The State of Multimedia Newsrooms in Europe

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Introduction

The media landscape worldwide is changing rapidly. In the 1980s, the "traditional" mass media players were in control: TV, newspapers and radio. Newspaper readers consumed the paper at a specified time of the day, in the morning, over breakfast or after work. Radio was listened to on the way to and from work. Television news was watched in the morning mid-day and/or evening.

Fast forward to 2002, and the media landscape is fragmented. The consumption of news has changed dramatically. News information is all around, on mobile phones, newspapers, PDAs, TV, Interactive TV, cable, Internet, teletext, kiosks, radio, video screens in hotel elevators, video programming for airlines and much more.

Meanwhile, also the concept of news has changed to be more personalised, more service-oriented and less institutional.

The sweeping market changes have forced media companies to adapt. This new challenge explains why Dow Jones Company, owner of the Wall Street Journal, now considers itself "a news provider of any news, all the time, everywhere."

In the frame of the MUDIA project (see annex 1), an international team of researchers has taken stock of the present situation concerning media and newsroom convergence in Europe.
The various routes taken to this ideal have been mapped in a number of case studies. In total 24 leading European media (newspapers, broadcasters, netnative newscasters) were approached with a comprehensive questionnaire and later visited to interview key representatives of the editorial and commercial departments (see annex 2). The study zoomed in on four countries: the United Kingdom, Spain, France and Sweden; viewpoints from other media elsewhere in Europe were added on the basis of existing literature, and throughout the study a comparison with the USA is made where possible and relevant.

In a first part of the report (presented here in draft form), the societal context for media change is described, and a typology of newsroom convergence introduced. The part concludes with recommendations for continued industry action.

Part two outlines the various convergence activities in the newspaper industry, while in part three the broadcasters feature with their choices for multiple-platform newscasting. The finalised report will be available in June 2002.

The industry at a crossroads

The glut of news information sources has caused a crisis for media revenue streams around the world. Media companies are now fiercely competing with a host of nontraditional players that are opening new revenue channels and encroaching on existing revenue space once controlled by traditional mass media. Mobile phone service providers, online classifieds companies like Monster.com and even free subway newspapers are some of the emerging media that are going after lucrative channels.

A more complicated media landscape is emerging—a more level playing field for consumers of news and more open to new participants. The barriers to entry in new media are lower, enabling anyone with a computer and a web browser to be a publisher, either by building their own websites, or simply participating in bulletin boards, chat sessions and web logs (blogs).

Traditionally media are, literally, the connectors, the key information brokers. Now they are increasingly facing competition from other intermediary organisations and initiatives, such as net-portals, public libraries, news agencies (moving from raw material delivery to the production of half products), all benefiting from the availability of low-cost connectivity and busy building alternatives for the traditional mass media.

Important and structural news sources start to organise their publicity themselves, downplaying the role of media involvement or even change completely to forms of proprietary news distribution.

Companies expand their direct marketing activities to direct sales with a strong information component; governments explore the viability of direct and reciprocal electronic links with their citizens; major NGO's have given up their dependency on (often inadequate) media coverage and go direct as well.

A similar trend toward self-reliance is noticeable at the receiver end. Audiences, readers, find new ways of informing themselves ad hoc, using multiple information sources, mixed with media consumption. The 'my newspaper' extreme will remain a distant reality, but significant initiatives (niche markets, but very interesting from a social development point of view) emerge at the level of peer-to-peer communication. Web logs are a successful civic journalism format, the same is true for numerous group media.

All these trends, happening in parallel and in a comparatively short period of time, demonstrate that the media are not operating without competition any longer. Today's information market is highly volatile, unpredictable, and, comparatively speaking, with a shrinking share for the mere professionals.

The advertising downturn of 2001 and 2002 has added to the troubles plaguing the media industry around the world. News companies have responded by cutting their staffs and content in broadcast, online and print. European media companies have not escaped the turmoil: many have cut or closed their online operations altogether, such as Edipresse in Switzerland, which closed Edipresse Online in October 2001, after just 18 months of existence. Some media companies, such as Kirch Media AG, one of Germany's biggest TV players, have succumbed to economic pressures. Kirch filed for bankruptcy in a Munich court in Spring 2002. The leading Dutch publisher PCM has decided to close down its interactive unit, and its news websites for de Volkskrant, NCR Handelsblad and Algemeen Dagblad, were cut back financially and were handed back to their respective news publications for management and financing.

"The good news is we're back in business. The site is getting bigger and bigger. Volkskrant.nl hit 10 million page views last month (March 2002). The bad news is the publisher cut back from 8 to 3 posts, which the editor compensated more or less. We now work with 6-7 people. Even worse: There's no budget for development. There are hardly any revenues from webvertising and more important: there's no vision because there's no money," said Henk Blanken, chief editor of Volkskrant.nl.

The media industry is at an inflection point, a time when significant changes are taking place to threaten revenue streams and high profit margins. It's a time when media company executives are pressured to make sweeping changes that will affect the future of the company, including reorganization plans. A number of European media companies are responding to the inflection point, and have chosen to innovate, to tighten, and listen and respond to new usership patterns.
They have chosen to become 'information engines' – by developing content for all media channels using an integrated approach. Many recognize that if they don't change, they face relinquishing significant market share of the news industry to competitors that control non-traditional channels of news and information, and new forms of advertising.

Change doesn't come easy though: European media companies have learned that transforming from a mono-media to a multimedia structure is full of opportunities but also barriers and challenges.

Opportunities to multimedia news re-organization

The opportunities for developing multimedia integration are staggering. The integration of media creates a 'turbine effect' that is, the 'information engine' integration produces more results and more momentum than each media would create on its own.

The information engine's turbine effect creates more synergy in five key areas: efficiency, profitability, usership, improved journalism, and user satisfaction than they would produce with each media publishing on its own.

Efficiency

One of the most potent opportunities attracting media companies to a multimedia reorganization involves efficiencies. Information engines can deliver on the promise: "create once, publish many" – the Holy Grail of efficiencies for the industry. If a news story is produced first for print, it can be seamlessly distributed to other news channels, such as TV, radio, online, mobile and other future platforms like portable tablets, with the assistance of powerful content management software. The concept promises the repurposing of multiple media information with little or no human intervention, cost or time.

Many news companies are implementing "XML-based" content management systems that allow stories to traverse the company's media platforms without rewriting and other human intervention. XML stands for "extensible markup language." The XML "tags" are commands given to text in news stories that make searching, repurposing and transporting content an automatic task. London-based Reuters, for example, uses an internationally used markup language called NewsML, a computer markup language based on XML that allows its newspaper, online and broadcast media customers to process and distribute the content more efficiently across platforms.

News companies that are physically integrating their multiple media assets into one facility are becoming 'information engines'. The potential for cost savings -- through trained cross-media workers and reduced work forces and technology-assisted repurposing -- are enormous. Among the media companies physically integrating TV, print and online journalists include FT.com and Financial Times in London, Recoletos with Marca and Expansion in Madrid, and Aftonbladet in Stockholm. In the Unites States, many news operations are physically integrated, including Chicago Tribune, ChicagoTribune.com, CLTV Radio; TBO.com, Channel 8-TV and Tampa Tribune.

Profitability

In addition to cost savings from efficiencies, media companies are able to build new cross-media advertising revenue streams. A number of media companies, including US-based Tribune Company, Media General's TBO.com, AOL Time Warner and AZCentral.com, and Brazil-based RBS Interactive all have experienced initial success by implementing cross-media advertising packages, placing integrated campaign messages across media for unified campaigns on their media properties. European media companies are planning cross-media revenue strategies, but are slow in moving them forward. Bonnier Group's Dagens Nyheter in Stockholm reports it is planning a cross-media advertising strategy, but that it is too soon to report on progress.

According to the Print Media Association in the UK, product brands using a combination of print and broadcast outperform those using a single medium; and brands that have adopted a multimedia advertising approach were twice as likely to grow share than brands that adopted a single-media strategy.

Another cross-media advertising tactic, SFGate.com's "Personal Shopper," provides a database of searchable print ads online. Consumers searching for shoe sales in San Francisco can find all of today's or this past week's shoe sales advertised in the San Francisco Chronicle. The Personal Shopper is a forced buy for Chronicle advertisers, but frequently accessed ads also earn extra fees for SFGate.com.

Usership

The variety of media choices has left consumers to decide which media are most credible, appropriate and convenient for them. In Europe, media companies are attempting to provide news on as many channels as laws and unions will allow, including TV, radio, newspapers, mobile, interactive TV, teletext, Internet and more.

As multimedia connectivity and usage grow, multimedia news consumption (mainly video) online also is growing roughly proportionately in the U.S., according to a McKinsey Consulting study.

According to a Forrester Research European division report released in April 2002, two out of three Europeans—about 200 million-- will be online by 2006. Internet usage varies widely from country to country. In 2002, France, Italy, and Spain have a 30 percent penetration, while Scandinavian countries range from 60 percent to 70 percent penetration. Germany and the UK have the largest number of Internet users, with more than 30 million Germans and more than 20 million Britons online.

Forrester predicts in another report that European homes with broadband Internet access will rise from about 5.5 million in 2001 to about 38 million by 2006. Forrester analysts say the shift from narrowband to broadband use will accelerate the collapse of Europe's general portals and will give an opportunity to content producers like news sites to capture consumer revenues on video-on-demand features, for example.

Video on demand, including popular TV shows streamed on the Internet, starts to show first results in some parts of Europe, especially Scandinavia, where users pay a fee to view TV shows on the Internet over broadband connections. NRK, the Norwegian public broadcaster, reports that more than 3,000 people have paid to view clips of popular TV comedy shows over the web.

In addition to SMS news alerts, stock quotes and sports results, scores of newspapers are allowing online visitors to pay for content through their mobile phone bills by using a SMS (short messaging service), including 17 French and German sites belonging to the Swiss News agency

Schweizerische Depeschenagentur (SDA). The Times in the UK will implement the same payment plan in 2003. To pay for online content, users type in their phone numbers into an SMS, and their phone bill would be charged.

Several UK magazines and newspapers now offer
SMS daily news updates, and some TV stations are offering viewers SMS communications as an alternative to phoning or e-mailing the stations with complaints and news tips.

Game playing on mobile phones is expected to have more than 130 million users by 2005, the Forrester study on broadband showed. Many news sites in Europe offer games on their websites, including El Mundo, Marca, Aftonbladet and the Guardian.

Meanwhile, other usership phenomena are occurring that bolster the 'turbine effect' principle: media outlets have documented driving traffic from one media to another using "cross promotion" techniques. Media companies track the success of cross-promotion by noting spikes in online traffic after a TV promotion, or analyse elevated usage patterns after promotions as evidence of success. Also remarkable are the multimedia usership patterns on big stories like the Olympics or Sept. 11 coverage, as users seek audio, video, photo and Flash animation in significantly elevated proportions.

The new focus on the user requires media companies to think less like manufacturers of news, and more like retailers of news – to think about how to merchandise the news to be more desirable and valuable to the user in a competitive marketplace. This shift in mindset requires an offensive, not a reactive approach.

Success in converged newsroom should be judged by the journalistic product, not by a flashy multi-million Euro building or expensive equipment. Some of the best multimedia convergence efforts are borne out of tight budgets and basic newsroom facilities. The key to successful multimedia operation is management and strategy, not facilities.

Improved journalism

Some stories are told best in print, some are visual and require video, photos and/or graphics. Some stories can be told effectively with multiple media. The web platform allows for the possibility of telling multiple media stories, which allows cross-media-trained journalists to best ply their craft. Ultimately, good journalism is defined by telling stories in the best way possible, using traditionally valued journalism research and precision. The online medium adds another dimension to this formula: to create journalism on the most appropriate mediums, and let users decide which media to consume online.

Preston Mendenhall, MSNBC.com's international editor based in London, is a veteran TV journalist. MSNBC.com is the No. 1 trafficked news site on the web. In May 2001, armed with his audio recorder, digital video camera, still

camera, laptop and satellite phone, Mendenhall journeyed to Afghanistan to be a one-man multimedia band to capture fundamentalist Afghanistani fervor across the county. The cost to MSNBC.com was about $ 6.000 for a two-week journey, including the cost of a native guide - about one-tenth the cost of a usual four-journalist crew of a videographer, correspondent, producer and sound person. The multimedia package, with streaming video, audio, still photos and text stories, has received more than two million unique visits since the Sept. 11, 2001 attacks, which occurred six months after Mendenhall's journey.

The Financial Times and FT.com in London are developing a multimedia brand of good journalism. Online producers and newspaper writers sit side by side. Both online and print journalists have the same expectations of accuracy, writing and editing skills and news judgment, but are now required to also work faster to meet constant deadlines, build interactive packages and promote community building on the web. Together, they are creating a multimedia turbine, which becomes powerful and efficient as journalists become more adept at cross-media skills. Meanwhile, FT.com users come to expect multimedia news packages and are accessing them in record numbers.

Andrew Gowers, the Financial Times' new editor, said "I start from a strong prejudice that a newspaper, in particular an international newspaper, can't survive and prosper without a world-class website. But I also believe that a website can't exist in isolation without a counterpart in the analog world, whether in print or broadcasting. They complement each other, doing different things. It's a mistake to treat web and paper assets as separate. They simultaneously strengthen each other." Gowers is committed to breaking down the barrier between journalists who write for the paper and those who write for the web. "It's artificial and we are reaching the point when it will be meaningless."

User satisfaction

Giving users news on the right medium and at the right time ultimately leads to user satisfaction and repeat visits.

TV, radio and newspapers have traditionally presented a one-way interpretation of the news. The online medium, however, is a two-way, interactive medium offering more depth than any other. It offers the ability to listen to users' news needs and deliver on them. Users respond to the variety of storytelling methods by choosing the medium that best suits their interest level.

The BBC has continued to build a multimedia package on the Concorde since it was grounded after a crash in 2001, killing 113 people. The package includes news stories about the crash, backgrounders on the supersonic jet, on-demand audio and video bulletins on the plane, a chat with a former Concorde pilot, an opinion poll about the safety of the jet, photo galleries and animated Flash graphics. As news on the status of the Concorde happens, it

is added to the 'evergreen' multimedia package. Offering users variety of choices leads to user satisfaction, and ultimately, user trust.

Challenges to multimedia news re-organization

Most of European media companies, according to the MUDIA study, still live in the cooperative stage, with little or no true convergence.
According to a global Innovation study in 2001, including European media respondents, the biggest obstacles to media convergence included "lack of financial resources" (31%), "individualistic nature of journalists" (31%) and "lack of modern multimedia editing systems" (30%). Unions were a serious obstacle (18%), as were legal restrictions on ownership on more than one type of media company (25%).

This research outcome gives a clear picture of the difficulties ahead. European media have to come to terms with a range of challenges, some of which are sector-specific, some of a more general nature.
To be mentioned in this context are:

Strong mono-media tradition

Media professionals tend to overvalue the relevance of their 'home' medium, with little understanding of and for other information platforms. Professional debates almost exclusively take place at the level of newspaper, television (radio) or online news production; cross-media orientation is rare and with little effect on the policymaking of most European media groups.

Orientation on national media contexts

In Europe, media are of course a business but also, in a way even predominantly, part of a national, cultural setting. This means that they orient themselves to value systems, language areas, professional debates and choices that are typical for their specific culture.
A consequence of the position in the cultural domain is also the dependence of national, and in Europe for that reason widely varying systems of media legislation.

Inadequate business models

Content providers in Norway have been fighting with phone companies over who retains revenues for content provided by media and distributed by telcos. Telenor and NetCom get about 45 percent of all revenue from text messages provided by media like TV2. It demonstrates that market parties still have to find viable ways of integrating news and information in the digital value chain.

A key difference with U.S. online operations is that breaking news is the No. 1 form of news on most online news sites. Many European sites have yet to make breaking news a key strategy because of the competitive issues it raises. If El Mundo, for example, breaks a story about terrorism in the Basque region, it is likely that a competitor will take the tip online and make it a story

for the next day's newspaper. In the U.S., local competition is less of a threat because fewer print and TV media outlets compete in each market.

Outdated legal context

In most European legal systems there is a provision which blocks particular forms of cross-ownership, to avoid dominant market positions and safeguard media diversity and plurality of opinion.

"In our company the convergence mindset is more or less in place. However, governmental regulations preclude working together with other media, which makes it difficult to converge media. We cannot operate with wireless or TV as yet. Until then we seek all sorts of strategic alliances on database access, IT compliance and union softening so we can serve our customers before anybody else does," said Ejvind Sandal, managing director of the Jyllands-Posten, Denmark.

Many U.S. companies have been able to build integrated, multimedia empires because they have held broadcast and print properties for years before a 1973 federal law preventing them from cross ownership. In 2002, it is likely the federal ban against cross ownership will be lifted, opening the doors for what analysts think will be a race to buy up media properties in order to diversify multimedia holdings.

For Europe, the challenge lies in the development of a legal context that facilitates commercial and editorial cooperation in the media field, and at the same time finds ways to foster and even guarantee press diversity. The key may well be in another definition of diversity, less institutional and based on numbers of independent media outlets, and more on the level of accessibility of existing and future media organisations that demonstrate a spectrum of opinions within their own organisation.

Union constraints

An often referred to blockage for multimedia ventures is labour union intervention in innovation processes. The inevitable job profile effects of media and newsroom integration are a cause for heated debates and refusal of experimentation of any kind. In these matters, it is difficult to distinguish between the defence of necessary proper working conditions and fundamental resistance to change.
An all-party social dialogue concerning media innovation that could break deadlocks is lacking, at both the national and European policy level.

"I believe convergence is a fact in a few companies and I think it will be a fact in all companies which have products in different media. The problem is tied to the different capacity of people working in different media. They must learn a new way of working. Another problem is working law. It means for Italy the unions stop passage of the journalists from one media to another," said Billy Frateschi, Managing Director of Il Sole 24 Ore System in Milan. "Anyway economic crisis might bring a solution—I think in five years from now."

While most news executives in Europe are aware of these pros and cons of multimedia convergence, few have implemented strategies as an answer to these sweeping market changes.

MUDIA project researchers studied broadcast and print media companies in four countries – France, Spain, the UK and Sweden – to determine specific multimedia strategies. What follows in this part is a typology of media convergence in practice, and some recommendations for continued industry action.

Europe's multimedia convergence landscape

In 2002, multimedia convergence has no one true definition. Around the world, convergence has different meanings at various companies and on different continents. The variety of definitions is driven by local circumstances like legislation and unions, a media company's willingness and ability to innovate, readership/viewership's cultural habits and demands, broadband availability and other factors.
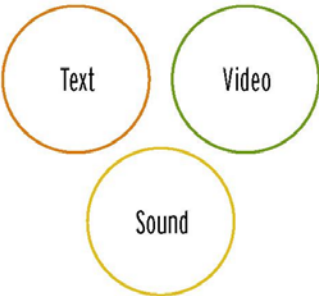
Europe's multimedia convergence landscape is emerging, but in as many speeds and in a variety of intensities imaginable. Each company has chosen to define convergence on their own terms, and to implement it on their own timetable.

The economic crisis juxtaposed with the need for innovation has created a Catch-22 situation. Without earning money for this new medium, media executives are unmotivated to invest in research and development. Without an investment in the new medium, competitors that are innovating are gaining market share. The Catch-22 has forced many companies to stagnate, and to disregard integration as a viable option. In many cases, the unfavorable economic climate has forced executives to foist unreasonable profitability goals on these re-organizations in their infant stages.

There appears to be a lack of balance between the long-term objectives of multimedia integration and the short-term stepping stones to meet the objectives—a phenomenon that is being experienced throughout the world's media companies. The companies are steeped in tradition. It is a huge undertaking to dismantle old ways of doing things and introduce a new organization with a broad, multi-channel approach to journalistic storytelling. It's a complicated process requiring communication, cooperation and the melding of media cultures that are very different.

Innovation International Media Consulting, depicts the convergence process thusly:

GRAPH 2: DIVERSIFICATION, CONVERGENCE AND DIVERSIFICATION

OLD MEDIA	NEW MEDIA	
Diversification	Convergence	Integration
		Multimedia Newsroom
1980's	1990's	2000's
Co-existence	Co-operation	Synergy
Analog	Analog & Digital	Digital
Media Companies	"Post-Journalistic Companies"	"Information Engines"

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European media companies are in a variety of stages of conversion, from a mono-media structure to a multimedia organization. For the purposes of this report, four stages of convergence will be defined, and the media companies profiled will be organized into those categories, depending on their level of convergence strategies and practices. Because each media company is vastly different in the tactics used in multimedia convergence, and the timetables used for implementation, these stepping stones are meant as guidelines to help the reader understand the degree to which companies are integrating.

These degrees of convergence are happening on a company level, including company-to-company partnerships; on a platform level, including media-to-media acts of convergence; at a content level, including database-driven journalism and rich-media presentations; and at the human resources level, including multimedia "backpack" journalists.

The MUDIA case studies include media companies with little or no integration, 90-degree, 180-degree and 270-degrees of integration. The full-circle, or 360 degrees of multimedia integration, currently has yet to be realised anywhere in the world. For the purposes of this report, each incremental category's typical characteristics will be detailed. The media companies profiled will be categorised if all or most criteria are met.

90-degree integration characteristics:

- Passive integration, without benefit of a strategy
- Slow to implement changes
- No real commitment to integration research and development either managerially or financially
- Journalists are allowed to implement integration tactics on their own, with little or no management support or direction
- Some cross-promotion among media taking place
- Perhaps a print reporter may collaborate with a TV reporter on a big story.
- Perhaps an occasional deal with the local TV station is struck whereby video of an important event is given to a local news website to digitize and post.
- Perhaps the advertising sales department makes deals with big customers who request multimedia advertising packages
- Union rules and legislation may preclude integration, or may slow further strategic development

180-degree integration characteristics

- Management gets involved with integration process, but still without a defined strategy, budget, timetable and training process
- Limited commitment from management for research and development
- Managers start to develop multimedia strategy and journalists continue to innovate ways to exercise multimedia storytelling, advertising sales department innovates multimedia sales structures, and technology is used to better integrate on company, platform, database and human resources levels.
- Grass-roots-level efforts rule, and are more sophisticated than the previous step.
- Multimedia presentations are planned in advance, for example, for the Queen Mother's funeral, coverage of the War in Afghanistan, the Olympics and World Cup Football.
- Multimedia editors are appointed, and attend meetings with print and broadcast editors.
- Journalists learning the multimedia news ropes. Some training is available to improve their multimedia skills.
- Effort to physically integrate multiple media is made, either in one newsroom, or with members of one staff joining another to achieve better communications.

270-degree integration characteristics

- Multimedia strategy written and under implementation
- A multimedia director, on the board of directors level, or at least possessing budgetary and managerial power, is appointed to orchestrate the multimedia integration process
- Commitment made to train journalists to be multiskilled
- Advertising department trains multimedia team and sells cross-media ad packages

- Technology enables multimedia journalistic storytelling, better communication among media company employees, distribution of content from one media to another without human intervention
- Physical integration of multiple media staffs
- Multimedia news packages becoming a priority, starting to be planned in advance rather than as an afterthought
- Packages becoming rich with video, audio, Flash, wireless, polls, chat, photo galleries, e-mail components and more. Packages continue to be built upon as the story develops.
- Communication among employees is maximized with intranets, e-mail, meetings, phone calling, newsletters, etc., to improve multimedia content footprint.
- Same ethical and tactical expectations for all journalists, despite original media affiliation
- Multimedia participation expectations expressed in employees' job descriptions

360-degree integration characteristics

- Seamless multimedia operation
- Journalists not learning about multimedia journalism, they are living it.
- Media companies transformed into multimedia information engine
- Multimedia director in charge of multimedia strategy and implementation
- Full commitment to ongoing training required for equipment, software and storytelling
- Process in place to plan, gather and tell stories in every media that is appropriate for each story—text, video, audio, Flash animation and photos.
- Multimedia participation expressed in job descriptions is enforced, sometimes with monetary bonuses
- News decisions flow from a multimedia perspective.
- Newsrooms are fully integrated
- News presentations are planned in advance, presented online in an integrated fashion and cross-promoted among media
- No media distinction among journalists

Reaching for the much-hyped full multimedia news operation has been a revolution for some, but an evolution for most media companies in Europe. While some companies invest millions of Euros to build multimedia empires, complete with integrated staffs and facilities, like Stockholm's Aftonbladet, Madrid's Marca and London's Financial Times, most are taking baby steps.

In the Innovation survey referred to earlier, 73 per cent of the respondents indicated that convergence was only beginning to happen in their company, and 19 per cent said it was not happening at all. A still modest five per cent was proud of being ahead in this development.

Recommendations

Integration at most companies is a distant dream, despite many interesting and innovative practices scattered across the continent. The cases in the following chapters of this study show that convergence, circa 2002 in Europe, has more to do with low-level print-web collaboration or TV-web collaboration than intricate multimedia storytelling, broadband video content development and multimedia journalism synergies.

For substantial progress a concerted action of many parties will be required. A few general recommendations for the editor's role in the change and innovation process conclude this introductory chapter.

Understand the innovation curve

Many media managers have perceived and defined the future around the present characteristics of online and multimedia information delivery. These actions initially were driven by overoptimistic expectations and then suddenly shattered after the burst of the internet bubble. There has been little understanding in the industry of the nature of most technological innovation processes, certainly applicable for a general purpose technology as the internet. True, sustainable implementation usually starts after the seismic movements in the early days of the launch of a new development, and tends to be a long-term and gradual process. The real dimensions only become visible after a while, often in an unexpected form and direction, and strongly driven by actual user uptake. It is important to relate strategic plans to this innovation practice.

Combine the long-term visions with short-term actions.

There has to be a balance between the ultimate goal ('the information engine') and the concrete steps toward realisation. The one is irrelevant without the other; ideas, visions, become sterile if not translated into concrete measures, random experimentation is vulnerable for inevitable setbacks. Convergence is a process, kept alive through generations of product innovation.
It is also important to realise that not all aspects of convergence progress in the same pace. Changing the mindsets of people will always take time, which contrasts strongly with the frenetic activity and permanent launch of new applications on the platform (media) level. The redefinition of underlying infrastructures and the adjustment of societal contexts (legal settings for instance) is a work of years and years. This speaks for a multifaceted innovation strategy.

Keep on going.

Leapfrogging headlong into the digital media world sounds attractive but has not been realised by any company so far. Dropping all confidence in online

activity because of the absence of an immediate return on investment becomes fashionable in media circles. The outcome of this study suggests a third way, one of determined, ongoing and carefully planned experimentation, hand in hand with consistent internal and external validation of results. Information engines need gyroscopes to keep them on track with timely course-adjustments. The secret of success lies in the ability to consolidate the successful trials and integrate them in the existing organisation.

Permanent experimentation requires focus, determination, and sufficient R&D resources. European media managers can take care of the first two themselves, but traditionally are reluctant to invest in innovative action. It may be necessary to partner for getting the budgets and expertise in place. Partnership can be in-company, via strategic cooperation, or taking place in special provisions for the whole industry such as joint media labs. Cooperation should also be extended to external partners, think of research centres, the hard- and software industry and European development funds.

The MUDIA project

The majority of the established media plans to transform into more diverse and flexible information processing companies, but it is by no means clear how this objective can be achieved, which content categories one should aim for, how the newsroom of the future should be organised and which strategic alliances are needed to accomplish this formidable task.

A high-profile consortium of experienced research institutes and international professional organisations has agreed to carry out groundbreaking research in this area, to establish a European-wide overview of the multimedia playing field, stimulate innovative media practices and develop an understanding of the changing role of information (and information providers) in a networked society. The project will run from May 2001 till October 2002 with the title 'Multimedia Content in the Digital Age' (MUDIA).

Professional bodies participating are News World International (an international television news platform), operating from London, and the Paris-based World Association of Newspapers. At the research side the newly established International Institute of Infonomics participates, together with the Seville-based Institute for Prospective and Technological Studies and the media research institute STeM of Dublin City University. Coordinating partner will be the Infonomics institute, which is based in Maastricht, the Netherlands.

Focus of the project will be on data collection, trend analysis and scenario-building. Research work will be illustrated with regular research briefs about ongoing experimentation with novel multimedia content production. In two selected areas: multimedia newsroom organisation and remote reporting technologies, there will be detailed project surveys and field trials.

The MUDIA website will offer overviews of MUDIA activities, provide data on multimedia developments and offer links to relevant information sources. A quarterly email magazine will give summaries of project findings. Throughout the two-year project period, research findings will be presented to the professional world via the various meeting platforms of the consortium partners.

Annex 2

Media involved in the study

<u>UNITED KINGDOM</u>

- BBC
- ITN
- The Times
- The Guardian
- The Financial Times

<u>SWEDEN</u>

- SVT
- TV4
- Dagens Nyheter
- Aftonbladet

<u>SPAIN</u>

- Antena 3 TV
- Televisio de Catalunya
- VilaWeb
- El Pais
- El Mundo
- Marca
- El Periodico

<u>France</u>

- TF1
- France 2
- I>TV
- Libération
- Le Monde
- Le Telegramme
- Le Parisien
- Ouest-France