

The future of online content: An international perspective



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Introduction

As of February 2011, the number of active websites across all domains topped 100 million, up 24 million since May 2010 ¹. The proliferation of new content is one of the key driving factors for change on the internet because its existence poses complex and challenging questions:

- How are people going to consume this content?
- How will they find what they're looking for?
- What devices and methods will they use?
- How will this content be monetised?
- How will traditional forms of content delivery, such as newspapers, survive?
- How will the content itself change?

The aim of this report is to consider answers to these questions, and to examine them from an international perspective.

Content consumption – devices and methods

Blogs, feeds and social networks

There is a general trend away from the passive consumption of content and towards an active information-seeking behaviour. In particular, many people are no longer content merely to **receive** news, written and packaged up for them by professional journalists. Online publisher the Huffington Post which relies on user-generated collaboration to develop content attracted 26 million unique visits for November 2010 putting it second behind the New York Times ². The sheer availability of free content that reflects both mainstream news and niche interests allows people, for the first time in history, to break free from traditional sources and to select the content that suits them.

This behaviour is apparent in the use of **RSS web feeds** that channel and aggregate updated content. This form of controlled personalised delivery isn't yet mainstream practice. However, if the UI design of RSS feeds improves, the practice is likely to evolve into the smart siphoning and shaping of content from multiple sources into a customised 'newspaper' unique to each user.

Another reason why RSS feeds haven't taken off is that it takes effort to scour the web for sources of interest, and because people's interests never remain static. **Social networking phenomena** such as Twitter and Facebook news pages can do that work for people. Many consumers simply wait for mainstream and niche news to reach them through shared links – recommendations from **people they trust and respect**. Applications such as Summify (www.makeuseof.com/dir/summify-news-that-matters) allow consumers to integrate Twitter streams and RSS feeds so that the content most relevant to them is prioritised.

Mobile

Of course, the key to content delivery is convenience. People want relevant content delivered when they want it, where they want it, i.e. mobile solutions. This explains why newspapers used to be so important – print was the only reliable, robust means of consuming content on the move, which is why people have in the past been prepared, indeed compelled, to pay for it. But now you can use a mobile application like NewsRob (<http://newsrob.blogspot.com>) to download the most recent articles from your Google Reader straight onto your phone without shelling out the cover price of a paper.

What type of mobile devices will people use to consume news content?

An e-reader device like the Kindle is designed to replicate paper (although at the moment the technology falls far short of a reading experience that print can deliver). It uses e-ink

rather than a backlit screen so that the eyes don't get so tired. This technology uses less power so battery life is extended. The Kindle is *solely* designed as a *reading* device, suited to the concentrated task of reading text-heavy documents such as novels, but the traditional text news format isn't what mobile consumers want anymore. For example, the Guardian iPhone app with its mix of breaking news, podcasts and picture galleries has reached 214,000 downloads and the mobile website has 3 million unique users monthly ³.

The trouble with the Kindle is that it's not interactive, not even as interactive as a newspaper – you can't do crossword or sudoku puzzles on a Kindle. There's no colour or multimedia capability on the market yet. Users' expectations have changed and right now, the demand for colour, interaction, and multimedia formats can only be satisfied via tablet devices like the iPad or a Motorola Xoom. It won't matter that these devices aren't optimised for reading text because reading text isn't the sole or even the preferred way of consuming the news any more, and because news consumption is transient – snatched in short slots, on commuter trains and cafes.

The adoption of tablet devices rather than smart phones for consuming the news will depend on the trade-off between mobile convenience and the quality of the experience.

Content monetisation

There's another important reason against the widespread adoption of the Kindle as a news-reading device – the Kindle doesn't support adverts. The app-based platform makes iPad the ideal device for innovative advertising, for example Creative Social's advertising for Spiegel magazine on the iPad (www.creativesocialblog.com/advertising/building-advertising-on-the-ipad) combines the glossiness of magazine imagery with unique iPad interactions.

However, in terms of subscription, there are disagreements between Apple and publishers over sharing revenues⁴. Some publishers are rebelling over Apple's proposed 30% slice of the pie, but any agreed carrier charges will add financial pressure to an already cash-strapped industry.

Producing quality content is expensive but consumers are unwilling to pay when the content can be consumed elsewhere for free, and advertising revenues have been hit hard by the recession.

Paywalls and micropayments

The debate rumbles on between those who argue that news organisations must find a way to make consumers pay or face bankruptcy, and those who argue that **paywalls** have been made unviable by the very nature of the internet. One commentator in the latter camp describes attempts to extract money from consumers as being like trying to set up toll-booths on the open sea⁵. Even more sophisticated solutions where sites allow consumers to try content free for a while (e.g. 10 articles) before erecting a paywall are unlikely to work. This is because, from a user experience point of view, paywalls just act as a distracting barrier between consumers and the content they seek.

What about a metered system of micro-payments? The recently launched Google One Pass system attempts to address the user experience concerns through single sign-on over all their reading devices, allowing publishers to combine subscriptions from different titles together for one price, and providing multiple tiers of access including metered access. The system will also appeal to publishers as Google are only asking for a cut of 2% of the subscription revenue.

The recently launched Cleeng WordPress plugin (www.cleeng.com) is a micropayments system that allows users to set up one account to reveal small pieces of hidden content (text, images or video) for between 15 and 99 cents in one click. The advantage here is that publishers can use free content to draw consumers in and since the payment for extra content is small and seamless, the barriers are negligible.

Paywalls are only likely to work in isolated cases where the content has a tangible economic value. This is why the paywall erected around the Wall Street Journal is an exception. Financial and business content providers such as Lexis Nexis, Reuters and Bloomberg are also able to charge because the tab is picked up as a business expense.

Micropayments are an attractive idea to such providers because if systems can overcome the cost of managing electronic transactions for tiny payouts, they potentially open the market beyond those who can justify high subscriptions. The trouble is what economic value can a provider place on a piece of mainstream news? How will consumers know whether the consumption was worth the price until after the event? The difficulty is that traditional subscriptions or single cover prices conveniently mask all that complexity. In a typical publication, a few articles are expensive to make – they subsidise all the cheap news agency pieces that bulk out the copy. Unbundling it all just exposes what's worth consuming and what's not.

Ad revenue

Google's position on content monetisation, unsurprisingly, remains focused on ad revenue. Its proposal to the Newspaper Association of America (NAA) discusses publishers syndicating content on 3rd party sites and sharing ad revenue⁶. Ad revenue as the sole means of content monetisation is what supports free online content, and it even successfully supports free print publications like the Evening Standard. As a form of online monetisation, ad revenue is likely to become more important as technology improves targeting and relevance, and especially if micropayment charges fail to catch on.

News as a service

Some bloggers argue that if Apple managed to make selling music viable through iTunes then a similar model must exist for news. But news isn't analogous to music⁷. News isn't unique like music is and people don't read articles repeatedly the way they listen to music repeatedly. For most people, news is disposable – it's like food; once it's eaten it doesn't have a value, and once it's out of date it's not worth eating.

Furthermore, it can be argued that Apple's master plan wasn't selling music, it was selling a service – an elegant and convenient way to consume music. If news corporations can learn anything from Apple, it's that the **content** itself isn't chargeable, but that well-designed **services** are. Replicating a story from print to a website and charging for that story isn't a service, but maybe providing tools to analyse archive footage over the lifetime of a long-term developing story like the Amanda Knox trial or the Chilcot Inquiry is.

The bottom line is if some content is freely available elsewhere then by default consumers can't be **forced** to pay for it because this product **isn't worth paying for**. It therefore needs improving. And persuasion is better than force.

The conundrum is that quality content, whether it's a blog or professional journalism, costs time and money, and if no-one can charge for it then doesn't that mean the end of quality content?

The future of monetisation

The future of monetisation if there is one (other than via ad revenue) depends on cooperation, not coercion. Monetisation models need to work to the strengths of the web not against them.

One such proposed model is Kachingle (www.kachingle.com) which moves away from the idea that content providers can charge **directly** for their content. Content providers expose their content for free to everyone and allow consumers to show (or rescind) allegiance to it through an interactive Kachingle medallion. Consumers pledge a voluntary monthly fee that is distributed automatically by Kachingle according to the frequency of visits to websites that they actively support.

The beauty of the system is that quality content is paid for – the winners are the blogs and websites with the content that consumers most value. The system could benefit from increasing returns where the more consumers sign up to pledge through Kachingle, the more publishers will be attracted to join. Because the model is open (rather than closed paywall systems), it fits with the trend towards social network recommendations where tweets announcing Kachingle support for particular content providers quickly gathers momentum.

The drawback is that the system is charity-based – the onus will be on providers to persuade consumers to donate money for content, perhaps with the argument that quality content will die out without some system of monetisation. However, persuasion may not be as problematic as it first seems given that the model also fits with the participatory nature of the web where consumers are invited to engage with content providers, to register their opinion.

How content must change

The question is, if something like Kachingle took off, what kind of content would win out? The rise of blogs is proof of the growing appetite for opinion based commentary. The trend towards consuming up-to-date bite-sized chunks of news in multimedia formats has far-reaching consequences for the way content will be produced because ***the way a story is told differs according to the channel it's delivered through***. This of course means that merely replicating a story from one medium to another won't work, but it also means that the nature of individual news stories actually dictates the optimum means of telling them:

- Broadcast media is good for breaking stories with a strong visual element
- Print is good for providing in-depth analysis and background but it has limitations on space
- Online is immediate, and doesn't have limitations on space and is good for drawing together public and professional opinion, archived material, still images and broadcast reports

Only news organisations that understand this will survive the inevitable trend towards media convergence. It's vital that the efforts of news organisations across these channels are coordinated and integrated. Many major UK news operations are on board with this. For example, The Guardian has been consistently successful with its integrated approach most recently with its Gold award for digital consumer publisher, along with five other prizes, at the 2010 Association of Online Publishers awards (www.guardian.co.uk/media/2010/jun/10/guardian-aop-association-online-publishers).

The Guardian's recent coverage of the political unrest in Libya (21 February 2011) demonstrates how print and online can be successfully combined. The front page led with a report about Saif al-Islam Gaddafi defending his father's rule of Libya on state television and further reporting about violence across the country. The front-page story led to a double-page spread on wider unrest across the Middle East with photos and updates from Morocco, Yemen, Bahrain. The paper made the most of its limited space with a Libyan analysis from the Middle East Editor, a piece from the protestors' point of view and editorial comment on the crackdown by the Libyan regime.

Twitter network of Arab and Middle East protests - interactive map

Follow the latest tweets on protests around the Arab world and the Middle East from our network of journalists, bloggers and experts

Garry Blight, Alastair Dant and Matt Wells
 guardian.co.uk, Friday 11 February 2011 15:38 GMT

Show tweets from all locations →



#libya	#feb17	#libya
B Draddee Egyptian blogger I'm seeing reports that Gaddafi is gonna speak soon. Has it been confirmed? #Libya	B Draddee Egyptian blogger Libyan religious leaders now calling on all Libyans to know disobey Gaddafi, #Libya #Feb17 via @ShababLibya	B Ali La Pointe Algerian Twitter user #Libya Wonder in what capacity Seif Kadhafi spoke to the people? The Dictator's son?

Guardian.co.uk developed the main story with access to amateur footage of the protests, the broadcast from Saif al-Islam Gaddafi, an interactive map showing the Twitter network of Middle East protests, a round-up of blogs and analysis from the Middle East, and links to previous articles about the Libyan unrest. The approach exploits the strengths of each channel – balancing the need for constant updates in this rapidly changing news event with considered and wider analysis.

The future of different media – an international perspective

Print

According to the annual World Press Trends update ⁸, newspaper circulation worldwide fell slightly August 2009 – August 2010 (0.8%), although it remained up 5.7% over five years. Much of the 2009/10 dip is down to drops in Western markets – drops of 3.4% in North America and 5.6% in Europe. Bucking this trend are rises in developing countries e.g. 4.8% in Africa which are likely to be related to low internet penetration.

During a global recession, the slight drop in newspaper circulation worldwide demonstrates resilience in the market for physical media, especially given plummeting global newspaper advertising revenues – down 17%. The WPT report strikes a note of optimism by citing Zenith Optimedia's forecast of a 3.5% increase in advertising revenues for 2010, and a Microsoft study in the UK showing that every British pound spent on print advertising yields five in revenue, higher than returns for TV and web advertising.

These figures suggest that print isn't doomed just yet. However, as mobile new media solutions benefit from improved readability and battery life, they will inevitably threaten the viability of newspapers. Print may yet survive as a compelling physical alert to attract and funnel consumers towards a more comprehensive news experience online. Context-aware devices will be able to make this transition more seamless. In this situation it actually makes more sense for the print to be free because of its role as a 'flyer' for the full content and because free print is more likely to be efficiently 'shared' between more people.

However, this purpose for print only makes sense in urban environments where distribution is easy and the critical mass of people justifies the cost.

Mobile SMS

For remote rural communities, especially in developing countries, the future is firmly mobile. In Africa, mobile penetration (50%) ⁹ far exceeds internet penetration (11%) ¹⁰. The low bandwidth in Africa means SMS is the most versatile means of communication, encouraging the development of innovative services such as:

- MobileMoney – cash transfer service where a client pays in cash in one location, and transmits a unique code to another outlet where an associate can receive cash payment (www.thepeninsulagatar.com/business-news/4267-sms-cash-transfers-rise-in-south-and-east-africa.html)
- Ushahidi – an open-source platform that can allow organisations to gather and aggregate digital information via SMS, email or web (www.ushahidi.com)

In Africa, the uses of SMS communication by fishermen demonstrate the flexibility and simplicity of the medium ¹¹:

- They share their expert forecasting of local weather rather than relying on mainstream sources
- They share information about fishing grounds
- They order engine parts whilst at sea to save time
- They get up-to-date price information to coordinate their catches with market forces

In parts of the world where print and web media are being leapfrogged by mobile communication, the style of content is likely to be shaped by the means of delivery, persisting even when internet penetration takes hold i.e. immediate, locally relevant, bite-sized, user generated. There will be a high demand for services such as Ushahidi that can aggregate and re-package mass user-generated data.

In parts of the world where, for cultural, historical and user experience reasons, print currently has a role, it could ultimately become obsolete. This is because the convergence of paper and online technology to make cheap, flexible e-paper is likely (www.digitaltrends.com/international/lq-display-reveals-news-worthy-flexible-e-paper). Scrolls and foldable screens will appear as augmentations to mobile devices and direct touch-screen interaction will evolve to become as flexible and intuitive as doodling.

Summary

Technological advances in mobile and web technology have handed control over the way content is consumed, how it is paid for and even what it is, from traditional content providers to consumers. These forces are driving the media convergence of traditional news organisations which must become proficient in multiple ways of telling stories if they are to survive.

Content monetisation challenges threaten the very existence of traditional content providers. Micropayments are only likely to work for entertainment or content which has a tangible economic business value, not mainstream news. High quality news content will need to use a combination of targeted ad revenue and the development of payment models that are compatible with the inclusive, interactive nature of the web, to stay ahead.

Print needs to evolve to dovetail with other content channels. In the long term print could be superseded by e-paper, although the design skills that evolved over 300-year history of the newspaper will be carried forward as screens become flexible enough to increase in size.

Conclusion: User-centred design

So, how can content providers and technology designers deliver the content people most want in the way that they want it?

What's clear is that content consumers have more say in this now than they've ever had before. This makes it even more imperative to adopt user-centred design i.e. design that's informed by solid research into the three overlapping cornerstones of user experience:

The goal

What are people's motivations for consuming particular content? What are they trying to do?

- Look cool, impress friends?
- Stay informed for work?
- Make money?
- Just trying to keep up with latest trends?
- Find specific information or just browsing?
- Research for some other activity e.g. writing an article?
- Be entertained?
- Find something new or different?
- Be challenged?
- Respond to that content, express an opinion?

The user

What are people's capabilities, limitations, preferences? What are people prepared and able to do in the consumption of content?

- Explore and actively seek it out?
- Direct it towards themselves automatically?
- Be told by trusted contacts what's worth consuming?
- Text, audio, audio-visual?

- Free, subscription, donation, in return for access to personal information?

The context

How does the outside world impact on the experience? This includes:

- The immediate environment – on the move, at work, at home?
- The culture – rural or urban? Developing or developed world?
- Social context – alone or with others?
- The context of the web itself – how does the inclusive, engaging, participatory nature of the web impact the experience of consumption?

Only by answering these questions will content providers and technology designers be able to deliver successful experiences. In particular, content and the means of delivery are tightly coupled – they shape and influence each other. This implies, more than ever, that content providers and technology designers must cooperate.

Content and the means of delivery are also in an ever-increasing state of flux. As a result, predictions about content consumption are unreliable. However, here's one prediction that attempts to capture the essence of this article:

People need flexible solutions because they have multiple goals and motivations, different preferences depending on those goals, and they operate in different contexts. There's no killer device, so malleable and versatile, that it can satisfy all these requirements and there's unlikely to be one in the near future. Consider this scenario:

My goal is to write an article. Before I go to work I use my home computer to scan the blogosphere for likely commentators and subscribe to a few feeds. On the train I use a mobile device to scan the feeds for anything of interest and mark a few for later inspection. I see an article in a discarded newspaper – 10 rules for writing articles by a famous journalist. The article is one of a series, each by a different journalist. I scan the title and publication with my mobile device. At the office, my work computer automatically opens the feeds I marked of interest. They're all quite similar so I reconfigure the feeds to look for opposing views to these. My work computer also opens an online version of the print article together with links to the full series. One journalist catches my eye. There's a video interview with him about a book he's written. On the way home, I download the book and read a few edited highlights.

The key point about this scenario is that my tasks in meeting the goal are spread across different contexts, devices and forms of content. What's needed is intelligent and smooth transition, without hurdles, so that I spend my effort only on the goal.

Since much online content will be user-generated and user-directed, the key to the future will be user-centred experiences that seamlessly blend the twin activities of content consumption and content generation.

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User-centred design

- Information architecture
- Interaction design

User research

- Usability testing
- Interviews & focus groups
- Persona creation

Accessibility

- Accessibility testing
- Accessible web design

Training & mentoring

- Usability & accessibility courses
- Online copywriting courses
- Web development courses

Webcredible is widely regarded as one of the most innovative and respected user experience consultancies in the UK. Our 200+ research articles and reports have been re-published on 100s of websites and we receive 250,000 visitors to our website each month.

We believe in taking a proactive approach with clients, whilst maintaining a regular open line of communication. We believe that we are being paid for our expertise and as such always take the initiative and offer our recommendations for any course of action. We are:

- **Focused on client needs** – Our aims are to optimise conversion rates for companies and ensure public sector organisations effectively disseminate information.
- **Passionate** – The team here at Webcredible loves what they do and we only recruit staff passionate about usability and accessibility.
- **Approachable** – We're friendly and jargon-free. Consultants, despite being highly educated and experienced, only communicate in a user-friendly manner.

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