#### Before the FEDERAL TRADE COMMISSION Washington, D.C. 20580

In the Matter of	)	Project No. P091200
	)	
From Town Crier to Bloggers: How Will	)	
Journalism Survive the Internet Age?	)	

#### News Media Workshop Comment NEWSPAPER ASSOCIATION OF AMERICA November 6, 2009

#### I. INTRODUCTION

The Newspaper Association of America (NAA) submits these comments in response to the Federal Trade Commission's notice announcing a series of public workshops to be held December 1-2, 2009 focusing on the subject: "From Town Crier to Bloggers: How Will Journalism Survive the Internet Age?" NAA is a nonprofit organization representing nearly 2,000 newspapers and their multiplatform businesses in the United States and Canada. NAA members include daily newspapers, as well as non-dailies, other print publications and online products.

NAA and its members applaud the Commission for its recognition that while media companies may be struggling in light of new economic and technological realties, high-quality journalism is as important as ever to local communities and our nation as a whole. NAA offers these comments to help the Commission better understand the challenges facing the newspaper industry, and to answer specific questions the Commission posed in the workshop notice. Specifically, our comments address: 1) the economic and competitive challenges faced by newspapers in the Internet age, 2) how the industry is experimenting with new business models

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<sup>&</sup>lt;sup>1</sup> http://www.ftc.gov/os/2009/09/090930mediaworkshopnotice.pdf.

to remain competitive, 3) how targeted advertising shows promise as a way to help fund local journalism, and 4) how newspapers are exploring ways to better protect their intellectual property online and generate revenue from their significant investments in journalism.

#### II. THE CURRENT STATE OF THE NEWSPAPER INDUSTRY

#### A. Newspapers Invest Heavily in Creating Trusted Original Content

Newspapers are fundamental to democracy. They play an indispensible role in informing citizens about local, national and international issues that affect their daily lives. In communities of all sizes throughout the country, newspapers provide individuals with the most comprehensive and highest quality news and information they need to be informed and active citizens. A 2007 study commissioned by the Newspaper Association of America Foundation found an overwhelming correlation between young people interacting with newspapers in the classroom and at home, and their participation in civic affairs later on as adults: they volunteered more, voted more, and spoke out more often on political and social issues. Conversely, a 2009 Princeton University study found that the closing of the *Cincinnati Post* in 2007 had adverse affects on the local community: voter turnout dropped, fewer people ran for public office, and more incumbents were re-elected after the newspaper stopped publishing.

Newspapers have traditionally provided more local news and investigative journalism than any other medium. In most markets, daily newspapers have the most extensive newsgathering resources of any local media, including the most reporters on the street covering local news, events and institutions, both public and private. The *Dallas Morning News*, for

<sup>&</sup>lt;sup>2</sup> Newspaper Association of America Foundation, *Lifelong Readers: Driving Civic Engagement* (2007), http://www.naafoundation.org/docs/Foundation/Research/LR\_civic.pdf.

<sup>&</sup>lt;sup>3</sup> Sam Schulofer-Wohl and Miguel Garrido, *Do Newspapers Matter? Evidence from the Closure of The Cincinnati Post*, Woodrow Wilson School of Public and International Affairs, Princeton University (March 2009), <a href="http://www.scribd.com/doc/13360606/Do-Newspapers-Matter">http://www.scribd.com/doc/13360606/Do-Newspapers-Matter</a>.

example, spends more than \$30 million each year to gather the news. In Philadelphia, the *Philadelphia Inquirer* and the *Philadelphia Daily News* collectively spend more than \$50 million annually on newsgathering. In addition, many TV and radio stations across the country depend on newspapers for much of their news. Similarly, while online news sources certainly compete with daily newspapers (especially for advertising revenue) and can provide additional insight into the happenings of the day, many of the news postings and much of the commentary on the Internet originate from information initially reported by newspapers.

Daily newspapers are the primary source of local journalism that has a positive impact on our communities and our nation. Newspapers have an unparalleled dedication to quality journalism – complete with the cultivation of sources, fact checking and professional writing and editing that readers have come to expect and rely on. If newspapers were unable to continue their unique brand of journalism, including pouring extensive time and resources into lengthy and costly investigations, we currently see no other comparable news provider with the resources and resolve to step into this watchdog role, especially at the local level. Members of the newspaper industry are committed to working together to find ways to preserve the high-quality public service journalism that is critical to a properly functioning democracy.

#### **B.** Newspaper Audiences Are Growing

The challenges facing the newspaper industry are rooted in how newspapers generate revenue. Industry-wide problems do not stem from shrinking audiences. While advertising revenue is down sharply, newspaper readership is actually growing. More than 104 million adults read a printed newspaper every day and more than 115 million on Sundays. That is more people than those who watch the Super Bowl (94 million), *American Idol* (23 million) or the late local news (65 million). As for young adults, 61 percent of 18-34 year olds read a newspaper in

an average week. Nielsen Online recently reported that newspaper websites had over 74 million unique visitors in August 2009 alone (up from 70 million in June) – which accounts for over one-third of all Internet users.<sup>4</sup> Print editions combined with newspaper websites have a larger audience than ever, and their content has never been more popular, even among young adults.

# C. Newspapers Face Dramatic Drops in Advertising Revenue Due to Increased Market Competition

The newspaper business model has traditionally relied on advertising as the main source of revenue. In 2008, 79 percent of the average newspaper's revenues were derived from the sale of advertising space, with the rest coming from circulation. However, as a result of the worst recession in our nation's history and, more importantly, intense competition for advertising from other media – including television (broadcast and cable), radio, magazines, yellow pages, direct mail, and especially Internet-based services – newspapers have experienced a dramatic loss in advertising revenue, which is the lifeblood of newspaper editorial investments.

By the end of this year, newspaper advertising revenue will have decreased nearly 40 percent over the past two years. Newspaper advertising revenues for the end of the second quarter of 2009 were down almost 30 percent from the same period a year ago.<sup>5</sup> The most precipitous decline has been in classified advertising, which has had a severe impact on major-market newspapers. Classified advertising, which represented 40 percent of the industry's advertising revenue in 2000, now represents 24 percent of total print advertising revenue.

Newspapers experienced more than a \$4 billion drop in classified advertising in 2008 alone.<sup>6</sup>

While newspapers have made significant investments in their digital platforms, online advertising accounts for less than 10 percent of newspaper ad revenue. Over the past three

<sup>&</sup>lt;sup>4</sup> http://www.naa.org/TrendsandNumbers/Newspaper-Websites.aspx.

<sup>&</sup>lt;sup>5</sup> http://www.naa.org/TrendsandNumbers/Advertising-Expenditures.aspx (see Annual).

<sup>&</sup>lt;sup>6</sup> *Id.* (see Annual Classified).

decades, newspapers' share of the total advertising market has decreased from 28 percent to less than 15 percent.

This dramatic decline in advertising revenue has taken a severe toll on the newspaper industry. Publishers in virtually every market, large and small, have been forced to lay off highly valued, veteran journalists and other employees, reduce salaries and benefits, and take other drastic cost-saving measures. Over the past two years, tens of thousands of jobs have been lost in the newspaper industry. In addition, seven major newspaper companies have declared bankruptcy, while other papers have altered their publication schedules or folded altogether.

While advertisers across the country have dramatically cut spending to stem their own revenue losses during the current recession, a rebound in the economy will not necessarily mean that newspaper ad revenues will reach their pre-recession levels. In short, the traditional newspaper advertising business model – in print and online – is unsustainable.

# D. Newspapers Are Exploring New Business Models to Compete Amid Increased Market Competition

Historically, newspaper subscriptions have accounted for roughly 20 percent of newspaper revenue, which does not come close to paying for the editorial costs involved in publishing a daily newspaper. Advertising is the primary revenue stream in support of the editorial function, regardless of whether distribution is by print or electronic means. It is now clear, however, that the traditional advertising business model – focused on print and classified advertising – is no longer sufficient.

The dramatic declines in advertising revenue have occurred as consumers have turned to a variety of new media – especially the Internet – to obtain news and information. In some cases, content created at significant cost by newspapers is aggregated and redistributed by others, who sell advertisements around newspaper content. Thus, the commercial value of newspapers'

original reporting inures to others, rather than to those who actually created, edited and published the content.

In the near term, newspapers recognize that they must adjust their business models to compete in this new marketplace. As more newspaper content moves online in response to the popularity of the Internet as an indispensible tool of daily life, newspapers know they must find ways to monetize online content in order to sustain local journalism. Newspapers are considering several new online business models that are based on advertising or paid content. Some business models are based on reader preferences (e.g., targeted advertising), while others focus on micropayments or other direct payments from readers (e.g., subscriptions). The attached NAA report entitled *Platforms for Monetizing Digital Content (September 2009)* summarizes a few of the solutions being developed by the industry or offered by various vendors ("Addendum").

#### III.GOVERNMENT POLICIES THAT AFFECT THE NEWSPAPER INDUSTRY

The newspaper industry is not seeking a financial "bailout" or any other kind of special subsidy from the federal government. Newspapers do not believe that direct government financial assistance is appropriate for an industry whose core mission is news gathering, analysis and dissemination – often times about the government. However, there are public policy considerations that could have an impact on newspapers as they chart a new course for the future. Our comments address two public policy issues addressed in the workshop notice: targeted advertising and intellectual property.

#### A. Online Targeted Advertising Shows Promise As a Business Model That Can Support Local Journalism

It has become clear that the traditional print-based advertising business model newspapers have relied on for decades is insufficient as the Internet becomes the medium of

choice for the consumption of news and information in the 21st century. It is imperative that the newspaper industry find a way to monetize its digital content and take advantage of its evergrowing Internet audience. Targeted advertising (also known as "behavioral advertising") shows significant promise.

#### 1. Online Ad Revenues Do Not Currently Support Journalism

There is no doubt that online advertising will be key to sustainability and growth in the newspaper industry. However, generating sufficient revenue through online advertisements has been difficult. Online advertising accounts for less than 10 percent of newspaper ad revenue because there is not a one-to-one dollar substitution for an online ad compared to a print ad. The exponential surge in online publishers and other ad-supported websites – that is, online ad inventory – in recent years has made it difficult for newspapers (and other publishers) to sell 100 percent of their ad space and has significantly depressed online ad rates.

An August 2008 study<sup>7</sup> by the Interactive Advertising Bureau found that publishers averaged CPMs (cost per thousand ad impressions) of \$15 if they sold ad space directly to advertisers, yet publishers also found themselves unable to sell approximately 30 percent of their ad inventory. With excess inventory, publishers have been increasingly turning to ad networks, but rates for advertising sold through ad networks drop significantly: the IAB study found that CPMs on ad networks ranged from 60 cents to \$1.10, or only 6-11 percent of direct pricing, respectively.<sup>8</sup>

<sup>8</sup> See also Stephanie Clifford, "Online Rally May Sidestep Newspapers," *The New York Times* (Oct. 25, 2009), <a href="http://www.nytimes.com/2009/10/26/business/media/26adco.html?\_r=3&pagewanted=all">http://www.nytimes.com/2009/10/26/business/media/26adco.html?\_r=3&pagewanted=all</a>.

<sup>&</sup>lt;sup>7</sup> Bain/IAB Digital Pricing Research (August 2008) (Updated), http://www.iab.net/media/file/Bain IAB Digital Pricing Research.pdf.

#### 2. Targeted Online Advertising Benefits Consumers and Local Businesses

The cost of producing original content is substantial, from local news, to investigative pieces, to foreign coverage. Targeted advertising shows significant promise for newspapers seeking new ways to support local journalism. For example, members of The Newspaper Consortium<sup>9</sup> – which includes a partnership with Yahoo! that involves the cross-selling of online ads and the use of targeted advertising, where Yahoo! serves as the "third party" ad network on newspaper sites – has generated at least \$50 million in revenue since it launched in 2008. A March 2009 Northwestern University study succinctly summarized the promise of this kind of a business model: "If behavioral targeting enables the total audience for a news page to be parsed into segments advertisers care about . . . they can be sold at the higher CPMs associated with those behaviors rather than the lower CPMs of all-purpose news."

Targeted advertising also reduces advertising clutter by limiting irrelevant and distracting ads. A 2009 TRUSTe survey<sup>12</sup> of over 1,000 Internet users revealed that almost 72 percent of respondents found online advertising intrusive and annoying when the products and services being advertised were not relevant to their wants and needs. Targeted advertising also better connects buyers and sellers. For example, the Newspaper Consortium's partnership with Yahoo! has increased the local ad market share of newspaper websites, thereby enabling newspapers to offer real value for local advertisers. For example, a Texas paper that is a member of the

<sup>&</sup>lt;sup>9</sup> http://www.npconsortium.com/.

<sup>&</sup>lt;sup>10</sup> Nat Ives, "Some Newspapers Booking Local Ads Online Thanks to Yahoo," *AdAge.com* (May 21, 2009).

<sup>&</sup>lt;sup>11</sup> Scott Anderson, et al., "Online Ad Networks: Disruption – and Opportunity – for Media Businesses," Media Management Center, Kellogg School of Management, Northwestern University (March 2009), p. 17, <a href="http://www.mediamanagementcenter.org/research/adnetworks.pdf">http://www.mediamanagementcenter.org/research/adnetworks.pdf</a>.

<sup>&</sup>lt;sup>12</sup> TRUSTe/TNS, 2009 Study: Consumer Attitudes About Targeted Targeting (March 4, 2009), <a href="http://www.truste.com/resources/index.html">http://www.truste.com/resources/index.html</a>.

Consortium offered targeted ads to a local auto dealer whose cars were not selling; within one week, the dealer had sold seven cars.

#### 3. Newspapers Support Enhanced Consumer Notice and Choice

Newspapers have built longstanding relationships with their readers based on trust and are therefore sensitive to consumer concerns about online privacy. In February of this year, the Federal Trade Commission, in its revised self-regulatory privacy principles for online behavioral advertising, called for greater transparency. NAA applauds the FTC for calling on industry to implement self-regulatory privacy principles. The Association supports enhanced transparency and, specifically, an "opt out" user choice mechanism. Independent efforts by industry leaders – some of whom newspapers partner with for advertising services – have been testing enhanced notices to ensure the notices are both effective and do not degrade the user experience. Newspapers also support consumer education as a means of empowering readers to be active participants in protecting their online privacy.

# **4.** The Government Should Resist Mandates That Could Hamper Emerging Business Models in an Increasingly Digital Economy

Newspapers are concerned, however, about a government mandate for an "opt in" user choice mechanism for publishers who partner with "third party" ad networks. While newspapers support robust consumer notice and choice, newspapers worry that a government mandated "opt in" choice mechanism for "third party" targeted advertising may not be workable in practice.

Newspapers would be concerned, for example, by a mandate requiring that an "opt in" screen pop up whenever anyone initially accesses a website where "third party" targeted advertising occurs. This would degrade the user experience and make it difficult to communicate the benefits of targeted or interest-based advertising (e.g., supporting local journalism, reducing advertising

<sup>13</sup> http://www.ftc.gov/opa/2009/02/behavad.shtm.

clutter, and presenting relevant ads) to consumers by limiting communication to a small space and a short period of time.

NAA encourages policymakers not to impose mandates that would hamper emerging business models, such as online targeted advertising, in an increasingly digital economy. As the newspaper industry shifts toward a digital future with a hybrid product – consisting of both print and online – it is conceivable that many different online revenue models will be relied upon to support newsgathering at newspapers.

#### B. Newspapers Are Taking Action to Enforce Intellectual Property Rights

While newspaper companies have been aggressively examining new business models, they have also been exploring new systems that would allow newspapers and other news content creators to track, detect and license online content, which is being used by portals and aggregators for their own commercial gain. Some Internet operators routinely free-ride on the investments that newspapers are making by copying or summarizing newspaper content in order to drive audiences to their websites — and gain revenue through the selling of advertisements around this content.

The concern is not about the personal use of newspaper-generated content, but the use of newspaper-generated content for someone else's commercial benefit. The original reporting that is done by newspapers each and every day cannot be sustained over the long term if newspapers are not able to obtain fair and reasonable compensation for the investments they make in the content that they produce. This is the market reality for music, books, movies – and newspaper-generated content.

Policymakers and commentators have suggested amendments to copyright law to provide newspapers compensation when aggregators and others re-use valuable content in which

newspapers have invested. Senator John Kerry, copyright law professor Neil Netanel, and others have raised the possibility of a statutory license, like that used for satellite retransmission of broadcast programming. <sup>14</sup> Federal circuit judge Richard Posner suggested it may be necessary to expand copyright to bar linking without consent "to keep free riding on content financed by online newspapers from so impairing the incentive to create costly news-gathering operations." <sup>15</sup> The Pew Center's Project for Excellence in Journalism called for news providers to create consortia to collect licensing fees from Internet providers and aggregators for content. <sup>16</sup> Others suggest amending section 301 of the Copyright Act to clarify that claims for misappropriation of "hot news" are not preempted by federal copyright law.

While these intellectual property questions have been debated publicly, new business models have emerged, and vendors and other entities have begun to provide competing services in the tracking and licensing of copyrighted works online. NAA reviewed these proposals and other intellectual property options for newspapers to protect content online consistent with antitrust laws.

Newspapers are moving toward the creation of consortia that will use new and developing technologies to track online uses of text and other works, to ensure that, where appropriate, the copyright owner is compensated for exploitation of exclusive rights in intellectual property, and to take into account the fair use of copyrighted works and the balancing of interests of users and creators.

<sup>&</sup>lt;sup>14</sup> See Future of Journalism: Hearings Before the Subcom. on Communications and Technology of the Senate Comm. on Commerce (May 6, 2009) (statement of Sen. John Kerry); Neil Netanel, balkin.blogspot.com/2008/05/demise-of-newspapers-economics.html (May 5, 2008).

<sup>&</sup>lt;sup>15</sup> Richard Posner, becker-posner-blog.com/archives/2009/06/the\_future\_of\_n.html (June 23, 2009).

<sup>&</sup>lt;sup>16</sup> Project for Excellence in Journalism, State of the News Media 2007, *stateofthemedia.org/2007/narrative\_overview\_eight.asp?cat=2&media=1*.

#### 1. The AP News Registry

In July 2009, The Associated Press announced the creation of the AP News Registry to tag and track its content online and to ensure compliance with license terms and conditions of use. The Registry will initially cover the AP's text, photos and video, and will extend to AP-member content in 2010. The Associated Press' 1,400 member newspapers, who have agreed to participate, will license content through the Registry on terms and conditions set by the individual newspapers themselves. For AP content, the AP will offer a base license for online display, with an additional license for further aggregation, syndication, or email services.

The Registry will point and provide links to the websites of the newspapers that are breaking the news and originating story content, driving traffic to those websites rather than to third-party sites that aggregate that news and optimize it for third-party search engines. Content markers or "tags" will use microformats to wrap newspaper content in a digital permissions framework and will include copyright management information that allows publishers to track and to specify how content may be used online.

Measures such as these were envisioned by Chapter 12 of the U.S. Copyright Act, added by the Digital Millennium Copyright Act of 1998 to protect copyrighted works online. Section 1201 of the Copyright Act prohibits circumvention of technological measures that protect access to works protected under copyright law. Section 1202 of the Copyright Act prohibits intentional removal or alteration of "copyright management information" and the knowing addition of false copyright management information, done with intent to induce, enable, facilitate or conceal a copyright infringement. The Registry will facilitate the generation of revenues to content creators through licensing, contextual advertising, and, in some cases, fees for access to content.

#### 2. Attributor, Inc. and the Fair Syndication Consortium

Attributor, Inc. uses its own proprietary software to track online uses from newspaper content feeds and the Copyright Clearance Center's online Rights Link product to provide publishers with individual and immediate licensing opportunities. Its "Fair Syndication Consortium" seeks a share of online advertising revenues generated by advertising networks, which represent multiple websites in selling advertising space and allow media buyers to reach broad audiences by using ad buys across hundreds or thousands of websites.

The Fair Syndication Consortium has signed nearly 2,000 publisher members, including 75 percent of top U.S. newspaper publishers and four of the five top worldwide news agencies. Attributor provides antipiracy services, serving take-down notices under section 512 of the Copyright Act to service providers that host the allegedly infringing website, or to ad networks whose advertisements appear on pages containing the allegedly infringing content.

Attributor recently tested how 51,000 newspaper articles were re-used over a 30-day period ending September 20, 2009. This preliminary trial revealed that more than 45,000 websites re-used at least one newspaper article during the 30-day period. While 41 percent of the pages where the newspaper articles were found only re-posted the headline, 59 percent republished either the entire article or a significant excerpt of it. The key is that ads were running on these pages, generating revenue for the webpage owners, the ad networks (e.g., Google and Yahoo!) and the advertisers – *and not the newspapers, the original creators of the content.* The goal is for Attributor to identify opportunities for newspapers to generate additional revenue from those who re-post significant amounts of newspaper content.

#### 3. New Business Models

News Corporation, which owns *The Wall Street Journal* and Dow Jones Company, announced in August 2009 that it would form a consortium to charge for news distributed online and on portable devices, or for digital access to that news. Newspaper initiatives have developed in recent years with respect to both ad placement and paid search. Google "Fast Flip" is an example of a new business experiment in which three dozen publishers, including *The New York Times* and *The Washington Post*, license logos and graphic images of their Web content to a Google Web and mobile user interface, in exchange for some revenue and information sharing from contextual advertising. A myriad of business models are developing to facilitate rights administration and uses of newspaper content online, from Journalism Online to MyWire. A summary of vendors and other entities offering specific products or services is attached with these comments ("Addendum").

#### IV. CONCLUSION

The newspaper industry is in transition as it determines how to thrive midst new economic and technological realties. Newspapers are actively exploring new business models and other ways to compete in this new marketplace and to support their core mission – providing high-quality news and information to citizens on a daily basis. The Newspaper Association of America and its members appreciate the Federal Trade Commission recognizing the importance of high-quality journalism and facilitating dialogue among various stakeholders about how to sustain the local and investigative journalism that is fundamental to our democracy in the Internet Age.

## Respectfully submitted,

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November 6, 2009

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# **ADDENDUM**

# **Newspaper Association of America**

# Platforms for Monetizing Digital Content

September 2009



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#### **Platforms for Monetizing Digital Content**

In June, industry leaders asked the Newspaper Association of America to profile a variety of companies offering a "paid content" solution and communicate back to the industry the various models and capabilities of those companies. An industry task force (see pg. 24) met to:

- 1) Develop a Request for Information (RFI) to distribute to platform/technology providers (a copy of the RFI is available here).
- 2) Participate in Webinars with those providers to learn more about their approaches
- 3) Provide feedback through this report to the industry

This report summarizes the RFI responses and provides links to documentation provided by each of the companies. Companies profiled in this report include those that have mapped out a specific solution for publishers as well as technology companies that have various tools and platforms that could be used to create a solution. (Companies profiled either approached NAA directly or were recommended by the task force. This does not represent a comprehensive review of all companies offering monetization solutions.)

Most of these companies represent very different approaches – some focus primarily on generating revenue from consumers and others offer an enhanced advertising solution with consumer payment capabilities built in. Some are based on hosting newspaper content; others provide technology to be implemented on the newspaper's own site.

#### **Companies Included in This Report**

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

In addition, the task force met via Webinar with the Wall Street Journal. Although the WSJ is interested in licensing their platform, they declined to submit an RFI because their solution will be focused on larger media companies.

This effort was *not* an attempt to evaluate individual companies or to assess the possibility of a single, industry solution. The task force is also not endorsing any particular "paid content" strategy. Rather, the goal is to equip newspapers with background information to help them make their own strategic decisions.

For NAA's report on paid content approaches and strategies and additional resources, go to www.naa.org/paidcontent.

#### **Publisher-Focused Systems under Development**

Company: CircLabs
Product: Circulate

Contact: Jeffrey Vander Clute E-mail: jeff@circlabs.com Phone: (310) 720 – 0812

**Additional Documentation: RFI Response** 

#### **Synopsis**

CircLabs' Circulate service delivers content and advertising to registered users via a Web browser add-on that gradually learns a user's demographics, interests and preferences. It places an expandable 50-pixel-high bar across the top of the user's screen, and delivers content recommendations and advertising relevant to the user's profile.

CircLabs plans to partner with local publishers to market Circulate. The Circulate bar will be branded with the name of the newspaper through which the user registered for the service. Content will be delivered initially from the Associated Press' Exchange database and then from individual publishers, over time.

Circulate management believes that potential revenue from targeted, high-value advertising will exceed that from paid content. However, the service will have built-in capabilities to enable subscription and per-item payments for access to content.

CircLabs also plans deployment of the platform via smartphones and to provide e-mail and text message alert services.

#### **Business Model**

Estimates of annual revenue for publishers are available on the full CircLabs RFI response.

CircLabs expects to be compensated through a variety of revenue streams, including:

- 1) Affiliation fees from publishers joining the network
- 2) Share of local and national advertising placed on the Circulate bar
- 3) Share of revenue charged to consumers
- 4) Share of affiliate marketing and lead-generation fees

#### **Timetable**

CircLabs is targeting September 30 for completion of initial software development with beta testing and refinement in the fall of 2009 and initial consumer roll-out in January 2010.

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across participating media	Yes
	company Web sites	1 68
3	Process content in industry standard formats for news (NITF, NewsML2)	Yes
4	Track proper source of original content	Yes
5	Manage and protect intellectual property rights of content	Yes
6	Provide effective and efficient browser based user interface	Yes
7	Provide appropriate database technology for content management	Yes
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions,	
	etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages	Yes
	viewed or stories accessed previously, etc.)	
9	Communicate with banks using standard formats (please include capabilities to	Yes
	accept credit card information, process transactions, reconcile payments, etc.)	105
10	Provide PCI compliant customer information protection	Yes
11	Provide an information barter environment with appropriate privacy and other	Yes
	protections (i.e. access to content in exchange for more detailed user info)	168
12	Provide simple customer registration/logon process	Yes
13	Tie a customer and their information to a particular newspaper (their home paper)	Yes
14	Provide references to relevant content from participating newspapers	Yes
15	Provide design with advertising positions	Yes
16	Include AdsML based e-commerce	N/A

**Company: Journalism Online** 

Contact: Gordon Crovitz

E-mail: Gordon.crovitz@gmail.com

**Additional Documentation: RFI Response** 

#### **Synopsis**

Journalism Online is developing an e-commerce platform for individual publishers that allows consumers to purchase annual or monthly subscriptions, day passes or single articles from multiple publishers and across multiple platforms using the same account and password.

The payment system will be integrated into the Web sites of publishers, with each publisher having sole discretion over which access and content to charge for, how much to charge and the manner of charge. It will give publishers the ability to optimize revenues through full marketing options (e.g., sampling; tolling to identify the most engaged users; access by time; free summaries; and sharing via social media). Publishers will use the Journalism Online system to market delivery to the Web site and to emerging digital platforms.

The service capabilities include:

- Sampling of selected number of articles per week or month before charging
- Free view of headline and of selected number of words before charging
- Micropayments, monthly and annual subscriptions
- Meshing of print and online subscription databases to allow for discounted bundled offers
- Premium charging according to the frequency with which the Web site is updated
- Option for publishers to set different rules based on whether customer is in- or out-ofmarket
- Referral payments for affiliate Web sites whose paying customers add access to other news Web sites
- "All-you-can-read" packages with originating publisher Web site receiving a percentage of resulting revenues
- Option for dissatisfied customers to "return" an article, if publisher desires, with a fraud protection mechanism to guard against abuse
- Ability to sell related goods via participating retailers (such as books within book reviews).

#### **Business Model**

A sample business model for the service is available in the full report.

Journalism Online expects to collect a commission of 20 percent of subscription revenues (net of 3% credit card fees).

## Timetable

Launch in Fall 2009.

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across participating media company Web sites	Yes
3	Process content in industry standard formats for news (NITF, NewsML2)	N/A
4	Track proper source of original content	Yes
5	Manage and protect intellectual property rights of content	N/A
6	Provide effective and efficient browser based user interface	Yes
7	Provide appropriate database technology for content management	N/A
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages viewed or stories accessed previously, etc.)	Yes
9	Communicate with banks using standard formats (please include capabilities to accept credit card information, process transactions, reconcile payments, etc.)	Yes
10	Provide PCI compliant customer information protection	Yes
11	Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)	Yes
12	Provide simple customer registration/logon process	Yes
13	Tie a customer and their information to a particular newspaper (their home paper)	Yes
14	Provide references to relevant content from participating newspapers	Yes
15	Provide design with advertising positions	N/A
16	Include AdsML based e-commerce	N/A

**Company: Mather Economics** 

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**Additional Documentation: RFI Response** 

#### **Synopsis**

Mather Economics is developing Haymaker, a platform for processing payments in multiple formats including micropayments, full subscriptions, day passes, section subscriptions and multipublication subscriptions. Haymaker manages customer accounts that are funded through payments by the customer, by advertisers or by content providers. One Haymaker account can be used to pay for content from multiple content providers using different pricing formats for each. Alternatively, a customer can pre-purchase content from multiple content providers that is delivered to them electronically as it is published.

Key features of the Haymaker application are:

- **Single sign-on** one Haymaker account can manage purchases from multiple content providers
- Use of existing registrations if a newspaper already has registered users, Haymaker can assign account numbers to these users so additional registration is not required
- **Subscription management** Haymaker can support whole-site subscriptions, partial subscriptions (sports, business, entertainment), time-limited subscriptions (day-passes), and micropayments
- **Micropayments** Haymaker enables the sale of one-time purchases of content at small price points
- **Variable pricing** Each content item can be given its own price, and that price can be changed by the content provider in real time
- **Permission management for print subscribers** -- Haymaker & Mather Economics have existing relationships with many newspapers to assist them in maximizing circulation revenue from home delivery subscribers
- Alternative funding sources for Haymaker accounts Haymaker allows content
  providers to provide credit within Haymaker accounts in exchange for customer
  information at registration or participation in marketing events such as surveys or
  watching advertisements
- Syndication Haymaker supports the sale of content through other sites
- Purchase data availability Haymaker will capture and provide to content providers data on their content sales so that this information can support behavioral targeted marketing
- **Consultative services** Haymaker has outlined a program for testing optimal price points, subscription bundles, registration procedures, and other product features during pilot implementations of the product.

#### **Business Model**

Mather will receive a share of revenue received from content providers through the Haymaker payment platform. The percentage will be based on an analysis of a newspaper's online audience and market size. They also plan to charge a minimal setup fee to join the Haymaker network.

#### **Timetable**

The timeline for implementation is projected to be three months to a "private launch" where features and pricing can be tested by a select audience. Focus groups can be used to enhance the feature set and pricing models ahead of a "public launch." Mather estimates the public launch would be ready four to five months from the inception of the project.

Manage single sign-on that allows consumers to navigate across participating media company Web sites  Process content in industry standard formats for news (NITF, NewsML2)  Track proper source of original content  Manage and protect intellectual property rights of content  Provide effective and efficient browser based user interface  Provide appropriate database technology for content management  Manage a variety of transactional capabilities (e.g. micropayments, subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages viewed or stories accessed previously, etc.)  Communicate with banks using standard formats (please include capabilities to accept credit card information, process transactions, reconcile payments, etc.)  Provide PCI compliant customer information protection  Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)  Provide simple customer registration/logon process  Tie a customer and their information to a particular newspaper (their home paper)  Yes  Yes			
company Web sites  3 Process content in industry standard formats for news (NITF, NewsML2)  4 Track proper source of original content  5 Manage and protect intellectual property rights of content  6 Provide effective and efficient browser based user interface  7 Provide appropriate database technology for content management  8 Manage a variety of transactional capabilities (e.g. micropayments, subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages viewed or stories accessed previously, etc.)  9 Communicate with banks using standard formats (please include capabilities to accept credit card information, process transactions, reconcile payments, etc.)  10 Provide PCI compliant customer information protection  11 Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)  12 Provide simple customer registration/logon process  13 Tie a customer and their information to a particular newspaper (their home paper)  Yes  14 Provide references to relevant content from participating newspapers  Yes	1	Accept or retrieve content from participating newspapers/media companies	Yes
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6Provide effective and efficient browser based user interfaceYes7Provide appropriate database technology for content managementN/A8Manage a variety of transactional capabilities (e.g. micropayments, subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages viewed or stories accessed previously, etc.)Yes9Communicate with banks using standard formats (please include capabilities to accept credit card information, process transactions, reconcile payments, etc.)Yes10Provide PCI compliant customer information protectionYes11Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)Yes12Provide simple customer registration/logon processYes13Tie a customer and their information to a particular newspaper (their home paper)Yes14Provide references to relevant content from participating newspapersYes	4	Track proper source of original content	Yes
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viewed or stories accessed previously, etc.)  9 Communicate with banks using standard formats (please include capabilities to accept credit card information, process transactions, reconcile payments, etc.)  10 Provide PCI compliant customer information protection  11 Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)  12 Provide simple customer registration/logon process  13 Tie a customer and their information to a particular newspaper (their home paper)  14 Provide references to relevant content from participating newspapers  Yes	8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions,	
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accept credit card information, process transactions, reconcile payments, etc.)  10 Provide PCI compliant customer information protection  11 Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)  12 Provide simple customer registration/logon process  13 Tie a customer and their information to a particular newspaper (their home paper)  14 Provide references to relevant content from participating newspapers  Yes	9		Vac
11Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)Yes12Provide simple customer registration/logon processYes13Tie a customer and their information to a particular newspaper (their home paper)Yes14Provide references to relevant content from participating newspapersYes		accept credit card information, process transactions, reconcile payments, etc.)	168
protections (i.e. access to content in exchange for more detailed user info)  12 Provide simple customer registration/logon process  13 Tie a customer and their information to a particular newspaper (their home paper)  14 Provide references to relevant content from participating newspapers  Yes	10	Provide PCI compliant customer information protection	Yes
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14 Provide references to relevant content from participating newspapers Yes	12	Provide simple customer registration/logon process	Yes
	13	Tie a customer and their information to a particular newspaper (their home paper)	Yes
15 Provide design with advertising positions N/A	14	Provide references to relevant content from participating newspapers	Yes
	15	Provide design with advertising positions	N/A
16 Include AdsML based e-commerce N/A	16	Include AdsML based e-commerce	N/A

Company: NewsNav Contact: Derick Harris

E-mail: <u>infopods@gmail.com</u> Phone: (808) 929 - 7122

Additional Documentation: **RFI Response** (password: "newsnavharris")

#### **Synopsis**

The NewsNav system organizes content into "thematic brand channels" or "News Pods". Newspapers can market the Pods to subscribers and advertisers. Every newspaper controls its own rate card for subscriptions and ads. The system supports multiple payment models.

NewsNav supports multiple methods to access content. The local newsroom decides which pod the content is assigned. A pod can be populated with content from multiple newspapers. Subscribers can view content from any providers. Subscribers are associated with a primary newspaper.

NewsNav is currently in operation. It runs in hosted environment with servers located in multiple locations.

#### **Business Model**

NewsNav expects to fund its business through advertising. A standard connectivity charge will be made for each new display ad resolved on the network.

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across participating media company Web sites	Yes
3	Process content in industry standard formats for news (NITF, NewsML2)	N/A
4	Track proper source of original content	Yes
5	Manage and protect intellectual property rights of content	Yes
6	Provide effective and efficient browser based user interface	Yes
7	Provide appropriate database technology for content management	N/A
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions,	
	etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages	N/A
	viewed or stories accessed previously, etc.)	
9	Communicate with banks using standard formats (please include capabilities to	Yes
	accept credit card information, process transactions, reconcile payments, etc.)	103
10	Provide PCI compliant customer information protection	Yes
11	Provide an information barter environment with appropriate privacy and other	Yes
	protections (i.e. access to content in exchange for more detailed user info)	108
12	Provide simple customer registration/logon process	Yes

13	Tie a customer and their information to a particular newspaper (their home paper)	Yes
14	Provide references to relevant content from participating newspapers	Yes
15	Provide design with advertising positions	Yes
16	Include AdsML based e-commerce	Yes

Company: ViewPass
Contact: Alan Mutter

E-mail: <u>alan.mutter@broadbandxxi.com</u>

Phone: (415) 519 - 2495

**Additional Documentation: RFI Response** 

#### **Synopsis**

ViewPass proposes to build a nationally branded, industry-owned "audience-monetization system" to be deployed broadly across all interactive platforms. The system is intended to:

- 1. Offer a universal registration system that gives users access to all participating sites
- 2. Deliver granular information about users and their content usage and browsing behavior to allow for improved content relevancy and advertising targeting (at higher rates)
- 3. Provide publishers with a platform to charge consumers for content, if desired
- 4. Drive more traffic to newspaper Web sites through a recommendation engine and tools for users to be content aggregators.

A visitor to a participating ViewPass site will register through a one-time process (and one-time sign-up fee). Once registered, their activities will be tracked at each participating publisher's Web site. ViewPass will pair data about reading habits with demographic profiles, and then provide anonymous data about the reader on the fly to banner ad services. ViewPass is also proposing to develop an advertising auction system.

Publishers will be able to sell individual, pay-per-view articles or offer time-based subscriptions for periods ranging from a few minutes to lifetime for an entire site, part of a site or multiple sites. Consumers will be able to pay by credit card, debit card, PayPal, Google Checkout and other electronic funds transfer mechanisms. The system will support prepaid-stored-value; accumulate-then-charge, and pay-as-you go models.

#### **Business Model**

ViewPass is building the system to be owned by participating newspapers.

ViewPass will draw its revenue from:

- 1) Interstitial ads sold by ViewPass
- 2) Transaction charges incurred when site visitors are authenticated by the ViewPass system
- 3) Charges imposed for processing transactions conducted by the commerce engine
- 4) Charging a fee currently projected at one-tenth of a cent for each page view by a ViewPass user.

#### **Timetable**

ViewPass will need commitment from a critical mass of publishers to fund the development of the technology platform. ViewPass plans to launch the first elements of the complete system within three to four months of initial funding. The full system would be deployed within 12 months of initial funding.

#### **Capabilities**

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across participating media	Yes
	company Web sites	res
3	Process content in industry standard formats for news (NITF, NewsML2)	Yes
4	Track proper source of original content	Yes
5	Manage and protect intellectual property rights of content	Yes
6	Provide effective and efficient browser based user interface	Yes
7	Provide appropriate database technology for content management	No
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions,	
	etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages	Yes
	viewed or stories accessed previously, etc.)	
9	Communicate with banks using standard formats (please include capabilities to accept	Yes
	credit card information, process transactions, reconcile payments, etc.)	168
10	Provide PCI compliant customer information protection	Yes
11	Provide an information barter environment with appropriate privacy and other	Yes
	protections (i.e. access to content in exchange for more detailed user info)	168
12	Provide simple customer registration/logon process	Yes
13	Tie a customer and their information to a particular newspaper (their home paper)	Yes
14	Provide references to relevant content from participating newspapers	Yes
15	Provide design with advertising positions	No
16	Include AdsML based e-commerce	Yes

11

#### **Systems Based on Existing Tools/Services**

**Company:** Google

Contact: Rany Ng (rany@google.com) or Rob Macdonald (robmac@google.com).

**Additional Documentation: RFI Response** 

#### **Synopsis**

Google is proposing to use current technology and tools, including Search, Google Checkout and DoubleClick ad server, to build a premium content system for newspapers.

Google's vision of a premium content ecosystem includes the following features:

- Single sign-on capability for users to access content and manage subscriptions
- Ability for publishers to combine subscriptions from different titles together for one price
- Ability for publishers to create multiple payment options and easily include/exclude content behind a paywall
- Multiple tiers of access to search including 1) snippets only with "subscription" label, 2) access to preview pages and 3) "first click free" access
- Advertising systems that offer highly relevant ads for users, such as interest-based advertising.

All of the pieces are essentially in place. Google is already has a similar effort with a number of premium content providers. Minor integration may be necessary.

In addition to providing e-commerce and advertising platforms to support publishers' content, Google can provide the technology for syndication and embedded hosting of the content-monetization components on third party sites. Also, using Google content management tools, publishers could – with future product enhancements -- tag individual articles with different levels of access and/or pricing, as well as additional information about the content, such as identifying source material.

#### **Business Model**

Software and support services are typically provided by Google at no charge but the company may charge for additional professional services. Current models on revenue sharing for the selling of content typically involve a percentage of each sale to Google in order to cover maintenance, bandwidth, processing charges and profit margin.

#### Timetable

Most of the tools and capabilities are in place. Google currently works with several premium content providers to provide similar capabilities.

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across	Yes
	participating media company Web sites	res
3	Process content in industry standard formats for news (NITF, NewsML2)	Yes
4	Track proper source of original content	Yes
5	Manage and protect intellectual property rights of content	Yes
6	Provide effective and efficient browser based user interface	Yes
7	Provide appropriate database technology for content management	Yes
8	Manage a variety of transactional capabilities (e.g. micropayments,	
	subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or	Yes
	member, number of pages viewed or stories accessed previously, etc.)	
9	Communicate with banks using standard formats (please include	
	capabilities to accept credit card information, process transactions,	Yes
	reconcile payments, etc.)	
10	Provide PCI compliant customer information protection	Yes
11	Provide an information barter environment with appropriate privacy and	
	other protections (i.e. access to content in exchange for more detailed user	Yes
	info)	
12	Provide simple customer registration/logon process	Yes
13	Tie a customer and their information to a particular newspaper (their home	Yes
	paper)	108
14	Provide references to relevant content from participating newspapers	Yes, through
		Google News
15	Provide design with advertising positions	Yes
16	Include AdsML based e-commerce	Yes

Company: <a href="#">IBM</a>

Contact: Francis Exley

E-mail: francis.exley@us.ibm.com

Phone: (703) 408 – 5544

**Additional Documentation: RFI Response** 

#### **Synopsis**

IBM proposes a solution based on their Networked Interactive Content Access (NICA) system paired with a customized e-commerce portal. The portal would provide the shopping and buying process along with the support for customer profiles and user authentication.

NICA provides the ability to manage assets from creation and capture through publishing and distribution to repurposing and syndication, including the ability to manage content from multiple sources. A pricing engine allows publishers to build flexible rules to dynamically assign prices according to content attributes, user attributes and intended use.

Parts of the system are in use at some newspapers, including the San Antonio Express-News.

#### **Business Model**

Costs to publishers could include fees for product licensing, design and implementation and annual maintenance. IBM would not require revenue sharing.

#### **Timetable**

IBM projects an eight-month implementation schedule for participating newspapers.

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across	No
	participating media company Web sites	NO
3	Process content in industry standard formats for news (NITF, NewsML2)	Yes
4	Track proper source of original content	Yes
5	Manage and protect intellectual property rights of content	Yes
6	Provide effective and efficient browser based user interface	No
7	Provide appropriate database technology for content management	Yes
8	Manage a variety of transactional capabilities (e.g. micropayments,	
	subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or	Yes
	member, number of pages viewed or stories accessed previously, etc.)	
9	Communicate with banks using standard formats (please include capabilities	
	to accept credit card information, process transactions, reconcile payments,	Yes
	etc.)	
10	Provide PCI compliant customer information protection	In

		development
11	Provide an information barter environment with appropriate privacy and other protections (i.e. access to content in exchange for more detailed user info)	Yes
12	Provide simple customer registration/logon process	Yes
13	Tie a customer and their information to a particular newspaper (their home paper)	Yes
14	Provide references to relevant content from participating newspapers	Yes
15	Provide design with advertising positions	No
16	Include AdsML based e-commerce	No

Company: Microsoft
Contact: Kirsten Roach

E-mail: kiroach@microsoft.com

Phone: (301) 651 - 6299

**Additional Documentation: RFI Response** 

#### **Synopsis**

Microsoft does not have a turn-key system for newspapers but does have a suite of existing products, services and technologies to potentially build a digital content monetization platform.

Microsoft's vision of "The Next-Generation Newspaper" is an information hub, aggregating content from different sources and matching it to a user's profile, preferences and context (situation). It is accessible from any device, both online and offline, and helps the user to navigate the content universe through search, links, and recommendations. Content and audiences are monetized through pay-for-content and advertising.

Existing Microsoft products that would address this vision include:

- Editorial collaboration and digital content management products (e.g. SharePoint, BizTalk and SQL Servers, FAST Search and FAST Recommendations)
- Distribution and digital content experience products (e.g. Internet Information Server, Windows Presentation Foundation, Silverlight, PlayReady)
- E-commerce and advertising platforms (e.g. Windows Live, Microsoft Advertising, Commerce Server).

#### **Business Model**

Microsoft is offering a suite of products for sale along with consulting. They do not charge a usage fee.

**Company: MyWire** 

Contact: Louis H. Borders E-mail: <u>louisb@mywire.com</u> Phone: (650) 517 - 1035

**Additional Documentation: RFI Response** 

#### **Synopsis**

MyWire's Global News Service (GNS) is intended to be a network designed to aggregate, organize and interconnect high-quality content from hundreds of participating online news providers. MyWire's premise is that a much greater value proposition – content from many news providers for one price – can succeed where single publication subscription offers fail.

GNS will enable participating news sites to display links to content from other GNS publications alongside their own original content. The MyWire platform manages aggregating, organizing and interconnecting content; manages subscriptions and billing; calculates earnings; makes payments to GNS publications; and reports on customer usage.

GNS plans to launch a single paid subscription (\$5.95 per month), and news providers will share in GNS subscription revenues. GNS gives each news provider autonomy to determine what content, and how much of it, should be free to consumers. News providers can analyze the relative merits of offering free or paid content within the GNS framework, and transition their content from free to paid on an individualized basis.

The Global News Service will be developed with these key objectives:

- Create an effective paid content model
- Maintain publisher autonomy
- Minimize publisher implementation effort
- Achieve broad adoption by publishers
- Enable publishers to increase ad rates by using GNS-supplied behavioral data for more effective targeting.

Individual publishers will sell and manage their own advertising.

#### **Business Model**

Of the total GNS subscription revenue, 70% is shared across GNS publications (and 30% to MyWire). Fifty percent is paid based on content usage and 20% is paid to the seller of record for a period of months (TBD).

More details on the revenue model and pricing considerations are contained in the full document.

### Timetable

The MyWire platform is operational. Launch will be dependent on assembling a critical mass of participating publishers and some additional development to support GNS.

1	Accept or retrieve content from participating newspapers/media companies	Yes	
2	Manage single sign-on that allows consumers to navigate across participating media	Yes	
	company Web sites		
3	Process content in industry standard formats for news (NITF, NewsML2)	Yes	
4	Track proper source of original content	Yes	
5	Manage and protect intellectual property rights of content	N/A	
6	Provide effective and efficient browser based user interface	Yes	
7	Provide appropriate database technology for content management	N/A	
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions,		
	etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages	Yes	
	viewed or stories accessed previously, etc.)		
9	Communicate with banks using standard formats (please include capabilities to	Yes	
	accept credit card information, process transactions, reconcile payments, etc.)		
10	Provide PCI compliant customer information protection	Yes	
11	Provide an information barter environment with appropriate privacy and other	Yes	
10	protections (i.e. access to content in exchange for more detailed user info)	37	
12	Provide simple customer registration/logon process	Yes	
13	Tie a customer and their information to a particular newspaper (their home paper)	Yes	
14	Provide references to relevant content from participating newspapers	Yes	
15	Provide design with advertising positions	N/A	
16	Include AdsML based e-commerce	N/A	

Company: Oracle / DTI
Contact: Ben Johnson

E-mail: <a href="mailto:ben.johnson@oracle.com">ben.johnson@oracle.com</a>

Phone: (703) 364 – 3181 DTI Contact: Ryan White DTI E-mail: rwhite@dtiibs.com DTI Phone: (704) 578 - 6311

**Additional Documentation: RFI Response** 

#### **Synopsis**

Oracle does not currently have a deliverable system that will meet the RFI. They are offering to have one of their strategic partners, DTI, serve as a consultant to specify and build a system based primarily on Oracle software and tools. The specification process would, in part, run against the RFI.

The Oracle Universal Content Management software will be the center of the Oracle solution. It provides content management and a metadata repository. Additional features would be added for the final solution.

#### **Business Model**

Oracle will charge for software, consulting, and maintenance. All ongoing revenues from subscriptions, content sales, and advertising would accrue to the publisher.

1	Accept or retrieve content from participating newspapers/media companies	Yes
2	Manage single sign-on that allows consumers to navigate across participating media company Web sites	Yes
3	Process content in industry standard formats for news (NITF, NewsML2)	Yes
4	Track proper source of original content	Yes for internal documents, not for content at other publishers
5	Manage and protect intellectual property rights of content	Yes
6	Provide effective and efficient browser based user interface	Yes
7	Provide appropriate database technology for content management	Yes
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions, etc.) based on a range of criteria (e.g. existing subscriber or member, number of pages viewed or stories accessed previously, etc.)	Yes, with additional software

9	Communicate with banks using standard formats (please	Yes
	include capabilities to accept credit card information, process	
	transactions, reconcile payments, etc.)	
10	Provide PCI compliant customer information protection	Yes
11	Provide an information barter environment with appropriate	Yes, with customization
	privacy and other protections (i.e. access to content in exchange	
	for more detailed user info)	
12	Provide simple customer registration/logon process	Yes
13	Tie a customer and their information to a particular newspaper	Yes
	(their home paper)	
14	Provide references to relevant content from participating	Yes
	newspapers	
15	Provide design with advertising positions	Yes
16	Include AdsML based e-commerce	Yes

Company: YouData
Contact: Trae Nickelson
E-mail: trae@youdata.com
Phone: (713) 854 – 3564

Additional Documentation: **RFI Response**, **Sample Proposal** 

#### **Synopsis**

YouData is a micropayment system with an advertising engine grafted on top of it. In the YouData system, users complete a profile about themselves and the data is used to target relevant advertising to them. Users get paid a small stipend for viewing the ad. They can use the cash to "tip" or voluntarily donate to the publisher site or to use the cash to pay for access to premium content.

YouData matches ads to consumers based on compatible traits. At the core is the MeFile<sup>TM</sup> - a consumer's privately owned profile containing tags, demographics, psychographics, likes/dislikes, purchase intentions and other consumer characteristics. Advertisers use the same tags and keywords that make up the MeFiles to define their exact target audience(s).

The engagement between consumer and advertisement takes place in a Flash-based ad player ("adgets") that are embedded into a Web page, blog or reader application.

#### **Business Model**

YouData generates its own revenues by charging small transaction fees to advertisers and some publishers:

- **Advertiser Fee.** For each ad delivered, the advertiser pays a markup consisting of a \$0.10 flat fee plus 20% of the offer amount.
- **Publisher Fee (Paid Content Only).** YouData charges publishers of paid content a 5% fee based on revenue collected each month (only consumer payments for paid premium content are assessed this transaction fee; no charges are assessed to the publisher for transactions using the "Voluntary Tipping/Donating" approach).

Publishers receive revenue from those consumers who decide to donate to that site or to pay for access to content. They also receive a percentage of revenue from the participating advertiser.

#### **Timetable**

YouData's "tipping" capability is available today (in use by 400+ sites). Implementing a system to access premium content would require 2-4 months development work.

1	Accept or retrieve content from participating newspapers/media companies	No	
2	Manage single sign-on that allows consumers to navigate across participating media company Web sites	Yes	
3	Process content in industry standard formats for news (NITF, NewsML2)	No	
4	Track proper source of original content	No	
5	Manage and protect intellectual property rights of content	No	
6	Provide effective and efficient browser based user interface	Yes	
7	Provide appropriate database technology for content management	No	
8	Manage a variety of transactional capabilities (e.g. micropayments, subscriptions,		
	etc.) based on a range of criteria (e.g. existing subscriber or member, number of	Limited	
	pages viewed or stories accessed previously, etc.)		
9	Communicate with banks using standard formats (please include capabilities to	Yes	
	accept credit card information, process transactions, reconcile payments, etc.)		
10	Provide PCI compliant customer information protection	Yes	
11	Provide an information barter environment with appropriate privacy and other	Limited	
	protections (i.e. access to content in exchange for more detailed user info)		
12	Provide simple customer registration/logon process	Yes	
13	Tie a customer and their information to a particular newspaper (their home paper)	Yes	
14	Provide references to relevant content from participating newspapers	No	
15	Provide design with advertising positions	N/A	
16	Include AdsML based e-commerce	N/A	

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