientation. They also know that data has limits, which leads to the next point.

Be pragmatic: Look at the metric(s) that helps you learn about your platform or achieve your objectives.

Knowing what you're trying to do or learn is the first step in figuring out what metrics to look at. (In business speak, I would say: Identify your Key Performance Indicators - KPIs - in advance.) We don't use the same metrics for success on all platforms. We don't use the same metrics for success for all kinds of videos. We don't use the same metrics for success for all kinds of articles, or for all of our Facebook pages. It would be easier if we did! But we are trying to learn and achieve different things with each platform, page type and video/post type. The same is true with our advertisers. Each advertiser has its particular goals (e.g., maybe one is more interested in scale while another is more interested in Direct Response), and metrics and what you're optimizing for should reflect that.

This sounds like it's complicated and messy, and it is! But it's pragmatic. For example, for certain kinds of videos we look at views on YouTube but shares on Facebook. We found that different metrics were clearer signals on these different platforms.

Data should inform your choices, not determine your strategy. In fact, over-optimization can lead to achieving only a local maximum.

Be human: Some kinds of impact are not quantifiable

We define *impact* as changing something in the real world, on a personal or institutional level. Some recent examples we are proud of:

— A Texas woman who was sentenced to 45 years in prison for failing to protect her son from her abusive boyfriend, even though she tried to stop the beating, was granted parole after being featured in a 2014 BuzzFeed News investigation.

— The U.N. Human Rights office and the NYC Human Resources Administration (the largest social services agency in the country) included our video *What It's Like to Be Intersex* in its LGBTQI (Lesbian, Gay, Bi, Trans, Queer and Intersex) trainings.

— Our Snapchat edition dedicated to Muslim identity touched a lot of people. We received lots of tweets and this email: «I'm a Muslim girl living in Australia facing the hardship of trying to explain my religion to my friends and colleagues almost every day and I always get called brainwashed for following my religion. Clicking on BuzzFeed today and seeing a whole series dedicated to Muslims... Words can't start to explain how much that meant to me.»

— We can measure some kinds of impact, and we do it regularly for our advertisers, especially since they have clear objectives. But some kinds of impact are not quantifiable in the sense that you can't say that one instance is larger than another. And trying to do so diminishes our ability to make a difference and connect with people.

Data is under-utilized and over-hyped

Today, it's hard to find a media organization that isn't thinking about data science at some level. People talk about big data, small data, lean data, smart data. We try to not get caught up in the labeling. We try to focus on the problems we're solving. The only way for media organizations to get the most out of data science is to keep questioning, collecting, scrubbing, learning, analyzing, testing, making mistakes, and doing it again.

In conclusion

Metrics should reflect what a company cares about, and so each media company has to choose its own data points that matter. Even now, as BuzzFeed adopts a *global cross-platform* strategy, we are dreaming up new ways to understand and learn from data. What if we could calculate a cross-platform lift for each piece of content or each content frame? What if we could predict the ROI (Return on Investment) of translating a piece of content into a particular language? What if we could do the same for advertisers? It's an exciting time!


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Next Generation Publishing Products

ESPEN SUNDVE
VP Product Management Schibsted

NOW THAT SOFTWARE IS *eating the world*, original content and quality journalism have become even more important for social media platforms. Publishers are left with a simple choice: Either lead the charge to redefine journalism and their products, or become mere content providers for external platforms, making them the de facto publishers of our time. Schibsted, for its part, is choosing to reimagine publishing products once again. This is the story of why and how.

IF YOU THINK THE STEP from print to digital was challenging, prepare yourself: The next leap for publishing and journalism is far bigger, more complex and way more exciting. This next leap isn't like going from desktop to mobile, or from mobile to a watch. It's not adding off-the-shelf recommendation engines to our digital products and claiming we offer personalization, or assuming there is a quick fix for site speed and ad-blocking.

The next leap will be going from broadcasting (one-size-fits-all) journalism to 1:1 journalism—to get there, publishers have to fully integrate the newsroom with tech and unite across brands. This is the story of why we at Schibsted think so, and what it means.



ESPEN SUNDVE is leading Schibsted's effort to build Next Gen Publishing products. He has been with Schibsted since 2008 and led product & technology initiatives in both marketplaces and publishing (lastly as Chief Product & Technology Officer in VG).

Our Dilemma

All publishers are at a crossroads, whether they want to admit it or not. To put this in Matrix terms I know my tech peers can relate to, publishers need to choose between the red pill or the blue pill.

Taking the blue pill means moving deeper into a role as pure content creators for third-party platforms—platforms that dictate the editorial and business rules without claiming any editorial and financial accountability for independent journalism (a cornerstone of our democracy). The drawbacks of this direction are pretty clear—in particular, this results in a great concentration of power around the platforms—but publishers are left with little to no choice. Emily Bell summarized this well in her analysis for Columbia Journalism Review recently: «The *four horsemen of the apocalypse*—Google, Facebook, Apple, and Amazon (five if you add in Microsoft)—are engaged in a prolonged and torrid war over whose technologies, platforms, and even ideologies will win. In the last year, journalists and news publishers have therefore unexpectedly found themselves the beneficiaries of this conflict.»

Taking the red pill means facing reality and creating an alternative—a reality in which the publishers reinvent their established products to remain relevant as destinations for their readers. A reality in which accountable editorial voices define the technology, and algorithms are used to serve and fund independent journalism.

At Schibsted, we choose the red pill. We're determined to take the leap and reinvent our established products—from our current line to a new publishing suite that will be successful in the user engagement battle for years to come. We think of these as our Next Gen Publishing Products. But we're no longer big enough to do it alone. None of us are. Either we all make this leap together, or we all—whether we like it or not—end up swallowing the blue pill.

I'd like to share our vision for Next Gen Publishing Products. But first, we need to take a step back and talk about how we need to change before we can take that giant leap towards the future.

Our Digital Legacy

It's not like publishers have completely missed the mark with our established digital products. On the contrary—many of us have managed to build strong digital positions for our established brands.

At Schibsted, we're proud of how VG in Norway and Aftonbladet in Sweden have managed to cement their positions as their nations' primary destinations for news—reaching 52% and 47% of the digital population respectively on a daily basis. We're also proud of how we've managed to reinvent strong subscription brands like Aftenposten and Svenska Dagbladet into premium digital news experiences with high willingness to pay among their audiences—and of how we've both succeeded and failed when daring to innovate in niche categories. In fact, we're bigger online than ever before, but our current success also hides our biggest threat—namely, that the digital product experience we offer is a result of old rules, rules that slow us down in the innovation race for user engagement.

Let me share a few of the established *rules* that seem to prevent us from radical leaps towards a more engaging user experience:

— WE CREATE PIECES of content meant for everyone, and manually curate our front pages. This works very well when everyone is on the same level and are interested equally in the same content—but they're not. People consume continuously, and have different prior knowledge, interest, context and user modes.

— WE HAVE ADAPTED the old print user experience to a desktop format, and later the desktop user experience to mobile (with responsive pages and hybrid apps).

— WE'RE CONTENT-CENTRIC in all that we do, not user-centric. One example: The user interaction model is to navigate by topic or format (not by user mode), and we primarily care about pageviews (not user events).

— WE ORIGINATE ALL CONTENT ourselves, making the idea of being deeply relevant to a very broad audience a very expensive affair (e.g. if we wish to offer relevant content by geography or interest area to specific user segments, our current setup requires that we either extend our newsroom or buy that content).

— ADVERTISING (that we of course depend on to make a living) is produced, served, presented and tracked outside the editorial content and technology solutions—resulting in a cluttered and slow-loading user experience.

— JOURNALISTS, business developers, designers and engineers devise and implement ideas to improve aspects of the product without working together, with no one (such as a dedicated product manager) responsible for the total product.

When we look at trends in consumption of online content and the "rules" holding us back, we can sum them up in one major bottleneck: We are still broadcasting journalism, while new digital content distribution platform players such as Facebook and Google are offering deeply personal experiences.

From Broadcasting to 1:1 Journalism

Going beyond broadcasting may sound like a cliched catchphrase, but it's far from trivial. Publishers have, since the beginning of journalism, created and curated stories with a one-size-fits-all mindset: One voice at a marketplace, dozens of bystanders; one article, hundreds of readers; one newspaper, thousands of subscribers; one radio show, millions of listeners; one video, billions of viewers.

All that we do and create in publis-

hing is designed to be one-size-fits-all—even our digital products. Front-page articles and videos meant to appeal equally to all visitors. Display banners sold by placement and reach. Apps with a uniform experience independent of the user. A Justin Bieber push to everyone. The list goes on.

Instead of merely throwing out the buzzword "personalization" and pretending that we've found the solution, we believe it's essential to start by asking ourselves why we engage in journalism in the first place. How can our journalism be 10x or 100x more relevant if we could tailor it to each individual reader?

Being a technologist and somewhat new to the media industry, I've spent a lot of time recently trying to understand the true purpose of journalism. This is important, because if we technologists do not fully adhere to the foundational principles of journalism, we can never truly join forces with the newsroom to radically improve how journalism is delivered and consumed. Through long discussions and quite a bit of reading, I've realized I can express the purpose of journalism in a way that will resonate with any technologist—as an optimization challenge:

Journalism exists to minimize the gap between what people already know and what they should and/or want to know—so that people can make informed decisions about their personal life, community, society and governments.

To help close that gap, we can simplify and say we do three jobs for the end user:

1. We connect the user with a story.
2. We tell the story.
3. We engage and involve the user.

To make the leap from broadcasting to 1:1 journalism, we have to innovate along all three of these dimensions of journalism.

In **connecting** a user with a story, we currently broadcast by showing the same front page to every visitor. Some stories do need to reach as many people as possible, ensuring a collective raising of awareness and insight, but other stories are more suited for smaller segments. It's important to challenge readers and broaden their horizons, while at the same time remaining relevant and providing depth when needed. With a one-to-one relationship with each (logged in) reader, fueled by data collected on their behavior, context and preferences, we should be far more sophisticated in optimizing what we show to whom, and when and where we do it. We have two major advantages in this game vs. Facebook and the like. First, we can be fully transparent in how we curate. We embrace editorial responsibility, so while tech platforms leave the user in the dark as to how content is filtered (with all sorts of resulting implications on privacy concerns and echo chambers), we can dare to be open about why and how we curate to close the gap between what you know and what you should (or want to). Second, we have journalists and editors and their inherent curatorial skills: While Facebook pays 30 contract workers and have 700 reviewers around the United States that assess and train the news feed algorithm, the publishing industry collectively has thousands of the world's premier content experts—the journalists. By incorporating their assessment and know-how into algorithms defined and owned by publishers, publishers should be well-armed in the fight for user attention.

In **telling** stories, we currently create a single story for everyone. We believe media and journalism should break with this and invent a new form of adaptive storytelling. As the creators of content, we can and should capitalize on the competitive advantage we have over players like Facebook. The Facebooks of the world do not produce their content, they primarily focus on how to personalize the filtering of it (and getting users to interact with it). Publishers, on the other hand, can start to personalize down to the level of content creation. Ideally, the stories I read should match my level of insight, interest, and past behavior within every topic, my preferred way of being informed (say, pictures over text), my current context and more. If newsrooms dare to rethink what they produce (such as leaving articles behind for something more granular), we believe journalism will be far more effective in closing the gap between what people know and what they should know.

In **engaging** an audience, we've always invited them to contribute with opinion pieces and tips; recently, we've begun offering share buttons and comment fields next to our articles. Beyond that, we've mostly outsourced engagement to social media. Technology companies are great at bringing users on a journey and connecting them for discussion. If media companies had better insights and data on their users, they could be far more sophisticated in how they tailor engagement options to users depending on their behavior, preferences and context. This would not only increase distribution and reach of the content, it could also provide valuable audience input to enable the newsroom to create even better journalism.

Our ambition for Next Gen Publishing Products is to reinvent the product experience on all three of the jobs we do for our end users. We can close the knowledge gap by connecting the user with stories, telling each story and engaging the user.

Our Vision

For our next-generation products, we have formulated a vision:

> Next Gen Publishing Products should deliver and tell news in a way that makes users feel like they have their own intelligent personal editor.

Let's pause for a moment on the word **editor**. The rise of pure tech platforms as a primary source of journalism and opinions presents us with a serious societal challenge. Tech platforms inherently neglect editorial accountability, and also do not curate content with any mission to challenge individuals with what they should know.

Trei Brundrett, Chief Product

Next Gen Publishing Products should deliver and tell news in a way that makes users feel like they have their own intelligent personal editor.

Officer of Vox, put it nicely in an interview with Aftonbladet's Jan Helin when he said: «All code is political.» This is the vision of next-gen publishing: a vision in which publishers step up and actually dare to define the algorithms and the total user experience. As editors, we've always had the guts to claim responsibility and accountability; that is our strength.

To define an intelligent personal editor, we mean:

— AN EDITOR WHO OPTIMIZES her algorithms to close the gap between what people know and should (not just want to) know; for example, making sure some news reaches everyone, while other news reaches only the right niche audience

— AN EDITOR WHO CAN HELP people understand complex, contemporary issues through personalized storytelling, matching each individual user's preconceptions to understand and engage with the story

— AN EDITOR WHO INTELLIGENTLY guides the user through a world of information overload, selecting and presenting relevant content from various sources

— AN EDITOR WHO CAN BE trusted to give users a balanced view of the world, avoiding filter bubbles (isolating users in their own cultural or ideological ideas through over-personalization) while fostering dialogue and discussion

— AN EDITOR WHO KNOWS HOW to surprise and entertain users, not merely challenge and enlighten them

— AN EDITOR WHO ALLOWS advertising to have the same great user experience as journalism (as opposed to today's display banners, which clutter the experience and encourage ad-blocking)

— AN EDITOR WHO ENSURES that the user has a seamless experience across any device

Our Path Forward

Let's be clear: We do not yet have magical roadmap that shows how we'll get to 1:1 journalism. But we're determined to build, test, validate, and fail or scale new products, processes and experiences. In the process, there are four major hurdles we still have to overcome:

— Our content is far too narrow
— Our curation process is manual
— We're stuck in one-size-fits-all formats (i.e. articles)
— We simply do not know who the users are

If any of us are to be successful at curating relevant experiences for each individual user, we have to be able to pull from a wider volume of content (as opposed to the tens or even hundreds of articles a day we can produce by ourselves). And not just any kind of content, but quality journalism, which can only be achieved by media companies making all content available to all other publishers. Furthermore, only by sharing user engagement data collection can we gain the full user insight we need to rival the data power of tech platforms like Facebook. I find it fascinating that even today, journalists and media companies often think of each other as enemies. Media companies seem to have no problem building the newsfeeds of tech players into streams of great content, or strengthening the dominance of their advertising platforms, while the mere idea of partnering with other media companies seems absurd. Not only do we need to collaborate on capturing data to be competitive in the advertising market, but we also need to allow the free flow of content between our brands to be more relevant and to maximize our collective reach.

This leads me to the second hurdle: Our curation process is still largely manual. Moving from print to digital, we invented "front editors." Now we have to do it again, but this time, our front editor needs to tune algorithms rather than words and pixels. Instead of defining placement and format in curating content, they should be concerned

with defining user segments. Let's use a national news site, the VW scandal, and a story of how an Oslo car dealership reacted to the deception as an example. The current way of ensuring users are informed about this story is by placing the article on the top of the front page until the click rate suggests that it's saturated (i.e. we assume "everyone has seen it"). Going forward, the front editor should be able to tell tech that this story should primarily surface to users who we already know have read about the scandal and who live in the Oslo area.

The third hurdle lies in the way we create our content. In particular, we need to go beyond articles. The key issue is that our current formats don't allow for adaptive storytelling—storytelling in which we adapt to users' knowledge (what they've already read), interest level, context and more. Circa News paved the way for atomizing news, and the NY Times has written about particles in their blog. Furthermore, if 2016 turns out to be the year of the bots, with conversational news apps paving the way, our old article format simply won't cut it. As tech platforms compete for user attention by redefining content distribution and engagement, our greatest weapon in the fight for relevance could lie in our core task— content creation.

Fundamentally, if we want to be better at engaging each individual user—bringing them on a journey from fly-by readers to a loyal and actively engaged audience discussing and adding value to the stories, we have to know who our user is. As of now, we don't. The challenge to solve here is to give users compelling reasons to be identified (logged in). In doing so, we have to move beyond mere vanity features ("save this article for later") and marketing campaigns ("log in to win an iPad" or "get premium free for a week"). We have to make our product experience better if you're identified, and this requires making journalism personal.

Summing Up

We are at a point where media and journalism have to take a stand. Publishers either must submit to the new rules defined by the pure tech platforms, giving them our content and data and making them stronger every day, or they must decide to evolve journalism into something that truly embraces the opportunities we have in 2016—the chance to invent true 1:1 journalism.

Quite a few technologists are bullish about the future of journalism (myself included), but as far as we can see, a leap in journalism still requires some radical changes in the newsroom mindset:

REINVENTING BROADCAST JOURNALISM as deeply personal journalism to win the battle for user engagement. One-size-fits-all journalism belongs to the past. The future holds discovery and presentation of stories adapted to each user, where engagement is maximized on an individual basis. We need to be personal and logged in by design.

FULLY INTEGRATING THE NEWSROOM with product & technology to have any chance at creating 1:1 journalism. This is particular important when it comes to rethinking how we discover, create and curate content, and how product management grows as a critical interdisciplinary role across editorial, commercial, user experience, software engineering and data science.

LEAVING OUR OLD COMPETITIVE worldview behind to unite publishers as a collective force in the fight for user engagement. Collective content and data about users are both essential to create differentiated and personalized experiences for readers and advertisers. We're not big enough alone; instead of making tech platforms stronger, media companies have to unite to stay ahead.

As we have evolved to move from print to desktop and from desktop to mobile, we now, together, must decide to embark on the mission to reinvent ourselves once more—at our core—before someone else does it for us. That is why we are investing in Next Gen Publishing products, because **journalism is not disrupted by digital. It's enabled.**



Mastering One's Domain: Some Key Principles of Platform Capitalism

JONAS ANDERSSON SCHWARZ

Senior Lecturer in Media and Communication studies, Södertörn University

THE DISRUPTION brought by platforms hides some of their other effects: Platforms make possible a form of total control. It is therefore crucial to see how platforms are combined, effectively creating media ecosystems.

IN THE INTERNET ECONOMY, the key to economic clout is to maintain exclusive control over the surface on which the market exchange takes place. While the value of individual bits strives towards zero, the value of the infrastructure approaches dizzying sums. This model has, increasingly, been applied to physical markets as well, as part of what is sometimes called the *sharing economy*—but should more aptly be called *platform capitalism*, since it is facilitated by stable intermediaries (like Facebook and Google) that provide storage, navigation and delivery of the digital content produced by others. These intermediaries—digital platforms—can be seen as technological and material *stages* that provide leverage, durability, and visibility. The problem is that the underlying principles of this platform capitalism seem to beget an inherent form of monopolism.

As *everything* is rapidly becoming digitized, let's keep in mind that the Internet has, rather rapidly, become privatized and is now dominated by a handful of corporations (global giants like Apple, Google, Amazon, Facebook etc.), each with considerable market capitalization. Although many of the individual entrepreneurs behind these emerging actors may be partially independent of these giants, the basic premise is that each platform has to reach a dominant position in its respective market. In addition, any new platforms will generally be dependent on already established platforms. Ultimately, those platforms that do become truly successful tend to be bought up by the established giants.

In an increasing number of markets where the major platform actors have come to dominate, it is nowadays practically impossible for new entrants to be able to acquire market share. While it is hardly possible to offer as fast, flexible and affordable a cloud service as those of Amazon, Google, or Microsoft without enormous financial muscle, it is not lack of capital that seems to be the reason Europe is struggling to compete with the incumbent platform giants. While the world's leading digital platform businesses have a combined market capitalization of $4 trillion, only 4



JONAS ANDERSSON SCHWARZ is Senior Lecturer in Media and Communication studies, Södertörn University (Stockholm, Sweden), focusing on file sharing, online piracy, and digital consumer culture. His most recent research project (20122016) addressed the motivations for sharing among Internet users. He is the author of Online File Sharing: Innovations in Media Consumption (Routledge, 2013).

% of this value has been generated by European firms.

It is when considering the nature of digital infrastructure, and viewing it as a power principle, that platformization really gets interesting. I would argue that platformization is, in many respects, the key principle of economic control in our time, even comparable to established paradigms of corporate management like Fordism and Taylorism. While these paradigms, typical for the 20th century, are generally associated with serialization, later developments like post-Taylorism are primarily concerned with coordination and *lean production*, where value-chain production becomes intensified, more elaborate, sophisticated, complex, and more coordinated in time and space. However, these late-20th-century intensifications were still based on value chains rather than value networks. Platform capitalism is an even deeper intensification of capitalism, based directly on two things: the nature of digital infrastructure and the nature of networks.

All hail the platform

As established media powerhouses worldwide—be it the BBC, Springer, The New York Times, or Schibsted—are challenged by international platform giants, one key solution has, strikingly, been to build their own platforms (or so their publicly stated intentions go, at least). Alternatively, another solution has been to simply begin collaborating with the tech giants, as Facebook's budding Instant Articles and Google's Digital News Initiative show.

While the digital nature of platforms is truly new, the imaginaries of real-time *matching*, *feedback* and *automation*, fueling a lot of current developments, echo a form of *information idealism* reminiscent of the late 20th century and the modern planning of that era. Further, when seen as an overarching structural principle, platformization has a worrisome tendency towards monopolistic control. Much as the binary nature of data makes things either one or zero and never anything in-between, the corporate tendency to full market dominance, already familiar to capitalism, becomes even more uncompromising.

My own approach comes from years of studying the file-sharing culture and its economic implications. The file-sharing ecology is characterized by the freedom to tinker and the ability to index, upload and modify files and file listings on surfaces that are owned and controlled by the users themselves. One of my main insights has been that The Pirate Bay serves as a de facto platform—a singular registry and search engine, charting some of the otherwise nebulous file-sharing sprawl. For many people, The Pirate Bay has come to symbolize file sharing in its entirety.

Many things could be learned from The Pirate Bay, but one of the key insights is that massive popularity and market dominance can be generated by reaching critical mass of utility through concentrating access to all the assets (database of objects/subjects) in one single place. In addition, if what is provided is more than mere access, but the actual hosting of content itself—much like another innovative Swedish tech stalwart emerging from the file-sharing culture, Spotify, managed to do—then the dominance is additionally solidified, and future competitors are discouraged even further from viable market entry.

«Actually, capitalism and competition are opposites», Peter Thiel has convincingly pointed out. That firms seek market dominance is nothing new; what is new is the *all-or-nothing* nature inherent to digitization, where services and platforms tend to become totalitarian. In an era of platform capitalism, firms have incentives to create what could be called *creative monopolies;* conditional systems within which new services are constantly offered and new markets emerge—provided that the platform owner maintains a monopolistic control over what happens.

At the same time, it's important to admit the huge innovative potential that comes with information empires. In modern history, such potential has become realized many times, during various different techno-capitalistic reigns, such as that of AT&T and Bell Labs during the mid-20th century, as Tim Wu has brilliantly recounted. It is often said to be in the interest of consumers that platform-based providers cover as much of the available market as possible: It often brings both convenience and cost-efficiency for consumers when the entire range of choice is gathered in one single app. Still, we might be fooling ourselves in the long run, as the glorious supremacy of digital *one-stop shops* seems to have deep societal costs that are hidden at first glance, such as an impending erosion of the middle class.

Platforms incrementally enabling yet more platforms?

The idea that we're living in a platform economy is sometimes labeled old news. The really novel news would be the emergence of structures that operate through complex, nested arrangements of *platforms-of-platforms*—Alphabet being the quintessential example.

Once upon a time, Google and Facebook were digital platforms simply providing search and social networking; Amazon was a retailer; and Apple a digital hardware manufacturer. However, these actors have long since diversified into various other markets. Technically, they also work as platforms on which other platforms are, in turn, built. Platforms have to be situated in ever-wider systems of mutual interplay, co-dependence, and productivity. To begin with, platform companies are directly dependent on either venture capital (privately traded companies) or stock market valuations (publicly traded companies). Facebook, for example, can make stunning investments thanks to credit-based liquidity resulting from the company's extraordinarily high valuation on the stock market. Moreover, none of the global Internet companies would be what they are today if the leading telecom corporations hadn't allowed a relatively free flow of data in their cables and radio links. Budding platform companies like Uber would never have been possible if

Facebook has the irrevocable and absolute sovereignty to boot you out if you break the rules.

larger platform companies like Apple and Alphabet hadn't allowed a certain degree of freedom of innovation in the new economic ecosystems that are generated through app stores (allowing companies to plant software on mobile Internet-connected appliances) and map applications (allowing geographical coordination of software and devices). Spotify, which has historically relied on its own servers, has recently announced that the company is migrating its infrastructure to the Google Cloud Platform. Similarly, Netflix, while accounting for 37 % of all Internet traffic in North America during peak viewing times, is arguably more dependent than ever on Amazon Web Services for its hosting and traffic.

When Apple enables an ecosystem of apps, the degree of prediction is low in regards to which new markets and business opportunities can be built on top of such a software platform. In that sense, global platform companies enable new establishments of lesser platform companies, such as Uber and Airbnb, as these latter actors combine mobile operating systems platforms for apps (App Store, Google Play) with the mapping services offered by the same platform giants (Apple Maps, Google Maps). Yet, as we shall see, one should not conflate a sprawling information infrastructure (an ecosystem) with a platform (a particular surface).

Despite the strong form of local, platform-specific technical control inherent to digital code, some of the academic literature highlights the relative lack of control over the ways in which platforms develop over time and interrelate with other platforms. As technical architecture, a platform allows for large sets of IT capabilities to be crammed into a relatively well-bounded and controlled system, which can be continuously re-designed and expanded. While the design of a platform often starts off with a bounded set of closed specifications, it often grows in complexity over time, as platforms are expected to meet varying user needs and facilitate various forms of compatibility.

However, it is important to distinguish singular platforms and applications from the much wider, more complex, and more dynamic information infrastructures that they make part of. Sometimes, when people praise the relative openness and flexibility of the Apple or Google ecosystem, in the same breath they confuse this with the singular platforms in question. While companies like Apple and Alphabet are, in effect, complex arrangements of interrelated platforms, each such platform might, however, be rather restricted in terms of sheer functionality. An iPhone forms the nexus of a diverse information infrastructure, yet some of its constituent platforms (such as the iTunes interface) might in fact be highly constrained, path-dependent, and not at all flexible.

A key insight, nevertheless, is that the nested *platform hierarchy* of our current global information infrastructure makes many of the lesser platforms quite dependent on the top providers in (i.e. the global giants), arguably further solidifying the dominance of these latter actors.

Exclusive control

Platform control could be defined as exclusive control over the surface on

The competitive goal of any platform company, Uber and Airbnb included, is to seek a monopoly in its respective niche.

which the exchange takes place. This does not mean that whatever happens on Facebook is determined by Facebook, but it does mean that Facebook has the irrevocable and absolute sovereignty to boot you out if you break the rules. While monopolies, consolidation, and market dominance are familiar phenomena within capitalism, I would argue that what is genuinely new with digitization is the concept of total control that is implemented when law and norm is crystallized into code.

I don't intend to associate platformization with Taylorism, as if these were idealized *logics* that market actors invoke, regardless of the actual behavior of these actors. Rather, platformization, being highly dependent on technology, is a material organizing principle as regards the division of labor and resource efficiency in contemporary society. Of course, a proviso must be added that the specific effects of the respective platforms (not to mention the combined effects of entire ecosystems of platforms) may be highly unpredictable, especially when considering the externalities created. Platforms are charged with a *paradoxical tension between the logic of generative and democratic innovations and the logic of infrastructural control*. Apple and Alphabet currently have to allow for quite significant degrees of freedom of innovation among the app startups crowding both App Store and Google Play, but there is nothing absolute to this degree of freedom. As some of Apple's App Store policies make clear, the rules of engagement are sometimes rather arbitrary: The company has banned *content that ridicules public figures* and *sexually suggestive apps*, yet allows for titillating material from mainstream publishers like *Playboy*. It prohibits all services that mimic the functionality of existing Apple services. More disturbingly, the company has rejected apps for reasons it never warned developers of in advance, and reserves the right to change its policies at any time, without prior warning. Platforms become like opaque black boxes: We don't know what they do, and you'll be punished for peeking inside.

Regardless of the circumstances of their inception, the competitive goal of any platform company, Uber and Airbnb included, is to seek a monopoly in its respective niche. Digitization enables a hardcore form of standardization and tracking, in regards to measurements of what takes place, where and when. In order to generate revenue from the many, sprawling, seemingly chaotic interactions taking place on a platform, certain standardized rules and metrics have to be imposed: All transactions must be billable. Further, in order to make possible some kind of economy of scale, compliance has to be automated: Hardware setups and software algorithms automatically assign billing orders to your transaction. Moreover, none of the participating nodes on the platform should be allowed to abuse their relative freedom by using loopholes or glitches: The system has to be *water-tight*. No free lunches by mistake.

Due to reasons such as these—virtually all of them stemming from the existential fact that digital code by its very nature is inexorable —platform-based control is a form of total control. This is why so many people have come to see the algorithmic mode of management as, for good and for bad, *better than law*. It is thought of as an inhuman, perfect form of institutional functionality where individuals are freed from subjective decision-making. My closing word on the matter will therefore be one of warning: We have walked down similar paths before, in terms of the ways in which power is arranged in society. It might appear *disruptive* at first, as various actors battle for the platform real-estate. However, over time, platform capitalism risks becoming the polar opposite, helping to further consolidate those power structures that are already in place.



The New Reality of Media

THOMAS BAEKDAL
Media Analyst

UNDERSTANDING MEDIA no longer means talking about formats—print versus digital or desktop versus mobile. It's actually about the right type of moments: How people behave — their intent—is the new way of thinking about media in the digital world.



THOMAS BAEKDAL is a media analyst focusing on future media trends, as well as the transformation they cause. He has been working professionally in digital media since 1998 and as a media consultant since 2010.

A FASCINATING THING is happening to the future of media—the very foundation of how we focus it has changed. In the past, we focused our business models around the formats first, the limitations of the market second, and whatever other focus we might have third. Now, publishers are faced with a new reality of having to redefine everything on the basis of how people behave.

We have never needed to do this before, because the audience's behavior has never been that different for each type of media.

Think about how people consumed media in the past. Take the morning newspaper: How did people read that? Well, it was something we would sit down with, which meant we consumed it in a *lean-back* way, or what we call a macro-moment.

We had no idea what was in the newspaper before we started reading it, and as such made no decision. Instead we flipped from one page to the next, glancing over the pages and taking in each page, one at a time.

This means it was a *passive form of media*, and also that it *lacked any specific intent*.

Similarly, because of market limitations, we could only deliver one newspaper per day (at the most), and everyone would get the same package. This means that the newspaper was forced to be the jack of all trades but master of none, or what we call a package with a little bit of everything.

This meant that people never really cared about the individual articles. To care, you need to choose; to choose, you need intent. You can't do that with a print newspaper.

The result was that the journalistic profession became 'the bringers of news.' A group of people working tirelessly every day to produce as much random content as possible. In doing so, they also barred themselves from being specialists.

When we look at a typical CV of a journalist, we find randomness.

Here is an example of the topics covered by one Norwegian journalist in one newspaper: politics, lottery winners, error in a tech platform, earthquakes, Twitter harassment, a hotel fire, the zika epidemic, gambling, immigration, the financial state of banks, viral content, train delays in China, and an emergency plane landing. These are just the articles published by one journalist over two weeks!

It's 100% randomness. There is no targeting, no focus, no momentum, no passion, and no purpose. It's just a package of random content.

Because of this, journalists have become an invisible force behind bylines that people never notice. Sure, there are a few exceptions, but most journalists are completely unknown to the people who read their newspapers.

Now look at magazines. True, most magazines have a somewhat sharper target. Gardening, fashion, or health

magazines add a bit more specific focus, but even within their focus they follow the same pattern.

Magazines are also read in a lean-back behavior, using a passive form of media, where the focus is on the package of content rather than the value of the individual article. These journalists are also covering a little bit of everything behind impersonal bylines. And like newspapers, traditional magazines are consumed by aimlessly flipping the pages, because you have no idea what will be on the next page. Again, it's designed for when people have no intent.

Now look at TV. It's the same story.

TVs are lean back, and most TV channels follow the same business model of creating a little of everything for everyone. We see this clearly when we look at the TV guide. Here is an example from TV2 Norge:

06:00	**Solsidan**
06:30	**Nyhetene**
06:55	**God morgen Norge**
12:00	**Masterchef Sverige**
13:00	**Bolighjelpen**
14:00	**Jakten på kjærligheten**
15:00	**Oppgrader!**
15:30	**Modern Family**
16:00	**Home and Away**
17:00	**Solsidan**
17:30	**Ack Värmland**
18:00	**Oppgrader!**
18:30	**Nyhetene**
18:45	**Været**
18:50	**Sportsnyheten**
19:30	**Hotel Cæsar**
20:00	**Tid for hjem**
21:00	**Nyhetene**
21:20	**Været**
21:25	**Sportsnyhetene**
21:40	**Grey's Anatomy**
22:40	**Madam Secretary**
23:40	**Top Chef**
00:40	**The Good Wife**

It's the same thing.

It's a little of everything, for an undefined mass-market, as part of a package of content. Every day there is a new package, and in the past when TV2 Norge and NRK were the only channels available, people consumed them in the same way too.

You see what's happening here?

When we look at traditional media, we see that they are all the same. They are based on the same type of behavior, the same type of packaged content, the same randomness, and the same limitations of distribution.

The difference is the format. Traditional newspapers are based mostly on text, magazines are based mostly on images, while TV is based on video. The format was the distinctive factor differentiating between types of media.

But now look at the digital world: What do you see? How do digital natives define media?

For one thing, they are format agnostic by default. Go to any article online and you will find that it includes a mix of text, images, and video. The best articles also include interactive content, that helps people understand a concept in ways that we could never do with mere text and images.

But if we take away the format as a differentiator, doesn't that mean that every publisher is alike? Well, that's exactly what has happened when you look at traditional publishers online, but this is not the case when you look at the digital natives.

The natives have redefined the distinctiveness of media around two key elements. One is the purpose on which they focus, and the other is the type of behavior they are targeting.

Think about how different that is compared to old media. Old media had no single purpose because the breadth of the overall package made the purposes random. Nor did it focus on specific behavior, since there was only one type to target.

So what types of purpose and behaviors are we talking about?

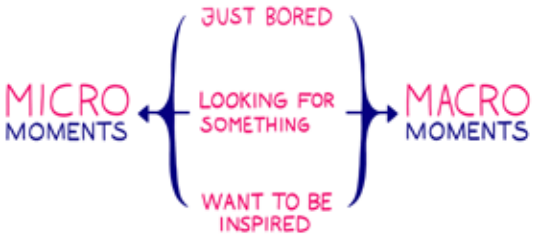
As we have all seen, the digital world, mobiles, and prolific internet access have allowed us to consume media whenever we like. We call these the micro-moments. But we haven't simply shifted from macro-moments to micro-moments—we now have them both.



But even this is too simplistic a model for how the digital world behaves. Because within each of these moments, we also have different levels of intent.

This ranges from moments where we have no real intent at all (when we are merely bored and looking for entertainment) to moments of precise intent (when we are seeking specific information). We also have moments of intent when we are looking to be inspired about something we care about, such as a specific topic or a person.

This is where the magic starts. Because when you combine these different moments with the different types of intent, it's suddenly easy to see what the digital natives are doing, and also how niche they are.



Take a site like BuzzFeed: It's huge, but what type of moment is it designed for? The answer is obvious; BuzzFeed is designed for micro-moments for people who are bored. You don't go to BuzzFeed if you are looking for something specific, nor do you go to BuzzFeed to be inspired.

BuzzFeed is a publisher that is optimizing for a very specific type of behavior. It might seem like they are doing everything, but in terms of the behavior they are targeting, they are exceptionally niche.

For comparison, if we look at the YouTube *Let's Players*, we see an entirely different type of behavior (or, to be fair, more than one). Many of these popular YouTubers are creating mostly macro-moments for people who are bored. They are creating content that you sit down with to relax and laugh.

We have another group of YouTubers who are designing for people who want to be informed (who are looking for something)—for example, Robert Llewellyn (famous from the BBC series Red Dwarf) and his amazing channel about electric cars and renewable energy. Again, this is designed around a macro-moment, but for people who like to stay up-to-date on all the latest news within this topic.

We also have YouTubers who focus on inspiring people. For instance, take a look at Jamie Oliver's absolutely amazing FoodTube. Each video is designed to inspire. It's clearly not for people who are simply bored.

This breakdown extends to all forms of media online. Look at Vox—what are they doing? They are nothing like BuzzFeed, and they are not designing for micro-moments. They are instead doing the same thing that Jamie Oliver's doing: They are creating macro-moments for people who want to be inspired. Another example of this is John Oliver's hugely popular show Last Week Tonight.

Of course, this doesn't mean that micro-moments are only for bored people while macro-moments are only for those who want to be inspired. Not at all. Look at all the hugely popular fashion bloggers and Instagrammers, people who often have more traffic and more followers than entire traditional fashion magazines.

In Norway, we have hugely popular bloggers like Hanneli, who has a quarter of a million followers on Instagram (in a country with only 5 million people), and a very popular blog. But her content isn't designed for macro-moments. It is designed around a micro-moment for people who want to be inspired.

This is the key to understanding what is really happening in the digital world. It was never about a shift from print to digital. It was never about the format. It is crucially about this shift from a random package to highly specific channels targeting a certain type of moment and a certain type of behavior.

Instead of just having one model defined around a package, we now have many models. Each one is successful in its own way, and each one works very differently.

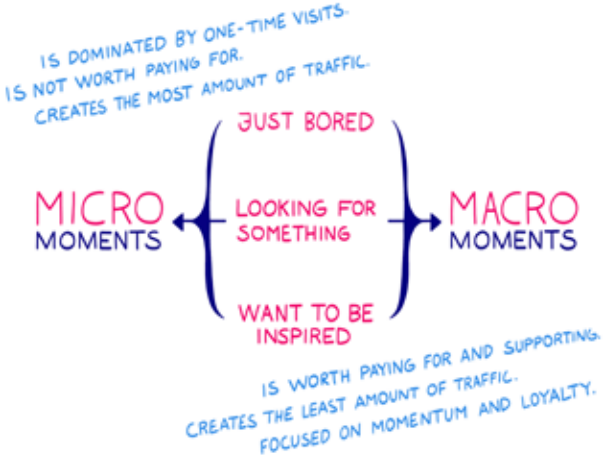
If your business model is defined by programmatic advertising, which requires you to generate as much traffic as possible, your focus needs to be on creating micro-moments for people who are bored. That model will drive the most traffic by far (Case in point: BuzzFeed now has over one billion views worldwide per month).

However, when you do this, you also attract an audience with a very low intent and loyalty, which means that your audience will be dominated by random and mostly first-time visitors. The result is that, while you get a ton of traffic, it would be impossible to monetize it in any other way.

But if we look at amazing niche verticals like Rafat Ali's Skift, we see an entirely different model. Here the focus is on the macro-moments for people who are looking for something. As such, the overall traffic potential is much, much lower, but its value is also much higher. It's this simple shift in behavior that allows Skift to be successful via a subscription model.

Designing for each one of these behaviors works, but they are not even close to being the same. Each requires completely different editorial strategies, target markets, and distribution channels.

Speaking of distribution channels, we see the same trend here. Look at Facebook: It's huge and amazing, and it has transformed much of our world. But think about it in relation to the behaviors described before. What type of behavior



The problem every traditional publisher now faces is that their old format-first approach in truth doesn't match any of these behaviors.

is Facebook designed for?

Many people in the traditional media world (and in the branding world) seem to believe that Facebook can be used for everything, that Facebook is a channel that will benefit every publisher. That's not the case at all.

Facebook is almost entirely focused on creating micro-moments for people who are bored. That's what Facebook is about. It's a channel that we turn to when we don't have anything specific to do, where we will browse through the News Feed without any specific intent.

This means that Facebook is, counter-intuitively, a niche channel. It looks huge because of all the people who are using it and the amazing overall amount of traffic they can generate. But that's because you are not looking at the behavior of this audience.

Any publisher that matches Facebook's behavior will get a ton of traffic (like BuzzFeed), just as any publisher who doesn't match that behavior won't.

But wait a minute, you say. Facebook is increasingly the platform where people discover news, so isn't Facebook for everything? The answer to this is a bit complicated.

The first problem is knowing whether we are talking about Facebook as a platform, or whether we are talking about the News Feed.

If we talk about the News Feed, it's pretty clear that it only really works for a certain type of content. For instance, at the 2016 News:ReWired event, the publisher of Now This, the mobile news startup, said this:

«Facebook is asking us to do longer videos. We will do it if Facebook provides a place to consume longer videos. The News Feed isn't that place.»

And he is right. Nobody goes to Facebook to watch anything.

We see this clearly when we look at the popular YouTubers. Most of the YouTubers who are designing for macro-moments for people who want to feel inspired aren't doing that well on Facebook. The **micro-moment** of Facebook doesn't match the macro-moment of their videos.

Facebook's News Feed is designed entirely around the concept of people checking it out, discovering something they hadn't planned to see, and then engaging with it. That's a micro-moment.

Another example of this is when we look at live videos, which Facebook is pushing aggressively at the moment. As a platform, Facebook Live is a very interesting concept, because it allows people to watch LIVE video within their existing ecosystem. The engagement, the network and the connections are all the same. As a platform, Facebook is providing a better form of distribution than what publishers can do on their own.

It's simply easier for people to go to Facebook than it is for them to go to the publisher's own sites. But does this mean that Facebook Live is for everything?

The problem, again, depends on how much work you put into it. If the only thing you do is to start live streaming without any prior campaign, Facebook

Live only works for snackable entertainment for people who just happened to come by.

We saw this quite clearly with BuzzFeed's 'Exploding Watermelon' video. As a gimmick and a social phenomenon, it was amazing. But that was also the only reason it worked.

It was a LIVE video, published late on a Friday afternoon (perfect for people waiting for the weekend). It was silly and funny at the same time (in other words, it was pure entertainment), and it was designed around a suspenseful moment (when would it explode?), and published at the exact moment when Facebook—and everyone else—was talking about this new live video feature.

In short, it was the perfect gimmick, at the right time, with the right mood, and the right content.

But try changing any one of these factors, and we see how unique this moment really was. Imagine that they had posted this instead on a Tuesday morning, when people were too busy with their work to watch it.

Imagine that it wasn't about an exploding watermelon, but about the earthquake in Japan. That may arguably be a much more important story, but it would never attract 800,000 people on Facebook.

There are of course plenty of other, more serious examples that could work on Facebook. But because discovery on Facebook is so random and has such little intent, the highest performing content will mostly be entertainment.

This is also why BuzzFeed defines its video unit as an entertainment unit, rather than a part of BuzzFeed News.

Or look at BBC Sport: When it wanted to optimize for Facebook, it created a 'Match of the Day' Facebook page and looked at what worked and what didn't. And they found that:

> The page's fans, the majority of whom are aged 16-24, wanted the Match of the Day Facebook account to be knowledgeable, cheeky and irreverent, and mirror the tone of the TV presenting team during the lighter moments of our broadcasts.

In other words, what people are looking for is a micro-moment with low intent.

The result is that we actually have two different ways publishers can use Facebook.

One group matches Facebook's behavior using the platform as an extension of their editorial strategy, often even as a direct distribution channel via Facebook Instant Articles. These are publishers who are optimizing for the micro-moments of people who don't know what they're looking for.

The other group, which doesn't match Facebook's micro-moment/bored behavior, is instead using Facebook solely as a marketing channel. These publishers are not trying to distribute their content on Facebook, nor are their Facebook posts part of their editorial strategy. Some even go as far as to simply ignore Facebook entirely.

Remember Hanneli? She is on Instagram and Twitter... but not on Facebook. Facebook's behavior doesn't match her purpose. And we see exactly the same from many popular YouTubers.

This is the new reality. The problem every traditional publisher now faces is that their old format-first approach in truth doesn't match any of these behaviors. A traditional newspaper, with all of its random content, matches the micro-moments for people who are bored, but the editorial focus instead fits macro-moments for people looking for news.

We see this very clearly with newspapers today. If we look at how people consume news online, we see that everyone is snacking. You check VG/Aftenposten/Aftenbladet when you *have a spare moment*. And you have no real expectation about what news you hope to see.

This means that today's newspaper readers are having a micro-moment with low intent, which is why so much of today's news distribution is now happening on Facebook. The way people read random news and the way Facebook works are one and the same.

The problem is that regular news articles don't really work well on Facebook. If you compare news articles focusing on the lighter moments with articles about hard news, we always find that the lighter moments drive more traffic.

The result, of course, is that the more newspapers optimize their traffic, the more they are gradually pushed towards only the lighter forms of news. Almost inevitably, traditional publications now exist in a no-man's-land, where their editorial focus (serious news) and their digital formats (lighter moments) are in direct conflict with each other.

This is true for every traditional publisher.

I want to mention one more thing, which is that this doesn't only apply to the media. It applies to any type of business ...including classified sites.

Schibsted has done an amazing job turning old newspaper classifieds into this behemoth of dedicated classified sites like Finn.no. But try comparing that with what I just mentioned.

Finn.no has no specific focus, and as a result doesn't match these new types of behaviors. It wins because of its scale and size, but it doesn't fit the model. Meanwhile, we are seeing more and more digital native sites that are coming out with new ways of doing this.

One example is Houzz.com. Houzz is a fascinating site in that it's a classified site, but one that defines itself around creating a community of people who have a very specific behavior, focus and intent.

Houzz.com is branding their site as «The new way to design your home». You can discover design ideas by browsing millions of photos based on your taste; find and connect with home professionals who can help with your project; and shop for your home from Houzz' curated collection.

This is the real shift in the market: We are no longer defined around a random package. It was never about a shift from print to digital. The real shift is from an old world of formats to the new world of behaviors.

And to win, every publisher must now find their niche.



An Outsider Perspective on Media

DARJA ISAKSSON

Senior Advisor and Member of the Swedish Prime Ministers' Innovation Council.

A WORLD WHERE NOBODY can afford local journalists to scrutinize people in power is a world with weaker democracy.

Who told the first story ever? Why was that story told? Was it an argument to get comrades to follow into the woods, exploring some new possibility for food? Was it a story of boasting of a win over an enemy, or was the first story ever told a lie, to avoid punishment of some kind?

Obviously, we will never know. But what we do know is that storytelling is wired into our species, just as much as the drive to explore and understand ourselves and our world. We simply can't help it. Another thing that's deeply rooted in human society (if not by evolution) is to trade valuable services and goods. These two facts explain why there will always be money to be made in media and journalism. We'll always be prepared to pay for what we love. And as long as human evolution moves slower than technology, any business in media can trust the fact that humans need stories, love heroes and use narratives to co-create identity and meaning. We will not, however, pay for the same experience or even packaging as before. Not in entertainment, and not in news.

Although hardly rational, as consumers we are not nostalgic. We value convenience, and will make extra effort only for things we are particularly picky about — out of love, financial limitations or pride. In a digital world, our expectations are set

Scandinavian countries have a long history of openly sharing information, and right now we should be using it to our advantage.



Growing up in an ‘80s maker space introduced **DARJA ISAKSSON** to the joy and empowerment of using technology and design to create new products and experiences. Since the 1990s, she has worked with design-driven strategies for industries ranging from finance to consumer electronics. Isaksson is now a public speaker, senior advisor and member of the Swedish Prime Ministers’ Innovation council.

on zero friction, explaining why those who managed to move into mobile and social as well as use tools to personalize feeds have been successful lately. Personal data enables tech giants to adjust and filter the information flood with regard to behavior, preferences and soon even emotional state. Consumers are not simply immoral or naïve in playing along. In a world where the total amount of available information already doubles every year, and soon will double every 12 hours, most people trade personal data for convenience. It's a rational thing to do when facing an information tsunami. Consumers will continue to demand ever better relevance and timing as information expands and algorithms and tools become more sophisticated.

So just as before the internet, we're balancing paying for what we want and love with our actual need for saving time or money. But who we turn to when looking for the stories we need is changing. Consumers have quickly become more globalized than we tend to acknowledge. People who used to seem far away now seem close by. For instance, it's perfectly normal for my daughter living in Stockholm to trade directly with small business owners in China through Etsy. It's even more natural for any Swede today to turn to The Economist or Vice for a stream of relevant news stories and opinion pieces. For people in a Nordic country, where most are fluent in English, a lot of news is now a global commodity. Considering that a nation of 10 million people equals a normal city from a global perspective, even national news media will likely struggle to remain a relevant choice for anything but local (where national is local!) stories. The bundling of news doesn't work the way it used to. Because apart from local news, why should one turn to a local source to keep updated about anything? International news is globalized, and regardless of whether one has a thing for finance, music, tech or fishing, lifestyle content sources are globalized too. Any publisher is judged by its ability to produce relevant content and package zero-friction experiences. Business models trying to bundle content based on geography rather than personality, while failing to offer zero-friction experiences, fail to attract paying customers. That's a crisis for many companies today. As a consumer and global citizen, however, I now have access to more quality journalism than ever before. That's a good thing.

So there is no crisis for media or even journalism per se. But we may still be in trouble, because there is one for local journalism. It's difficult to deny that democracy will suffer in a global game of winner-takes-it-all. A world where nobody can afford local journalists to scrutinize people in power is a world with weaker democracy. And we know that filter bubbles grow when algorithms decide that some people are best served by anti-vaccine web sites when searching for answers on certain diseases. The discussion on how to tackle such problems needs to continue. My hope is that it can be done in a way where we see technology and humans working side by side, striving to build both economic and social values.

One way is to acknowledge that open data is infrastructure in a digital world, and that it should be used to benefit local journalism. Scandinavian countries have a long history of openly sharing information, and right now we should be using it to our advantage. We should make sure much more information is available in a structured and easily accessible way to those scrutinizing decisions made by people in power. For instance, information about transactions and decisions from city councils and other authorities should be published as open data. The possibility of cross-referencing transaction information with information about who sits in what board or corporate management would lower barriers to holding people in power responsible. Information that used to require hours of phone calls, reviewing documents, and attending meetings to listen in on decisions being made by publicly elected officials could be done at a much lower cost. Machines could analyze the data, identify anomalies and allow journalists to cover bigger ground in discovering malpractice, corruption and perhaps even patterns never seen before.

Would that mean substituting journalists with machines? No. Machines still have a long way to go until they can do the storytelling that is required to capture an audience. It's a matter of working together. We recently observed the excellent collaboration between journalistic teams and high-tech teams at Neo4j on the Panama Papers story, where quality journalism was enabled by algorithms that detected patterns in the huge amounts of data, while leaving it up to the journalists to do the analysis and storytelling based on that data. Local journalism can benefit from doing something similar but more deliberate, through making relevant data openly available. Lowering cost and barriers by using technological enablers such as open data may be equally important to the future of local journalism as any publicly funded press support. Alongside new teams and companies exploring viable business models such as the Swedish Blank Spot Project, and Vice providing stories from Ukraine and Libya to a global audience, we could see an increase in small but highly competent teams covering bigger ground in respect to local journalism, if given the tools to make most fundamental scrutiny easier.

Georaphy of the planet no longer dictates hegemony. Reach and relevance of individuals and organizations to a globally widespread audience does. Rather than trying to oppose this fact, we should embrace it, and consider this a massive opportunity to strengthen democratic values across the planet and increase collaboration across real and imagined borders. In our collaborations, we need to excel at running with the machines that are changing the landscape. So let's continue to acknowledge our opportunities to do so. Empowering local journalism through open data for local scrutiny of public officials should be a sign of any strong democracy.

The Free Press Paradox

KJERSTI LØKEN STAVRUM

The Secretary General of the
Norwegian Press Association

TO MANY, TRADITIONAL JOURNALISM and *new media* should be held to different standards. But do we really understand how that will play out?

Editorial desks have long been the epicentre of the digital transformation. But now the rules of the game have changed, the cards have been re-dealt, and the fundamental values of publishing itself are getting thrown into the pot.

We live in a time that could be considered *the golden age of reporting*. Reporting is fast, it's free, and everyone can do it. It takes only a few minutes to establish your own virtual media entity and start publishing. But how do we preserve the public's faith in — possibly even the very existence of — reliable, accountable reporting? How do we remind them that accountable reporting is not a thing of the past, but as crucial as ever: Who do you trust? Who will make sure they get the facts straight? Who will ensure that sources are real and reliable in this free and fast publishing era? Yes, everyone can publish anything — and that makes it even more necessary to keep alive and kicking those who don't, those who maintain higher ethical standards and bring them to bear.

In our current topsy-turvy media landscape, there are still a few old foundational journalistic pillars from the pre-digital era, the centuries preceding the emergence of social media. These pillars may help guide us through the uncertain future of editorial desks, or they could be reduced to mere annoying speed bumps by those with less understanding of history. Because if the media forsakes its ethical mission to publish something more essential than what the everyman *citizen journalist* can, then these pillars are all doomed to fall.

From my perspective, as someone whose fundamental mission is to protect free, independent and ethical journalism, there is clearly a future for professional journalists — those who want to change the world for the better through their reporting — and for those who understand that there is something special about being a media leader.

In 2015, the Norwegian Press Complaints Commission received 17 percent more complaints against traditional Norwegian media than the year before, and we are seeing a similar trend in other Nordic countries. This complaint system is simple, free and open, but it takes a fair amount of effort to file a complaint against an editorial desk. You need to correctly word the complaint, preferably cite one or more paragraphs from the ethical code, and respond to editorial comments. In short, a complaint implies that you expected better of an editorial desk.

But the world that surrounds this carefully crafted and curated journalism — a world of comments from anyone who can start a blog, website or profile in social media — has unfortunately become a world filled with published hate. Unlike the journalism it comments on, this type of publication is problematic, as it follows no ethical code.

Although the internet's penchant for hateful speech shows no sign of abating (and police currently do little about punishable speech, though our Prime Minister is trying to launch a national campaign for fewer insults), to those of us who have to deal with a structured complaint system on a daily basis, it's obvious that traditional editorial desks are behaving responsibly. They follow and comply with a mandatory ethical system.

In an age of online hate, the professional integrity of an ethical code is an alien concept. Yes, everyone can publish — but for readers it is not quite irrelevant yet who publishes. The unrestrained internet has not extinguished the belief that people should be able to complain and have mistakes rectified in traditional media; on the contrary, in fact.

Editorial desks make ethical judgements every single day. All Norwegian media organizations — the Norwegian Union of Journalists, the Association of Norwegian Editors, the Norwegian Media Businesses Association — adhere to ethical principles. This distinguishes them from what *everyone else* publishes online, and demands thinking about the value of structured and binding ethical cooperation. It is also a paradox.

The Legal Paradox

With free access to publishing tools, much of the information which journalists used to have de facto control over has, fortunately, become public property. But the legal system is a challenge to this public access.

Take courtrooms: Courtrooms must be open to ensure the monitoring of public prosecuting authority and judicial power. When members of the press sit in the public gallery, they do so to create an public understanding of court judgements and rulings, but also to prevent miscarriages of justice.

In the Norwegian Press Association, we work to ensure that everyone has access to the work of the courts, but we also know that occasionally that isn't possible, due to sensitive information or potential exposure of vulnerable or innocent people. In those cases, we argue for special access for editorial desks so they can do their job — knowing that the material will be subject to a responsible editorial assessment prior to publication, in accordance with the code of press ethics.

But what if the material in question is surveillance video of an ambulance driver using a non-regulatory chokehold on a mentally ill man that results in his death? Should editorial desks be given special access, as they are different from "anyone who can publish"? What if adherence to a press code of ethics is no longer sacrosanct? If the courts decide that they have no choice but to deny access, for fear that sensitive information might fall into the wrong hands, the biggest losers will be a less-informed general public and, by extension, our democracy.

The open flow of information that is so essential to the survival of a democratic society is often taken for granted — but it is fundamentally dependent on the ethical practice of professional journalism.

In the case of the surveillance tape, a decision to deny access had to be appealed all the way to the Norwegian Supreme Court. This important case was settled on the principle of the role of the press as society's watchdog. But will the press continue to play such a role in the future, ensuring public access to vital information? Or will this role change if a more open concept of *citizen journalism* is not based on an ethical code?

The Columbia University School of Journalism declared another 2105 decision by Norway's Supreme Court the world's most important ruling. This case involved the Norwegian Police Security Service (PST), in an era of terror fears and heightened surveillance, seizing unpublished footage of radicalized youth from documentary filmmaker Ulrik Imtiaz Rolfsen. The Supreme Court ultimately (and unanimously) rejected the government's seizure of the material on the grounds that protection of sources is at the heart of the role of the press in society, as played by Rolfsen's journalistic project.

But will rulings like these stand out in the future? Who will take on the social mission of the press if we renounce our fundamental principles?

What if we no longer work freely and independently of direct commercial interests? This point was recently brought up by President Obama during his last White House Correspondents' Dinner.

The ultimate paradox would be if no one could fulfill this social mission, if information were ultimately hidden from the public, because everyone can publish and no one can be relied upon more than others.

The Editorial Paradox

The entire framework on which responsible journalism is built is upheld by the editor-in-chief. It is she or he who acts as the editorial leader, the public face, who is held accountable when journalists make mistakes.

It is also the editor-in-chief who enables a law that guarantees freedom of the press (known in Norway as the Freedom of the Media Act). The law granting this democratically vital freedom is based on the assumption that the editor-in-chief leads an editorial enterprise, that it is the editor-in-chief who makes the decisions. Something as seemingly innocent as the owner of a media company demanding to see an article, video or podcast prior to publication constitutes a violation of the law and undermines the statutory freedom which editorial desks must have in order to do their job.

But who will be these principled editors in the future? How many will "keep in mind the ideal purpose of the media" as stated in the first paragraph in the Guidelines of the Association of Norwegian Editors? What does it mean to be a free medium? How can we ensure that there are editors fighting to uphold the idea that *A free, independent press is among the most important institutions in a democratic society*? A free press must not only be independent of the State; it also cannot act in the interests of others — like commercial interests — and still claim to be free, and therefore credible.

It is the media companies' relentless hunt for new revenue and financing models that risk undermining the essential role of the independent editor, putting at serious risk the editors' freedom to perform their journalistic duty. And handing over editorial responsibility to faceless social platforms like Facebook only serves to tear at the legal and ethical fabric of journalistic practice, meant to ensure access to information and fulfilment of a social mission.

But it is not only the editor's role that has become obscure; the understanding of what a news medium actually is has also become fuzzy. In a time when everyone can publish freely and when advertisements and editorial content look exactly the same, we find ourselves in a situation where we no longer know how to define a news medium. What is journalism in this new world of free publishing? And what do we need to do to preserve this fragile framework of professional journalism, of ethical duties, of legal entrenchment, of responsibility to society?

This is a true tipping point for anyone who relies on the credibility of journalism — which is therefore anyone who values the continuing existence of democracy. As always, it is a case of those who stand for nothing will fall for anything.

As always, it is a case of those who stand for nothing will fall for anything.



KJERSTI LØKEN STAVRUM is a political scientist, former journalist and magazines, newspaper and online news editor. She is also Secretary General of the Norwegian Press Association and a member of the Tinius Trust.

Annual Report
2015



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.



Kjersti Løken Stavrum

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

The Trust was established by Tinius Nagell-Erichsen in 1996, and its basic capital is NOK 42,9 million. The Trust's purpose is to preserve the independence of Schibsted and to support the company's long-term development.

The Trust owns the four shares with a right to vote and 80 % of the shares without a right to vote in Blommenholm Industrier AS. Blommenholm Industrier AS is the largest shareholder in Schibsted, owning 26,1 % of the A-shares and 24,1 % of the B-shares.

Amendments to the Statutes in Schibsted ASA requires a majority of three quarters of the A-shares to vote for the change, and according to the Statutes no shareholder can own or vote for more than 30 % of the shares. Hence, the ownership secures the Trust significant influence in the ownership of Schibsted.

Schibsted has a broad portfolio of digital services in 30 countries. The Company's news organisations examine power relations and let people immerse themselves in stories that influence their lives. The Company's marketplaces impart understanding and arrange for a safe and environmentally conscious trade of both goods and services. Transparency give people power and is in accordance with the media's function to make the participants in the society responsible for their choices. Schibsted is aiming to be at service for the digital user in everyday life and in society.

Schibsted is developing towards a technology based, global company, and it has taken important steps towards this goal over the past year. The tempo of change and the global competition is getting increasingly tougher and it is important to build a technological platform, which can concentrate our services in an ecosystem that creates a foundation for innovation and growth. Schibsted has to live by its vision; Shaping the media of tomorrow. Today.

The Tinius Trust's active ownership in Schibsted is grounded in to related goals:

— Secure quality and trustworthiness in all of Schibsted's services and products, including a free and independent press.

— Work for a healthy and long-term economic development of Schibsted.

Blommenholm Industrier is working to implement these goals through its vote in Schibsted's General Meeting, and through contributing to vote for a competent Board of Directors for Schibsted. John Rein is the head of the Nomination Committee on behalf of Blommenholm Industrier. Ole Jacob Sunde represents Blommenholm Industrier as the Chairman of the board in the Schibsted Group.

The Tinius Trust also owns one B-share in the Norwegian newspaper Aftenposten. This entails that the Tinius Trust has to approve of any changes in the Statutes, and it has to approve of any new Chief Editor in Aftenposten.

As a long-term shareholder in Schibsted, the Trust is working to identify and understand the trends, forming tomorrows' media industry. The Trust publishes an annual report, as an anthology with contributions from important international media people and philosophers. The Trust shares information on the website tinius.com, participates in important meeting places and hosts the yearly seminar Tinius Trust Summit.

The Trust is based and operates in Oslo municipality, Norway.

Going Concern

The Board of Directors confirms that annual accounts have been prepared on a going concern basis and that this assumption is valid.

Statement about the annual accounts

In 2015, the Board of Directors consisted of the Chairman of the Board, Ole Jacob Sunde, Per Egil Hegge and John A. Rein. In accordance to the Statutes, each board member has chosen a personal substitute representative. These are Karl-Christian Agerup, Kjersti Løken Stavrum and Morten Goller. In 2016, Kjersti Løken Stavrum will replace Per Egil Hegge as a board member. Sindre Østgård is her substitute representative, until further notice.

By 31.12.2015, the Trust's ownership in Blommenholm Industrier is valued to a cost price of NOK 33 million. The Trust also have an investment portfolio with an estimated market value of NOK 37 million (31.12.2016). The return on the portfolio was 4,1 % in 2015.

The Trust has received a dividend of NOK 4 000 720, from Blommenholm Industrier AS. The accounting profit is NOK 4,2 million. The Board of Directors' opinion is that the annual accounts give a correct picture of the Trust's assets and debt, its financial position and result.

Health and safety, equal opportunities and anti-discrimination

The working environment is considered to be good. There are no reports of injuries or accidents in the workplace.

The first six months of 2015, the Trust had two male employees. The last six months, the Trust had one male employee. Starting in January 2016, one female employee has been hired on a temporary contract. Three men formed the Board of Directors in 2015. From 2016, the Board of Directors consist of two men and one woman.

Environmental Impact

The Trust's operations does not entail pollution or discharge that can contaminate the environment.

OSLO, 28 APRIL 2016

OLE JACOB SUNDE	JOHN A. REIN	KJERSTI LØKEN STAVRUM	SINDRE ØSTGÅRD
Chairman of the Board	*Board Member*	*Board Member*	*General Manager*

Income statement
01.01 - 31.12

	Note	2015	2014
Operating income			
Other operating income	2	3 016 302	2 054 852
Total income		**3 016 302**	**2 054 852**
Operating expenses			
Payroll expense	3	2 244 548	1 538 974
Depreciation	7	13 915	5 735
Other operating expenses		2 265 990	1 537 570
Total operating expenses	2	**4 524 453**	**3 082 278**
Result of operations		**-1 508 151**	**-1 027 426**
Financial income and financial cost			
Interest from bank		45 587	50 528
Other interest received		391 661	676 913
Other financial income		3 595 812	4 016 731
Net currency loss		-234 226	–214 117
Other financial income		4 000 720	0
Decrease in market value of financial current assets		-2 059 248	-1 620 701
Other interest expense		-262	-220 073
Profit before taxes		**4 231 893**	**1 661 855**
Result of the year		**4 231 893**	**1 661 855**
Disclosures			
Allocation to other equity		4 231 893	4 662 575
Total transfers	6	**4 231 893**	**4 662 575**

Balance sheet
as per 31.12

	Note	2015	2014
Assets			
Fixed assets			
Tangible fixed assets	7	22 099	36 014
Financial fixed assets			
Investments in associated companies	4	33 248 988	33 248 988
Total financial fixed assets		**33 248 988**	**33 248 988**
Total fixed assets		**33 271 087**	**33 285 002**
Current assets			
Debtors			
Other debtors	2	3 036 302	2 128 352
Total receivables		**3 036 302**	**2 128 352**
Investments			
Shares	5	21 034 591	16 992 819
Quoted bonds	5	13 132 421	13 668 956
Other financial instruments	5	2 535 822	5 281 550
Total investments		**36 702 834**	**35 963 325**
Bank deposits, cash, etc.		4 348 023	1 785 707
Total current assets		**44 087 159**	**39 877 384**
Total assets		**77 358 246**	**73 162 386**

	Note	2015	2014
Equity and liabilities			
Equity			
Paid in capital			
Capital base	6	42 862 184	42 862 184
Total paid in equity		**42 862 184**	**42 862 184**
Retained earnings			
Other equity	6	33 772 370	29 540 477
Total retained earnings		**33 772 370**	**29 540 477**
Total equity		**76 634 554**	**72 402 661**
Liabilities			
Current liabilities			
Trade creditor		204 746	184 353
Public duties payable		310 289	264 005
Other short-term liabilities		208 657	311 366
Total current liabilities		**723 692**	**759 725**
Total liabilities		**723 692**	**759 725**
Total equity and liabilities		**77 358 246**	**73 162 386**

OSLO, 28 APRIL 2016

OLE JACOB SUNDE
Chairman of the Board

JOHN A. REIN
Board Member

KJERSTI LØKEN STAVRUM
Board Member

SINDRE ØSTGÅRD
General Manager

Notes to the accounts

Note 1 — Accounting principles

The Annual Accounts have been prepared in accordance with the Accounting Act and generally accepted accounting principles for small enterprises.

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are nevertheless classified as current assets. Corresponding criteria are used when classifying current and non-current liabilities

Fixed assets

Fixed assets are valued at the purchase price, but are written-down to the fair value when the impairment in value is not expected to be transitory.

Market-based financial current assets

Securities and fund investments that either direct or indirect are a part of a portfolio, are valued at fair value on the balance sheet date.

Tax

The Tinius Trust is exempt from tax on operations, cf. section 2-32 of the Tax Act.

Note 2 — Operating income and operating costs

The Tinius Trust and Blommenholm Industrier has a concurrent purpose related to the ownership of the Schibsted share.

Hence, the Board of Directors in the two entities have decided to divide the cost related to promoting the purpose of the entities, between Blommenholm Industrier AS and the Tinius Trust. The Board of Directors in both entities will evaluate the arrangement and the cost on an annual basis. In 2015, the Tinius Trust will pay 1/3 of the costs, while Blommenholm Industrier AS will pay 2/3 of the costs.

Note 3 — Wage costs, remuneration, etc.

Payroll expenses	2015	2014
Wages/directors' fees, etc.	1 690 224	1 123 007
Payroll tax	274 471	184 446
Pension costs	72 491	26 994
Other wage related costs	207 342	204 527
Total	**2 244 548**	**1 538 974**

	31.12.2015	31.12.2014
Tied-up tax withholdings	150 002	272 208

	2015	2014
Average no. FTE	1,5	1,5

Payments to people in leading positions	General manager	Board members
Salary	1 316 997	100 000
Pension expenses	17 421	0
Other remunerations	181 532	0
Total	**1 515 950**	**100 000**

Expensed remuneration to the auditor for statutory auditing in the financial year was NOK 34 375 inc. VAT. Expensed remuneration to the auditor for assistance and other services in the financial year was NOK 2 813 inc. VAT.

Note 4 — Fixed asset investments

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
Equity funds	19 774 737	21 034 591	-759 337
Hedge funds	1 514 875	2 535 822	-414 644
Bond and money marked	13 457 570	13 132 421	-885 267
Total	**34 747 182**	**36 702 834**	**-2 059 248**

Note 6 — Basic capital

Equity	Basic capital	Acquired equity	Total equity
Equity as of 01.01.2014	42 862 184	29 540 477	72 402 661
Annual Result		4 231 893	4 231 893
Equity at 31.12.2014	**42 862 184**	**33 772 370**	**76 634 554**

Note 7 — Fixed assets

Fixed assets	Office equipment	Total
Cost price at 01.01.2015	41 749	41 749
Capitalisations for the year	0	0
Disposals of the year	0	0
A. Cost price as of 31.12.2015	41 749	41 749
Accumulated depreciation at 01.01.2015	5 735	5 735
Capitalisations for the year	13 915	13 915
Disposals of the year	0	0
B. Accumulated depreciation at 31.12.2015	19 650	19 650
A — B book value at 31.12.2015	22 099	22 099
Depreciation rate	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 Tinius.com

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.

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.

Tinius Trust
P.O.Box 1777 Vika
NO—0122 Oslo, Norway

+47 22 46 65 76
trust@tinius.com
www.tinius.com

CEO
Sindre Østgård
sindre.ostgard@tinius.com

Editors
Sindre Østgård
Helene Melseth Flaaen

Pictures
Rolf M. Aagaard
Jens Astrup/Play the Game
Kai Müller
Roger Cremers
Erik Burås
Carlos Zayavvv
Oslotech

Graphic design
Bakken & Bæck

Illustrations
Hanne Berkaak/ByHands, Oslo

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