SURVIVING THE INTERNET: STRATEGIES OF TRADITIONAL MEDIA.

We are experiencing the biggest revolution in the media since the rise of mass media in the eighteenth century. The Director of BBC World Service Peter Horrocks has described the current state of the media as "the end of fortress journalism". Most western journalists, he said, grew up with the fortress mentality, riding out each day from their proud institutions, to battle with journalists from other fortresses, over scoops and the best and fastest stories. But now the walls of the fortresses are crumbling, and these ritual jousts between journalists and their fortress organisations no longer impress the crowds.

And it's the Internet that is causing these walls to crumble, undermining the very basis of traditional media: its economic model and the balance of power in its relationship with its audience. To appreciate the full scale of the change, just listen to these figures: in the UK, with its culture of readers' allegiance to powerful national daily papers, like the Times and the other 10 national dailies, hardly anyone under 30 regularly buys a newspaper any more. British TV is generally acknowledged as one of the best and most professional in Europe, but 74% of people under 30 say they would rather live without TV than without the Internet.

One of the greatest blows the Internet deals to fortress journalism is economic, and of course the economic crisis doesn't help, as it reduces the overall amount of advertising spend. The print media is particularly badly affected, as its business model relied on the cover price and advertising. But sales have been declining year on year for years, in both Britain and the United States.

If we take UK national dailies, the latest October figures show that the circulation of 10 of the 11 national dailies was down once again compared to a year ago. Such a venerable institution as The Times, that has dominated the British media scene for two centuries, was down 9.18% compared to October 2008. The Guardian was down nearly 12%, and the Telegraph – 3.4 %. The only paper whose circulation increased by almost 20% is the outrageous and downmarket tabloid the Daily Star, which probably testifies to the sad fact that the lowest common denominator has the highest chance of surviving fire, flood or technological revolution.

In the US, where daily papers are more locally based, the situation is even more disastrous. Nearly 400 daily papers reported an average fall of 10.5% in the six months to September – even worse than the fall of 7% in the previous 6 months. The NY Times circulation fell below one million for the first time in 20 years.

Part of this decline can be attributed to the rise of free newspapers, but largely it's happened because people are abandoning print journalism for online news, which they are used to getting for free. It's generally recognised now in the newspaper industry that it was a big mistake to give away their content for free when they first set up their websites. They could not imagine how powerful and dominant the Internet would become. But it's not the first time a new technology has been underestimated – in Britain in the 1920-s it was thought that there wouldn't be more than a million listeners to the new technology of radio,

which was one of the reasons the politicians allowed the BBC to develop independently of state control.

As the newspaper audience moved online, so did the other great income stream – advertising. It took it awhile to catch up with the audience, but in 2006 for the first time in the UK the volume of advertising spending on the Internet surpassed newspaper advertising, and by 2009 it has surpassed TV advertising.

But such is the scale of the Internet that, as Rupert Murdoch recently remarked in his interview with Sky News Australia, "There isn't enough advertising in the world to go around to make all the websites profitable".

Newspaper proprietors world- wide are watching in horror as their audience dies out, or moves online—the money seems to be ebbing away in a constant flow. Moving your newspaper online may save you printing and distribution costs, but websites do cost money, especially with the convergence of different media. People expect newspaper websites to be multimedia, with video clips, audio and photos. And on top of that there's still the whole business of journalism—reporters, cameramen, international bureaux, satellite feeds and so on. The sharpest minds—and teeth- of the international media scene are trying to solve the life or death question: how to monetise newspaper websites?

At the moment this discussion has become superheated through the intervention of the man we just mentioned Rupert Murdoch, the biggest crocodile in the swamp of the Anglophone media world. He has gobbled up media holdings around the world—The Wall Street Journal in America, the Times and the Sun in Britain, the Australian in Australia are only the most prominent of his titles. He also came to dominate the satellite TV world through his Sky franchises, and of course, Fox News in America and Australia. For decades now he's had the reputation of a ruthless businessman who also has a remarkable nose for media trends and a talent for successful innovation. In Mrs Thatcher's Britain he was the newspaper proprietor who brought in modern electronic printing in the face of fierce resistance from the unions. He moved out from the traditional home of newspapers, Fleet Street, to an empty warehouse near the docks at Wapping, which became the scene of bitter street battles and a prolonged siege by the Unions. But he broke the resistance, sacked six thousand people and utterly transformed the industry that had been held back by old union practices for years. Other newspapers had to follow suit and it entirely changed the economics of the industry.

Murdoch's reputation for spotting a trend and successfully acting on it is why he caused such a stir in the print media world with an announcement this summer. He said that by June 2010 all his many newspapers would be charging the online readers, and paying for the expensive journalistic content. He didn't say exactly how he would do it, or really explain how it would work, when other news websites were still free of charge. Some of his News Corporation titles, notably the Wall Street Journal, were already charging their online readers for premium content, with subscription payments for full access for specific periods, like a month or a year. There were other examples outside the Murdoch stable where

charging worked, like the Financial Times, for example, where free online access is limited to ten articles a month.

But as commentators were quick to point out, these publications have specialised content which is worth money to their business readers. Will it work for general newspapers, in competition with free news sites, including the most popular – the BBC? In the United States, a recent survey found that 55% of people would be very or extremely unlikely to pay for online content. As an ex-editor of the British newspaper the Observer put it, will people pay for sex when they are used to getting it for free? Probably not, unless, of course, there is nothing but paid sex left. But it is extremely unlikely that all British news websites will start charging for the content. The Guardian has announced it will remain free, and the BBC is already paid for by the license fee on television sets and will not be charging.

That is, of course, one reason why Murdoch redoubled his attacks on the BBC in his own media and especially in the Times. He claims that the BBC is distorting the market and profiting unfairly from the license fee which he says is a separate tax on the public. He has also launched a vicious attack on Google, accusing it of stealing his papers' content, and threatened to block Google News from linking to stories from News International websites.

And here's the latest: last week the editor of the Times James Harding announced at an editors' conference in England that his newspaper will start charging its online readers, promising to 'rewrite the economics of newspapers'. He said they were still working on the exact pricing model, but were considering a 24-hour pass system to that day's edition, and longer subscriptions. He ruled out so-called 'micro-charging' for individual items, which is seen as costing too much for each transaction. The reaction to this in the blogosphere has been derision, because most people go online for specific content, and therefore would rather pay for individual articles than a periodic subscription. But Harding and Murdoch before him have both said that from the economic perspective they'd rather cultivate half a million loyal visitors who come to the website regularly and spend time there, rather than the 20 mln transient users who flick in and out of the site.

A couple of days ago Murdoch's plans were dismissed as completely unrealistic by Biz Stone, a co-founder of an incredibly successful social network Twitter, at an event in London. He said that Murdoch's attempt to charge for online content would be as futile as 'trying to put the genie back in the bottle'. He warned that Murdoch "should be looking at it as an opportunity to do something radically different and find out how to make a ton of money out of being radically open rather than some money by being ridiculously closed". Stone was joined in his attack by Reid Hoffman, co-founder of networking site LinkedIn, who added: "I am sure that during the transition from horses to automobiles there were some people bemoaning the loss of horse transport."

A lot of experts are sceptical about the success of charging for online content and think that Murdoch is a dinosaur who won't survive in the internet age with his 20th century mindset. But they are watching the events carefully because his record shows that Murdoch should never be underestimated. Other proprietors are circling around the idea of charging for content, too. The New York Times, which experimented with charging in the past and

abandoned it, is at the moment about to announce its own new charging scheme after months of deliberation. The announcement has already been delayed several times, and its editor Bill Keller said the decision had proved more difficult and complicated than it appeared to outsiders.

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We've talked about the economic aspect now let's look at a second aspect of this revolution, the shift in power relations between the journalists and the readers. Even in the early days of the Internet, power began to shift because for the first time in history, people were able to choose what they want to see, to select their own news; they are no longer a passive audience, waiting for a bulletin to be given to them over the airwaves. They can choose their own "bulletin" whenever they want, pick out the stories that interest them, and choose where they go to pursue that information, with unprecedented ease and free of charge.

And as the Internet has developed, even more power ebbed away from the fortresses of journalism. Online interactivity began about 1995 with the emergence of message boards and community-building –either in an area, or around a community of interests. From around 2001, blogging enabled everyone to publish their own thoughts—on anything they wanted with no editorial process, exactly as they wanted. And over the past four years we have had the growth of social media like Youtube, and social networks like Facebook or my Space or the latest craze Twitter, the microblogging site with text limited to 140 characters, where you can organise hundreds of thousands of followers, who flock to individual recommendations for a web page, a blog, a video clip or a TV programme and create overnight success stories. Their growth has been breathtaking: if Facebook, with 300 mln account holders, was a country it would be larger in population than the United States. The fastest growing social network is Twitter - in UK alone, the number of visits to Twitter increased 22 times over the last 12 months. A sociologist from Oxford, William Dutton, calls online social networks 'The Fifth Estate', and argues that it will become as powerful in the 21st century as the Fourth Estate – the media - has been since the Eighteenth.

Today you can be your own columnist, you can be your own reporter, you can be your own cameraperson, and publish everything to an audience of millions. The arrival of citizen journalism has prompted wild predictions about the end of professional journalism, in the same way that Francis Fukuyama proclaimed the end of history in the early 90-s after the fall of communism. As we know, especially after 9/11, history is still very much alive. And, fortunately for us all, recent research and practical experience of media organisations show that professional journalism is equally resilient, and the Fifth Estate is not going to push the Fourth into oblivion. The trick is not to feel threatened by that apparent loss of traditional power, but to see this interactivity as an opportunity to enrich and enlarge your reporting.

Let me give you some examples. If you remember, one of the first forms of interactivity on media websites were message boards and comment-style debates. On the BBC website some stories have an opportunity to comment in a response box called **Have Your Say.** These comments are dealt with by a 23-strong unit handling user-generated content. This

usually gets about 12,000 comments a day on a variety of issues. A few months ago the Head of the Anglican Church, the Archbishop of Canterbury said at a conference that he thought elements of Islamic Sharia law would have to be incorporated into the British legal system in a few years' time. This was reported in a fairly low key way by BBC radio and TV news bulletins the next morning. During the day the BBC received 9,000 messages some from priests and bishops as well as the general public, vehemently opposing this view. The response unit director alerted the newsroom to this upsurge of interest, and by six pm the story was the BBC's main headline across all its domestic news platforms. If this feedback had not been available the BBC would have misjudged the public interest and not been able to formulate the news agenda accurately.

The audience can also be a brilliant source of information, ideas and developments in stories. BBC online regularly asks their audience for eyewitness reports or personal stories related to the breaking news item – the request appears at the bottom of the relevant story.

An example of an eyewitness report that overturned the official view of events can be found in the reporting of a big G20 Summit in the economic heart of London, the City in April 2009. The top twenty world leaders were all there, and protestors from around the world converged on the narrow streets of the City of London. The police, who didn't have water cannon or plastic bullets, blocked off sections of the protestors for hours and largely contained the protests and damage while the summit was held nearby. The most violent protestors got a few bruises, but the police claimed it as an exemplary exercise in crowd control. One passerby, Ian Tomlinson a newspaper seller on his way home through the area had died of a heart attack, an unlucky coincidence,as it seemed.

Then the next day the Guardian newspaper received video footage from an American tourist showing Tomlinson being hit and violently pushed over by a policeman, and a second autopsy revealed the cause of death as internal bleeding. The paper put it on the website. A second video clip was later posted on the internet, and got many viewers, despite police protesting that this would prejudice any inquiry. They clearly showed Tomlinson, alone, hands in his pockets, walking away from the police before being struck and pushed .Then more video clips started emerging of policemen striking and punching other people without any physical provocation, and some of the police not displaying their identifying numbers as they are obliged to do. What seemed to have been a triumph for the police turned into a debacle, and after an official enquiry the police promised not to use such tactics in future.

This use of the audience as sources of information or ideas has become known as "crowd-sourcing" and offers a new dimension to reporting, particularly of fast-moving events like demonstrations or accidents. Here's an instance from Buffalo, New York, where a young overnight reporter on a news website hears of a plane crash nearby, goes onto Twitter, searches for plane crash and finds the tweet (or posting) someone who actually witnessed the accident. The journalist contacts the witness on Twitter, gets his phone number, does an interview, and is immediately ahead of the game.

Traditional media organisations are increasingly using social networks like Twitter and Facebook to find and maintain interesting contacts and sources, and it looks like the social networks are cleverly responding to this new development. One of the potential pitfalls of crowdsourcing is that it's difficult to check, especially in a fast moving situation, how reliable your online source is. So Twitter is now considering giving its users reputation scores, which would help traditional news organisations using the social networking service to spot breaking news stories.

Crowd-sourcing can also be creatively used to supplement a news outlets own resources. You probably know of the MPs expenses scandal in Britain this year, when the Telegraph acquired masses of official documents dating back years. They put 30 reporters on to the story for several weeks, and even posted the documents online. Other newspapers were caught out, and had a difficult task to develop stories of their own. The Guardian enlisted its own readership to help them trawl through the hundreds of receipts of MP's expenses and pick out interesting points relating to their own local MP that would merit further investigation and could then be published as part of the Guardian's coverage.

A little more on Twitter which is increasingly used by media outlets for all sorts of purposes. British newspapers – and the BBC – have numerous accounts on Twitter, with the primary purpose of directing traffic to different sections of their websites by updated news alerts for the Twitter followers, like, for instance, this one http://twitter.com/guardiannews. But they also tweet to the public asking them for example to provide questions for a celebrity interview. The other day a journalist from the Guardian Film Section (which, by the way, has its own Twitter account) tweeted on the Guardiannews twitterfeed: "If you were interviewing Zac Efron tomorrow, what would you ask? Looking for inspiration". Zac Efron is a 22 year old American actor who was coming to London the next day. So Twitter shouldn't be underestimated as a wonderful resource for lazy journalists!

And finally, an example of how only last month the Twitter community defended the freedom of speech and helped a newspaper to get around one of the more ridiculous aspects of the British legal system, a so called 'superinjunction' – a ban on information so total that you cannot even mention that the ban exists. Injunctions can be obtained from a judge out of court hours to protect sensitive information that can damage a reputation of an individual or an organisation. This avenue has been abused by big companies who can hire expensive legal companies to prevent public scrutiny of their doings.

A rich and powerful mining company, Trafigura, wanted to suppress news of an inquiry about its dumping of toxic waste in the Ivory Coast in Africa, and had threatened several media outlets, including the BBC, with legal action if they reported it. An MP using the privilege of the Houses of Parliament, wanted to raise the matter in a question to a minister during a parliament session. The Guardian wanted to alert their readers to this forthcoming question in Parliament, but lawyers for Trafigura obtained a so called superinjunction - the legal ban that stopped the paper not only alerting about the question, but even from reporting the fact that a ban had been placed on them. The paper's editor Alan Rusbridger, feeling very frustrated, left the office at 9 o'clock at night and tweeted the following 104

letters (remember that Twitter doesn't allow you to post more than 140): "Now Guardian prevented from reporting parliament for unreportable reasons. Did John Wilkes live in vain?" John Wilkes, by the way, was an 18th century MP who forced the government of the day to allow full reporting of parliamentary proceedings.

The followers of Alan Rusbridger on Twitter began the hunt straight away. Within an hour a human rights activist who was baking a cake when he saw the tweet, had identified the question and the company involved, and placed the link to the parliament's website on Twitter. His cake burnt, but he said it was worth it, as by midday the next day Trafigura was the most searched term on Twitter in Europe, and an hour later the lawyers withdrew the superinjunction which was clearly pointless. The lawyers could threaten any of the identifiable fortresses of journalism, like the BBC or the Guardian, but they couldn't intimidate the multi-headed hydra of the Internet.

So at the moment it looks like citizen journalism and social networks that make up the Fifth Estate are not going to replace the Forth, but will be complementary to it. And with the proliferation of information sources online, it can be argued that there is an even greater need for traditional journalistic skills of sorting fact from fiction and selecting the key facts for the mass audience.

Testimony to that is the fact that a lot of traffic to mainstream media websites comes through recommendations on social networking websites – so there is still huge demand for high quality, accurate, balanced and analytical journalistic content that people want to talk about and share. And in many instances of scoops by citizen journalists – like during the G20 meeting in London, or when Iranian protesters during this year's elections spread the video of a young woman being killed by the riot police – they send their pictures and clips to the established media organisations, like the BBC Persian TV, or CNN, or the Guardian, to give their reports weight and credibility.

Of course, to meet the demands of the new age, journalists need to become much more multi-skilled, and master new tools - how to write for the web, how to write blogs and make vlogs and podcasts, how to make the best use of citizen journalism and social networks etc. Major traditional media organisations, like the New York Times, BBC, the Guardian, have appointed Social Media Development editors and have trained their journalists how to use these new tools most effectively as part of their production process. They even put together internal best practice social media guidelines.

But so far, all these amazing new tools have not changed the heart of what journalists do – and are still expected to do. The latest research that has been emerging – for instance, this report just published by Reuters Institute for the Study of Journalism at Oxford University – is giving journalists new confidence. So the core thinking in most newsrooms is "Same values, new tools". Which I am sure is a statement that would be endorsed by our colleagues here at the Digital Future of Journalism. Thank you for your attention.