

Notes from the Seattle Digital Working Group Meeting

From Tuesday February 21 to Thursday February 23, the Digital Working Group met for the first time in Seattle as part of a special session at the annual iMA conference (see Appendix 1 for complete list of attendees). The goal of this meeting was two-fold. First, it was to articulate the key questions that this Working Group hopes to address. Second, it was to meet with leaders across the media industry – both commercial and non-commercial – to see how they are addressing the challenges and opportunities of digital media.

The Working Group's Key Questions

To accomplish the first goal, the Working Group had two sessions where we discussed the rationale for creating such a group and the issues this group hoped to tackle. Out of these conversations, 5 core questions emerged.

1. What is our clear statement of purpose or vision that will distinguish us from commercial media players?
2. Is this a vision that could be realistically supported by significant additional public funding?
3. How do we balance the short term need to take some action and the longer term need to move the industry forward in a consistent and strategic way?
4. How do maintain our current core audiences and services while still attracting new audiences and offering new services?
5. How can we embrace the notion of open content and user generated content and still maintain a strong sense of brand or editorial control?

As the Working Group moves forward, these will be key topics with which we will grapple.

What We Learned

One of the elements that made this meeting extremely productive, and rather different from many industry gatherings, is that the Working Group spent the bulk of its time talking with media representatives from outside of public broadcasting. Over the course of the three days, the group spoke with 15 different speakers (see Appendix 2 for complete list of speakers). In general, these speakers fell into three groups: commercial internet players, non-profit media providers, and local media providers.

1. Commercial Internet Players:

The first group was comprised of commercial internet players, specifically representatives from Yahoo! and Microsoft. In many ways, the strategies these two players outlined were very similar. Both players were investing heavily in streamed video content. They spoke of a significant increase in the amount of video streaming being done online and they recognized that they needed have video content to drive traffic to their sites. Yahoo! described their efforts to develop new proprietary content for their website (note: in the week following our meeting, Yahoo! announced a reduction in this area of investment and a new focus on acquiring other people's content)

Microsoft is exploiting the relationship they have with NBC to offer branded television segments (e.g., Today Show clips). In general, however, these companies had not yet moved into the area of downloading content. Their video is only available as a stream that is accessed from their websites.

Both players also understand that some types of content are more attractive to on-line users than others. Looking at recent data, the team from Microsoft shared the fact that consumers are typically looking for only a few minutes of content to stream, not full length programs. Movie trailers, news highlights, and “viral videos” (e.g., short user-generated vignettes that are typically emailed to groups of friends) are all popular online content. Overall, Yahoo! and Microsoft have found the major drivers of internet video popularity are topicality, urgency and celebrity.

MSN and Yahoo! are serving significant sized audiences of video. MSN reported delivering 80 million streams per month, serving 7 to 8 million unique visitors per month, and Yahoo! reported serving a similar sized audience. Microsoft also reported that those who stream video do NOT consider streaming video a second tier source of video. Users are making conscious choice to use streaming or television, and a substantial portion of streamers report that streaming is the best way to get their news. Importantly, streaming video is able to reach consumer segments that advertisers are finding difficult to reach.

These players also spoke about the economics of their online ventures. Their ventures are all ad supported, so it was important for them to offer content that was free to consumers in order to drive traffic and therefore ad revenues. Yahoo!’s approach is to embed ads in the video that must be watched. Their typical structure is embedded ad/2 video chunks/embedded ad/2 video chunks/etc.

Finally, the Microsoft staff also spoke of ways they are experimenting to allow more two-way interaction between their companies and users. For them, this meant creating open blogs and soliciting user feedback on the company and their products.

2. Non-profit Media Providers

The second group of speakers consisted of non-profit media providers. Here, we spoke with representatives from the BBC and from Open Media Network in the United States. They stressed the importance of providing a distinct public service in the digital era. To fulfill this mission, both organizations were looking for ways to increase the amount access, control, and input that users have with public media content. One of the best examples of this is a new initiative being piloted by the BBC called the Creative Archive. The idea of the Creative Archive is to create a library of publicly funded content that users can view, download, and manipulate in any way they want for no cost. The BBC’s rationale for this program is that this content should be seen as belonging to the British public since they were the ones who paid for it initially.

One of the things the Creative Archive makes clear is that public use no longer simply means traditional television viewing. The BBC imagines a future in which users will both incorporate BBC content into their own larger projects and will have a place to

include their content into a BBC archive. This notion of user generated content is also taken root in the BBC's news strategies. After the subway bombings of 7/7, much of the footage of the immediate aftermath was provided by citizens at the scene of the attacks who used the technology they had on them (primarily cell phone cameras) to capture the events as they were unfolding. The BBC recognized the power of those images and is beginning to experiment with ways to tap into the content of ordinary citizens to improve their news coverage.

As a broader theme, the BBC is mindful of changes in media use and the demographics of their audience. The BBC identified three broad segments of media users – “Traditionalists” (who have the UK's 4 mainstream channels in their homes), “Mix and Matchers” (who use television and multi-media), and “Clickers and Flickers” (who have a high degree of multi-media use). Over time, they recognize that the make-up of their addressable audience will change, and they are seeking ways to remain attractive by tailoring services with special appeal to the “Clickers and Flickers” who want the following: greater choice; more control over how/where to watch; greater involvement, including being a meaningful creator of content; and a greater ability to compare with other services.

The Open Media Network (OMN) shares some traits with the BBC's digital offerings. OMN offers a downloadable “player” similar to the interactive Media Player that the BBC has in trial. While the user is given less control over the content than in the Creative Archive, the two projects are similar in that OMN does provide a central repository for public broadcasting content. The creators of the content can then chose to monetize the video as they wish. They may offer access to clips as a benefit of station membership, as part of a subscription, or based on a fee per use.

3. Local Media Providers

Finally, we also spoke to one local media provider, the online editor from the Spokane Spokesman Review. His message was a positive one. He believed that there are niches that local content providers can fill in the digital age. They have access to truly local, almost hyper-local, content that a small group of users wants. In this category, he placed local sports and entertainment. He also felt that local providers can provide outstanding customer service. They can work to aggregate information in a useful and simply manner that serves their local audiences. They can also be a trusted and open information provider. At the Spokane site, for example, they posted unedited transcripts of interviews with the Mayor when he was in the middle of a scandal so that that their users could judge the facts for themselves. Like the other speakers at the meeting, he also stressed the importance of having a two-way conversation with users and allowing users to generate content. He used the analogy that the new bloggers in many ways were filling the role that stringers had several decades ago.

He articulated five core principles his group follows. His first was “Immediacy” which provides a focus on what is of highest value to audiences. “Interactivity,” the second principle, emphasizes participation by local sources. The third principle, “Multimedia,” has his group exploring how to use non-newspaper/print forms of media on the web, and

has led them to offer audio content of local music. “Transparency” is the next principle and it reflects a view that news is, in fact, a conversation. His newspaper has made transparent their news and editorial processes, and has encouraged local users to give feedback about the site and newspaper. Fifth and finally, his group maintains the view that “We’re always in Beta” and are constantly launching new services and testing and iterating them.

Summary

Although we heard from a wide range of speakers, there was some significant consistency in the main themes that we heard across the three days. In particular, six themes emerged:

1. Open content is becoming the standard. Users don’t just want access to content. They want to be able to manipulate it (to “mash up” information from different sources) and to make it their own.
2. User-generated content is showing explosive growth – both in prevalence and acceptance. More and more content is coming from users and this content is serving legitimate needs.
3. The Internet can be expected to become a very significant delivery channel for video. It’s not a question of “If…” but rather “When…” technology and software will be developed for cost-effective, widespread delivery of video to end-users
4. The “form factor” is important for the structure of content. As video moves onto new platforms (PC, cell phone, other mobile devices) and new locations (office, mobile use), content in non-traditional TV forms seem to work best (several minute clips, short humorous format, etc.)
5. There is an opportunity for public media to carve out a new space for itself in the digital environment by offering unfettered access to the content users need
6. The digital media environment is rapidly evolving, and there are significant benefits to having a presence. Everyone is experimenting and no one knows what the right approach will ultimately be, but it is important to try something. A great deal of knowledge and expertise is being developed among those that are developing, testing and iterating services.

All of these ideas offer tremendous potential for public broadcasters. We have the opportunity to re-envision ourselves as the national source for content that matters to the American citizens. At the same time, we must work to balance a number of factors. How do we balance the cost of acquiring the rights to make our content open and accessible with the need to find a sustainable business model? How do we balance the needs of our current audiences with new audiences? How do we balance our desire to move quickly with the need to define strategically who we will be in the digital age? These are the questions that the Digital Working Group will address at their meetings over the next few months and ultimately attempt to answer.

Appendix 1: List of Digital Working Group Attendees

- Malcolm Brett, WPT
- Joe Bruns, WETA
- Carmen DiRienzo, WNET
- Mark Erstling, APTS
- Pat Fitzgerald, WBGU
- Dennis Haarsager, KWSU
- Sue Kantrowitz, WGNH
- Ted Krichels, WPSU
- Katherine Lauderdale, PBS
- Loren Mayor, CPB
- Tim Olson, KQED
- Debbie Onslow, WMHT
- Lance Ozier, WGBH
- Jim Pagliarini, TPT
- Al Pizzato, Alabama Public Television
- Marita Rivera, WGBH
- Mel Rogers, KOCE
- Andy Russell, CPB
- John Wilson, PBS

Appendix 2: List of Presenters

- Andrew Nachison and Dale Peskin, Co-Directors, The Media Center
- Nic Newman, Head of Editorial Development and Technology, BBC News Interactive
- Ken Sands, Online Editor, Spokane Spokesman Review
- Colleen Brown, President, Fisher Broadcasting
- Robert Scoble, “Evangelist,” Microsoft
- Betsy Aoki, Community Program Manager, Microsoft
- Joshua Allen, Microsoft
- Michael Lehman, Microsoft
- Reed Price, Editor-in-Chief, MSN Video
- Tom Brew, Executive Editor, MSNBC
- Paul Gerhardt, Project Director, BBC’s Creative Archive
- Diane Mermigas, Reporter, HollywoodReporter.com
- Scott Moore, Head of News and Finance, Yahoo! Media Group
- Mike Homer, Founder, Open Media Network