ACCOUNTABILITY JOURNALISM IN THE DIGITAL AGE

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To John Lavine – for making this dissertation possible, interesting, and downright fun.

'It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.'

Theodore Roosevelt at the Sorbonne, Paris, France on 23 April 1910

DECLARATION

This dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration except as declared in the text. It is not substantially the same as any that I have submitted, or, is being concurrently submitted for a degree or diploma or other qualification at the University of Cambridge or any other University or similar institution. I further state that no substantial part of my dissertation has already been submitted, or, is being concurrently submitted for any such degree, diploma or other qualification at the University of Cambridge or any other University or similar institution. This dissertation does not exceed the word limit of the Sociology department (80,000 words). I have also resided in Cambridge for at least three terms, undertaken the minimum requirement of research terms, submitted this thesis by my submission date, and have formally applied for examiners to be appointed. I will also keep my contact details up to date using my self-service pages throughout the examination process.

Signed:____

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ABSTRACT

To be a creator or publisher of news today is to be in a business predicament; and a business predicament in journalism is a social problem for democracies given the importance that the press has played, and continues to play, in the democratic process. Even while more people may be consuming more news than ever before, thanks in part to new digital distribution platforms, producers of news are faced with increasingly serious financial problems that stem, in part, from the decline of traditional revenue sources and the difficulty of capturing value from the new forms of online dissemination. This thesis addresses this core problem by focusing on born-digital news organizations that produce accountability journalism and by asking: can these organizations become viable and, if so, how? To explore this question I carry out in-depth case studies of two organizations, one in the US and the other in South Korea: *The Texas Tribune* and *OhmyNews*. On the basis of these case studies I argue that there are three components to achieving viability for born-digital news enterprises producing accountability journalism: first, a radically lower cost structure than traditional newspaper organizations; second, what I call 'revenue promiscuity', or a conscious attempt to diversify revenue streams; and third, the ways in which these organizations use non-monetary resources. Born-digitals have not replicated the operational structure of legacy publishers, and they have changed everything from editorial structure to the kinds of people they employ and how they work with other organizations in order to get journalistic work done under new conditions. I argue that, taken together, these three components may provide some clues as to the kinds of factors and practices that could be used to build a new model for funding accountability journalism in the digital age.

ACKNOWLEDGEMENTS

Though Wittgenstein's oft-quoted statement that 'knowledge is in the end based on acknowledgement' is likely true in all human pursuits, it is particularly so for those doing social science. The very thing we set out to understand *is* the complex interaction between people. And, without a huge group of others and their support, none of this work would be possible.
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I also had unending academic support while I worked on this project. Of course, I would never have started graduate school, let alone at Cambridge, if it had not been for the early support and encouragement of Jerry Goldman. I still remember the day, in my second year of undergrad, when Jerry gave me a copy of Northwestern's 'Guide to British Fellowships'. It had a bright red cover, and I recall laughing at his suggestion that I might do one of those when I finished. As always, Jerry got the last laugh. Twice, to be precise. And John Lavine's overwhelming support from conceptualization to completion was awe inspiring. Even when I experienced moments of deep doubt, he was always available and eager to offer feedback. Be it spending evenings at his house talking through work, his willingness to help secure access, or his graciousness with his time, I could not have completed this work without his help. Larry King was also incredibly helpful in shaping the dissertation, reading many drafts, offering keen refinements of the argument, and helping me to shape the overall understanding of broader theory. We had quite a bit of fun building a few presentations over the course of the PhD, too. Other critical supporters, academically, were David and Christine Donald. When I was most lost about where the project was going, or what I would do next, it seemed all signs always pointed to their house or phone. Talking with both of them, and walking with Christine, not only made the process easier but also helped me to learn about the work I was doing and moreover about how to live an interesting and delightful life. John Thompson, my faculty adviser, read a completed draft and provided exceptionally keen feedback, which dramatically improved the final product. King's College, including Caroline White and Jude Browne, were also critical in helping me to work out the bumps at the end of the project. I am hugely appreciative of the College's support.

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0 PREFACE

> When someone demands to know how we are going to replace newspapers, they are really demanding to be told that we are not living through a revolution. They are demanding to be told that old systems won't break before new systems are in place. They are demanding to be told that ancient social bargains aren't in peril, that core institutions will be spared, that new methods of spreading information will improve previous practice rather than upending it. They are demanding to be lied to. (Shirky, 2009)

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In the spring of 2009, when Clay Shirky (a decidedly pro-Internet commentator) said that people were demanding to be lied to, there was a palpable feeling amongst those in the press, academy, and public that journalism as we had known it was in trouble. This feeling is still with us, as I write in 2014. In 2009, though, advertising revenues were falling precipitously. Newsrooms were making staff redundant. Papers were literally printing on smaller sheets of paper in order to save money. Content was being offered for free online, yet digital advertising was not growing with the audience, nor was it valued at anything close to that of a print ad, even if the audience was larger. A year earlier Jeff Zucker, the CEO of NBCUniversal, had said, 'Our challenge with all these [new digital] ventures is to effectively monetize them so that we do not end up trading analog dollars for digital pennies' (Stelter, 2008).

It appeared that the commentariat around me had concluded that newspapers, which did 'much of society's heavy journalistic lifting, from flooding the zone — covering every angle of a huge story — to the daily grind of attending the City Council meeting, just in case' (Shirky, 2009), were like the cartoon coyote, chased off a cliff by the road runner. We all could see that news enterprises had just bolted off the edge. But, since they didn't quite realize there was nothing beneath them, they hadn't started falling. We, however, all knew, or thought we knew, what was coming.

It was in this environment that I began work on my PhD. I was not, however, convinced that 'the sky was falling'. I had just spent a year working for *OhmyNews* in Seoul, South Korea, and, while it certainly felt strained by the global economic crisis, it was also continuing to build a viable enterprise engaged in quality reporting. Before that I worked for the BBC's online news operation, which seemed to cover the entire world from its newsroom in London. And before that, I covered technology for a born-digital news firm, CNet, that was growing its audiences and revenues. The facts on the ground just didn't square perfectly with the fears espoused at every turn. I needed to try to clarify these issues by adopting a more systematic approach.

This led me to the view that this deeply practical problem needed sociological analysis in order to both explain and understand it. If we believe that high-quality accountability journalism is important for democracies (as I do), we need it to continue. Using sociology, I could try to understand how people could organize to create it in the modern world.

As such, I crafted my PhD work to focus on what seemed to me a simple yet unaddressed question: how will we build viable born-digital media enterprises that can achieve the same outcomes as print media used to? Put another way, the question asks, how do you build a viable journalism enterprise without any legacy media baggage?

Appropriate understanding required appropriate methods. So, to find out how we build such enterprises, I went to two of the most prominent, and yet very different, born-digital news organizations: *The Texas Tribune* in Austin, Texas, US, and *OhmyNews* in Seoul, South Korea. Extended time at each gave me unprecedented access to both enterprises' operations and business data. I reviewed documents, observed and in a limited way participated in operations, and conducted semi-structured interviews at every level of both organizations. My goal was to sketch out the changing 'logic' of their field. I closely followed the practice of John Thompson when he first explicated the logic of two publishing fields in 2005 (see Bourdieu, 1996; Thompson, 2005).[1] As Thompson's work showed, this logic would be useful both for sociologists and practitioners confronting change in their industry.

What I discovered was in some ways surprising. These two enterprises were both born of crises. In the case of *The Texas Tribune*, it was the implosion of a business model for the production of news that had been in place for decades. At *OhmyNews*, it was a literal democratic revolution. The two enterprises were launched a decade apart, one conceived in Seoul between 1998 and 1999, the other in Austin between 2008 and 2009. *The Texas Tribune* is a non-profit organization, and *OhmyNews* is a business. The Texans were overtly non-partisan and the Koreans launched with the explicit purpose of shifting the national political discourse to the left.

And yet, by the time I entered the field, both enterprises had settled on a remarkably similar viability model, one that appeared durable in at least the medium term.

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While this dissertation aimed to create a synthesis of some significant work — to 'thickly' explain (Geertz, 1973) an emerging field of practice in an institution that is central (Gans, 1979) to modern bourgeois democracies (Therborn, 1977) and to codify an emerging set

1 I found Thompson's adaptation of Bourdieu's concept of the field — specifically the addition of the 'logic of the field' concept — to be extremely useful. My dissertation is an attempt to extend this concept into a new and emerging field — a much smaller project than Thompson, who applied the concept to a very large and well established set of economic and cultural practices in book publishing (See more in Bourdieu, 1996).

of practices into an updated 'logic' of the born-digital journalistic field — my primary goal was different. It was to produce and report some data on viability in the field of born-digital news enterprises. This dissertation attempts to make a contribution here, by filling a gap in basic research. While no one document can ever provide everything needed by all scholars of media, the data and structure outlined here are intended for future researchers (myself included) to build upon.

In search of an answer to my question about creating viable, accountability-journalism-producing, born-digital media enterprises, this dissertation proceeds in six chapters. The first, 'The State of the Union (In Many Places) Is Not Strong', examines the current predicament accountability-journalism producers find themselves in, and how they got there, using newspapers as a model. The second, 'Concepts, Theories, Methods', lays out the knowledge gap addressed here, along with the methods I used to fill that gap. The third chapter, 'Born-Digital News Enterprises', explains the ecosystem of born-digital news enterprises and then thickly describes both of the case studies used in this dissertation: *The Texas Tribune* and *OhmyNews*. The fourth chapter, 'Costs and Revenues at Born-Digital News Enterprises', lays out the financial structure of these two enterprises and explains how it influences the logic of the new born-digital field. The penultimate chapter, 'Non-monetary Resources', discusses all the ways born-digitals contribute to their viability without the use of cash, and again links these assets to the broader logic in operation. The sixth and final chapter concludes this dissertation by summarizing the overall argument and contextualizing it using Thompson's adaptation of Bourdieu. It offers a preliminary sketch of the logic of the born-digital field and discusses both limitations and future research.

1 THE STATE OF THE UNION (IN MANY PLACES) IS NOT STRONG

1.1 THE 'IRON CORE' IS RUSTING

To be a creator or publisher of news today is to be in a business predicament; however, a business predicament in journalism is a social problem for democracies. Even while more people may be consuming more news than ever before, thanks in part to new digital distribution platforms (Rosenstiel and Mitchell, 2011; Wunsch-Vincent and Vickery, 2010, 48), producers are faced with gut-wrenching choices about how to capture enough benefit from those users to invest in further content creation. Clay Shirky offers a stark view of what these choices by producers will mean for society at large:

> I think we are headed into a long trough of decline in accountability journalism, because the old models are breaking faster than the new models can be put into place. [...] I don't think we can get away with a simple and rapid alternative to what we enjoyed in the 20th century — in part because the accidents that held that landscape together in the 20th century were so crazily contingent. (Benton, 2009)

Shirky is not alone in this bleak assessment of the future. Prominent sociologists and news executives have increased the resolution of Shirky's claims, noting that much reporting 'of government, economic activity, and quality of life simply disappeared', as a result of the choices made by producers in recent years (Downie and Schudson, 2009, 18). John Lloyd, an editor at the *Financial Times* and Director of Journalism at the

Reuters Institute for the Study of Journalism, puts it even more succinctly, writing that 'nothing will work' (Lloyd, 2010, 89-90).[2]

Alex Jones — director of Harvard's Shorenstein Center on the Media, Politics and Public Policy — has given a name to the kind of news Shirky, Schudson, Downie, Lloyd, and others fear is at risk: the 'iron core'. The core comprises 'the daily aggregation of what is sometimes called "accountability news". [...] This is fact-based news, sometimes called the "news of verification" as opposed to the "news of assertion"' (Jones, 2009, 2-3). It 'does not include Paris Hilton's latest escapade or an account of the Yankees game or the US Open. It has no comics or crossword puzzle. No ads. It has no stories of puppies or weekend getaways or recipes for cooking great chili' (Jones, 2009, 1-2).

Fears that this 'iron core' is at risk are motivated, primarily, by the problems newspapers currently face in much of the developed world. As will be shown in detail, newspapers in particular face a set of difficulties, ranging from long-term changes in their product market to an apparent inability to understand and use new technologies, which calls into question their ability to survive. Meyer famously estimated the last print editions of newspapers would roll off the presses in 2043 (2004). Rupert Murdoch told the Leveson

2 First, economically, John Lloyd argued that 'there is no general model to replace the one the net just broke' (Lloyd, 2010, 89–90). Second, with the rise in interest for niche content, general-interest news may never again be successful in the way it was during the twentieth century. Third, the 'shadow' of the public agenda provided by newspapers that had institutional memories and assigned reporters to beats likely won't be replaced by the 'fifth estate'. (See Benkler, 2006; Dutton, 2008)

inquiry that papers may not exist in 2022 (in O'Carroll, 2012). Other academics argue they may be gone as soon as 2016 (Ha, 2011).

Of these fearful academics and media executives, even an only slightly sceptical person might ask the logical question: so what? There have always been changes to the availability of news and information, they may say. Newspapers were deeply concerned about the introduction of radio. In the UK this fear was so strong that Fleet Street engineered a rule that is incredible in retrospect: the early British Broadcasting Company (and later Corporation) could not air news that had not first been published in print (Briggs, 1961). Likewise, television changed the provision of news yet again. Moreover, news as many democratic countries know it today is a relatively recent development (Schudson, 1978). Jones, Schudson, Downie, Shirky, and countless others answer by noting that the contingent circumstances that allowed newspapers to flourish meant they were also particularly good at producing the 'iron core'. And that core is linked to nothing less than the entire democratic system. Downie and Schudson (2009, 25-34) suggest that no other medium can fill the gap in core news left by newspapers, and Jones (2009, 3-4) estimates the chasm to be vast: he argues newspapers do between 85 and 95 per cent of 'core' news. Moreover, Jones argues that newspapers were uniquely able to provide both the cash needed to do core news and legal protection if the reportage 'ignit[ed] the wrath of powerful interests' (2009, 7). Jones estimates that a single reporter working on core news can cost up to £150,000 per year. Doctor (2011) tabulated the cost of a single core story to be about £333,000. Internet and other new news organizations are disregarded because they are believed to lack these resources: 'the staffs of most of the start-ups are still small, as are their audiences and budgets, and they are scattered unevenly' (Downie and Schudson, 2009, 50). The termination of this argument is that the 'iron core' is rusting away. 'A dearth of reliable information', writes Jones, 'will force us to chart our [...] path with pseudo news and opinion that may be more appealing but will be far less reliable', and will ultimately create a crisis of governance (2009, 27).

1.2 THE ROLE OF JOURNALISM IN THE DEMOCRATIC STATE

Jones, Downie, and Schudson, along with other scholars such as Benson (2009a, 2009b), Fenton (2009b) and Gans (2010), note that this particular kind of journalism is under threat; they lament its apparent passing (Benton, 2009; Downie and Schudson, 2009, 12; Jones, 2009).

But why do these authors write with such emotion about what has been identified as a relatively recent development in the history of journalism? Their answers help to explain why accountability journalism is central to this study.

The basic argument is: accountability journalism is necessary for the functioning of a democracy. While other forms of news journalism are also vital for society at large — quality arts reporting, for example, is important for both educational and critical purposes — accountability journalism contributes directly to the democratic political system. Bulwark theory, perhaps the most idealistic of all, suggests that 'being informed also enables citizens to participate in politics, choose their political representatives, and instruct them on how they want to be represented' (Gans, 2010, 8). The elitist model is exemplified by the kind of 'watchdog' journalism pursued by Walter Lippmann, where the role of the journalist is to 'act on behalf of the public' and examine elected officials (both their private lives and public choices) and to provide 'reliable, in-depth information about social problems' (Benson, 2009b, 177; 2009a, 193). Under the deliberative model such journalism serves democracy by creating a common ground amongst participants in society. The mainstream media, such as the BBC, are valued because they can act as the meeting place for ideas and policies (Benson, 2009a, 193; 2009b, 177-78). This mode is closely associated with Habermas's ideal of a public sphere (Habermas, 1989). Under the pluralist model, accountability journalism maximizes 'ideological diversity'. This includes

> extra emphasis on recuperating voices from the periphery, on being broadly inclusive as well in the substance and style of discourse (expanding the notion of what is 'political,'

> and making room for personal narrative and emotion as well as cold reason), and on avoiding premature closure of public debate. (Benson, 2009b, 178)[3]

While there are disagreements about the mechanisms by which accountability journalism promotes a democratic system, they are, for the purposes of this study, immaterial. Instead, what matters is the agreement amongst scholars about the necessity of the outcomes of accountability journalism for democracy.

Though these outcomes are seen as critical, the system that supported accountability journalism is, as described above, on perilous ground. This study focuses on accountability journalism, as it is practised in its digital form, in order to expand available data about how (or whether) journalism will continue to support democratic systems of government in the digital age, as it did during the age of exceptionally profitable print newspapers.

1.3 IT USED TO WORK: THE OLD LOGIC OF THE VIABILITY FIELD

For much of the period between 1950 and 2000, it was a good time to be a newspaper owner in the US (and in many other places around the world). Philip Meyer described

3 The role of journalism in democracies has been subject to extensive debate in countless literatures — sociological and otherwise. And the debate is not new; it reaches to Hobbes's discussions of how to maintain order in a society, and further back. But that debate is beyond the scope of this dissertation. This work is centred on the operation of new news organizations that are focused on producing the kinds of content that virtually all commentators argue are important for democratic life.

the job of connecting local advertisers to local consumers, seduced by journalistic content, as akin to operating a toll road. 'Newspapers', he wrote, 'were tollgates through which information passed between the local retailers and their customers. For most of the twentieth century, that bottleneck was absolute. Owning the newspaper was like having the power to levy a sales tax' (Meyer, 2004, 35).

Given that power, newspapers were able to command luxury-good-level profit margins — 20 to 40 per cent in mid-size markets — while constantly reducing their own costs and selling a product at a rate akin to grocery stores, which were consigned to significantly lower profits. And they could simultaneously produce a product that many judged to be critical for the functioning of democracy.

But by the early 2000s, it was clear this confluence of events wouldn't continue.

Understanding the old logic of viability for the primary producers of accountability journalism — newspapers — is important. It both provides a starting place to understand how born-digitals operate, and is a counterpoint to the methods they use. In other words, by understanding the past, we can more clearly see how the current situation is different.

1.3.1 REVENUES AND COSTS IN THE EARLY 2000S

Understanding how a newspaper made money is straightforward: advertising. In 2000, according to data collected by the Inland Press Association in their annual costs and revenues survey that collected and compared data from thousands of newspapers of all sizes from across the US for more than 50 years, advertising made up 82 per cent of the typical newspaper's revenues. Circulation — sales of copies to readers — accounted for the remaining 18 per cent. Fifty years prior, the split favoured circulation slightly more, at 71 per cent advertising, 29 per cent circulation (Meyer, 2004, 37). This made advertisers, not the news-consuming public, newspapers' primary customers.

Not only did advertisers become more important from 1950 to 2000 but also the composition of advertising clients shifted. In the middle of the century, local retail accounted for 57 per cent of all newspaper advertising. National advertising took up 25 per cent, and classifieds the remaining 18 per cent. But, by 2000, local retail had fallen to 44 per cent and national had dropped to 16 per cent. Classifieds had taken up the slack in both categories, rising to 40 per cent of total advertising (Picard, 2002b, 25).

Figure 1.1 shows the trends over that time. The shift to heavier dependence on classifieds (jobs, real estate, and automobiles) made newspapers more susceptible to the business cycle (particularly when compared to the primary competitor of the period, television, which carried mostly brand advertising) (Picard, 2002b, 26).

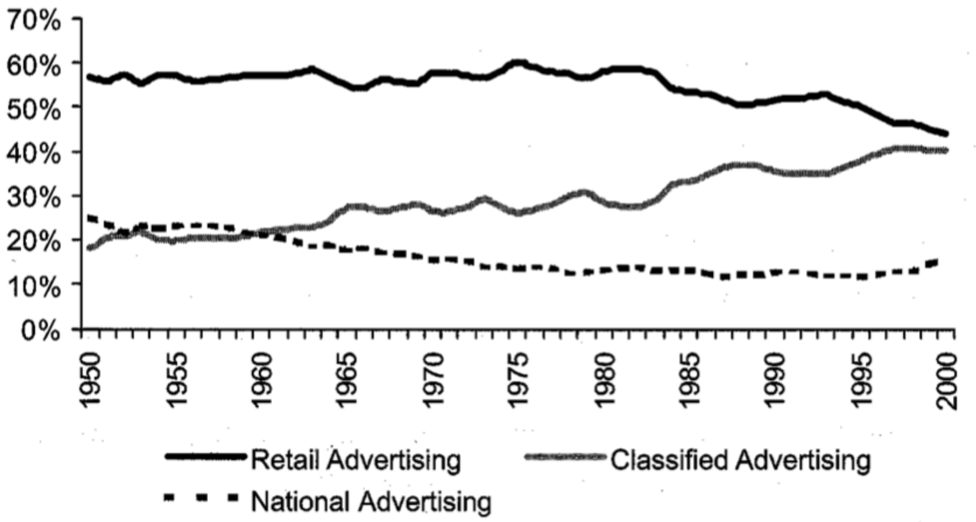

Figure 1.1 Sources of advertising revenue at American newspapers from 1950 to 2000 (Picard, 2002b, 26).

Costs depended greatly on the paper's size, but, for those papers larger than 100,000 in circulation, the single largest direct cost was newsprint and ink. For smaller papers, staff barely eclipsed these consumables. Again, relying on the best available data (from the

Inland Press Association's 2001 study), the newspaper-related expenses (and profit)[4] of the typical paper are broken down in Table 1.1.[5]

4 The categories listed in Table 1.1 contain the following newspaper-related costs (costs incurred for other products, such as shoppers, are excluded), each of which is explained in more detail in the guidelines to the Inland National Cost and Revenue Survey (National Cost and Revenue Study for Daily Newspapers Instructions and Reporting Form, 2002). News-editorial: direct compensation; vehicle, travel, and entertainment; features, art, and news services; services of outsiders; marketing and promotion; supplies and materials; and purchased supplements. Advertising: direct compensation; vehicle, travel, and entertainment; features, art, and news services; services of outsiders; promotion; supplies and materials; (national) representatives' commissions; purchased supplements; and bad debts. Circulation and distribution: direct compensation; vehicle, travel, and entertainment; services of outsiders; promotion; supplies and materials; outside solicitations; postage; carrier and agent delivery expenses; bundle hauling; and bad debts. Production: direct compensation; vehicle, travel, and entertainment; services of outsiders; supplies and materials; postage; repair and maintenance; and rent on property and equipment. Newsprint and ink: newsprint and ink. Building, general and administrative, and depreciation: direct compensation; services of outsiders; supplies and materials; rent on property and equipment; depreciation; insurance; taxes; utilities; vehicle, travel, and entertainment; postage; repairs and maintenance; promotion; dues and memberships; contributions; training and professional development; employee benefits; payroll taxes; outside data processing services; bad debts; miscellaneous.

5 Meyer originally produced this table for his book The Vanishing Newspaper (Meyer, 2004); however, I identified an error in his calculations. After an email exchange with the author, we could not find the original documents, and so I recreated the table as it is here from Inland data. As such, anyone interested in using this information should use the table here and not the one produced in both editions of Meyer's text.

Category	Dollars	Percentage of total revenue
COSTS		
News-editorial	6,768,721.43	12
Advertising	5,147,828.57	9
Circulation and distribution	6,733,250.00	12
Production (mailroom, press, and pre-press)	4,925,378.57	9
Newsprint and ink	8,257,207.14	14
Building, general and adminstrative, and depreciation	15,182,928.57	26
PROFIT		
Gross profit	10,769,792.86	19
REVENUE		
Total revenue	57,785,107.14	100

Table 1.1 Costs at the average American newspaper with 100,000 circulation in 2001 (Inland Press Association Research National Cost & Revenue Study, 2001).

Costs at papers also declined throughout the period, but particularly from about 1975. Meyer identified two reasons. First was the shift from hot to cold type, followed by computerized and photographic typesetting, which turned a task done with exceptionally expensive machines and highly skilled labour into one done with simply expensive machines and comparatively unskilled labour. Second was a reduction in circulation costs. Papers ended '"vanity circulation" in areas not considered important by the advertisers in the newspapers' retail trade zones' (Meyer, 2004, 36). The expensive administration and depreciation category also shows how some of this overall cost reduction took place. As technologies changed, they required significant investments in the physical plant and equipment — which were paid for over multiple years and shown as depreciation.

1.3.2 DISRUPTION: AN OVERNIGHT REVOLUTION FIFTY YEARS IN THE MAKING

While much of the next section discusses the multidimensional crisis that newspapers now face, that they are facing difficulty is not surprising to observers or the industry itself. In the second half of the twentieth century, newspapers faced assaults on all fronts: readers, advertisers, and technology all eroded newspaper profitability. Although this assault happened in many markets around the world, it was acutely felt in the US, where newspapers once operated a virtual monopoly on market-making between advertisers and consumers in a given territory. As such, the following account is focused on the US.

The core of newspapers' profit engines was their ability to sell a product with an extremely short shelf life (one day) and at the same time attach luxury-good levels of margin to it. The typical comparison, which Meyer also uses, is between a grocer and a jeweller. Grocery stores have notoriously low profit margins, sometimes between 1 and 2 per cent. However, because customers visit a grocery often, maybe even a few times per week, the business can generate meaningful levels of returns. Grocers multiply small profits by frequent visits. A jeweller operates in the opposite fashion. Customers don't buy diamonds multiple times per week, and as a consequence the jewellery store must charge fatter margins in order to pay for its overhead in the sometimes years between a customer's purchases. Newspapers' position as monopolies, Meyer argues, accounted for their ability to profit at jeweller rates and sell a product as often as grocers. In other words,

> Absent a monopoly, newspaper margins would be at the low end. But when they owned the bottleneck, the opposite was true. Before technology began to create alternate toll routes, a monopoly newspaper in a medium-size market could command a margin of 20 to 40 percent. (Meyer, 2004, 35)

The first attack on the bottleneck was from readers. At the beginning of this period, newspapers reached upwards of 80 per cent of a given population; at the end just 35 per cent. From 1950 to 2000, older people were always more likely to read a newspaper than younger cohorts (Meyer, 2004, 16-17). However, more people read newspapers in the middle of the twentieth century than at the end. Circulation declined from more than 100 per cent of households (with many households subscribing to more than one paper) to just over 30 per cent (Goldstein, 2011b). This can be attributed to competition for readers' attention, which came in the form of magazines, radio, and television in the beginning of the period, along with everything from video games to cable at the end.

The next shift to limit newspapers' monopolies was a change in advertiser composition over the period. First, the kind of companies buying retail advertising changed. Whereas they were once primarily local enterprises looking for local consumers, by 2000 they had become national chains that needed more brand and less call-to-action advertising (which favoured television). At the same time, as shown above, newspapers became more dependent on classified advertising — which is not only more cyclical but also more susceptible to competition — such as Craigslist. And, newspaper advertising 'as a share of GDP fell from seven-tenths of a percent to half a percent in the half-century' (Meyer, 2004, 39).

The third force that disrupted newspapers' businesses was technology. Technology hurt newspapers and their owners in two ways: paradoxically, first by lowering costs, and then later by introducing significant new forms of competition for both sets of newspapers' customers. In the late 1960s and the 1970s, technology made it cheaper to produce papers, thus increasing profit margins. At about this point, newspapers started to go public — and were sold on to new owners expecting to get the kinds of returns they saw from previous years (monopoly returns). But, as Meyer explains, 'the problem is that there is no easy way to get from a newspaper industry used to 20 to 40 percent margins to one that is content with 6 or 7 percent', because the new owners spent heavily to buy papers based on an expectation of higher margins (Meyer, 2004, 39). Compounding the issue was competition for readers and advertising, enabled by other delivery technologies. People had more choice than ever before, and by 2000 the Internet was making everyone a publisher.

In summary, newspapers faced fragmentation of both their markets — advertisers and readers — and at the same time saw a rapid growth in competition, first from print products as printing became cheaper and then from the Internet.

1.4 NEWSPAPERS' CRISES IN CONTEXT

While newspapers may be exceptionally important for the production of accountability or core news, and while they are facing a crisis of larger proportions than other media, virtually all news organizations have come under severe pressure over the past decade. The following presents a snapshot of the available data on the challenges faced by news organizations of all varieties, with special attention paid to newspapers. This focus is not arbitrary. Much of the literature focuses on this medium because 'the majority of professionally produced news journalism is in most countries still primarily underwritten by newspapers' (Nielsen and Levy, 2010a, 3). In addition, understanding the business of newspapers (outlined above) and the crisis it now faces (outlined in this section, below) is useful for understanding how born-digital news enterprises operate. Distinctions in how born-digital news enterprises build viability are highlighted when compared with how newspapers did the same work.

1.4.1 LONG-TERM CHALLENGES

News organizations face numerous long-term challenges including the arrival of competing media, and thus fragmentation. Fragmentation is a challenge most easily explained by way of example. In 1950, a sports fan might have heard the score of a game on a radio or television broadcast. But they likely would have seen a sport roundup in their local paper the following day. Today, newspapers must compete not only with dedicated sports television networks, real-time coverage online, and wire services but also with teams themselves, who have built extensive media organizations in their own right. The Minnesota Twins baseball team — by no account a major or even good franchise — has a multimedia news organization that reports in five languages including English, Chinese, Spanish, Korean, and Japanese (*The Official Site of The Minnesota Twins*, 2013). Fragmentation is not a new problem. Evidence of fragmentation of the news product appears as early as 1950 (Maisel, 1973). While the arrival of radio then news magazines and later broadcast television were the first to splinter the audience for news, the pace of fragmentation increased with the introduction of cable and satellite television and only accelerated as new forms of digital media became widely available (Downie and

Schudson, 2009, 14). The result of this audience fragmentation was that news bundles, such as the daily newspaper or network newscast, no longer made sense to news users, and advertisers looked to other types of content to reach their customers more directly (See Shirky in Benton, 2009). And the problem with this unbundling was that 'in most cases, journalism existed within, and was subsidized by, those bundles' (Goldstein, 2012). Corporate ownership, brought about by a politics of deregulation, has also created difficulties for news. 'In some countries, these developments have led to consolidation and sometimes increased concentration in the media industry', which in turn has left news producers in difficult financial positions (Nielsen and Levy, 2010a, 10). To consolidate, media groups took on significant debt loads (particularly in the US), which they were unable to repay in the wake of the 2008 financial crisis, even though the news products themselves were still profitable (Jones, 2009, 161-62). Even in other countries, such as Germany, where this kind of debt-financed consolidation spree did not take place, 'the broader process of commercialization that turns journalism into a business that is more than anything else oriented towards satisfying investors' needs rather than providing public goods' has 'put journalism under pressure' (Esser and Brüggeman, 2010, 41).

Changing demographics have also been deeply problematic in some countries, particularly the US. As populations moved from dense city centres to suburban living, the newspapers, and to a lesser extent broadcast television news stations, continued to cover cities in which fewer valuable readers and viewers actually lived. Additionally, new immigration to the US was increasingly non-English-speaking, further fuelling market fragmentation (Downie and Schudson, 2009, 14).

Another long-term challenge is, in some places, public-service broadcasters. In countries with strong public broadcasting systems like those found in much of Western Europe, public broadcasters still command 'very substantial audience shares [...] thus reducing [citizens'] dependence on commercial media in general and private newspapers in particular' (Nielsen and Levy, 2010a, 10).

In some countries, long-term state support has even become a problem. In France, for example, during the post-war years, papers lacked the resources to develop independent printing and distribution infrastructure, and so created a co-operative. Now, the model 'is ill equipped to deal with an abundance of media. The "closed shop" union system that dominates daily newspaper printing plants leads to far higher costs in France than abroad' (Antheaume, 2010, 71). This, Antheaume argues, has led directly to higher costs for consumers and a decline in newspaper readership in France during the past fifty years, during which time readership has grown in neighbouring countries.

Finally, Nielsen and Levy note that even basic economic choices made by different countries more than five decades ago seem to have resulted in drastically different outcomes for news organizations of all types. They show how Hallin and Mancini's (2004) media types map onto economic systems and result in various funding structures for news, some of which are more problematic than others. For example, news revenue in the US is about 85 per cent advertising, while in Japan about 65 per cent comes from sales and subscriptions, making the Japanese system less susceptible to shocks (Nielsen and Levy, 2010a, 11-12).

Though separated here for clarity, these challenges interact in complex ways. For example, changing demographics are related to the movement of people into suburbs. And fragmentation could be enhanced by new publications that target particular demographic groups.

1.4.2 OVERALL MARKET SHRINKAGE

As might be expected from the numerous long-term challenges facing newspapers in particular, growth in the global print paper market — defined by the OECD as 'online and offline circulation and advertising revenues of traditional newspaper publishers' — slowed from 2004 to 2007 and has been in decline since 2008. In 2009, the overall market for newspapers was on the decline in all OECD countries. Some individual countries were in particularly stark declines. By 2009 the newspaper market in the US had fallen to 34 per cent below its 2004 level, in the UK it had fallen by 22 per cent, and in Japan it had fallen by 18 per cent. Even countries where newspapers remained relatively strong (Germany, Italy, the Netherlands, and New Zealand) saw at least one-digit declines from their 2004 levels (Wunsch-Vincent and Vickery, 2010, 18). While the

OECD notes that some of these data are estimates, the uniformity across countries makes a compelling case that the overall trends are real.

1.4.3 REDUCTIONS IN ADVERTISING SPENDING

Looking more closely at individual countries shows a roughly similar picture to the OECD's international data. For example, a contemporaneous study of the UK media market by the Reuters Institute for the Study of Journalism at the University of Oxford confirms the rough contours of the OECD report. The study noted that from 2002 to 2008 newspapers' share of all UK advertising had fallen from 40 to 30 per cent. The UK also saw a fall-off in classified advertising revenue going to print products, according to the OECD, 'which has long been essential to the economic health of newspapers, in the regional market especially.' By the end of 2011, online classifieds were expected to capture 33 per cent of the total spend — up from just 2 per cent in 2002 — eating directly into large profit centres. The spend on classifieds in regional newspapers, specifically, was expected to drop to 44 per cent in 2011, from 62 per cent in 2002 (Currah, 2009, 39). Moreover, percentage of spend masks another problem in the classified market: while some online classifieds are paid, many sites such as Gumtree <http://www.gumtree.com> and Craigslist <http://www.craigslist.org> are completely free. Even in a relatively balanced advertising vs. subscription market like the UK, ad reductions have been difficult for newspapers. None of the papers where 'coverage of politics, international affairs, and social issues is the fullest' made money in the 2010 financial year. Even the sprawling-with-growth-online *Guardian* lost £60 million (Lloyd, 2010, 82). More recently, the losses at *The Guardian* have slowed but are still remarkably high. For the 2011/2012 financial year, *The Guardian* and *The Observer* lost £44.2 million 'as investment in digital publishing — including iPad, Facebook and Android apps — contributed to a deepening of losses at the national newspapers and could not be offset by double-digit growth in digital revenues' (Sabbagh, 2012).

Newspapers have been particularly hard hit by advertising losses, but many media have experienced such declines. Next I will examine the latest available data on the advertising market for news media in the two countries where I conducted case studies: the US and Korea.

1.4.3.1 UNITED STATES

An examination of the overall market in the US also supports the trends identified by the OECD across its member countries. ZenithOptimedia estimated that, in 2009 alone, overall spending on advertising in all media fell by 12.9 per cent, making it 'the sharpest drop since the Great Depression' (*The State of the News Media: 2010 Overview Key Findings*). From such historic lows in 2009, all ad revenues in the US grew in 2010 — except for spending on newspaper advertising. Newspapers, according to the Newspaper Association of America, have seen constant advertising declines since 2006 (*Annual Advertising Expenditures*, 2012).[6] Market penetration data helps to explain some of this decline; advertisers want to place ads where most people will see them. Even the newspaper in the US with the best market penetration in 2012 reached 75 per cent of the households in its circulation area. The twenty-fifth best that year reached 50 per cent of households (Edmonds et al., 2013).

[6] Online advertising with newspaper companies took a dip in 2009, by 11.8 per cent. It grew in 2010 and 2011, though, by 10.9 per cent and 6.8 per cent, respectively. However, this growth could not offset crushing declines in print advertising revenue. Newspapers' print advertising revenue in the US declined by 17.7 per cent in 2008, 28.6 per cent in 2009, 8.2 per cent in 2010, and 9.2 per cent in 2011, the last year for which the Association makes data available. Like in the UK, classified advertising was particularly hard hit. Classifieds declined more sharply than overall advertising revenue, dropping 29.7 per cent in 2008, 38.1 per cent in 2009, 8.6 per cent in 2010, and 11 per cent in 2011 (Annual Advertising Expenditures, 2012).

Major news magazines in the US have also seen advertising reductions in the past decade. The number of pages used for advertising dropped 8.2 per cent in 2012 for the 211 magazines tracked by the Publishers Information Bureau.[7] Revenues for most magazine publishers have either stayed flat or declined slightly since 2010, but have not risen to pre-2008 levels, with Time Warner (the largest magazine publisher in the US) as a notable exception, rising by 11.6 per cent in 2011 (Sasseen, Matsa, and Mitchel, 2013).[8]

Although the major broadcast networks in the US do not provide separate financial results for their news divisions, the Pew Project for Excellence in Journalism made estimates in its 2013 State of the Media report based on the broadcast networks' parent companies' overall revenues, the vast majority of which (84.4 per cent) come from advertising. According to those estimates for the 2012 fiscal year, ABC News would have fallen 4 per cent to $624 million, CBS News would have grown by about 3 per cent to

[7] Of six major news magazines (Newsweek, Time, The Economist, The New Yorker, The Atlantic, and The Week), only one — Newsweek — added advertising pages in 2011. The New Yorker removed the fewest (6.4 per cent) and The Week pulled the most (24.5 per cent) advertising pages. The six magazines lost, on average, 10.4 per cent of their 2011 ad pages in 2012. The single most affected category of advertising was automotive, which lost about 21.7 per cent of its ad pages in those magazines (Sasseen, Matsa, and Mitchel, 2013).

[8] Of the other top nine publishers for whom data is available, all but two hovered between ±5 per cent growth or decline that year. The sixth largest, RDA Holding Co, dropped 23.1 per cent and the seventh largest, Source Interlink, fell by 13.6 per cent in 2011 (Sasseen, Matsa, and Mitchel, 2013).

$443 million, and NBC News would have grown approximately 4.5 per cent to about $900 million (Guskin, Jurkowitz, and Mitchell, 2013).

Local television in the US made advertising gains in 2012, in part (as the Pew Project explains) because 'Even numbered years almost always mean higher revenue for local television, thanks to political ads and the Olympics.' More specifically, political advertising contributed $2.9 billion to local television coffers in 2012, or about 15 per cent of total advertising revenue; this was up 38 per cent from 2010, and was almost double what was spent on local television in 2008. The Pew Project's estimates put local television at a 10 per cent gain in 2012 over 2011, though 2011 itself saw about a 7.7 per cent drop from 2010.[9] Despite these 'bounce-backs,' the Pew Project notes that the overall performance of local television 'over the past decade has been lackluster. Since 2006, average revenue from news-producing stations has declined by more than a third (35.8 percent) when adjusted for inflation' (Potter, Matsa, and Mitchell, 2013).

Cable television in the US operates differently from broadcast, from a revenue perspective; it is less dependent on advertising because cable channels also charge carriage fees (money paid by cable system providers). For most cable providers, these fees are projected to account for about 39 per cent of revenue, while advertising accounts for about 58 per cent. Projected advertising revenue at two of the three main cable news

[9] Local television revenues dropped steadily from 2006 to 2008 and fell precipitously in 2009 — losing 30.7 per cent from the 2006 peak to the 2009 depths. The Pew Project did, however, estimate that local television revenues will approach their 2006 peak again by 2016 — a year that holds a presidential election and the Summer Olympics (Potter, Matsa, and Mitchell, 2013).

channels grew slightly in 2012. Fox News Channel grew by 9 per cent and MSNBC rose by 8 per cent, while CNN fell by 4 per cent. Holcomb speculates that CNN fell less than it otherwise might have because of 'its high ad rate'. He continues:

> [Its] viewers, though fewer, are more valuable to advertisers than either Fox's or MSNBC's. Its audience is younger, more diverse and more highly educated than that of Fox and MSNBC. And its relatively neutral coverage has been seen as a 'safe space' for advertisers averse to controversy.

All three cable news channels were projected to grow subscriber revenue in 2012, with 12 per cent at Fox, 4 per cent at MSNBC, and 3 per cent at CNN (Holcomb and Mitchell, 2013).

Finally, radio news stations' revenues are not broken out separately, but, for commercial stations in general, 2012 saw a 1 per cent advertising revenue increase despite it being a record-breaking election year. Santhanam argued that broadcast radio is increasingly reliant on election-related advertising and that 'this heavy reliance on election spending does not bode well for its overall financial health because major elections do not occur every year'(Santhanam, Mitchell, and Olmstead, 2013).

1.4.3.2 KOREA

In Korea the data show similar difficulties for news media, specifically newspapers. However, the data reported by the Korea Press Foundation (KPF) after the most recent OECD survey ended showed that Korean newspapers were able to recover from the global economic crisis much more quickly than their American counterparts. According to the KPF, daily newspapers make about 60 per cent of their revenue from advertising (The Korea Press, 2013, 37), and, while they suffered losses from 2007 to 2009, newspapers have been regaining since then. That said, the latest data show that newspapers have not yet returned to 2007 levels.[10]

Though print advertising revenues are recovering in Korea, the three major national newspapers (*Chosun Ilbo*, *JoongAng Ilbo*, and *Dong-A Ilbo*) have struggled to draw advertising revenue from their new, expensive ventures; each of the major three newspapers were granted special broadcasting licences to launch cable television channels at the end of 2011.[11]

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[10] Korean newspapers lost 6.85 per cent of their advertising revenue in 2008 and another 9.49 per cent in 2009. Advertising revenues grew 11.47 per cent in 2010 and 2.17 per cent in 2011, the last year of published data. As of 2011, the newspaper advertising market in Korea was worth about KRW 17.1 billion, or approximately $1.4 billion USD at KRW 1200/$1 (The Korea Press, 2010; The Korea Press, 2013).

[11] Called 'comprehensive programming channels', they are not dedicated to news, though journalistic content is broadcast on all three. The KPF reported, in 2013, that 'the Comprehensive Programming Channels obtained their expected ratings of 1% or less in news and some dramas. In view of their extensive publicity efforts, these ratings at the time of the launching were disappointing, and 25 programs were canceled within one month after the launch.' Months after launch, the ratings of these new channels failed to reach even one tenth of the levels of either KBS 1 or KBS 2 — the national broadcaster's stations. These stations represented a significant investment on the part of the newspaper companies. One of the newspapers, Chosun Ilbo, reportedly invested KRW 10 billion (US $8.3 million at KRW 1200/$1) in just one project for its new channel (The Korea Press, 2013, 18). Though Chosun Ilbo does not release detailed revenue information, it is possible to roughly calculate how significant such an investment was for the organization. Assuming the three major papers split the total revenue (which is

The advertising revenue trends of Korean magazines, television and radio were all roughly similar to that of the country's newspapers. For magazines, advertising revenue declined by 0.75 per cent in 2008 and 8.66 per cent in 2009, but jumped 11.42 per cent in 2010 and 7.1 per cent in 2011. Terrestrial television broadcasters lost 9.86 per cent of advertising revenue in 2008 and 11.19 per cent in 2009. Television rebounded in 2010, growing revenues by 15.45 per cent, and again in 2011 with 7.97 per cent growth. Terrestrial radio's advertising revenue fell by 1.35 per cent in 2008 and 18.97 per cent in 2009. Radio grew by 14.71 per cent in 2010 and again by 2.25 per cent in 2011 (The Korea Press, 2010; The Korea Press, 2013).

1.4.4 DEPARTING AUDIENCES

Logically, news audiences have been shrinking along with the declines in overall market value. While this is particularly true for newspapers, other media are suffering as well. Turning again to the UK, most people access news on television and in print, and yet viewership and readership are falling. Total television viewing has been on a downward trend. According to Ofcom, between 2001 and 2006, viewing had declined by more than 13 per cent (Currah, 2009, 23). From 2002 to 2006, even before the financial crisis, newspapers' overall circulation declined by 2.8 per cent according to McKinsey research (Currah, 2009, 22). Separating regional papers in the Audit Bureau of Circulations estimate data shows steeper drops of 30 per cent for the period between 2004 and 2012

almost certainly untrue as Chosun Ilbo has the largest readership), the expenditures for this one programme soaked up 2.85 per cent of Chosun's 2011 revenue (The Korea Press, 2013, 35).

(Currah, 2009, 25). Even online, where audiences are growing, a closer examination does not bode well for news producers: a McKinsey estimate showed that 'consumers spend roughly eight times longer reading a physical newspaper, compared to the equivalent time they spending reading a newspaper website' (Currah, 2009, 29).

More difficult for newspapers though is what has happened to their circulation when put in comparison to the overall growth in the number of households. Raw circulation declines are not good for newspapers in general. But when they are paired with a rising number of households the picture is even more grim; it results in an ever-growing percentage of the population not covered by newspapers — and thus not accessible to newspaper advertisers. Using the UK as an example, Goldstein shows in Figure 1.2 just how deceptive it is to look at circulation-rate declines as percentages alone. In Figure 1.3 he also shows how this trend of decreasing household coverage is present in the UK, the US, and Canada.

Figure 1.2 Total national daily and national Sunday newspaper paid circulation, and total households, UK, 1950–2010 (Goldstein, 2011b, 17).

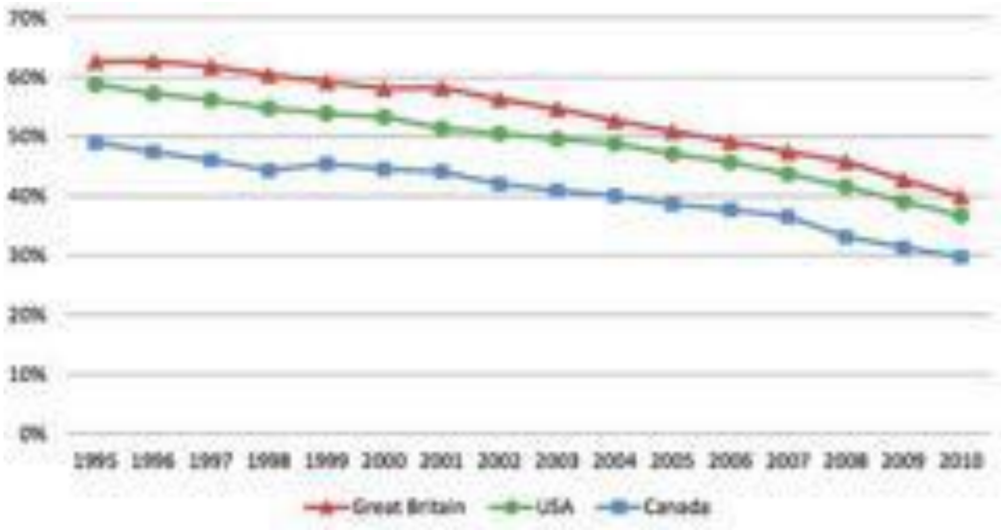

Figure 1.3 Total daily newspaper paid circulation as a percentage of households, Canadian, US, and UK national dailies, 1995–2010 (Goldstein, 2011b, 25).

1.4.4.1 UNITED STATES

According to the Newspaper Association of America, circulation peaked in 1984 and has been flat or in decline since then. In 2004, the decline grew markedly steeper — going from less than 1 per cent per year declines since 1997 to a full 1 per cent decline. Papers lost 6 per cent of their paid circulation in 2009 and another 2.7 per cent in 2011; there is no data for 2010 (*Newspaper Circulation Volume*, 2012). Sunday editions, which are the most widely read and profitable, appeared to rebound in 2010 but flattened off again in 2011 according to the Pew Project (Edmonds et al., 2013). And, these circulation numbers have 'risen thanks to more new rules for counting audience that includes [*sic*] more digital products and the industry's emphasis on growing sales of Sunday issues, which are the best-read and most profitable papers of the week' (Edmonds et al., 2013). This emphasis has included strategies such as that of *The New York Times*, which gave full access to its websites to those who subscribed only to the Sunday print edition (Benton, 2011a). To contextualize the circulation losses, daily paid circulation for newspapers in the US was about 63.3 million. By 2011, it had lost 29.9 per cent (while population grew), falling to 44.4 million (*Newspaper Circulation Volume*, 2012).

The total number of people reading the top six US news magazines surveyed by the Pew Project over the past decade has fallen by 17.2 per cent, in large part due to precipitous declines at *Newsweek*, which has lost more than 50 per cent of its subscribers since 2007 (Sasseen, Matsa, and Mitchel, 2013).[12]

The Pew Project neatly summarizes the state of national television network news audiences: 'after experiencing the first overall audience increase in a decade in 2011, network news audiences declined in 2012'. It continues that 'in the evening, an average of 22.1 million people watched one of the three commercial broadcast news programs on ABC, CBS or NBC in 2012, down 1.9% from 22.5 million in 2011'. The downward trend over thirty years for network evening news is also clear, and represented in Figure 1.4 (Guskin, Jurkowitz, and Mitchell, 2013).[13]

[12] Put in copy sales terms, the news magazines measured sold 9.3 million copies in 2003 and 7.7 million in 2012. Single-copy sales across the six magazines fell by 38.79 per cent between 2008 and 2012. However, subscriptions account for more of a magazine's total readership than individual sales, and while this set of circulation fell in 2008 and 2009, it was essentially flat from 2010 to 2012 (Sasseen, Matsa, and Mitchel, 2013).

[13] Morning news viewership for the national networks also declined in 2012, after an aberrant year of growth in 2011. About 12.6 million people watched one of the national networks' morning programmes, a decline of 4 per cent from 2011. Most news magazine programmes also lost ratings in 2012. Of the seven major programmes, two grew, one remained flat, and the remainder fell (Guskin, Jurkowitz, and Mitchell, 2013).

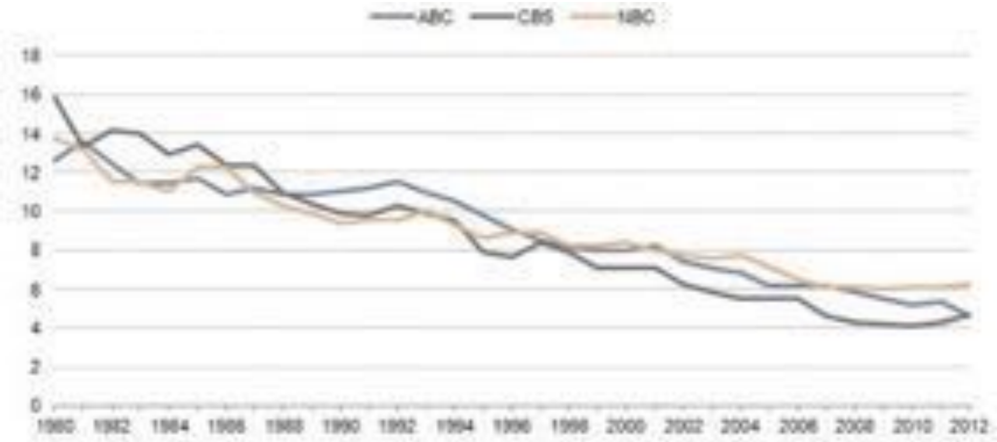

Figure 1.4 Average ratings per night for ABC, CBS, and NBC evening news from 1980 to 2012 (Guskin, Jurkowitz, and Mitchell, 2013).

In 2012, audiences got smaller in all three key local television news time slots: morning, early evening, and late night.[14] Though these declines are marked and undeniable, the 2013 Pew study noted that the declines in viewership were occurring because 'in large

[14] Early-evening viewership dropped by 6.7 per cent, which was the sharpest of all declines. Though in decline for more than a decade, in the past five years these newscasts lost nearly 14 per cent of their audience. After five years of relative stability, morning news viewership dropped by about 4.6 per cent in 2012. However, 4:30 a.m. newscasts did manage to grow their audience by about 13 per cent, though the total number of viewers at this time is less than one tenth that of those who watch the most popular, late-night category. Despite that popularity, late-night newscasts lost about 7 per cent of their viewership in 2012. In the past five years, these newscasts dropped more than 17 per cent of their audience (Potter, Matsa, and Mitchell, 2013).

part, fewer people are watching television when the news is on the air' (Potter, Matsa, and Mitchell, 2013).

In what should have been a banner growth year for cable news operations, due to the presidential election, audience numbers were only up 'slightly', which for Holcomb 'raised a question about whether there may be a ceiling for the audience in this sector.' Across all the cable news channels, median viewership increased just 1 per cent for the entire day, to 1.9 million people, and in prime time (see *"prime time, n.2".*) the only metric to improve were the median viewership levels, which were up 3 per cent from 2011. These increases did not match those of 2008 (the last presidential election). Daytime cable news channel viewership grew in 2011 and 2012, however. Combined, the channels' median viewership increased 2 per cent, to about 2 million viewers — which was 'about on par with typical daytime viewership levels during the last election year, 2008' (Holcomb and Mitchell, 2013).

Santhanam reported that, unlike the other legacy media platforms, in 2012 'the percentage of people who listen to the AM/FM radio each week remained essentially unchanged [...] compared with figures from a decade earlier.'[15] Satellite radio has also

[15] About 94 per cent of Americans listened to the radio at least once per week in 2002 and 2012. That said, listening to the radio is not the same as getting news from that medium. Pew Research Center survey data found that about 33 per cent of adults had 'listened to "news radio yesterday"', which represents a significant decline from 43 per cent in 2000 and 52 per cent in 1990. That said, the same survey reports that in 2012 about 29 per cent of people reported reading a newspaper 'yesterday', indicating that news radio may well be more popular (Santhanam, Mitchell, and Olmstead, 2013).

steadily increased its subscriber base, growing 9 per cent in 2012 and 27 per cent since 2009 (Santhanam, Mitchell, and Olmstead, 2013).

1.4.4.2 KOREA

Starting in 2002, Korean Press Foundation surveys asked people whether they had read a newspaper in the past week. At that time, 82.1 per cent had read a paper. By 2010 that number had dropped to 52.6 per cent, and by 2011 it had fallen below half the population (to 44.6 per cent). Household subscriptions in Korea have suffered an even more rapid decline. In 1996, about 69.3 per cent of households subscribed. In 2002, the number had fallen to 52.9 per cent and in 2004 it had dipped below the half-way point to 48.3 per cent. In 2012, 24.7 per cent of households subscribed to a paper (The Korea Press, 2013, 76-77). Perhaps more damaging, though, was the decrease in newspaper readership (an estimation of how many people read a paper, instead of copies sold). From 2011 to 2012, the readership rate dropped by 8 per cent, and, for the first time, fell below 50 per cent of the population (The Korea Press, 2013, 9). Also of note, in 2011 Korean smartphone users had a generally negative view of print newspaper companies. A survey conducted by Nielsen Korean Click found that 'smart phone users gave negative reviews of the journalism of newspapers' (The Korea Press, 2013, 9).

Magazine audiences are not tracked by the KPF. As such, it is only possible to get a glimpse into what is happening with audiences. According to a Korea Communications Commission report that asked Koreans which types of media are 'daily necessities', magazines were a daily essential for 0.3 per cent of the population in 2009, 0.1 per cent in 2010, and 0.0 per cent in 2011 (The Korea Press, 2013, 75). One potential reason why magazines were rated as nearly irrelevant to most people's lives in 2011 may have to do with the public perception of their credibility. Magazine credibility, last measured in 2010, was below that of all other forms of media (The Korea Press, 2010, 95).

Television audiences have slowly declined in Korea as well. One measure is the amount of television Koreans watch in the average day. In 2009, the average Korean watched 163 minutes of broadcast television, but by 2011 this number had fallen to 131.2 minutes. Cable television watching decreased as well — from 87 minutes in 2009 to 65 minutes in 2011. In the same time period, satellite television viewing fell from 103 to 73 minutes, and Internet-delivered television dropped from 73 minutes to about 50 minutes daily (The Korea Press, 2010, 89; The Korea Press, 2013, 78). And television credibility dropped off along with audience declines. Credibility ratings for television news (including broadcast, traditional cable, and the new cable comprehensive programming channels started by newspaper companies) fell in every category from 2011 to 2012 (The Korea Press, 2013, 80).[16]

The average Korean listened to far less radio in 2011 than they did in 2009. The daily average in 2009 was 90 minutes, but by 2011 it had plummeted to just 8.4 minutes. This, however, is not necessarily an indication that audio-listening has fallen off a cliff. First, podcasting became tremendously popular in this timeframe, thanks in part to a vulgar politically oriented programme called *Naneun Ggomsuda* (colloquially known as *NakGumSoo*), which means, roughly, 'I'm a petty-minded creep' and was a criticism of then-president Lee Myung-bak (Choe, 2011; Schattle, 2012). Second, many Korean mobile phones receive broadcast television, called DMB, which some people use for its audio features during commutes and so on (Kim, 2011b).

1.4.5 DEMOGRAPHIC DIFFICULTIES

Another area where legacy news organizations face significant challenges is in demographics. Many are finding that their audiences are shrinking and that those that remain are ageing. The data show this to be particularly true in the US and Korea for

16 The newly created comprehensive programming channels had no previous year of comparison — however, they were rated as less credible than broadcast and cable news in 2012.

print-based publications. These demographic realities pose a dual problem. First, as the audience gets older, there is a risk of it, literally, dying off. Second, advertisers and marketers are less interested in older audiences, in part because it is thought that their purchasing habits have been set and are hard to change.

1.4.5.1 UNITED STATES

While all age groups are reading newspapers less now than they once were, the youngest read the least, as is shown in Figure 1.5. While Pew national polling data suggests that readership for those aged over thirty-five is continuing a steady decline, readership amongst those aged between eighteen and twenty-four appears to have reached a bottom at about 22 per cent. Audiences of newspapers are, however, wealthier than the US average — but the wealthiest are quickly shifting away from newspapers. Newspaper readership fell most precipitously for the top two income brackets. In 2009, 50 per cent of households with incomes between \$100,000 and \$149,999 ‘read any daily paper yesterday’, but by 2012 that number had dropped to 41 per cent. In the top bracket, for those who earned \$150,000 or more, readership dropped from 56 per cent to 45 per cent in the same period (Edmonds et al., 2013).

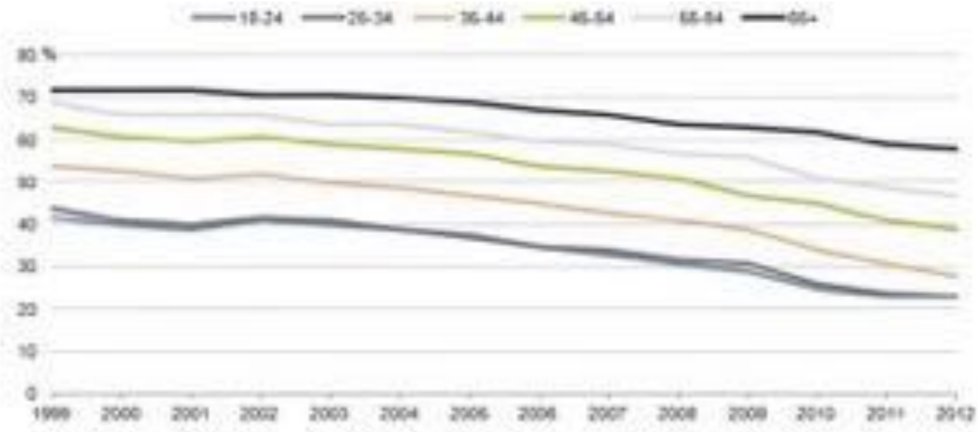

Figure 1.5 Percentage, by age, who read any newspaper ‘yesterday’ from 1999 to 2012 (Edmonds et al., 2013).

News magazines’ audiences are also older than the US adult population, where ‘the median age of news magazine readers remained steady in 2012 at 49 years, older than the adult US population overall, which has a median age of 45.8’. Like newspapers, news magazine audiences are also wealthier than the general public (Sasseen, Matsa, and

Mitchel, 2013). Table 1.2 shows the average household income and median age of readers of four magazines, and a comparison to the US overall.

News Weeklies' Demographics in 2012		
	Average Household Income	Median Age
The Atlantic	$88,067	53.3
The Economist	119,385	44.3
The New Yorker	96,329	51.2
Time	73,671	48
U.S. Average	59,913	45.8

Source: MediaMark Research, Survey Data
Note: MediaMark does not provide data for Newsweek and The Week.

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2013 STATE OF THE NEWS MEDIA

Table 1.2 Average household income and median age of readers of four prominent US news magazines in 2012 (Sasseen, Matsa, and Mitchel, 2013).

1.4.5.2 KOREA

The KPF found that age correlates directly with newspaper readership; even for exactly the same content — newspaper articles — the younger the reader, the more likely they are to use the Internet for news, and the older they are, the more likely they are to turn to print (The Korea Press, 2013, 10).

Internet News Reading by Age in Korea	
Age Group	Per cent read on Internet
18–29	83.5
30–39	75.9
40–49	56.1
50–59	30.7
60–69	9.0

Table 1.3 The percentage, by age group, of news readership on the Internet, in Korea (The Korea Press, 2013, 10)

Additionally, the KPF found that education correlates negatively with print readership. Its survey found that 80.6 per cent of Koreans who had attended or were currently attending universities or other institutions of higher learning read news articles on the

Internet. It concluded that the demographically valuable groups of 'university students in their 20s as well as most university graduates in their 30s and 40s consume articles via the internet rather than in newspapers' (The Korea Press, 2013, 10).

1.4.6 TECHNOLOGY CHALLENGES

Technology has also proved difficult for traditional media organizations such as newspapers and broadcasters. That said, rather than a causal factor, it likely operates more like a catalyst — taking already weak numbers (be they revenue, circulation, reach, or otherwise) and deflating them further. Supporting this are estimates that at least 20 per cent of the populations of all OECD countries read news on the Internet (up to 77 per cent in Korea) but that for most countries newspapers and television remain the primary news sources (Wunsch-Vincent and Vickery, 2010, 9).

Nielsen and Levy argue that technology has, primarily, enhanced fragmentation. They state:

> Along with the breakdown of old broadcasting monopolies, the spread of cable and satellite television, and the rise of free dailies in many urban areas, the move online has increased competition for audience attention and advertising expenditures, in particular amongst the younger affluent consumers who are most attractive to advertisers and who are so often also early adopters and heavy users of new media technologies. (Nielsen and Levy, 2010a, 7-8)

To bolster their claims that technology has fragmented the media market, they show data from 2008 on the distribution of ad spending across the Internet, outdoor, radio, television, magazines, and newspapers in fifteen countries. The variation across countries is significant. In those places where paid television and Internet penetration is higher, ad spending is more fragmented. The UK, where the Internet takes the biggest proportion of the ad spend of any country (at 22 per cent), splits most advertising pounds between newspapers and television. In Brazil, however, the Internet plays no role and the overwhelming majority of spending goes to television alone (Nielsen and Levy, 2010a, 9).

Others, however, suggest that changes in technology affect the ability of any news organization, regardless of its original medium, to chart its own course. Rosenstiel and

Mitchell argue that 'in the digital realm the news industry is no longer in control of its own future' because 'each technological advance has added a new layer of complexity — and a new set of players — in connecting [...] content to consumers and advertisers.' Not only do new players in the news space — intermediaries ranging from device platform manufacturers such as Apple and Google to advertising network owners such as AdMob (also owned by Google) — extract revenue from all transactions but they also own what 'may be the most important commodity of all': audience data (Rosenstiel and Mitchell, 2011).

Suggesting that in a world where consumers choose precisely what kind of news they want, whenever they want it, Rosenstiel and Mitchell argue that 'the future will belong to those who understand the public's changing behavior and can target content and advertising to snugly fit the interests of each user'. As more people access news digitally, like the 47 per cent of Americans who access local news from mobile devices and the 7 per cent who own a tablet computer, the knowledge of what people are doing and what they want is in the hands of technologists. Rosenstiel and Mitchell (2011) summarize, noting, 'the news industry, late to adapt and culturally more tied to content creation than engineering, finds itself more a follower than leader shaping its business'.

It is easy to extrapolate from Rosenstiel and Mitchell's position when looking at the latest advances in mobile technology. News enterprises are relegated to 'apps' on smartphone and tablet home screens — right alongside hundreds of potential others on a single device. More difficult for news producers is that they compete with the likes of Facebook and Instagram for the talent (engineers) to build these applications. New platforms such as these offer a bigger potential upside for software developers; Facebook bought Instagram to bolster its position in mobile photography for about $1 billion, at that time more than the market capitalization of *The New York Times* (Henn, 2012). More still, other companies offer better technical challenges than news organizations ever could, such as how to scale up a technology for use by more than a billion people (Zuckerberg, 2012).

1.4.7 FEWER TITLES, FEWER EMPLOYEES

Faced with these challenges, both the number of publications and the number of people employed in the news-creation process have dwindled. Between 2000 and 2008, the overall number of newspaper titles remained steady (six countries) or decreased (fourteen countries) in the majority of OECD member states, with the largest declines in the Slovak Republic (69 per cent) and Belgium (25 per cent). Across the OECD between 2004 and 2008, regional and local papers have seen much more significant declines (8.3 per cent) than the national publications (2.8 per cent) (Wunsch-Vincent and Vickery, 2010, 27).

Again, comparing individual countries' data proves insightful. In the UK, newspapers that produce general news are closing rapidly. About one regional newspaper has closed per week for the past two years. And the closures are accelerating. As John Lloyd notes, in the UK 'if all you have to peddle is general news, then rest in peace' (2010, 83).

Employment in media organizations has fallen even more precipitously than the total number of publications. Wunsch-Vincent and Vickery show that newspaper employment peaked in the early 1990s and from 1997 to 2007 shrank prodigiously in most countries where data was available. Total jobs declined in Norway by 53 per cent, in the Netherlands by 41 per cent, and in Poland by 30 per cent. In the same period, newspaper employment in the US (where the largest total number of journalists work) fell by 12 per cent. However, these declines were not universal. The UK's newspaper employment rose by 1 per cent (Wunsch-Vincent and Vickery, 2010, 20-21).

1.4.7.1 UNITED STATES

Turning to the US, we see much of the same trend. According to Downie and Schudson, 'the number of newspaper editorial employees, which had grown from about 40,000 in 1971 to more than 60,000 in 1992, had fallen back to around 40,000 in 2009' (2009, 17). And 2012 estimates put the number of newsroom employees below 40,000 (Edmonds et al., 2013). Those declines, however, have been clustered in more recent years. Between 2001 and 2009 newspaper staff shrunk by a third; network television was at about half of its all-time highs in the 1980s; news magazines were at less than half of their peak staffs; and local television saw staff cuts and a simultaneous increase in programming output by about thirty minutes (*The State of the News Media: 2010 Overview Key Findings*). Moreover, newspaper staffs shrank by far less in 2010 than in the previous years. While 11,000 jobs were cut from newspaper newsrooms from 2007 to 2010, only 1000–1500 were cut in 2010 (Rosenstiel and Mitchell, 2011). The number of reporters covering traditional news topics outside the newsroom has also fallen. An American Journalism Review survey reported that the total number of newspaper reporters working full time at state capitals fell by more than 30 per cent between 2003 and 2009, to 355 (*AJR's 2009 Count of Statehouse Reporters*, 2009). Employment reductions were tempered slightly in 2010. Some new, online publications hired journalists; AOL, Bloomberg Government, *The Huffington Post*, and *The Texas Tribune* hired, accounting for about a thousand total jobs.

Along with a smaller number of employees, there are simply fewer newspapers than at the peak of the print era. Edmonds, using data from the Editor and Publisher yearbook, has charted the decline in the number of American newspapers. He breaks down changes by morning and evening papers, and notes that, while it appears as though morning titles are growing, 'the higher numbers mostly represent evening-to-morning conversions or consolidations. Launches of new dailies are extremely rare.' More telling than his chart (Figure 1.6), though, is the note explaining a gap in the data: 'The Yearbook is no longer published' (Edmonds et al., 2013).

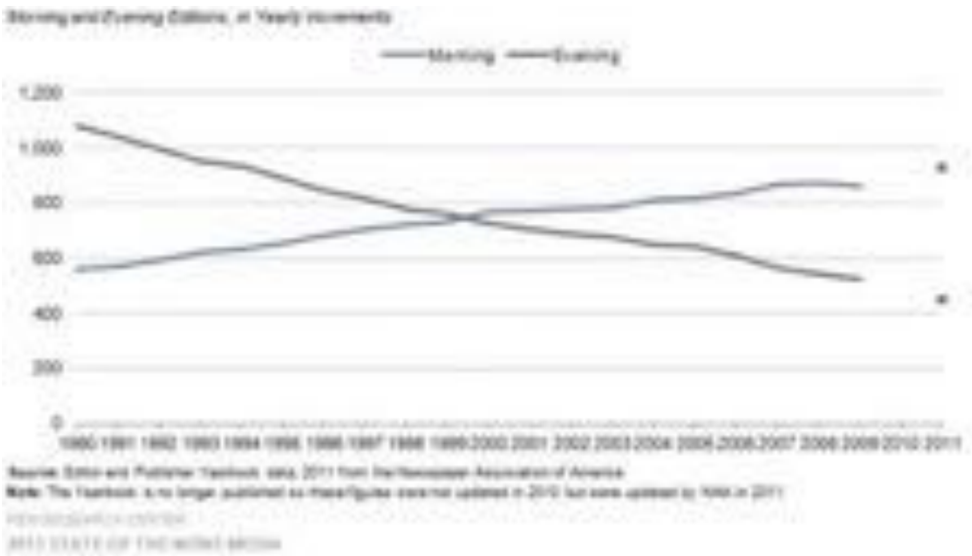

Figure 1.6 The number of morning and evening editions of newspapers in the US from 1990 to 2009 and in 2011 (Edmonds et al., 2013).

Some national television networks in the US are closing bureaus. Since 2008, 'CBS [has] closed bureaus in Moscow, Paris, Baghdad, Islamabad, Kabul, Tel Aviv, Amman, Hong Kong and Johannesburg.' NBC opened one foreign bureau in Johannesburg, and ABC has not made its bureaus publicly known since 2010 (Guskin, Jurkowitz, and Mitchell, 2013).

1.4.7.2 KOREA

Newspapers in Korea tell a different story from much of the rest of the world. Though it is not a story of massive growth, there are areas of improvement. This makes Korean papers look particularly good when put into comparison with their American counterparts. In Korea, newspapers are clearly defined by law 'as periodicals that are published in the same name, two or more times a month, to spread reports, commentaries, public opinion and information on general areas such as politics, economy, society, culture, industry, science, religion, education, and sports or a specific area', and at the time of the KPF's 2013 report there were 1534 print publications in the country (The Korea Press, 2013, 31-32). This is up from 2009, when there were 1176 papers (The Korea Press, 2010, 36). As might be expected, total employment by print newspapers is also increasing, from 19,406 in 2007 to 26,734 in 2011. Total employment, however, masks much of the detail — specifically in the area of news production. A closer look at the number of people employed by the major national dailies shows a slow decline from 2007 (with 5008 people employed) to 2010 (when only 4394 people had jobs). There was a small uptick in 2011 when the top national newspapers employed 4696 people (data compiled from The Korea Press, 2010, 40; The Korea Press, 2013, 37). Despite the general downward trend in employment at these papers, the number of reporters at the national dailies grew slightly from 2570 in 2009 to 2644 in 2011 (data compiled from The Korea Press, 2013, 39; The Korea Press, 2010, 45). This trend is not, however, universal across the print spectrum. The number of reporters at Korean local dailies has been falling since at least 2009 (The Korea Press, 2013, 41). The employment story at Korean broadcasters is broadly similar — save for a significant drop-off in 2009, which may have been due to the global economic crisis (data compiled from The Korea Press, 2013, 37; The Korea Press, 2010, 40).

1.4.8 REVIEWING, AND PARTIALLY DISMISSING, THE PESSIMISTS' ARGUMENT

The above data outlines the arguments of many pessimists, such as John Lloyd, who suggest that 'nothing will work' to fix the news environment (Lloyd, 2010, 89-90). It also shows the general sentiments of many academics, practitioners, and industry analysts. To reiterate: though deeply important to the operation of a democracy, the amount of accountability journalism being done around the developed world is on the decline; news organizations face long-term and often structural challenges; the market for advertising in print is shrinking; traditional media are getting less and less of the advertising spend; audiences are leaving legacy media products; those that remain are not the key advertising demographics; news enterprises face huge technology challenges; and, perhaps as a result of all this, in most places there are fewer titles and employees in news.

But this crisis is not universal. Indeed, this dissertation exists to argue otherwise. Later I will carefully construct an alternative viewpoint — based on extensive empirical data — concerning the precarious, yet possible, route to viable, born-digital news enterprises that produce accountability journalism.

Before addressing that core argument, however, I would be remiss to ignore the ample data from other parts of the world that shows the rise of legacy and digital media simultaneously.

1.4.8.1 THE CRISIS IS NOT UNIVERSAL

While the above picture is one of decline, to suggest it is universal would be a misrepresentation (as was shown, in part, by the state of Korean newspaper employment). In some countries, and under some circumstances, the decline is accelerating. In others, the effects are barely visible. For example, the UK's *Financial Times* is, famously, making money online, which is attributed to its laser-like focus on information that has value in business (Gunter, 2011; Pfanner, 2011). Though *The New York Times* is still trying to regain a strong financial footing, after borrowing $250 million in 2009 from Carlos Slim (Dash, 2009), its metered paywall strategy has also been a qualified success. Following the model pioneered by the *Financial Times*, *The Times* implemented a porous system wherein a certain number of articles per month could be read for free. After a user reached their limit, they would be asked to subscribe, and unlimited web access was offered for print subscribers (Benton, 2011a). This resulted in *The Times* making more from circulation revenue than advertising for the first time ever in the fourth quarter of 2012 (Saba, 2013). India and Brazil are worthy to note because in both countries digital platforms are growing alongside traditional news outlets such as newspapers and broadcasting. In some ways, India is 'the world's most competitive news market' with more than 70 dedicated news television channels (Thussu, 2010, 125) and the most daily newspapers printed anywhere in the world, with 2337 'paid-for' daily newspapers, and 110 million copies are sold every day (Thussu, 2010, 127). While circulation of newspapers has been on the rise in Brazil, as well, since 2004 (Porto, 2010, 115), its broadcast television sector has remained strong. Unlike more developed countries, 'national broadcast television in Brazil has not experienced a linear and continuous decline of its share of the national audience' (Porto, 2010, 109). Instead, between 2001 and 2009, both individual ratings and overall reach during prime time (18:00–24:00) have held steady (Porto, 2010, 109).

1.5 SUPPORTING DEMOCRACY REQUIRES A BUSINESS MODEL TO SUPPORT NEWS

To a downright comic extent, this crisis and Shirky's so-called 'revolution' are not novel. Leaders in journalism-producing enterprises knew for decades that digitization would fundamentally alter their business. For many in the news business, the 1980s were already 'years of exploration' of what digitization would bring (Boczkowski, 2004, 19). News producers experimented with delivering their content in a plethora of formats including videotex, teletext audiotex, and fax (Boczkowski, 2004, 29). As early as the 1990s, news producers were already undergoing a process Boczkowski called 'settling' on a limited number of technologies they would further explore, and by the middle of the decade had begun 'narrowing down' to publishing their content on the web (Boczkowski, 2004, 35). But, according to Boczkowski's informative work on the transformation of American newspapers to digital products, newspapers' strategies focused mostly on 'a combination of reactive, defensive, and pragmatic traits' (Boczkowski, 2004, 48). Or, as Ettema put it, 'interest in the technology on the part of newspaper firms [...] was probably more defensive than offensive. Newspaper publishers sought to push news into the home electronically before other information businesses — telephone companies, for example — could do so' (Ettema, 1989, 108). To this day, newspapers in particular — and many other journalism-producing enterprises generally — have struggled to create a viable new economic and business model. While these companies experimented with new products, services, and delivery methods, they continued to carry forward their general viability model until nearly 2000.

2 CONCEPTS, THEORIES, METHODS

2.1 MIND THE GAP

The first chapter of this dissertation used recent data to illustrate the crisis of legacy news and information organizations. In essence, it showed that some (often paper-based) news/information organizations can no longer afford to produce the quantity or types of content they once did. The conditions on the ground have changed and many of these publishers have not.

This section catalogues the current sociological work on this problem, with a particular focus on the wide gap left by previous researchers. As I will discuss, much of this research focuses on the current attempts to understand the transition of legacy to digital media. The later chapters of this dissertation will, of course, do the opposite. Rather than speculating on what legacy institutions will be able to produce in the future, or how they will cope with the transition to a digital universe, I will show how emerging enterprises — those that were 'born digital' — can be viable.

Or, in other words, this section will focus on how much of the literature has failed to take up what Alon calls 'good problems' and instead tries to answer questions that offer a small gain in knowledge and are easy to do (Alon, 2009). Working on transition alone fails to meet the point. By focusing there, scholars miss what is in essence a step change in the provision of an important good for democracy. Every news organization created from now on will contend with the logic of the born-digital field (a concept I will discuss in detail later in this chapter).

2.1.1 BUILDING QUESTIONS FROM PREVIOUS ANSWERS

Yin, in his highly cited primer on conducting case study research, remarked that 'novices may think the purpose of a literature review is to determine the answers about what is known on a topic'. 'In contrast', he argues, 'experienced investigators review previous research to develop sharper and more insightful questions about the topic' (Yin, 2009, 14). This proved prophetic for my own consultation of the literature on the sociology of news.

As clearly illustrated by the data in the first chapter, the vast majority of work being done on news organizations focuses on the predicament of legacy publishers. This is not to say that these studies ignore the existence of new types of news organization. Most studies confront digital news organizations in one of five ways.

Perhaps most commonly, these studies offer sections on the digital businesses run by legacy publishers, noting how digital changes content and that the born-digital enterprises do not come close to making up for lost legacy revenue (Connell, 2010; Fenton, 2009a; Lloyd, 2010; Nielsen and Levy, 2010b; Overholser, 2006; Rosenstiel and Mitchell, 2011; Schudson, 2010a; Wunsch-Vincent and Vickery, 2010).

Another group of studies is of the 'roundtable' variety, where heads of digital news organizations and interested parties discuss their individual organizations' approaches to the 'future of news' (Connell, 2010; Downie and Schudson, 2009; Fancher, 2010; Overholser, 2006; Schudson, 2009; Sopher, 2010; Wunsch-Vincent and Vickery, 2010).

A third group samples the known digital news organizations, presents their business models, and offers brief, pseudo-journalistic accounts of their operations (Giles, 2010; Houston, 2010; Jones, 2009, esp. Ch. 8; Wunsch-Vincent, 2010, 42-58; Zuckerman, 2010).

A fourth type of study is an analysis of a geographic area's news ecosystem — often with a focus on what new news players (frequently born digital) contribute to coverage. The most in-depth piece is an examination of the Seattle, Washington, US area. It is a picture of how a wealthy, technologically literate area is struggling to replace faltering traditional news suppliers with born-digital enterprises. While this is one of the only studies to specifically address questions about the survivability of a news ecosystem based in part on born-digital organizations, it makes no attempt to generate theories surrounding what might contribute to an individual organization's ultimate longevity or failure (Fancher, 2011). A similar study, by the Pew Project for Excellence in Journalism, attempted to understand the news environment in Baltimore, MD, US. This study tracked six local stories and examined coverage in traditional, transitioning, and born-digital news media. One key discovery in Baltimore was the ways in which traditional media attempted to transition to digital platforms, in part 'to break news more quickly' (*How news happens : a study of the news ecosystem of one American city*, 2010).

None of the first four categories significantly addresses the question of how we will produce news in the future. However, the bulk of research falls into a fifth category: transition research. This set of work addresses, from many perspectives, whether and how legacy organizations will be able to transition from analogue to digital platforms. Many scholars are addressing this question from a variety of perspectives that include entire-country-based analyses; media-type analyses (e.g. newspapers only); examinations of how traditional players use specific forms of social media; education plans; financial strategies of debt and buyouts; newsroom culture; reporter sentiments; story types; and even a neurological assessment of how traditional players are adapting to changes in audiences' behaviour patterns.[17] However, only some attempt to address and answer the core question of transition research: can legacy organizations survive? Two such studies require detailed analysis because, as Yin suggests, they help to frame the large gap in analysis filled by this dissertation.

17 There is a group of key studies to consult: (Abramson, 2010; Anderson, 2011; Antheaume, 2010; Barnett, 2009; Benton, 2009; Boczkowski, 2004, 2010; Connell, 2010; Currah, 2009; Davies, 2009; Deuze and Marjoribanks, 2009; Doctor, 2010; Downie and Schudson, 2009; Esser and Brüggeman, 2010; Fancher, 2010; Fenton, 2009a; Fink and Schudson, 2013; Fuller, 2010b, 2010a; Gans, 2011; Gravengaard, 2012; Jones, 2009; King, 2010; Meraz, 2011; Mitchelstein and Boczkowski, 2009; Nichols and McChesney, 2009; Nielsen and Levy, 2010a; Nieminen, 2010; Overholser, 2006; Picard, 2010; Reinardy, 2011; Ryfe, 2009b, 2009a; Schudson, 2008, 2009, 2010b; Singer, 2010; Sopher, 2010; Soloski, 2013).

Pablo Boczkowski is, perhaps, the most insightful author of studies about how legacy media organizations transition to new platforms. He was also one of the very first. In his two recent books, *Digitizing the News* and *News at Work*, he conducts thoughtful, detailed studies of the digital enterprises within major newspapers. He examined practices at *The New York Times*, *The Houston Chronicle*, *The Newark Star-Ledger*, the Trenton *Times*, *The Jersey Journal*, *Clarín*, and *La Nación* (Boczkowski, 2004, 2010). In the early days of transition, between 1997 and 1999, Boczkowski found that the 'pursuit of nonprint delivery options' represented a 'fundamental cultural transformation'. He shows that, first, the shifts have been far more expansive than in simple material culture, and have also challenged 'the very identities of the occupations and organizations that constitute the newspaper industry'. Second, he argued that newspapers tried to reproduce much of 'print's ways of doing things' in their new offerings, but that the result has been 'a kind of newspaper that although it bears connections to its print predecessor, also differs qualitatively from it in its material infrastructure, editorial practices, and production routines' (Boczkowski, 2004, 187). *News at Work* adds significant detail to the image of how the changed culture identified in *Digitizing the News* is manifested today. Because people now access news at work over the Internet, they use more of the information product than ever before. Additionally, because the journalists themselves can monitor what people are reading, and crucially what their competitors are doing, in near-real time, the quantity of news is increasing while the variety decreases (Boczkowski, 2010).

In many ways, Anderson's work is the natural follow on from *Digitizing the News* and the Pew study on Baltimore (2013b). In *Rebuilding the News*, he uses Philadelphia as a lens to tell 'the story of how journalism's vision of its unified public unravelled, how long taken-for-granted practices of news reporting were suddenly rendered problematic, and how news organizations struggled to rebuild local journalism — to network the news' (Anderson, 2013a). He makes four arguments to support his claim that legacy publishers 'behave in deeply irrational ways' (Anderson, 2013a). Anderson claims that the idea of a public changed, that activity of reporting shifted in part because of bloggers and aggregators, that institutional 'heft' caused the 'non-diffusion' of innovative practices, and that, as a result, the industrial model supporting content creation collapsed.

Returning to Yin, Boczkowski and Anderson help me to 'develop sharper and more insightful questions' (Yin, 2009, 14). These two studies carve out a clear understanding of how the institutions that thrived under older economic arrangements tried to move to new ones. And, in so doing, these studies also point to gaps in our understanding of how enterprises that began under new conditions build viability. Until very recently,[18] academics and practitioners alike were consumed by the mass audience. They were so comfortable that they seemed to have forgotten that new conditions might also form new practices. Exactly as Yin suggested, my research question was sharpened by the gap in theirs.

2.2 KNOWING WHAT QUESTIONS TO ASK

This analysis of transition, particularly when combined with the literature on the news industry as a whole, is important to my project for two reasons. First, it highlights the types of issues that news organizations face in a new media environment. Primary amongst these is economic sustainability. However, it is also clear that other resources are critical for the long-term viability of news in the new environment. Employee burnout

18 A very small amount of research published while I researched this dissertation attempts to lay out what a born-digital news enterprise looks like. All of it, however, attempts to take a very broad look at many different enterprises. None of it presents anywhere near the level of analysis I will in the following chapters. This suggests either that these scholars did not have the kind of unique access I did or that they felt that their overview studies were enough in an empty field. (See, for example, Grueskin, Seave, and Graves, 2011; Bruno and Nielsen, 2012)

must be avoided. Distinctiveness in content, and thus brand, must be maintained (or, as Boczkowski suggests, rebuilt) to break through the cacophony of digital data. Conversations with the people formerly known as the audience must be optimized to both improve the quality of the product and increase loyalty (Rosen, 2006).

Second, and more importantly, it shows that key data are missing from the international conversation on the future of news. Much of the effort expended on understanding the decline of the news industry in general, and how to transition organizations specifically, has been undertaken in order to protect a kind of journalism believed to be critical to the functioning of modern states and their democratic systems. However, studies to date have not gathered any significant amount of data about how to achieve these same outcomes from the perspective of a news enterprise unencumbered by legacy weight.

2.2.1 RESEARCH QUESTION

In light of the above data and arguments, the key research question of this dissertation is as follows:

Can born-digital news enterprises oriented towards accountability journalism be viable?

2.3 DEFINITIONS

Although they have been discussed above colloquially, I will now define some of the key terms used throughout this study. They are: 'accountability journalism', 'born digital', and 'viability'. I will also contextualize my use of sociological terms such as 'capital', 'field', and the 'logic of the field'.

2.3.1 ACCOUNTABILITY JOURNALISM

Accountability journalism is a newly fashionable term in the literature, and thus has slight variations in definition. Below, I have refined the term in a careful and technical way. Previously, academics and practitioners alike had not narrowed the term in such a way that it could be operationalized.

Despite these variations, I found that virtually all scholars agree on the boundaries between what is, and is not, accountability journalism. For Downie and Schudson, accountability journalism is an almost obvious concept. It 'often comes out of beat coverage and targets those who have power and influence in our lives — not only governmental bodies, but also businesses and educational and cultural institutions' (Downie and Schudson, 2009, 5). They go on to define it as reporting that 'aims to foil the arrogance of power and self-dealing rather than to advance ideology or policies. It holds government officials accountable to the legal and moral standards of public service and keeps business and professional leaders accountable to society's expectations of integrity and fairness' (Downie and Schudson, 2009, 9). They also argue that this form of journalism, which acted as an advocate for the citizen against large institutions, was not always abundant. It came about 'during the profitable last decades of the century [that] gave the historically large staffs of many urban newspapers an opportunity to significantly increase the quantity and quality of their reporting' (Downie and Schudson, 2009, 6).

Jones offers a four-part hierarchy, which helps to draw concentric circles around what kind of work is (and is not) accountability journalism. At the lowest level is 'bearing witness' to crucial government and social events. Next is 'following up', which is 'finding out what more is to be known and answering the all-important question "why?"'. Third is 'explanatory journalism' or 'boring deeply into a subject, speaking to sources, unearthing data, gathering facts, and mastering complexity'. Fourth, at the centre of Jones' iron core, is 'investigative reporting', which he defines as work done 'in the face of efforts to keep information secret' (Jones, 2009, 4-5).

Though Downie and Jones identify accountability journalism as something at least decades old, Alec Klein, director of the Medill Innocence Project and professor at Northwestern's Medill School, told me that the use of the particular phrasing is not — and that these new words were not simply coincidentally chosen. Klein argues that the 'economics of it are tied to [...] the lexicon' (Klein, 2011), which explains why the term started to become more popular in 2006 and 2007 at investigation-focused news organizations, including *The Washington Post*. Klein explains:

> As the economic pressure was sort of clumping down on newspapers, in particular, [...] the cost of doing investigative reporting was becoming increasingly difficult to [...] justify because you have a highly paid reporter or

> reporters out of pocket for a year on one story [...] And so [...] the newspaper editors were beginning to sort of redefine investigative reporting as accountability journalism and instead of it being a three-part series that appears in December, it became more of a 'let's do this episodically over the course of the calendar year with the series of stories'. (Klein, 2011)

The change from a year-long investigation to a series of stories over the course of twelve months, argues Klein, helped shift the rhetoric from investigations — which end — to accountability journalism — which is an ongoing project. Though the alteration may have been forced by changing economics, Klein also noted that the journalistic establishment in the US decided it liked the new mode of tracking those with power. He identifies the turning point as 2006 and 2007, when the winners of major prizes became long-standing series instead of individual stories. But, he points to the *Las Vegas Sun*'s 2009 series on worker safety, which won the Pulitzer Prize for Public Service, as the single most important point in his mind.

This modern understanding of accountability journalism is also bounded by more than its episodic nature. The bar for accountability journalism is lower than some classic pieces of investigative journalism. For example, there is little expectation of a 'smoking gun' document proving 'that someone did something absolutely horrendous, illegal' (Klein, 2011). Instead, it holds public officials or others 'to the fire for lesser evils: conflicts of interest, questionable judgment, mistakes, mismanagements, you name it' (Klein, 2011).

2.3.2 BORN DIGITAL

The concept of born digital is designed to isolate firms that never went through the kinds of transition described by much of the research above. For a born-digital enterprise, no change in delivery medium, business model, staffing model, and so on ever occurred simply due to the arrival of Internet-connected, digital consumption and production devices. While some born-digital enterprises may 'pivot',[19] their changes do not occur because they are forced to adapt to the existence of a digital landscape. Instead, changes are driven by the failure of plans originally designed to operate within or cope with that digital landscape. While defining every characteristic of a still-growing digital landscape would be impossible, some of the most important are: the copyability of content, the speed at which it can be delivered, the blending of all formats (audio, video, text, 3D rendering/simulation, etc.) into 'bits' that can be delivered alongside each other, and the ability to uniquely analyse and track the activities of every user.

This is in stark contrast to legacy organizations, for whom the Internet and digital distribution represented a deeply 'disruptive technology' (Christensen, 1997). Legacy firms are those with products and business and revenue models that were developed prior to the adoption of digital technologies as a delivery platform. These firms often had products delivered on pulp or over the electromagnetic spectrum, and captured value

19 Venture capitalist Mike Maples described 'the pivot' as a significant change at a young firm, made by its leaders in order to be financially successful. Maples said, 'pivoting is about driving business model discovery[, or the way] [...] a start-up converts its innovation to economic value'. Examples include Twitter, which was an entirely different product idea that came out of a failing company; ngmoco, a gaming company that radically changed its pricing structure; and Chegg, which modified the types of product it sold (Lacy, 2010).

from their readers, viewers, or listeners most frequently through a mixture of advertising and per-copy or subscription fees.[20]

2.3.2.1 EXAMPLES

While these definitions are designed to create two mutually exclusive groups, using empirical examples helps to understand both the 'ideal types' and enterprises that operate in the space between them.

Examples of born-digital news enterprises are, literally, countless. One of the most illustrative for definitional purposes is TMZ, a celebrity gossip website started in 2005.[21] From its inception, TMZ made use of the unique affordances of the Web, including 'real-time' delivery of news, reader feedback, and multiple content formats (text, images, and video are prominent) (Heffernan, 2006). Interestingly (and not unlike many born-digital, for-profit news enterprises), TMZ was designed to survive through the sale of Web ads against the original content it created, but was started and financed by more established media players. In this case, TMZ was a joint venture between AOL and Telepictures (Ali, 2009). After establishing itself as the top destination for entertainment news on the Web in the US, it licensed its name to a television programme. It transitioned in reverse, taking

20 For the purposes of this study, legacy does not reach back to the depths of time. Schudson (1978) describes the genesis of today's legacy news enterprises in Discovering the News.

21 The name is short for the 'thirty mile zone', or the area surrounding the Association of Motion Pictures and Television Producers's headquarters in Beverly Hills, California, where their rules for production were in place (About TMZ.com).

its content and cultural imperatives to a legacy organization's platform (Stelter, 2007). TMZ is an anomaly that helps to prove the rule of what defines born-digital news enterprises. It began dealing only with the imperatives of a digital environment, and was later forced to develop a system for producing a television programme.

Legacy news enterprises, then, are those that developed prior to the advent and mass adoption of digital distribution technologies. An example of a digital powerhouse that is, nonetheless, a legacy organization is BBC News Online. The BBC's news website is often cited as an exemplar of what online journalism should be: deep, broad, interactive, and engaging. It commands a massive audience in the UK and is, depending on the measurement agency, either the fifteenth or twentieth most popular news website in the US (*Online by the Numbers*, 2011). But, despite its status as archetypal, the site, which was started in late October or early November of 1997 (sources disagree),[22] was not born digital. Instead, it is an offshoot of the UK public-service broadcaster the British Broadcasting Corporation and was created by a small group that came from the pre-existing news teams in television and radio. As a consequence of this heritage, the site was both forced to succumb to the imperatives of the larger, more powerful bodies within BBC News and could take advantage of its resources. For example, when a major programme was to be aired, the website was forced to promote it, even if users abroad could not see the programme. Conversely, the website had access to the global network of correspondents originally positioned for the Corporation's broadcast operations. In

22 Stabe (2007) makes a compelling case that the actual launch date was 4 November 1997.

effect, much of the BBC News website came from repurposed content, an example of which is the in-house writing style. The first four paragraphs of any BBC News website story encapsulate a complete narrative, because they are sent directly to the Ceefax service. And, perhaps most crucially, the BBC's news website benefited from the same funding mechanism as the organization itself: a per-household licence fee. As TMZ's unique situation helped to illustrate the boundaries of a born-digital enterprise, so too does the BBC's. Indeed, the Corporation's early forays into the Web prove that legacy publishers can be, by every measure, successful in building digital products. But they also show that legacy publishers, in transitioning to a digital distribution platform, have different imperatives and resources available to them than a born-digital firm would.

2.3.3 VIABILITY AND RESOURCES

My research question also requires an understanding of viability. To build it, I will describe the core theory I draw upon — the 'resource-based view' (RBV) of firms from the study of management — and elucidate an adaptation to this theory that I use in my analysis of born-digital news enterprises. Finally, I describe how I operationalized this theoretical framework in my research. Then, I will discuss how viability — a concept best fit to an individual firm — fits into a larger sociological analysis. I will do so by way of a discussion around Bourdieu's theory of fields and capital, along with Thompson's interpretation of the logic of the field.

In essence, I argue here both how to study individual firms and how a study of multiple firms leads to a deeper sociological understanding of born-digital news enterprises.

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The *Oxford English Dictionary* traces the modern denotation of viability to about 1860. This was the first time it was used to mean 'feasibility; ability to continue or be continued; the state of being financially sustainable' (*"viability, n.1".*).

My personal experience in a range of news organizations (including CNet/CBS and Hearst/NBC in the US, the BBC in the UK, and *OhmyNews* in Korea) suggests that, in the context of new, rapidly transforming enterprises, the 'state of being financially sustainable' relies on more than financial resources alone. *OhmyNews* offers the most visible example of how a single enterprise uses both money and other resources. As in news organizations around the world – print, broadcast, and digital – cash from advertising sales at *OhmyNews* was used to run servers and pay the salaries of editors, reporters, and technical staff. But the content *OhmyNews* publishes comes from both paid staff and citizen journalists. And including relatively-low-paid citizen journalism with that of professionals lowers the overall costs paid for content. To keep the audience engaged and producing content, *OhmyNews* relies on resources such as its connection to political activism and a charismatic leader. Though this will be described in detail later in this dissertation (Chapter 5), these non-monetary resources contributed to continued financial viability because, for example, many of *OhmyNews*'s contributors started as the CEO's journalism students.

Although the *OED* provides a point of entry to the general conception of viability, it does not capture both the monetary and non-monetary resources that I observed to be required. As such, I turned to the RBV scholars' discussion of resources (Barney, 1991; Chan-Olmsted, 2006; Miller and Shamsie, 1996; Wernerfelt, 1984) to frame my use of the term in born-digital news enterprises. While I do not adopt the RBV in its entirety — as it is an intellectual tool better suited to analyses of firms and strategy in the management research tradition — I do find the discussion of its constituent parts to be helpful – specifically because, in constructing the RBV, its advocates break down 'resources' into useful sub-categories.

The RBV 'assumes that each firm is a collection of unique resources that provide the foundation for its strategy and lead to the differences in each firm's performance' (Chan-Olmsted, 2006, 164). This starting point is useful because, at the outset, it recognizes that multiple types of resources can be put together in various ways, and that those combinations might result in a viable enterprise — or indeed that one enterprise might be more viable than another based on its collection of resources. And, while the literature offers relatively broad definitions of resources themselves, there are some agreed-upon characteristics. For example, Wernerfelt argues that 'resources can include 'anything that might be thought of as a strength or weakness of a given firm' and so 'could be defined as those [tangible and intangible assets] which are tied semipermanently to the firm' (qtd.

in Miller and Shamsie, 1996, 520). Miller and Shamsie assert that resources must also have value that allows an enterprise to make money or at least minimize losses, and must also be rare, or at least rarely deployed. They focus on the last point, noting that 'if all other firms have them, resources will be unable to contribute to superior returns: their general availability will neutralize any special advantage', and as such conclude that the central point of the RBV is that 'resources must be difficult to create, buy, substitute or imitate' (Miller and Shamsie, 1996, 520). This is particularly relevant for the comparative study undertaken in this dissertation. Following the RBV suggests that, by isolating similar resources present in the two successful cases but that are not universally available, researchers will identify keys to viability.

RBV researchers divide resources into four categories: systemic property-based, discrete property-based, systemic knowledge-based, and discrete knowledge-based (Chan-Olmsted, 2006, 165-66; Miller and Shamsie, 1996, 521-7). The division between property- and knowledge-based resources is based on how they are protected from imitation. 'Some resources cannot be imitated because they are protected by property rights, such as contracts, deeds of ownership, or patents. Other resources are protected by knowledge barriers — by the fact that competitors do not know how to imitate a firm's processes or skills' (Miller and Shamsie, 1996, 521). The number of pieces found in a given resource separates discrete from systemic. For example, discrete resources might be patents or contracts (property) or specific functional and creative skills (knowledge), whereas systemic resources would be integrated production or distribution systems (property) or coordinative or team skills (knowledge) (Miller and Shamsie, 1996, 528).

My modification of the RBV begins here. While the distinction between discreet and systemic resources is useful for management scholars because it allows them to make more accurate predictions of financial outcomes, I instead focused on the property versus knowledge dichotomy.

I did so for three reasons. First, that distinction maps neatly to my own observations in the field. Property-resource investigations might centre on quantifiable or other visible assets such as start-up capital or publishing tools. But knowledge resources – those that cannot be imitated because other firms cannot replicate processes or personal networks

– help to define important inputs to viability that the *OED* definition leaves out. Second, researchers suggest that these harder-to-quantify knowledge resources are more valuable to firms operating in constantly changing markets as they allow them to adapt more easily (Miller and Shamsie, 1996), and born-digital news enterprises operate in such markets. Third, by looking broadly at both types, this dissertation aims to more fully capture what is required for a born-digital news enterprise to build viability.

I operationalize my RBV adaptation by using the property–knowledge distinction as an admonition; it sensitizes researchers to look for both in the field. Only asking questions about property resources might have resulted in a dissertation that examined costs and revenue structures in detail but that failed to take into account obviously observable, non-monetary resources such as the value of citizen reporters. But, without looking for knowledge-based resources (or what I call non-monetary resources), researchers would fail to take into account obviously observable resources such as the way citizen journalists are recruited. And, as argued by Miller and Shamsie (see above), social activities — an individual's skills, or a way a team interacts — are important to look for in born-digital news enterprises because, while 'unforeseeable changes in markets may render many property-based resources obsolete, knowledge-based resources such as unusual creative and technical skills may remain viable under varying conditions' (Miller and Shamsie, 1996, 526). This is particularly relevant to my understanding of viability because the conditions under which born-digitals operate vary significantly. To put it in the terms of Christensen (1997), because the entire journalism field is in the process of being disrupted (the previous chapter presents much of the data needed for this argument), and because born-digitals are only starting to fill gaps left behind, they are entering an inherently unstable market.

Thus, in this dissertation, I analysed my cases in two ways. I used the property and knowledge resource categories of the RBV to sensitize me to the broad array of resources that may be used by firms. And I adapted this view to two of my own categories: monetary and non-monetary resources. By monetary resources, I mean property resources — but also some knowledge resources that are directly tied to generating revenue or expenses. For example, content licensing is a monetary resource that defies simple categorization as property or knowledge. It contributes to revenue generation by using property owned (or licensed) by the news organization, along with the networks of individuals in that enterprise to engage in the sale of it. By non-monetary resources, I mean mostly knowledge resources — and some property — that help the enterprise to keep itself financially sustainable but that do not appear on a balance sheet. Staffing structure is an illustrative example. By organizing the enterprise in particular ways, new projects can be undertaken, such as building new content management system (CMS) software to run a website. Though the CMS is property, it is created through knowledge. And together, this property and knowledge help to facilitate revenue generation. To combine the above examples, though the CMS is not for sale, adapting it allows content to be ferried to an outside company for purchase.

I conduct this analysis by first investigating the costs and revenues at each enterprise (Chapter 4) and second critically exploring the non-monetary resources in each enterprise and how they are deployed (Chapter 5).

2.3.4 SOCIOLOGICAL CONTEXT: FIELDS, CAPITAL, AND LOGICS

Mills argued that sociology is 'to do with matters that transcend [...] local environments of the individual and the range of his inner life. They have to do with the organization of many such milieux into the institutions of an historical society as a whole.' He summarized more succinctly that sociology deals with issues, and that 'an issue is a public matter: some value cherished by publics is felt to be threatened' (Mills, 2000, 8). How we solve the business crisis in journalism is surely one such issue. Thus, for this work to be appropriately situated in sociology, we must understand how it speaks to more than just the two cases analysed in the following chapters.

Following the work of John Thompson in his studies of the book publishing industry, I argue that we can use the following case studies to outline what he calls 'the logic of the field' and that with this logic in hand we can determine 'the conditions under which [enterprises] can play the game (and play it successfully)' (Thompson, 2010, 11). In the context of this dissertation, by establishing the logic of the field of enterprises that are born-digital and produce accountability journalism — by laying 'bare the fundamental dynamic that has shaped the evolution of this field' (Thompson, 2010, 25) — we may be able to offer a critical discussion both of the enterprises themselves and of what their existence means for the broader world of journalism.

First we need to start with the concept of fields themselves. Bourdieu said that 'to think in terms of field is to think relationally. [...] [As such] in analytic terms, a field may be defined as a network, or a configuration, of objective relations between positions' (Bourdieu and Wacquant, 1992, 96-7). Thompson clarifies what this may look like in the world, noting that 'any social arena — a business sector, a sphere of education, a domain of sport — can be treated as a field in which agents and organizations are linked together in relations of cooperation, competition, and interdependency' (Thompson, 2010, 4). Both focus on the relations between individuals ('agents') and organizations. They suggest that any agent, firm, or organization does not exist on its own but instead in relation to others. And any action that an agent takes is in response to someone else, or based on their calculation of another's response to it.

Both Bourdieu and Thompson offer a convenient way to understand fields: they are like a specific kind of game. Bourdieu focuses on a game of chance that might be found in a casino.[23] He suggests that there are players (filling positions) who hold stakes (which come from the competition between players) and who oppose each other. In addition, he notes, they all believe in the game and its rules, as is evidenced by their playing at all. Thompson

23 He also notes that the comparison is tenuous because, whereas casino games are 'a deliberate act of creation' and follow explicitly written rules, fields do not (See footnote 50 in Bourdieu and Wacquant, 1992, 98).

uses board games to make the same point, arguing that while an outsider might see chess, checkers, Monopoly, Risk, and Cluedo as the same — pieces being moved around on a flat board — a player would disagree because each has different rules. Or, as he directly puts it, 'you can know how to play one without knowing how to play another' (Thompson, 2010, 4). Though these social theorists use slightly different examples, the relevant lesson for this dissertation is the same: when groups of people interact with each other, they do so from different positions and via a set of agreed-upon (if not explicitly) rules.

Up to this point in the discussion of fields, I have left out a critical component of how they operate: capital. Bourdieu explained that capital

> is what is efficacious in a given field, both as a weapon and as a stake of struggle, that which allows its possessors to wield a power, an influence, and thus to exist, in the field under consideration, instead of being considered a negligible quantity. (Bourdieu and Wacquant, 1992, 98)

It is the tool that agents or organizations use to interact and compete with one another. Moreover, because fields are relational, it is capital that helps us to understand the configuration of those relations. Put more simply, capital is the constituent pieces of power, or 'a capacity to act and get things done' (Thompson, 2010, 5). This power, Thompson argues, 'is always rooted in and dependant on the kinds and quantities of resources that the agent or organizations has at its disposal' (Thompson, 2010, 5) and the word 'capital' is used to describe an individual 'species' of resource used (Bourdieu and Wacquant, 1992, 98). We can return to the example of the game to better explain capital. In Bourdieu's casino-game case, capital might be the cards each player holds. While some might be 'trump cards' in one game, they may or may not be in another. The more games in which a particular card holds its trump value, the more valuable it is overall — and the more fundamental it is in social relations.

Capital can take many different forms, and the value of each form can change over time. In Thompson's study of academic publishing he identified four key types of capital, and in his work on the trade press he found five. These were economic capital, human capital, social capital, intellectual capital, and symbolic capital (Thompson, 2010, 5). He describes the types of capital:

> Economic capital is the accumulated financial resources, including stock and plant as well as capital reserves. [...] Human capital is the staff employed by the firm and their accumulated knowledge, skills and expertise. [...] Social capital is the networks of contacts and relationships that an individual or organization has built up over time. [...] Intellectual capital (or intellectual property) consists in the rights that a publisher owns or controls in intellectual content, rights that are attested to by their stock of contracts with authors and other bodies that they are able to exploit through their publications and through the selling of subsidiary rights. [...] Symbolic capital is the accumulated prestige and status associated with the publishing house. (Thompson, 2010, 5-6)

These resources allowed publishing firms to compete in the trade-publishing field and, Thompson suggests, the quantity of any given type of capital found in any given publishing firm determined how it played the publishing game. For example, a publisher with large stockpiles of economic capital can offer larger advances to more authors, helping it to own more intellectual capital needed to create more books.[24]

However, the value of any given type of capital is not static. As the environment changes, some resources may become more or less useful. But, more importantly, agents or enterprises can try to manipulate the value of any given kind of capital. As Bourdieu notes, players can get into games in order to build capital based on the current 'tacit rules of the game', but they can also try to change the 'relative value' of one type of capital to another, 'through strategies aimed at discrediting the form of capital upon which the

24 I will return, below, to economic capital's role as a trump card and what impact that has on this study.

force of their opponents rests [...] and to valorize the species of capital they preferentially possess' (Bourdieu and Wacquant, 1992, 99).

Although the concepts of field and capital are useful analytical tools, it is Thompson's adaptation of Bourdieu's 'logic of the field' that is central to this intellectual project: it is the fundamental sense-making of a specific field. As mentioned above, Thompson explains that the logic of a field is the very rules of the game that many players may know implicitly but could not 'explain [...] in a neat and concise way' (Thompson, 2010, 11). He compares the logic of a given field to the grammar of a language: many know how to speak but couldn't tell you the rules they follow. Thompson notes that researchers looking for the logic of a field aim to 'find this order and bring it to the fore, to grasp these rules and make them explicit' (Thompson, 2010, 412). Looking for those rules — the logic — of a given field is useful because it allows analysts to better understand (and perhaps even predict) the activities of individual agents or organizations that operate in it.

That ability to understand a field — and potentially make carefully limited predictions — is precisely what underlies a core part of my research question: can born-digital firms producing accountability journalism be viable? If so, what are the rules of the game they must play? We will now turn to contextualizing this project in the language of fields, capital, and logics.

2.3.5 THE LOGIC OF THE FIELD OF BORN-DIGITAL NEWS ENTERPRISES

In the previous section, we discussed fields, capital, and the logic of the field as relatively abstract concepts. In this section, I will apply these concepts to the work of this dissertation, starting with fields and capital. The first question any good analyst should ask is whether his or her chosen area of focus is a field at all. A careful reader should question my choice to examine a field by looking at two firms that create symbolic content in different languages, on different continents, and in vastly differing political contexts. However, I argue that born-digital news enterprises producing accountability journalism are, in fact, a field unto themselves. Bourdieu suggests that finding the limits of a field is always difficult 'because it is always at stake in the field itself and therefore admits of no a priori answer' (Bourdieu and Wacquant, 1992, 100). He argues that the only way to find the limits of a field is to conduct an empirical investigation. As the investigation that is this dissertation will reveal, both the enterprises here have the same goals. Primarily, each intends to produce accountability journalism with a different product and economic model from newspapers, the typical source of such reportage. Additionally, each enterprise has made choices that place them in similar positions along a set of spectra (see the ecology of born-digitals at the outset of Chapter 3) that include similarities in scale, financial goals, editorial purpose, editorial style, and editorial strategy. The firms also share similar struggles. They are operating in the same sphere of intense competition with all forms of digital content — from less critical forms of news (that which is outside the 'iron core') to video games and even novels. And, while they do not directly compete or collaborate with one another, they look at one another to learn about what practices might work to create either products or revenue.

Perhaps more interestingly, however, Bourdieu also argues that to determine the field is one and the same as to determine the types of capital at use within it (Bourdieu and Wacquant, 1992, 98-99). Because a given field is defined, in part, by how different players use similar types of capital, we will see how two born-digital news enterprises separated by oceans and language can, in fact, be seen as operating in the same field. As I will use much of the remainder of this dissertation to argue, these two organizations have used remarkably similar sets of capital and strategies to accumulate it. Chapters 4 and 5 discuss capital accumulation and use, albeit in different terms.

As I discussed in the section above on my adaptation of the RBV, I have split the 'resources' used by each enterprise into two categories: monetary and non-monetary. The concept of capital helps to further buttress this choice. In essence, while multiple types of capital are in use in the born-digital field, it is currently preoccupied with just one type: economic. The reasons for this are straightforward. Without at least a minimum amount of economic capital, no organization can continue to exist. Countless 'start-ups' have failed because they could not generate enough money to keep the lights on and the servers running, and other basic minimums. That they couldn't do these things is even more striking in light of the significantly lower cost structure of born-digitals than print newspapers. Therefore, the most sustained analysis in this dissertation will be of the collection and use of economic capital (the costs and revenues examined in Chapter 4). This is not to suggest that other capital (neé resources) are not present, or useful. Indeed, the entirety of Chapter 5 is dedicated to analysing what sorts of capital are in use and how. However, due to the inherent limitations in a dissertation, I have grouped these capitals together and labelled them as non-monetary resources. I will discuss these other types of capital in more detail later, but human, social, intellectual, and symbolic capital are all at work in both *The Texas Tribune* and *OhmyNews*. Each needs the best possible employees (human capital), as 'firms are only as good as their staff' (Thompson, 2010, 6). Both make extensive use of personal relationships (social capital) to help their enterprises get the best employees, to convince sources to work with their publications, and to form partnerships with other news enterprises. These enterprises literally trade in intellectual capital — journalism is an intellectual property. And, brands (symbolic capital) are paramount to each as they help to attract audiences and advertisers. Again, this will be discussed in Chapter 5.

What, then, of the final concept presented above: the logic of the field? Returning to Bourdieu, he argues that to do research in the field is to know its logic, and vice versa; it is a hermeneutic circle. Very plainly, 'in order to construct the field, one must identify the forms of specific capital that operate within it, and to construct the forms of specific capital one must know the specific logic of the field' (Bourdieu and Wacquant, 1992, 108). Given this circular nature, we must stop here to briefly address the conclusions of this dissertation before moving forward into the research on capital. In Chapter 1, when I discussed the severe business problems facing legacy news producers, I started to explicate the logic of the field — or the 'set of factors that determine the conditions under which individual agents and organizations can participate in the field', in Thompson's terms (2010, 11). But the remainder of the dissertation will confront the rest of the conditions and lay out the overarching argument for a logic of this born-digital field. In brief, both *The Texas Tribune* and *OhmyNews* have significantly reduced costs when compared to newspapers, operate a strategy of revenue promiscuity to diversify their income streams beyond what was previously common in papers, and have accumulated similar forms of non-economic capital to help produce content, raise money, attract users, and so on.

Thus, to look at this work sociologically is to understand the research question in terms of the logic of the field. With this logic in hand, we can begin to achieve one aim of social scientific enquiry: 'to understand that which is puzzling, to clarify that which is obscure, to render intelligible that which seems at first to defy our comprehension' (Thompson, 2010, 413). And we can also make strides towards another: the ability to make reasonable predictions about what an agent or organization placed in this field might do.

That said, it will be up to the broader scientific community to judge my success in these aims. It is important to note that, while this dissertation makes the strongest argument it can for the existence of a logic, as I have sketched it, I might be wrong. To create order out of the social world is devilishly difficult, and I may have selected key factors that others would disregard. I may have linked them to each other in ways that suggest causality but in which there is actually none. Moreover, as Bourdieu cautioned, 'social agents are not particles' that blindly follow forces (Bourdieu and Wacquant, 1992, 108). The cases I selected here, though they and other enterprises seem to be following such forces, may simply be outliers. But, as Thompson notes, 'then, as with any serious attempt to make sense of the social world, my reconstruction is open to revision and my argument is open to criticism' (Thompson, 2010, 413). Indeed, perhaps without intending it, Thompson puts forward what King and Sznajder (2006) call a 'neo-Lakatosian' view on the progress of science (see the discussion of case selection beginning on page 72). Though this is only one confrontation (perhaps the first in this field) of 'theory' with 'facts', success for me would be that it is not the last.

2.4 RESEARCH DESIGN AND THEORY

My research is designed to try to uncover the factors that affect viability for accountability news organizations in a digital environment. The research design, outlined in detail below, fixes these two factors (accountability journalism production and born digital) in order to produce specific data.

2.4.1 A VIABILITY FUNCTION WITH TWO FIXED VARIABLES

The first fixed variable is the production of 'accountability journalism'. While some enterprises are viable without producing accountability journalism, this study requires its existence in an enterprise for two reasons, both discussed in Chapter 1. First, the outcomes of accountability journalism are believed to be critical to the functioning of a democratic system. Second, this kind of journalism is under threat.

The second fixed variable is the conception of a 'born-digital' news organization. There are, again, two reasons for this fixture. First, as we saw in Chapter 1, consumption trends show that, over time, news consumers are getting more information from digital platforms than any other. In the US, the Internet has already eclipsed newspapers in popularity as a news source (*Online by the Numbers*, 2011). In the UK, over time people are increasingly relying on the Internet for information. By 2009, it was 'the first port of call when people look for information' (Dutton, Helsper, and Gerber, 2009, 19). Second, as we discussed at the outset of this chapter, while there is a clear drive to access digital content, the focus of much research has been on how legacy publishers will move their wares to the Web. By focusing, exclusively, on born-digital enterprises, this study helps to fill an important void in the literature. This is not to say that the quality work being produced by organizations such as the BBC, which move their work from the airwaves to bits, is unimportant. It is not to say that we do not need to understand how they do their work. Or that we do not still need what they do. Instead, this dissertation is about something else entirely: we simply do not know enough about how digitally native organizations build their viability. We do not understand how they build economic capital, or how they deploy any other capitals. By at least beginning to fill that gap in our knowledge, this research can be the basis of other studies that aim to compare with other organizations of all types — including today's major hybrids (*The Guardian*, the BBC, etc.).

2.4.2 AN ECONOMIC SPECTRUM

This, however, begs an important question: what are the possible outcomes of a viability function? Put another way, in a world where there are many different paths to viability, how can researchers attempt to increase the validity of their findings?

Previous research shows that born-digital enterprises operate on a spectrum of economic models, with 'traditional' for-profit types on one end and not-for-profits on the other (Connell, 2010; Currah, 2009; Downie and Schudson, 2009; Fancher, 2010; Giles, 2010; Gillmor, 2007; Guensburg, 2008; Lewis, 2010; Miel and Faris, 2008; *Nonprofit organization*, 2009; Olmstead, Mitchell, and Rosenstiel, 2011; Overholser, 2006; Picard, 2002a; Schudson, 2010a; Singer, 2010; Sopher, 2010).

While some argue that for-profit news organizations are simply designed to 'produce the most profit and the highest value for the firm' (Picard, 2002a, 3), the reality of most commercial news businesses differs. While commercial news organizations are surely attempting to generate a profit, and count it amongst their primary goals, it should not be understood as the only objective of such firms. Instead, like many other for-profit businesses, commercial news enterprises balance profit with numerous other imperatives, including impact. Rupert Murdoch's various newspapers offer excellent examples of how for-profit news organizations balance such priorities — and how these priorities can be mutually reinforcing. While many New News Corporation properties are, by all accounts, cash-generating machines, they also take particular political stances that accord with the politics of Murdoch himself. Moreover, the profits secured by New News Corp help Murdoch to both buy more papers and make more political stances, and help to make him a figure in the news and business worlds — which demands attention in the political sphere. Thus, for-profit news enterprises are best understood as those for whom profit-seeking is a primary, not the only, goal.

Non-profits in general, and news organizations specifically, need more detailed explanation. Non-profit enterprises are defined by three characteristics. First, they are 'noncoercive' in the sense that they cannot compel participation and 'must draw on a reservoir of good will, to operate' (Frumkin, 2005, 3). Second, non-profits do not distribute earnings to any outside party, and instead 'they must use all residual funds for the advancement of the organization's mission' (Frumkin, 2005, 4). Third, non-profits 'have unclear lines of ownership and accountability', meaning that they attempt to 'serve many masters' – including donors, clients, board members, community members, and so on – 'none of which is ultimately able to exert complete control' (Frumkin, 2005, 5).

Many practitioners have written on how these characteristics operate for non-profit news organizations, but, to summarize, they plug a non-profit funding source into (mostly) professional news producers; non-profits become another source of subsidy (Gillmor, 2007; Guensburg, 2008; Overholser, 2006). In addition, there are country-specific legal resources designed to describe non-profit news entities (*Nonprofit organization*, 2009).[25]

2.4.3 UNCOVERING VIABILITY PARAMETERS VIA COMPARISON

Because this study aims to produce data on what contributes to viability in general, not a single variant, it compares two organizations, one of each general economic model. This method of comparison has a long history in the study of social phenomena (Ragin, 1987) and is designed to produce generalizable parameters. In order to further optimize the study for the creation of generalizable theory, I selected enterprises that sit in vastly different geographic and social climates. In summary, this research is designed to produce data on how enterprises can, under the emerging conditions of a digital world, produce

25 There are, of course, also players attempting a fusion. These enterprises would be placed between non-profits and for-profits on this viability spectrum. These low-profit organizations are attracting significant attention of regulators, particularly in the US (Barnett, 2009; Hickman, 2010; Nonprofit, Low-Profit and Cooperative Models). While, again, there are country-specific legal definitions of news organizations that operate in this way (Low-profit limited liability company, 2011), for this study, the definition is broader and non-legalistic. Instead, a non-profit news entity is considered to be a news enterprise that is not opposed to or legally prevented from making private gains but for which that is not a primary goal.

the kinds of news that are viewed as positive for democracy and are under the most threat from the revolution in business models and delivery mechanisms.

2.4.4 HOW TO COLLECT DATA? A CASE STUDY DESIGN

This study will proceed with what Yin calls a holistic, multiple-case design. I selected a case study approach to data collection because it is uniquely suited to my research question. Specifically, case study designs are optimized to access 'how' questions, about 'a contemporary set of events, over which the investigator has little or no control,' which precisely describes my attempt to come to grips with modern viability for born-digital news enterprises (Yin, 2009, 13).

2.4.4.1 CASE SELECTION

Perhaps the most important question of epistemology for any researcher engaged in case work is how they select their cases. First, however, one must decide what a case is.

Stake offers an excellent discussion of the complexities involved in defining a case. For him, 'a case may be simple or complex' but crucially 'it is one among others'. While a case may be 'functional or dysfunctional, rational or irrational', it is still a bounded, discrete system. Thus, 'the case is a specific One' (Stake, 2005, 444). Hollifield and Coffey (2006, 581) relate this description of a case to the context of studying media firms. They note that 'in all instances, a case study is a concentrated focus on the particular and the particular alone' and that, as a bounded system, it focuses on the operation of the given case. Cases can be individual firms (Gershon and Kanayama, 2002) or even national regulatory schemes (Brown, 2002), but they are all bounded (Hollifield and Coffey, 2006, 581). In this study the 'specific One' is the firm. Firms are the ideal unit of analysis because news is produced neither by conglomerate, international holding companies nor individual reporters. Instead, news is produced by teams of individuals, bound together in their goals by firms (Gans, 1979; Picard, 2002c).

Once I had determined that the correct unit of analysis was the firm, I proceeded to determine what could be known from a study of firms. Methodologists argue that appropriate case selection depends on what the researcher believes can be known. Some social scientists are able to make strong arguments to explain phenomena by examining a great many cases (see, for example Therborn, 1977; media studies: Brown, 2002; Collette and Litman, 1997; Fedler and Pennington, 2003; Küng, 2003; Pathania-Jain, 2001; Shrikhande, 2001). Others use one case for their arguments (general sociology: Neumann, 1942; media studies: Edge, 2003; Gershon and Kanayama, 2002). King and Sznajder argue against the necessity of 'large N' studies and develop a 'neo-Lakatosian' perspective on the progress of knowledge. The pair argue that 'science advances not in any single confrontation of "theory" with "facts," but with defensive attempts by scientists to save their original theories' (King and Sznajder, 2006, 764). A consequence of this observation is that, while no single study can provide 'decisive negative proof in the Popperian sense', one can 'through careful case selection and playing close attention to the measurement of social mechanisms' help to telescope progress (King and Sznajder, 2006, 766). Thus, in these authors' view, a lower number of total cases — like the two in this study — is valuable if those cases are the right ones.

Methodologists disagree as to the 'best' way to select the 'right' cases and, as such, I follow a synthesis of three methods for this study: Stake (2005, 451), who suggests the most important criterion to selection is the 'opportunity to learn'; Yin (2009, 91), who recommends using 'operational criteria'; and King and Sznajder (2006, 767), who advocate picking the crucial cases that 'loom large'.

All three methodologists disregard the statistical understanding of representativeness or sampling in the selection of cases and instead offer alternative mechanisms for making case-selection decisions. This is not to suggest that representativeness or sampling is unimportant, but instead argues that they are impractical goals for case studies. To cite just one example, Stake notes that 'potential for learning is a different and sometimes superior criterion to representativeness. Sometimes it is better to learn a lot from an atypical case than a little from a seemingly typical case' (2005, 451).

Combining these three views suggests that each case must have the 'opportunity to learn' (access), must be relevant to my 'operational criteria' (fit along the viability spectrum, produce accountability journalism, and be born digital), and must 'loom large' (be recognizable in the field). Each criterion will be discussed in turn.

Stake's 'opportunity to learn' is, in my view, an admonition: be practical. The selection of each case was in part influenced by my ability to access each organization. As a general consideration, access to financial information from each case was crucial. In addition, the ability to speak the language of each organization is important. This further underlined Stake's warning.

My access to *The Texas Tribune* was complete, and included freedom to publish anything I discovered. All interviews were on the record, and the *Tribune* allowed me to publish any financial information I desired, in its entirety. This is not surprising, as the organization is required to publish its tax returns. I secured this level of access by way of my undergraduate mentor and adviser, John Lavine. At the time, Lavine was the dean of Northwestern University's Medill School of Journalism, Media, Integrated Marketing Communications. He worked closely with Evan Smith, the CEO and editor-in-chief of *The Texas Tribune* and a Medill alumnus, as a part of the school's advisory board. As such, securing access literally involved one three-way phone call. And, of course, as a native speaker of English, understanding documents and conducting interviews was not an issue.

I also had unprecedented access to *OhmyNews* because of the time I spent working inside the organization from 2009 to 2010 as a Henry Luce Foundation Scholar. In addition, my knowledge of Korean language and culture further improved my ability to work inside the company. As a result of this previous experience, when I discussed this project with Oh Yeon-ho, founder and CEO of *OhmyNews*, he agreed to grant me unrestricted access to the organization and its financial reports. Moreover, he agreed to make himself available for interviews and to instruct both his staff and citizen reporters to expect that I would be in contact with them to conduct further interviews. In addition, he offered to provide translation assistance (via an impartial third party) should there be any documents or interviews beyond my level of Korean (Oh, 2011). The sole condition was on publishing sensitive financial data. Oh requested that, instead of making specific amounts of money public, I report percentages. Given that this has a long history in media management research, I agreed (*Inland Press Association Research National Cost & Revenue Study*, 2010). Percentages still allowed me to understand monetary resources, and, more importantly, they are how I compare the two organizations. While it would have been preferable to report actual monetary amounts, access to one of the oldest surviving born-digital news enterprises, in my view, outweighed this minor publishing inconvenience.

Both *The Texas Tribune* and *OhmyNews* also fitted neatly into the second view, that cases must be relevant to my 'operational criteria'. In short, the enterprises occupy opposite ends of the viability spectrum, produce accountability journalism, and are born digital. I will discuss their economic models in more detail in the next chapter's case reports; however, *The Texas Tribune* is a non-profit under the US federal tax code, and *OhmyNews* is an undifferentiated for-profit company with shareholders. Again, while I will detail the news coverage at each enterprise in the next chapter, I will give two short examples of how they produce accountability journalism here. *The Texas Tribune* not only covers what Jones (2009) identifies as the centre of the 'iron core' — the government itself — but also does so in new ways. For example, *The Texas Tribune* launched an iPhone app that contains an interactive directory of state representatives, allowing individuals the same direct access to lawmakers that lobbyists have (*The Texas Tribune for iPhone iPod touch and iPad on the iTunes App Store*). *OhmyNews*, too, engages in accountability journalism. As one of a relatively small pool of media organizations independent of the 'chaebols' (massive conglomerates in Korea), *OhmyNews* is often one of the first to report on their activities, which are at the centre of the Korean economy. Additionally, *OhmyNews* covers the national government from a contrarian point of view, providing the Korean public with factual critique not found in other news publications or broadcasters. Finally, with additional explanation to follow, each of these organizations is born digital, and yet each represents different approaches to the challenges of digital publication. While *The Texas Tribune* offers its content to newspapers, it started as, and remains, a website. Moreover, at the point of launch, it took advantage of many unique affordances of the Web, including relying on third-party providers (YouTube) to power the video it embedded into its text stories. *OhmyNews* was not just born digital but defined some of what it meant to be a digital news organization. It was one of the first to deeply integrate its users into the news-making process.

Finally, both of these cases loom extremely large in the literature. *The Texas Tribune* and its executives are present at nearly all industry events on the future of news in the US; the organization now provides content for the 'newspaper of record', *The New York Times*; and it is frequently covered by the trade and academic press (Cochran, 2010; Connell, 2010; *Times in Deal to Expand Texas Report*, 2010). *OhmyNews* is the ideal-typical form of citizen journalism on the Web, and is consistently cited across many literatures be they academic or professional (Gillmor, 2006; Hermida, 2006; Lasica, 2003; Stabe, 2006).

All that said, despite the fit of *The Texas Tribune* in Austin and *OhmyNews* in Seoul to these three criteria set out by experienced researchers, a careful reader might still reasonably wonder how I settled on studying two enterprises that on the surface appear so different from each other. The primary consideration was, of course, access, which I highlighted above. There can be no research at all without access. But, beyond access, these differences were actually helpful in the research itself. Before I entered the field, I discussed each enterprise's viability strategy with people who worked in each place. What appeared attractive was that these enterprises seemed to operate in the same field with deeply similar strategies for obtaining sets of capital and yet offered such stark contrasts. These counterpoints, I argue, act as a hedge that the resulting analysis is more broadly applicable than if I had selected enterprises that operated in more closely aligned environments.

Four such counterpoints were critical in my decision-making. First, *The Texas Tribune* was young and *OhmyNews* was comparatively old. The early planning for *OhmyNews* dates back to the late 1990s, and it launched in February of 2000. By the time I arrived in Seoul, *OhmyNews* had had twelve years to refine its business practices. For example, book publishing was not a part of *OhmyNews*'s original plans. Only after seeing many citizen journalists successfully publish works did the enterprise figure out how to add it. *The Texas Tribune* offered the opposite set of learning: it was so young that some of the most important parts of its viability strategy were unfolding for the first time while I was in Austin. I was present as it ran its first major event, The Texas Tribune Festival, and could observe as it shifted practices in real time.

The second useful counterpoint between these two cases was their approach to political affiliation. One credible fear about news in a world where the business of newspapers is under siege is that those with political motives, or parties themselves, will increasingly fund the production of news. *OhmyNews* is an explicitly left-leaning news organization and is often involved in the practice of politics. For example, it has hosted online debates for candidates of only a specific party. And politics is deeply embedded in the lives of those who founded the enterprise Oh Yeon-ho spent time in prison during Korea's second military dictatorship due to his pro-democracy political views. Again, *The Texas Tribune* was at the opposite end of this spectrum. It both presents itself as, and actively works to be, as non-partisan as possible.

The third counterpoint was in the enterprises' different modes of production. Whereas *OhmyNews* is distinctly 'pro-am' (professional–amateur), *The Texas Tribune* is not. (Evan Smith used expletives with me when I asked him whether he would ever be interested in engaging with citizen journalists.) While *OhmyNews* trumpets its ability to involve citizens in the process of creating news (indeed, citizens' articles go through the exact same editorial process as those of full-time reporter), the *Tribune* instead aims to provide information for citizens to use in other realms. This is an obviously relevant point of difference because it could affect the costs at each enterprise.

The final counterpoint was most obvious and powerful: one enterprise was based out of Seoul, South Korea, while the other made Austin, Texas, in the US its home. In my view, there were three particularly relevant differences in these home markets: political history as it relates to the press, competitive environment, and Internet infrastructure and culture. The political history of South Korea is not only more recently volatile than that of the US but it also has a very different tradition of press freedom. I discuss Korea's political environment in more detail in Chapter 3, but, briefly, the strong developmental state in Korea, and the continued division of the peninsula, has left extreme polarization in the political environment. The political left has been marginalized in recent years, leftist politicians are being jailed (Choe, 2014), and much of the mainstream print and broadcast media are closely associated with conservative politicians or groups and are not always considered trustworthy (For more see Kwak, 2012, 121). While the politics of the

US is also increasingly polarized, there is a different sort of dysfunction in its system. For example, in 2013 the US federal government shut itself down because a budget couldn't be passed.

The competitive environment for national political news in Korea is also significantly different from that of the regional coverage provided out of Austin. There is fierce competition to cover national politics in Korea, in part because Koreans have little appetite for local news. And, given the size of the country, virtually all coverage focuses on the national stage. There are three major broadsheet newspapers, all with circulations at around half that of *The Sun* in the UK. There is a state-subsidized broadcaster, along with two other national private broadcasters. And digital media has exploded in popularity. The same is not true for Texas. In fact, the primary competitors to *The Texas Tribune* operate primarily from single metropolitan areas. The largest newspapers in the state are those based out of the major cities: Dallas and Houston. While many papers do send correspondents to the state capital, Austin, their numbers do not approach the scale of the *Tribune*, which accounts for more than half of the reporters credentialed to report from within the capitol building.

The difference in Internet infrastructure was also a critical point, given that I intended to understand born-digital enterprises. The Internet is both quantitatively and qualitatively better in South Korea than it is in Texas. According to a study by Akamai in the third quarter of 2013, the average connection speed across the world was 3.6 Mbps. South Korea had the fastest average connection, at 22.1 Mbps. The US was the eighth fastest, at 9.8 Mbps (Akamai, 2013, 13). Moreover, Internet penetration rates are significantly higher in Korea than in the US. According to the International Telecommunications Union, Korea had the fourth most subscriptions per hundred inhabitants in 2012 at 37.6. The US ranked twentieth in the world, with 28 subscriptions (The Broadband Commission, 2013, 92). The importance of these statistics is not in the raw numbers but instead in how they show the significantly higher prevalence of Internet accessibility in Korea than in the US.

While to some these differences might be a reason to disregard these cases as incomparable, I suggest they actually serve to argue the opposite. The fact that two enterprises situated so disparately from one another could settle on remarkably similar types of capital and viability strategies further suggests some broad applicability of the logic of the field.

2.4.5 DATA COLLECTION

The first stage of each case study was archival research. The primary aim of this was to develop a keen understanding of the firms' structure, products, competitive landscape, and history before I arrived on site. It helped to frame my own understanding of each enterprise before I arrived and, as such, was critical to generating both an early list of interview subjects and an idea of what I could expect to learn from them. Arriving with knowledge also helped to build and maintain a positive rapport with the interview subjects, as suggested by Berg (2009, 130).

I used both public and private archival records (Denzin, 1978, 218-129) for this work by consulting with online databases such as Lexis-Nexis and in the case of *OhmyNews* with staff before my arrival. In addition, because news organizations have business interests in covering the operations of other enterprises in their fields, commercial media accounts were a rich source (Berg, 2009, 272). For example, I was able to construct a very accurate timeline of the *Tribune*'s development and launch based solely on media accounts. And I also had a fuzzy but accurate view of *OhmyNews*'s financials due to its coverage in journalism-focused websites. Finally, because I was on site at each organization I regularly went 'spelunking' in corporate records, particularly financial documents and internal memos, sales briefs, meeting minutes, and even internal message-board postings (Berg, 2009, 276). While this archival data proved crucial to understanding the character and structure of each organization, and has the added benefit of being a relatively unobtrusive mode of data collection, I did not use it uncritically. Many documents I accessed were written for internal promotion or for purposes other than pure factual recording of data. It was for this reason that triangulation was particularly important, and that semi-structured interviews were the next stage in my research (Berg, 2009, 286).

Interviews may take three basic formats: the structured (standardized) interview, the unstructured (unstandardized) interview, and the semi-structured (semi-standardized) interview. I selected the semi-structured type because it takes the beneficial features of the structured and unstructured interviews and was better adapted to the particular conditions present in this research project.[26] In such interviews, it is assumed that some questions may be roughly standardized but that 'they must be formulated in words familiar to the people being interviewed' (Berg, 2009, 107). Moreover, the semi-structured interview allows for a researcher to work on extending a definition or complex issue through the use of digressions. As Berg notes, 'interviewers are permitted (in fact, expected) to probe far beyond the answers to their prepared standardized questions' (Berg, 2009, 107). For me this was important as my interviews often focused on the same questions in very different contexts (e.g. 'How does this particular product contribute to revenues?'), which would then lead me to questions I never could have prepared in advance. This became particularly important as I was uncovering additional monetary and non-monetary resources while on the ground.

Recognizing that each case and interview represented differing opportunities to learn, rather than following a rigid set of questions, I borrowed Berg's sentiment, if not his structure. I followed his recommendation that semi-structured interviewers prepare for their studies by sketching out the topics about which each interview should aim to collect data (Berg, 2009, 111). In addition, as Berg suggests, I practised my interviews both before entering the field and while there with outside parties (including John Lavine), so that I could be more conscious of my questions' impact on outcomes.

26 See Thompson (2005, 2010) for a similar approach.

This semi-structured method is also used by Thompson in his study of the book publishing industry (2010, 411). For the prepared portion of my questioning, I always focused on what the particular individual could tell me about their contribution to viability. For example, I prepared questions about advertising sales targets for salespeople at both enterprises, but asked editors about how they worked using digital tools and how they communicated with those who would turn their work into revenue. Often in interviews, an unplanned subject would come up in conversation, and without the freedom to follow it understanding would have been lost. As Thompson wrote, 'if you miss [following up on something interesting], it may never come again — this might be your only hour with this particular person' (Thompson, 2010, 408). This further reinforced the value of using the semi-structured style. I wanted to make sure I missed as few of these moments as possible.

Finally, while I expected complexities surrounding the attributability of interviews, particularly around financial matters, I encountered none. I asked every individual whether they were comfortable being interviewed on the record, and every individual agreed despite also being offered anonymity. As such, I taped and transcribed each interview. Often, however, I also found information from other sources to corroborate interview materials on sensitive matters (see discussion in Hollifield and Coffey, 2006, 595). This helped to assuage my fears that all conversations being on the record would reduce the accuracy of what I was being told. Moreover, because each organization granted me access to its internal documents, I was often able to compare what interview subjects told me with the contemporary documents. Following these procedures was critically important, as Hollifield and Coffey reminds us: 'a breach of trust can threaten the economic survival of companies or the careers and livelihoods of individuals' (2006, 594).

In the end, I spent just under three months on site at *The Texas Tribune*, where I worked in the office every weekday. I kept a slightly modified reportorial schedule, arriving each weekday before 9:00 and leaving around 19:00. This way, I arrived well before most of the editorial team and left with them or just after. While there, in addition to my constant observation, I conducted twenty-nine interviews. I spent just over two months on site at

OhmyNews. In Seoul, there are multiple reporting shifts so that the newsroom is covered from about 8:00 to about 22:00. As such, I modified my schedule so I could capture the full variability of work in the newsroom. My significant knowledge of *OhmyNews* helped me to rapidly get to substantive issues in my interviews; I needed less time to introduce myself and my project and to build credibility since the entire leadership team already knew me. As such, I was able to collect the data I needed in twenty interviews, in addition to my observations and archival research. Additionally, the archival work at *OhmyNews* was particularly rich: the company keeps virtually all of its conversations in an online bulletin board. Using this system, I could either trawl for documents myself or, more often, when an interviewee remembered a key incident, they could pull up supporting documents immediately. While some might be concerned about the total number of interviews, I found them to be powerful evidence. There were three factors that helped to convince me that I was getting enough data. First, I reached a saturation point in each enterprise: I started to hear the same information and in some cases the exact same anecdotes from multiple subjects. Second, these enterprises are comparatively small. During my time at the *Tribune*, for example, it employed just over thirty people (employees came and went during my period of fieldwork). Thus, the number of interviews was necessarily smaller than it would have been at a larger organization. Third, documents were deeply useful addenda to, or sometimes replacements for, interviews. *OhmyNews*'s financial documents, for example, were vastly more detailed than those at the *Tribune*. This allowed me significant understanding, which needed to be supported by far fewer interviews than in Austin.

The interviews themselves took broadly similar shapes in Austin and Seoul.[27] I interviewed people at all levels of each organization — from the CEOs to middle management to entry-level employees on both the editorial and business sides of the organization. At *OhmyNews* I also spoke with a limited number of citizen journalists, some in formal interviews, others while I was present in the office. Each lasted about one hour, and almost all were conducted in the offices of each enterprise (but typically in a private setting, such as a conference room). However, some took place outside at times convenient for participants — such as at coffee shops near to each office to ensure we wouldn't be interrupted. I interviewed some subjects as many as three times. Often, second and third interviews revealed significant insights. In part this could be because participants felt more comfortable with my work and me. But it could also be due to my own increased understanding as my research progressed. My interviews at *OhmyNews* were conducted in a mixture of English and Korean. For interview subjects who spoke no English, I hired a translator to accompany me in the interview. When interviewees brought documents (as was often the case when reviewing financial results), we discussed and translated them together to ensure that I understood the connotation and denotation of any expense category.

Once I had transcribed each interview and digitized all the key documents, I began to re-read them all to look for themes. In addition, I collected contemporary news or other

27 A list of interviewees, the organizations they worked for, and their job titles is available in the appendices on page 302.

reports about each enterprise and constructed a timeline of their earliest days. As I read, I would often use electronic tools to help me keep track of my discoveries. Using a piece of software called Scrivener, I was able to keep both original documents and interview transcripts in one place, view them side by side, and search across them all simultaneously. This was extremely helpful as I started to identify themes in later interviews because it allowed me to quickly test hypotheses. For example, when it became clear from the financial documents that events were important drivers of revenue, I could very quickly pull every conversation I had had about events, along with every document and news article, into one place for analysis. To borrow a metaphor from Thompson's work, in this way I was building the individual pieces of a larger jigsaw puzzle. After identifying these themes I began trying to order them into larger categories, with a specific eye to understanding how they might work together to explain the logic of the field. Thompson describes the intellectual process I followed

> My assumption was that, if you fiddle around with the pieces for long enough and looked at them from different angles, you would eventually be able to see how they fit together, you would be able to discern some order in the chaos, some structure in the flux. (Thompson, 2010, 412)

In effect, this can be summarized as a kind of focused comparison. I have selected cases that are appropriate and then applied similar methods when understanding each. That said, because the cases are different, these methods allowed for a focus on areas I am interested in (the logic of viability) without being prescriptive about what I would find before I entered the field.

2.4.6 LIMITATIONS OF THIS DESIGN AND METHOD

This design and my own data-collection skills were not, however, without limitations.[28] To begin, as discussed above in the section on the logic of the field, I might simply have got things wrong, and it will be up to future social scientists to conduct more empirical research on the topic. In addition, as I discussed above in the case-selection section, there might be concerns about the differences between my two cases and how well they can be paired. As I argued there, these differences are likely to help enhance the applicability of my work. But beyond this, there are a host of other significant limitations of any PhD dissertation, and this one in particular, that must be acknowledged.

Of course, as a PhD, there were restraints on time and funding. As a result, this dissertation above all else represents a snapshot of changing social practices during the twelve months from August 2011 to July 2012. Considering that this is an industry undergoing exceptionally rapid change, it is possible that the entire world of news production could change within months of my submitting to examiners. This was both exciting because it gave me an opportunity to view the changes as they occurred while I was in the field and also limiting because any findings may no longer be valid by the time readers come to this work. In other words, this study only reports what was taking place in each organization at the time I was present.

Moreover, the research design also sets in place parameters that intentionally bound the work. It does not attempt to describe the imperatives of the news industry as a whole (to

28 Limitations of the study overall are discussed in the conclusion, on page 297.

the extent that such a thing can even be defined). It only purports to explain how the struggles for viability of born-digital, accountability news-generating organizations affect their operations.

Finally, the case study methodology presents limitations in generalizability as well. Instead of highlighting global trends, as a large-scale survey might, I offer richer, more specific data about two organizations. This, of course, also has its own set of limitations. While my cases occupy opposite ends of the viability spectrum I lay out above, they still represent just two points on this range. It could be that in other positions on the spectrum — for example, an explicit 'low profit', like the ones being developed in certain US states where companies receive tax benefits if they work on behalf of the public — the logic operates differently. In addition, while the US and Korea offer significant variability in the media environment and cultural context, they still are just two of many different countries I could have studied. The US has had a significant impact on Korea (by way of the US occupation there after World War II and again after the Korean War, in addition to significant cultural exports). Thus, this 'sample' might be tilted towards more American-centricity than others might have been.

To return to King and Sznajder, this dissertation is just one confrontation of theory and facts, and 'science advances not in any single confrontation of "theory" with "facts," but with defensive attempts by scientists to save their original theories' (King and Sznajder, 2006, 764). This is even more the case because there have been so few confrontations in the field of born-digital enterprises.

3 BORN-DIGITAL NEWS ENTERPRISES

3.1 BORN-DIGITALS ARE DIFFERENT — AN ECOLOGY

Having reviewed the current state of the legacy news industry, how that industry — specifically newspapers — made money, and the key concepts and theories that motivate this work, I now turn to the focus of my study: the born-digital news enterprises themselves. In this chapter, I briefly refer to the growing group of non-legacy news organizations and then describe my two case studies in detail. This thick description is done with a dual purpose. First, I aim to give readers enough background to understand how these organizations work. I will later use them as data points in arguing about the shape of their logic of viability. Understanding their nature, shape, and so on helps to contextualize that argument. Second, I aim to show that these enterprises are different from what came before them; born-digital news enterprises retain some vestiges of newspapers and other legacy journalism organizations. But they are also clearly distinct types of organization that were built under different conditions and designed to respond to different challenges.

As discussed above in the section that defines 'born digital' for the purpose of this study, these enterprises are distinct from legacy enterprises in that they were forged during the digital area and under the economic and social conditions brought about by the use of such media. But that does not mean that all born-digital news enterprises are the same. In fact, creating a typology of born-digitals is virtually impossible due to the very nature of digital media: barriers to entry and modification are so incredibly low that every enterprise can be unique.

Although the purpose of this project is neither to create a map of all types nor to make normative suggestions about which are better than others, it is important to understand the broader landscape of born-digital media prior to a deep investigation. I suggest that a useful way of understanding the born-digital landscape is to think about how enterprises fit along five spectra: organizational scale, financial goals, editorial purpose, editorial style, and editorial strategy. These spectra are shown in Figure 3.1.

Figure 3.1 Spectra of variation for born-digital news enterprises.

Scale is an important consideration for understanding born-digital media, in part because digital tools enable smaller enterprises than ever before. Using the exact same tools, both individuals and large organizations can build high-quality publications. And, while organizations can obviously produce more content than an individual, it has become increasingly possible for one-person shows to make a publication their primary source of income. Examples at the personal end of the spectrum are Shawn Blanc, a blogger, and TechCrunch, a large enterprise devoted to covering the technology 'vertical'. Both use WordPress to present their content to an audience.

Financial goals are another way to understand individual born-digital media enterprises. On one end of this spectrum is a strong desire for profitability, while at the other is one for long-term sustainability. While at first glance these do not appear to be oppositional — indeed, one path to such sustainability is extreme profitability — they are placed at opposite ends because in the actual universe of enterprises they often result in different organizational strategies. For example, financial goals have direct impacts on what gets covered, how, where, and most definitely for whom. At the profitability end of the spectrum is BuzzFeed, which describes itself as 'the social news and entertainment media company' and goes on to state that it 'is redefining online advertising with its social, content-driven publishing technology. BuzzFeed provides the most shareable breaking news, original reporting, entertainment and video across the social web to its global audience of 100M' (*About BuzzFeed*, 2013). BuzzFeed is also atypical (and even further towards the profitability end of the spectrum) in that it has taken four rounds of venture capital since launching, totalling $46.3 million (*BuzzFeed | CrunchBase Profile*, 2013). As a consequence of this choice, BuzzFeed is attempting to rapidly grow its audience and simultaneously develop new forms of advertising. Its investors demand that it grow quickly and eventually sell or go public, and to do so it needs a focus on profitability.[29] At the other end of this spectrum is MinnPost, which describes itself as 'a nonprofit, nonpartisan enterprise whose mission is to provide high-quality journalism for news-intense people who care about Minnesota' (Kramer, 2013). Its seed funding of $850,000 came from four families, and it is continuously funded by 'more than 4,200 member-donors contributing amounts ranging from $10 to more than $20,000 a year,' (Kramer, 2013). Both MinnPost's mission and its funding model suggest the opposite goals of BuzzFeed. Instead of attempting to grow massively, MinnPost hopes to reach a small and specifically defined audience. And the corollary is that MinnPost lists donations — not a new form of advertising — as its continued source of finances.

Though financial goals can affect editorial purposes, as discussed above, the reverse is also true. Organizations with the purpose of building content strategy are likely not responsible to the enterprise's bottom line, whereas those producing news are. Content strategy is credible, trustworthy, transparent content that enhances the organization's strategic goals (*Content Strategy for Professionals: Engaging Audiences for Your Organization*, 2013). In other words, while it might look and feel like news, it is produced by a non-

29 Detailing the nature of venture-capital-backed companies is outside the remit of this dissertation, but two worthy pieces are Aileen Lee's and Paul Graham's essays (Graham, 2012; Lee, 2013).

journalism enterprise. An easy way to think about content strategy is to consider publications created by health insurance companies that simply explain changes to current laws in the US. This information must be as honest and easy-to-understand as if it were published by a newspaper — but instead it comes from a company whose goals are to get more people to use its services. Content strategy is also distinct from marketing in that it does not aim to drive customers to specifically profitable action. For example, IBM runs thousands of blogs. These are born-digital media that most definitely inform an audience (mostly software developers).[30] But, IBM is not expecting to directly profit or drive profitable activities from its publications. Any of the news enterprises listed above, however, are expecting to generate revenue from their publication activities — either directly via content sales, subscriptions, advertising, and so on or indirectly though things like a strong brand that can be used to host large-scale events.

Editorial style is another spectrum on which I place born-digital media enterprises. Each organization must choose the style it will adopt — or explicitly not choose one or the other. At one end are new alternative styles (often made possible thanks to the unique affordances of digital media) and at the other are traditional styles that mimic products that came before (print, radio, television, etc.). While there is an almost infinite variety of alternative styles, there are two choices that are different and yet both 'ideal-typical': GIF stories and aggregation-focused sites. A GIF is an image format that allows for a short

30 See, for example, <https://www.ibm.com/developerworks/community/blogs/roller-ui/homepage?lang=en>.

animation loop. Though the format is more than two decades old, these short animated loops became increasingly popular during the London Olympics as they were able to show small pieces of video-like content on phones, social media, and so on and GIF became the Oxford Dictionaries USA Word of the Year for 2012 (Moore, 2012; *Oxford Dictionaries USA Word of the Year 2012*, 2012). GIF stories consist of a list of such animations, strung together with small pieces of text woven between them. While GIFs are a style that operates at the story level, aggregation operates at the organizational level. And there are few better aggregators than the born-digital *Huffington Post*. The site is designed to bring in content from across the Web, summarize it, and offer a link to the original piece. Though there is controversy over whether or not this activity consists of fair use or outright theft (Singel, 2008), it has been effective for the publication — and helped it to build an audience that rivals the size of the online *New York Times* (Carr, 2012). These alternative editorial styles contrast with the more traditional story and production types. Mediapart is a born-digital that publishes stories it created, using its own staff, in a medium-to-long form of text, just like newspapers. The site's stories even mimic the internal structure of newspaper stories, with ledes and nutgrafs and written mostly in an inverse pyramid format with the most important facts at the top (*Découvrir Mediapart*, 2013).

Editorial strategy is the final spectrum on which various born-digital media vary. Though there are many types of strategy, this spectrum focuses on the overall subject-area coverage of a given publication. At one end is a broad publication that serves many different content areas, while at the other is a vertical enterprise that focuses on a single subject area. Classically, local newspapers occupied the broad end. Due to their monopoly on distribution in an area, they were often the sole source of information on everything from local politics to ballet reviews. Some born-digital publications have taken this approach. Capital New York <http://www.capitalnewyork.com>, The Bay Citizen/Center for Investigative Reporting <http://www.centerforinvestigativereporting.org>, and ProPublica <http://www.propublica.org> have all taken a roughly similar tack: they cover many different subject areas, much like their legacy forebears. However, many born-digitals have chosen to focus on a specific subject or audience. These verticals intensely cover a subject (The Verge <http://www.theverge.com>) or geography (DNAinfo <http://www.dnainfo.com/new-york>). The implications of the choice in editorial strategy are large but mostly focus on staffing and organizational structure. For example, generalist publications need access to many more areas of expertise and may need to hire temporary stringers to do reporting (like AOL's now failed Patch — an attempt to do hyperlocal coverage with just one employee/editor and stringers).

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These five spectra help to outline the basic boundaries within which many born-digital media operate. However, this dissertation makes no attempt to understand the entire landscape: that is a life's work. Instead, it focuses on a very small but important subset of enterprises: those that are legitimate contenders to replace newspapers' coverage of political issues. Not coincidentally, both *The Texas Tribune* and *OhmyNews* fall on the right side of each spectra listed above. They are organizations focused on producing original journalism in a sustainable fashion. They do so in a style that resembles newspapers' stories, but with an intense subject-area focus that most newspapers lacked. The following section outlines these two organizations in more detail and forms the bedrock of my later arguments. Only with a deep understanding of these two enterprises was it possible to understand and articulate the logic of born-digital, accountability-journalism-producing news enterprises.

3.2 CASE STUDIES IN DETAIL

My studies of *The Texas Tribune* and *OhmyNews* were critical in discovering the route to viability for born-digital news enterprises. Before delving into the specifics of their viability, background about each enterprise is important. Although both of these companies are frequently mentioned in the popular and academic press, they have not been fully documented before (at least not in English, as is the case for *OhmyNews*). Below, I will describe each enterprise, starting with its origins, and then move on to describe the audience it serves, the products it produces, and how it makes those products.

In essence, before confronting the analysis of how these enterprises build viability, this chapter answers three core questions for virtually all social science. Genesis: where do these come from? Morphology: what is their shape? Operations: how do they work?

3.2.1 *THE TEXAS TRIBUNE*

The Texas Tribune describes itself as ‘a nonpartisan, nonprofit media organization that promotes civic engagement and discourse on public policy, politics, government, and other matters of statewide concern’ (*About Us*, 2011). The *Tribune* officially started publishing stories on 3 November 2009, though as described above the original idea was a bit more than a year older (*Inspiration for Evan Smith To Join Texas Tribune Came from Dick Cheney*, 2009). It is a registered non-profit, with 501(c)3 status as tax-exempt from the US federal government, and was founded with an initial grant of $1 million from John Thornton (Pérez-Peña, 2009). In order to launch the *Tribune*, Thornton gave up his previously active life in Democratic politics and fund-raising (Fikac, 2009c).

Thornton first consulted and eventually recruited his friend Evan Smith to act as the enterprise’s CEO and editor-in-chief. The pair also acquired Texas’s premier political newsletter — *Texas Weekly* — and its owner, Ross Ramsey, who came to the *Tribune* as its executive editor. The trio were the primary drivers behind the original design and launch of the *Tribune*.

At launch the *Tribune* had eleven staffers working on content and a total of sixteen employees (Kramer, 2009), and had collected enough money to give itself a three-year ‘runway’ period — about $3.5 million, including the $1 million gift Thornton gave as seed funding — before it needed to generate enough revenue to be self-sustaining on a yearly basis (Tenore, 2009). By the end of my fieldwork, the *Tribune* employed 28.5 full-time staff: 16.5 in content production, 7 in revenue/sales/back office, and 5 in technology. In 2012 — near to the end of its planned need for a financial runway — the *Tribune* raised approximately $4.2 million and spent about $4.55 million, thus using about $341,000 of its original reserves.

At that time, the staff produced three news products: the main news website <http://www.texastribune.org>, which publishes daily on a range of political topics at the state level; *Texas Weekly*, its subscription-based weekly newsletter for professionals; and The Trib's series of 'on-the-record, open-to-the-public events' with state leaders (see up-to-date examples at <http://www.texastribune.org/events>). About half the pieces of content published on the site by November 2011 were classified as politics. The next largest category was education, which accounted for about 9 per cent of the total. While much of the site's content consists of textual stories, in 2011 most of its page views (84 per cent) and visits (59 per cent) came from the data apps it builds. These apps are databases of information that is collected, cleaned, and organized by the *Tribune*'s dedicated data-reporting team. The *Tribune*'s largest event is its self-titled Festival, which in 2011 saw 1083 attendees and raised about $400,000. The two-day event, held on the University of Texas at Austin campus, had four policy tracks (race and immigration, health and human services, public and higher education, and energy and environment), each of which attracted a nationally prominent keynote speaker.

In its first full year of operation, the website saw 2.2 million unique visitors, 3.9 million total visits, and 23 million page views; won major national awards; and created syndication links with *The New York Times* along with twenty-seven newspapers and eleven television stations in Texas. In its third year, the site recorded about 10.4 million visits, nearly 41 million page views, and about 5.9 million unique users. It continues to build new partnerships and has won numerous other awards (*About Us*, 2011; Connell, 2010).

3.2.1.1 ORIGINS

Though the origins of *The Texas Tribune* might seem salient, they are also deeply important to understanding the context of modern, born-digital news enterprises. As the data presented in the first chapter shows, fear over the end of newspapers, and by proxy accountability journalism, peaked in about 2009. And it was at this same time, in this environment, that *The Texas Tribune* was first envisioned. Unlike *OhmyNews*, which was born digital but at a time when the entire media industry still looked at the Web with curiosity, the *Tribune* built itself from nothing when much of the foundation of Web news (the print editions of newspapers) were crumbling. It aimed, from the outset, to build a durable enterprise in the new conditions facing journalism.

As such, understanding not only what happened when but also what the key players were thinking and why they made the decisions they did is particularly enlightening from the perspective of building a sensible logic for viability. Below I have reconstructed much of how *The Texas Tribune* went from an Austin-based venture capitalist's idea to a working enterprise.

3.2.1.1.1 'DO YOU REALLY THINK WE CAN MAKE THIS WORK?'

In 2008, a partner at Austin Ventures — a venture capital firm based in Austin, Texas — was on the hunt for a way to 'profit on the misery in the [newspaper] industry'. But, as John Thornton explained to *The New York Times*, 'it was clear after even a little investigation that there was not the kind of venture returns that you would need', and, without the ability to make a serious, venture-capital-level profit from buying or investing in a news organization, his ideas about how to value news changed. As he explained, 'I began to see journalism as a public good, like national defense or clean air' — in other words, something that was to be provided for everyone, regardless of whether or not they could afford it themselves (Carr, 2009). So the former McKinsey consultant and avid funder of Texas Democratic politics, armed with an idea to provide news for everyone by way of a non-profit organization, talked to his friend best able to discuss the state of the journalism industry: Evan Smith.

At the time Smith, then forty-three years old, was the president and editor-in-chief of *Texas Monthly*, a critically renowned regional magazine and host of a nationally syndicated PBS programme, *Overheard with Evan Smith*. Smith had worked at *Texas Monthly* for eighteen years, effectively since he finished his graduate degree in journalism at Northwestern University's Medill school — with only a brief stint in New York before begging for a job at *Texas Monthly*. 'I wrote a letter to the editor, Greg Curtis', Smith said, 'offering to sweep the floor, anything to get me in the door' (Smith, 2009e).

As a fanatical follower of politics and policy, he was (and remains) at the centre of the Texas state media and political universe. Not only were his publications and shows highly regarded but also he had written for many national outlets (*Newsweek* and others) and had made a concerted effort to become a non-partisan public figure. While running the magazine, he sat on the boards of various non-profit organizations — particularly those related to education, media, film, and books. More still, he kept *Texas Monthly* profitable at a time when many magazines were losing money or going out of business. Perhaps as a result Evan Smith was, according to Ben Phillpott, an Austin-based political reporter, 'a larger than life presence' (Philpott, 2011).

Thornton started his conversations with Smith and focused on whether or not they could build a sustainable model for doing 'public good' journalism. 'Do you think we can really make this work?' (Thornton, 2012) was the central question for both of them.

'This' was The Texas Tribune.

3.2.1.1.2 FINANCIAL AND PERSONNEL LEADERSHIP

The New York Times's media columnist, David Carr, explained when it launched that 'what really sets the *Tribune* apart is not a workable design and good intentions, but its effort to build a durable model for journalism in the future'. For Thornton, this did not happen by chance. 'People have suggested that journalism is too important to be left to nonprofits, but I think it is too important to be left to market forces' he said (Carr, 2009). And giving significant sums to see his vision enacted outside the market was not something new for Thornton. Prior to his work with *The Texas Tribune*, he was active and gave prodigiously to Democratic Party causes. According to a report at the time of the *Tribune*'s launch, Thornton and his wife had given $194,000 to federal Democratic candidates and campaign committees in the prior twenty-two months. They had also given more than $96,000 to Democratic causes at the state level since 2000 (Langeveld, 2009a).[31] To start the *Tribune*, Thornton committed serious money (a $1 million gift from his own wealth), stopped his activities with party politics, and spent his time developing the operation. He had been writing about issues in the media for a few years on his own blog but recognized that he needed outside expertise. And, in Thornton's network, there was no one better placed than Evan Smith.

But Smith didn't leap at the chance to leave *Texas Monthly*. He had a plumb job, in the elite of the American magazine universe — and he'd wanted to be there for a long time. As he explained in his departing essay from the magazine:

> It oughta be a bumper sticker: I wasn't born at TEXAS MONTHLY, but I got here as fast as I could. I first happened upon the magazine as a graduate student in the late eighties, and I was knocked out by its execution of journalism in what was, to me, the ideal form: narrative nonfiction, no shorter but no longer than necessary, filled with gripping detail and accompanied by photography and illustration that was every bit as journalistic as the writing. Beyond that there was a sense of fun — -ample amounts of wit and nerve and an ability to tweak the self-important and the unself-aware in a way that didn't seem mean. And a sense of purpose, a responsibility to something larger than the commercial imperative. Knowledge of Texas, and devotion (not blind) to Texas, and kinship with Texans infused every page. (Smith, 2009e)

31 That giving ended with the start of the Tribune — and can be independently verified at the Center for Responsive Politics website: <http://www.opensecrets.org> (last checked by the author 10 October 2012).

Thornton, however, was convinced that Smith needed to be more than a consultant. As Smith describes it, Thornton got ever more insistent, and eventually started pestering both him and his wife — even when they were out at public social events. At a fundraiser for an innovative school, Smith's wife 'got it both barrels from John', he remembered. 'At the height of John bugging me about [starting the *Tribune*], [...] he started to go to work on my wife. [...] I was not ready to do this' (Smith, 2011c).

Though Thornton's work primed Smith to take on the role, he said there were two events that pushed him into making the leap: he wanted to go out of *Texas Monthly* at the top, and, perhaps paradoxically, a promotion on MSNBC.

Texas Monthly is a regional magazine that had a circulation of 322,803 copies in July 2010 (the most recent data as of October 2012) (*Texas Monthly Media Kit: By Region*, 2010). Though the circulation numbers appear small, it is highly regarded, and Smith improved it under his tenure. As of 2012, the magazine had won eleven National Magazine Awards and had been nominated for fifty-nine of the awards that are the 'Pulitzer Prizes' of the magazine industry (*National Magazine Awards*, 2012). And, 'In 20 of the last 29 years, *Texas Monthly* [was] a finalist for the prestigious National Magazine Award for general excellence in its circulation class, competing against nationally known publications like *The Atlantic*, *New York*, *W* and *Harper's*. It won that award in 1990, 1992, 2003 and again [in 2009]' (Pérez-Peña, 2009). That 2009 win convinced Smith that he could leave *Monthly* and start the *Tribune*.

Until Smith no single editor had won two general excellence awards for *Texas Monthly*, and, as he explained, 'The competitive part of me thought: [...] I want to be the only editor in the history of the magazine to have won the journalism awards twice.' In that year, *Monthly* was competing against two nationally known publications, *New York Magazine* and *The Atlantic*, titles that which they had lost to on many previous occasions. Smith remembered that, as he got up to accept the award, he said, 'well, I mouthed it audibly or I thought it in my head, "I quit." [...] I could take a victory lap and leave going out on top.' But he wouldn't simply leave because he'd been successful. 'I needed to come to some understanding with myself, intellectually, about what it was I was going to do', he said. 'If I was going to go from the *Texas Monthly* and go to the *Tribune* and start this thing, I needed to understand the crucial evolutionary media piece.'

That piece, Smith's idea for what *The Texas Tribune* could be, came sometime later that month (April 2009) when he was watching the cable news channel MSNBC. At the end of a segment, the screen showed an interstitial branding message with the network's logo. Under the logo, it displayed the icons of a television, computer, and mobile phone. 'I paused it and I stared at it for a while', he said. It made him understand two new realities in his business. 'One is they realized that they are no longer a TV network; they're a content company. They happen to distribute their content primarily over a television set', he said. 'The second thing [...] is it's no longer about them. It's about us. It used to be about the providers of the content. Now it's about the consumers of the content.'

He bluntly explained: 'It used to be "Take it or leave it." That was the proposition. These shows on this network at this time and it's going to be viewed on a television set. Fuck you. Take it or leave it.'

Smith concluded that he couldn't make his magazine into the kind of enterprise that operated differently. 'There was not the will or the wallet for *Texas Monthly* to transform itself into the kind of business that said, "It's not about us, it's about them"' (Smith, 2011b).

Thornton had his first hire.

3.2.1.1.3 A STRATEGIC 'GUT FEELING'

The initial concept for the *Tribune*'s content strategy didn't come from an MSNBC-induced brainstorm alone. Instead, it was first documented on a Sunday morning at Ross Ramsey's dining room table.

Figure 3.2 The original content plan for *The Texas Tribune*.

At the time of Smith's MSNBC moment, Ramsey, who became the executive editor of the *Tribune*,[32] was owner and operator of *Texas Weekly*. *Weekly* was a self-described 'premier newsletter on government and politics in the Lone Star State' (Ramsey, 2009). Originally a print newsletter that started in 1984, it moved to email distribution in the early 2000s (*About Texas Weekly*, 2012) and is, as Ramsey puts it, like 'inside baseball for baseball players'. When pushed to be a bit clearer, he said it's a weekly newsletter for 'the royal court', or as he defines it 'professionals making a bunch of money trying to either manipulate or avoid being manipulated — so the audience is basically office holders, staffers, political financiers, lobbyists, media, sort of the classic influencers' (Ramsey, 2011a). As a result, Ramsey and his newsletter were an attractive target for Thornton and Smith. He had relationships with key political operatives, institutional knowledge, a huge back-catalogue of content, and a revenue stream. The *Tribune* announced its purchase of *Texas Weekly* in late July 2009 (Langeveld, 2009a), for $200,000 over three years (Smith, 2009c), and from then on Ramsey was involved in crafting what the early *Tribune* would be.

32 Evan Smith was the CEO and editor-in-chief, and Alisha Ring was the general manager. Smith's departure from Texas Monthly, Ring's from the Austin Technology Council, and the announcement that some reporters would be joining the Tribune all occurred between 15 and 17 July 2009. The initial group of reporters were Brandi Grissom, Elise Hu, Emily Ramshaw, Abby Rapoport, and Matt Stiles. The Texas Tribune's acquisition of Texas Weekly and Ramsey was announced later in the month (Langeveld, 2009a; Ring departing Austin Tech Council for nonprofit, 2009; Pérez-Peña, 2009; Evan Smith Steps Down as President of Texas Monthly; TM Vet Ellynn Russell Promoted to President, 2009; Stiles, 2009).

The organizing principle was that they would build a 'vertical' news operation that surrounded their mission of public policy and politics. Unlike organizations that traditionally covered public policy and politics, primarily newspapers, the *Tribune* took a vertical strategy, which was as much about what it wouldn't do as what it would. As Smith described it, newspapers were full-service; a reader could get politics alongside sport. The *Tribune* wouldn't be. Instead it would only 'provide news, articles and services about a particular industry' (*Vertical Portal Definition*, 2012). With the smaller operation Thornton, Smith, and Ramsey would imagine, they had no room or resources to engage in anything but what they set out to do. And the three had a 'gut feeling' that there was a market opportunity. Thornton argued, 'When's the last time you read a story about lobbying in state politics? I don't think anyone can say with a straight face that people of Texas are as informed on government today as they were 50 years ago' (Brass, 2009). The press corps in Austin, covering the state government, was once dominated by the newspapers of the state's five big cities: Houston, San Antonio, Dallas/Fort Worth, Austin, and El Paso. As Smith explained, when he started in Texas journalism at the *Monthly*, each of these cities had two competing daily newspapers that sent reporters to the capitol. As the newspapers shrank, so did their coverage of what happened in state government.[33] From their years of institutional knowledge, both Smith and Ramsey thought the competition in the space was light enough that they could make it. The data did, however, back up their intuition. According to the *American Journalism Review*, the

[33] According to Smith and state records, Tribune staff now make up half the capitol press corps.

number of reporters covering state capitols dropped 30 per cent from 2003 to 2009 (for more, see the discussion on page 39).

3.2.1.1.4 PLANNING

Although every member of the *Tribune*'s early team consistently said they were 'making things up as [they] went [along],'[34] — and surely felt like they were — internal documents viewed years after the site's launch tell a different story. There were documents planning the entire structure of the site, what content they would do, how they would reach people, and so on. There were even full-on audience personas, built by a local design and development firm, to help the *Tribune*'s early staff better envision for whom, exactly, they would be making content (Hu, 2012).

Perhaps the document that yields the most insight, though, is a kind of sales pitch and business plan all rolled into one. It contains frequently asked questions that outline much of what the *Tribune* would become, a business overview that details exactly how they planned to (and did) bring in revenue, information on the members of staff involved at the launch, and even a copy of the letter from the US Internal Revenue Service that confirmed the *Tribune* would be a non-profit. Most interesting, though, is how this document directly contradicts the *Tribune*'s public statements, particularly when it comes to business plan and execution.

It starts with a 'situation assessment' that keenly identifies issues in the news market, including cyclical, secular, and structural issues. It argues that 'newspapers are poorly

34 Evan Smith, Crain Lecture at Northwestern University, 1 November 2012.

positioned for the transition from print display advertising to more effective and quantifiable online ad formats. The venerable "three-legged"classified advertising stool of automotive, employment, and real estate advertising has been irrevocably broken' (Smith, 2009c). The document then goes on to suggest that statewide coverage will suffer most, because it 'is expensive, complicated, and not very sexy'. But it explains that the *Tribune* will do this coverage, and do it well. 'Serious-minded and dull are not synonymous', Smith writes (2009c).

After this assessment of the market, the document sets out a picture of what the *Tribune* would be, why it would be a differentiated offering in the competitive landscape, and how the enterprise planned to execute on its ideas for a '"digitally native" public service' (Smith, 2009c).

Smith and his team also described two objectives. The first, plans for content, outlined four primary goals: not just news-knowledge, objectivity and non-partisanship, subject focus, and voice. The second went on to lay out three organizational goals: a 'fast fail' culture of experimentation, a youthful audience, and leveraged distribution.

3.2.1.1.4.1 NON-PROFIT DOESN'T MEAN NON-BUSINESS

In the months leading up to the launch, the trio of Thornton, Smith, and Ramsey also put together what David Carr would praise when reviewing the *Tribune*'s launch: its revenue model.

At the outset, the team knew it had at least $1 million, from Thornton's gift. And they had a goal of raising more vastly money than they would need to operate for the first year, giving themselves a 'runway' before they had to become self-sufficient. Thornton's original plan called for three primary revenue sources, each of which would generate $1 million a year. He expected that a network of statewide donors would cover, collectively, the first million each year. The next million would come from companies, in exchange for sponsorships and on-site advertising. The third would come from specialty publications such as *Texas Weekly* — and others in different sub-verticals that the enterprise would later launch (Gilburg, 2011; Thornton, 2012).

The team didn't suspect, however, that Thornton's three-legged-stool business plan would work from the outset. A fund-raising document (See Smith, 2009c) created and distributed before the *Tribune*'s launch explains in more detail just how the *Tribune* planned to operate financially (revenue and expenses from that document are reported in Table 3.1) and what the team expected revenue and expenses to be after three full years of operation. In essence, the plan called for $2.2 million in revenue, three years after launch.

Category	Dollars	Per cent of total[35]
REVENUE		
Annual campaign (Individual or family donations up to $5000)	$480,000	22
Major annual gifts (donations above $5000)	$785,000	36
Corporate sponsorships	$130,000	6
Fund-raising events	$150,000	7
Revenue events	$250,000	11
Specialty publications	$180,000	8
Annual foundation support	nil	nil
EXPENSE		
Personnel	$88,000 per full-time employee	76
Non-personnel	$28,000 per full-time employee plus 5 per cent contingency	24

Table 3.1 Planned revenue and expense breakdown at *The Texas Tribune* prior to launch.

35 Please note that the per cents in this table match the original documentation from the Tribune, but that it is obviously in error (they only add to 90 per cent).

Perhaps unsurprisingly for a group spearheaded by a venture capitalist, the three also knew that their 'runway' of funding would be important, as the new enterprise was unlikely to break even in its first years. They built their $3.5 million runway of launch funding from multiple sources. The first half came from three major gifts: Thornton's $1 million, $500,000 from the Houston Endowment, and $250,000 from the Knight Foundation (Beckham, 2009). The second half 'came primarily from individuals in Texas' (Tenore, 2009). This included large gifts, such as a $150,000 pledge to be given over three years from T. Boone Pickens (Tenore, 2009); other large gifts from former Lt. Governor Ben Barnes and business owner Red McCombs (Brass, 2009); 'more than 60 corporate sponsors, [...] the more than 40 individuals and foundations who are major donors' (Smith, 2009b); and 1340 individual 'founding members' (Kramer, 2009). *Texas Weekly* contributed revenue to the runway fund as well, via its 1200 subscribers who paid $250 each per year (Kramer, 2009).

This basic set-up was how Thornton's idea that news on public policy and politics in Texas should be a public good turned into an organization that could sustainably produce it. However, building a runway is one thing and creating an organization that was actually viable over the span of years is something else entirely. To continue building viability, the *Tribune* would change its mix of revenue sources and respond to the market over time.

3.2.1.1.5 EARLY EXECUTION

With a focus on public policy and politics only, Smith and the others still needed to plan the specific content they would create and how the destination site would operate. Smith explained to *The Austin Chronicle* that the plan was for multiple kinds of content: 'we're deliberately not setting up a situation where the reporters go into a windowless room for six months and try to win a Pulitzer' (Brass, 2009). As Ramsey reported to me, one of the concepts for organizing the early strategy was differentiating between ripples, waves, and tides. Ripples were to be the up-to-the-minute alerts sent on email and Twitter that linked to the stories, audio, and video created by staff on the news of the day. Waves were to be roughly week-long projects. And tides represented long-term projects. Many of the *Tribune*'s distinctive content elements can be traced directly to this initial plan. The first concept was that the site would run every bit of content it published through 'the stream' at the core (illustrated in the original drawing for the *Tribune* in Figure 3.2). The stream would let users filter content by topic or time — showing just stories on the gubernatorial race that had been published in the past six hours, for example — and this became the basis of the homepage's content 'wells'. The next proposed section was to be 'habit forming', Ramsey said. This area would be a place to find a defined product every day; it morphed into what the *Tribune* now calls the Brief.[36] Another planned section was to be aggregation from other sources on the web. That became TribWire. A plan for the 'Baseball Almanac of Texas Politics' became the data apps area of the *Tribune*'s site. Fittingly, a heated discussion of how users could (or even should) add comments to stories resulted in a plan for 'The Shooting Gallery', which was to be a separate section for commenting. Today the *Tribune* allows comments on individual stories, but they appear on a separate page from the story text. Another early discussion was about the role non-professional journalists would play in content production. Ramsey explained that if a site plans to 'serve your readers and not their egos then you want to have some professional quality level. [...] And the particular problem with [...] a political website is people are gaming it — that's what politics is [...] It's not like I'm out here acting like a priest' (Ramsey, 2011c). Though a system like Amazon.com's Trusted Reviewers was discussed, it was eventually rejected, along with other plans to involve non-staffers such

36 See the discussion of the Tribune's products on page 127 for more information on the Brief.

as creating a Harry Potter-esque Marauder's Map of what was happening in a given room at the state capital at any given time, or even crowd-sourced photography.

During this pre-launch period, Smith, Ramsey, and others also discussed, planned, and set up non-content pieces of the *Tribune*'s strategy. Their approach to syndication and partnerships was one of the most important pieces, as it had knock-on effects. Ramsey recalled that, early on in their discussions, Smith came up with the idea that they would give their content away to anyone who asked for it, explaining 'if we give it to everybody, then we get ubiquity'. For them, it was a deeply pragmatic choice: 'We didn't think [other news organizations would] pay for it or that we could charge enough to make it worth while [...] [and] they get to use our stuff, and that works for our egos because our stuff is all over the state' (Ramsey, 2011c). Publicly, the *Tribune* used this strategy as an olive branch to other enterprises covering Texas government, policy, and politics. In late July 2009, Smith told a San Antonio, Texas, newspaper that 'his goal is to complement, not supplant, the work of newspapers that he said are doing a good job with limited resources'. As he met with editors around the state, it was reported that his message was 'We want to help you. We do not want to compete with you. And we do not want to hurt you' (Fikac, 2009a). Many newspaper editors and publishers were initially uncomfortable with his offer, 'reacting with a "mix of puzzlement and outrage"', Smith told *The Austin Chronicle* (Brass, 2009). That said, at least one major paper (the Hearst-owned *Houston Chronicle*) had started republishing *Tribune* content by 7 November 2009

(Smith, 2009d).[37] Thornton, Smith, Ramsey, and others planned partnerships for non-story content at the pre-launch stage as well, including one that connected the *Tribune* with the University of Texas at Austin. Via a connection with the Lyndon B. Johnson School of Public Affairs, the *Tribune* would conduct events and recruit interns (*LBJ School of Public Affairs' Center for Politics and Governance to Partner with Texas Tribune*, 2009). A connection with the university's Texas Politics project would deliver polling information to the *Tribune*, for an exclusive distribution window (*Texas Tribune, University of Texas at Austin to Partner on Polls*, 2009).

More than boosting egos, as Ramsey jokingly suggested, the team also realized that statewide name recognition would help with another of their planned non-content projects: events. While Smith was running *Texas Monthly*, he conceived of a 'festival of ideas' patterned after the similar event run in Aspen, Colorado. However, with the financial crisis in the US and the subsequent drop in advertising revenues, he never had the opportunity to get it off the ground. But, once he had started planning for the *Tribune*, events — specifically a big festival — were a core part of the early strategy. Smith often said that, for many areas of the state, citizens never had an opportunity to come face to face with their elected officials. To make this happen, he envisioned a series of smaller events all across Texas where local legislators would be put up in front of an audience, who

37 While the free-with-citation syndication strategy was where the team ended up, there is evidence showing it is not where they started. In July 2009, Smith told a reporter for the San Antonio Express-News that his plan for The Texas Tribune's revenue model included 'the hope of syndication to other media organizations' (Fikac, 2009a).

could come for free. Other small events might take place in Austin, for insiders, but would follow the same format: open to the public, free, and on the record (recorded). The festival was to be something different, though. This would be a weekend-long event, with multiple tracks, big-name speakers, ticket sales, and serious sponsorship revenue. Knowing it couldn't happen instantly, Smith shelved the plan for the *Tribune*'s launch, but it would re-emerge.

3.2.1.1.6 WITHER TEXAS WEEKLY?

While Ramsey, Smith, and Thornton were developing the early strategy for the *Tribune*, they also faced a question about *Texas Weekly* itself: 'Is there room for an insider publication and a mass publication?' Or would the free-to-access *Tribune* be 'good enough' for most readers? The business case for *Texas Weekly* had two parts. First, 'the audience for it is smaller', Ramsey explained, 'but [...] it is also willing to pay'. Second, it built operational expertise for future paid niche newsletters. But the case against keeping *Texas Weekly* was tremendously simple. 'If Ramsey is writing all this [...] for *The Texas Tribune*, why am I paying for *Texas Weekly*?' (Ramsey, 2011a). One of the team's early estimates put the subscriber attrition rate at 20 per cent in their first year (Smith, 2009c). But, according to Ramsey, the reason why people subscribed to *Texas Weekly* in the first place was, in the end, the reason the trio decided to keep it:

> In politics, the reason people buy something like *Texas Weekly* [...] is the deep seated fear that they're going to not know something on Saturday night that everybody else knows. This is an information business. You're trying to outrun everybody and you look over and some guy's got a new piece of gear on, and he's going to outrun you. I need that piece of gear. *Texas Weekly* is one of those pieces of gear. Cheap insurance policy against no[t] knowing or not contextualizing or whatever it is. (Ramsey, 2011a)

Smith, a huge baseball fan, and Ramsey devised a scheme based on the game for how they would split the content that insiders would pay for out of fear of not knowing, and what they'd put on the *Tribune* for the general public. *Texas Tribune* readers would get baseball cards and *Texas Weekly* subscribers would get a stat sheet. The baseball card for an election might explain that there were three Republicans, two Democrats, and a

Libertarian running for a particular post. It might even tell users what the candidates did for a living,[38] where they lived, and a short description of their districts. But, another kind of reader would want the stat sheet that explained, 'What are the voting demographics of that district? What's the Hispanic population? What's the Hispanic population turnout? What's the Black turnout? What are the voting tendencies in the last three elections?' (Ramsey, 2011a).

3.2.1.1.7 STAFFING: 'I LOVE POLITICS. I DO. I JUST FUCKING LOVE IT.'

Jim Collins, a popular management researcher, describes six steps that organizations take to go from 'good to great'. The first is to get the right kind of leadership — 'leaders embody a paradoxical mix of personal humility and professional will' — but the next step is to get 'the right people on the bus [...] and then [figure] out where to drive it' (Collins, 2001, 39,41).

Ramsey was one of those 'right people' — his knowledge of the political landscape was nearly encyclopaedic, and that along with his understanding of the changing technology and business of journalism made him a good choice for the early *Tribune* team. But he was also consumed by what the *Tribune* would cover. During one of my conversations with him, as he was explaining how *Texas Weekly* came together, he took a call about Rick Perry's[39] poor performance at a debate broadcast on MSNBC the night before. As he got off the phone, he told me, 'I love politics. I do. I just fucking love it.'

38 Texas's legislature only meets once every two years.

39 Rick Perry, then Governor of Texas, was running for the Republican Party's presidential nomination.

But Ramsey wasn't the only one who loved the content of his work. Many of the early hires brought their particular talents to bear on Texas state politics. And the early team shaped what the *Tribune* became.

3.2.1.1.7.1 HIRING PROCESS

Smith and the rest of the leadership knew they had an opportunity to put together a group that worked well together, but, like Thornton's drive for a business plan from the outset, they left little to pure chance. There were four parts to the *Tribune*'s staffing plans: though there were many journalists on the job market due to cutbacks at other publications, they were to be generally avoided; hire some of the people that remained at other publications; decide exactly who to hire based on Smith's dating analogy; and pay well and let people do the work they want to do. Smith and Ramsey also had an additional hiring resource: immense personal networks (social capital, as described in Chapter 2). Three examples of hiring made possible due to their networks were Jim Henson, who conducted the *Tribune*'s exclusive, statewide polling; access to key event organizers at the South by Southwest Festival and the eventual hiring of Tanya Erlach, a director of events who came from *The New Yorker*; and the principals of FlashBang, the firm that did the first version of the *Tribune*'s site. All three hires were members of Smith's regular poker group.

Due to closures and layoffs at news organizations, there were many journalists looking for jobs in 2009.[40] Though this might have been an opportunity to pick up talent at lower costs, Thornton was uninterested. Instead, he told *The Austin Chronicle*, 'We didn't hire journalists out of work, we hired reporters who their editors were pissed off that they lost them' (Brass, 2009). Those that Smith selected came directly from some of the state's other well-respected news organizations such as the *El Paso Times*, KVUE-TV, *The Dallas Morning News*, the *Houston Chronicle*, and *Texas Monthly* itself (*July 24, 2009*, 2009). Next, after poaching the best talent, the *Tribune* set out to make sure the team was well compensated. In 2009, the average salary for reporters in Texas was $38,420 (*Texas - May 2009 OES State Occupational Employment and Wage Estimates*, 2010). However, the *Tribune* paid significantly more. Smith's salary was set at $315,000 and Ramsey's at $165,000. The *Tribune* paid its head of technology $120,000, the general manager $115,000, and its best-paid reporter $90,000. Again, Thornton explained to *The Austin Chronicle*, 'You don't want clowns who can't get a job working for public media; you want the best you can find. Did I ask Evan to take a pay cut? No' (Brass, 2009). That said, in order to help

40 Paper Cuts, a website that tracks layoffs at newspapers around the US, reported that 14,828 jobs were lost in 2009. This number 'does not include jobs cut through attrition — a fancy way of saying open positions were eliminated. It does include all newspaper jobs, from editor to ad rep, reporter to marketing, copy editor to pressman, design to carrier, and anyone else who works for a newspaper' (Smith, 2009a). Unfortunately, it does not break down the number to individual journalists (Smith, 2009a). In Texas, six of the eight papers that covered the state capitol had reduced their reporting staffs (AJR's 2009 Count of Statehouse Reporters, 2009).

with cash flow at the outset, Smith and Ramsey deferred 15 per cent of their pay for the first two years. The rest of the staff deferred 10 per cent (Brass, 2009; Chen, 2009). Picking currently successful people from quality organizations and paying them well does not guarantee a functional new organization. To get the right people, Smith described his process as something akin to dating: 'you know in five minutes', he said. And he hired two groups — one who were 'certainties' and another about which he 'had an instinct' (Smith, 2011a). Relying on baseball to explain how he put the early *Tribune* staff together, Smith said, 'I know baseball and I have people working for me who know baseball. And I know which players on other teams I want. When Ross and I built this staff, we didn't have open tryouts because we knew who was out there. [...] We were interested in control. We were interested in certainty. I'm a big believer in certainty. Certainty beats uncertainty' (Smith, 2011a). This group consisted of people who already did the kind of work Smith and Ramsey wanted to happen at the *Tribune*. The 'instinct' group, however, represented mostly younger people who they thought would quickly rise to the level needed. Smith explained that he needed this second group of people because not every person can be fully versed in their trade and area of coverage before they start work ('got to have a number nine hitter'), and, since this was the case, Smith said he would bring in young people to 'invest my faith in, because that's what you do' (Smith, 2011a).

3.2.1.1.7.2 THE EARLY TEAM: 'IT FEELS LIKE CAMP IN A WAY, WHERE EVERYBODY FIT, TRYING TO MAKE A MARK'

Collins's description of how 'good to great' organizations hire is useful here, because it highlights how some of the early employment choices would affect the overall organization. Data reporting, which is a defining feature of the *Tribune*'s content and accounts for a majority of its total page views, was pushed forward in large part due to the pre-launch hire of Matt Stiles. Prior to starting at the *Tribune*, Stiles was a reporter for the *Houston Chronicle*, where he honed his data-reporting skills reporting a story about the $10 million lobbyists had spent in the prior decade on gifts and food for lawmakers.[41] After Smith recruited him, he set to work collecting and then building databases from approximately sixty gigabytes of public data. He was driven by a desire to let 'people have their government at their hands. [...] That meant they ought to be able to, if they want to[,] know [...] who gave money on this date to this lawmaker; they should be able to easily find that instead of having to rely on me to tell a newspaper story to explain that to them' (Stiles, 2012).

There were, of course, other key reporters, too, including Emily Ramshaw and Brandi Grissom. Ramshaw had previously worked for the *Dallas Morning News*, where she did statewide investigative reporting. Some of her biggest work focused on mistreatment of people in Texas institutions that were supposed to care for them. Her focus on doing work that held state institutions to account would continue at the *Tribune*, resulting in a 2012 Sigma Delta Chi Award from the US Society of Professional Journalists (*Society of Professional Journalists News: Announcing the 2012 Sigma Delta Chi Award winners*, 2013). Brandi Grissom came to the *Tribune* from the *El Paso Times*, where she had also spent her time doing local accountability journalism, including work on law enforcement and justice issues, which would become her addition to the *Tribune*.

Another area that was defined by an early hire was video reporting. Prior to joining the *Tribune*, Elise Hu worked as a television reporter at the ABC affiliate in Austin, Texas,

41 Gifts included things like 'deer processing' — the electric utilities, for example, would arrange and pay for the butchering and packing of deer that a lawmaker shot while hunting (Stiles, 2012).

KVUE. Unlike most local television reporters at the time, Hu was an active blogger, and met Ramsey and Smith by way of her online work. Hu not only defined much of the technical workflow around how the site would use video but also did the ground work for the larger 'ubiquity' strategy by meeting with television people around the state to find out what the *Tribune* could give them and how they might be convinced to take it. In addition, Hu was an example of the overall 'let people do the work they want' ethos. Prior to coming to the *Tribune*, she had had the idea for a video series called 'Stump Interrupted', a pop-up-video-style[42] treatment of political stump speeches (Hu, 2012). The series would go on to win the *Tribune* an Edward R. Murrow award, the premier award for video journalism in the US (Smith, 2010c).

3.2.1.1.8 TECHNOLOGY: THREE AND A HALF WEEKS

Two minutes into my interview with H.O. Maycotte, the CTO of *The Texas Tribune* when they launched, he told me he had hired the first software developer only three and a half weeks before the site went live.

As some kind of explanation or excuse, he offered up that 'the launch date was not optional. Evan scheduled a thousand-person party. We had to launch. So [...] from the beginning we had to prove that technology was going to be an important part of the

42 See <http://www.imdb.com/title/tt0156226/plotsummary> and <http://en.wikipedia.org/wiki/Pop-Up_Video> for more on the pop-up video style popularized by VH1's annotations of music videos with relevant and ironic facts that appear in thought or speech-bubble animations on the screen.

Tribune. And now […] it's a team of five, and *The Texas Tribune* can't live without it' (Maycotte, 2011).

Nimble technology and deep software knowledge formed a critical part of what made the *Tribune* successful — and frequently contributed to its ability to do great work in content but also translated directly into grant funding. But, unlike the early execution on content, where Smith and Ramsey had huge personal experience, they lacked knowledge in building a technology platform. 'I did not know anything about doing a website', Smith explained. 'I knew again very broadly what I wanted the website to do and accomplish […] But again not specific stuff because I couldn't' (Smith, 2011c). So Smith leaned on his design firm — FlashBang[43] — to make a recommendation on whom to hire. 'They knew H.O. to have been the startup CTO of a bunch of different companies and [that he was] really smart, [an] entrepreneur and a visionary, although oddly, not someone who could program', Smith said. 'He did not have the basic programming skills' (Smith, 2011c).

Once he had started, Maycotte began with two major tasks that suited him and required no specific coding: figuring out what the *Tribune* would do for a CMS[44] and writing

43 The FlashBang Agency <http://www.foxtrotbravoalpha.com>.

44 Content management systems 'range from fairly simple PC-based file management applications to sophisticated systems handling all kinds of media data and integrating a wide range of devices. One of the most demanding areas in content management is the handling of high quality audiovisual content in a production and broadcast environment' (Mauthe and Thomas, 2005, xiiv). In essence, the CMS would be the production system for The Texas Tribune — how reporters would get the words they wrote, photos

specifications and templates for what each type of page would look like and how it would work.

The conversations about the CMS focused on what kind of technology the *Tribune* should build. As Maycotte explained, the *Tribune* opted to build its own CMS on top of an existing framework (the Python-based Django[45]): 'using an existing CMS would hamper our ability to be unique and fast and differentiate it, and building it from scratch was too risky, and, […] we were not in the software development business. So we chose the middle ground' (Maycotte, 2011).

Before Maycotte had the software developers to build the *Tribune*'s site, he started work on defining what it would be by writing specifications[46] for each piece of the site. In negotiations with the editorial team, he crafted about ninety-five templates for pages. And then, when there was someone who could code, that person simply wrote. Maycotte said that 'set the pace going forward […] We would get very clear requirements and we would go to work' (Maycotte, 2011).

they took, videos they shot, and audio they recorded from their own personal computers into the website, where it reached users.

45 Django itself was built, in part, by Adrian Holovaty (Django committers | Django documentation | Django), who has a long history in developing interesting journalistic products using computer science, including some of the very earliest 'data journalism' such as his now defunct site ChicagoCrime.org, which mapped Chicago police reports and made those maps searchable.

46 See Spolsky (2000).

The decision to build its own CMS on top of a framework would allow the *Tribune* to both scale up usage of its site and build new kinds of fused editorial and technical stories (e.g. data journalism on page 129). However, Maycotte refused to let the software take credit for those successes. Without ever mentioning technological determinism, he offered a strong argument against it: ‘I think it’s the other way around. I mean, I think you’ve got to have a really clear vision of what [...] you’re going to focus on, you know, and then let the tools help you.’ He added, ‘Evan Smith could have been incredibly successful on WordPress’ (Maycotte, 2011).[47]

3.2.1.1.9 PROMOTION

The last stage in the process of building the new enterprise was, of course, making sure there was an audience that wanted to consume the content the enterprise would produce. The *Tribune* used two strategies to build awareness of itself prior to launch. The first was though other media that interested individuals currently read. The first wave of media announcements was in mid-to-late July 2009. The first was the 15 July announcement that the president of the Austin Technology Council, Alisha Ring, would step down from her post and become the general manager for the *Tribune* (*Ring departing Austin Tech Council for nonprofit*, 2009). On 17 July the owner of *Texas Monthly*, Emmis Communications, published a press release on its site stating that Smith was leaving to

47 WordPress is a very common, consumer-class, blog-oriented CMS. See more at <https://www.wordpress.org>.

start the *Tribune* (*Evan Smith Steps Down as President of Texas Monthly; TM Vet Ellynn Russell Promoted to President*, 2009); one of the early reporter hires, Matt Stiles, tweeted that he was heading to the new organization (Stiles, 2009); and, perhaps most critically, an article appeared in *The New York Times* that described what Smith and Thornton hoped the *Tribune* would become (Pérez-Peña, 2009). Later in the month, another flurry of stories were published when the *Tribune* bought *Texas Weekly* (e.g. Langeveld, 2009a). This was important because *Weekly*'s audience was squarely interested in what the *Tribune* was trying to become. The third wave of stories emerged as the *Tribune* built one of its earliest partnerships with the University of Texas at Austin (*LBJ School of Public Affairs' Center for Politics and Governance to Partner with Texas Tribune*, 2009; *Texas Tribune, University of Texas at Austin to Partner on Polls*, 2009). The final wave was at the launch, when stories appeared in the local, state, national, and trade press about the *Tribune* and what it was trying to do (Carr, 2009; Doctor, 2012; Fikac, 2009a, 2009b, 2009c; Langeveld, 2009b; Kramer, 2009; Tenore, 2009).

The second strategy the *Tribune* used to help build its audience in the early days was an event. By launching on an election day, when interest in political news was already high, the *Tribune* capitalized on that interest by way of throwing a large party — open only to those who had donated in any amount prior to the launch day. Not only was this helpful in generating additional revenue but it also helped in two other ways. First, it created a hook for others to write about, specifically other Austin-based bloggers. Smith made himself available for interviews and tried to get anyone interested in local issues in Austin interested in attending the party. But also, the party was a specific event that other partners could promote. For example, the local public radio station, KUT, could advertise the election party and in turn tell people about the *Tribune* much more easily than it could simply mention that a new website was set to launch.

3.2.1.2 *THE TEXAS TRIBUNE* IN LATE 2011 AND EARLY 2012

Though the period prior to the 3 November 2009 launch was critical for defining what *The Texas Tribune* would be, it continued to adapt and change as it grew. The following section describes the organization when I was there conducting fieldwork in the last quarter of 2011 and the first quarter of 2012. It discusses the *Tribune*'s audience, how the site was used by that audience, a full list of its products, and a brief overview of the organization's morphology.

3.2.1.2.1 AUDIENCE DEMOGRAPHICS

For any media enterprise, the makeup of the audience matters. Above all else, there is no point in creating a piece of content if there isn't an audience for it. But another major driver of audience understanding relates to viability. As Smith explained when he blogged about a small portion of the results of *The Texas Tribune*'s first audience survey, sponsors of all kinds wanted to know more about exactly who was reading the site (Smith, 2010b). To find out, the *Tribune* ran its first audience survey in mid-May 2010. It sent a link by email to about 12,000 people who had previously registered their email addresses with the *Tribune*, and in a three-day period 1060 people responded to the message by filling out a ten-question Google Form (Audience Survey, 2010). The *Tribune* followed this survey with another in May 2012, which was distributed by email and completed by 872 respondents over a three-day period (Audience Survey, 2012).

The two surveys suffer from obvious faults, including the sampling error introduced by emailing only those who had already listed an address with the *Tribune* and the non-standard questions with provided answer choices. Despite these limitations, they offer a small view into those who use the site. And, they support anecdotal data *Tribune* staffers reported in interviews: mainly, an elite group of (mostly) Texans use *The Texas Tribune*.

Comparing the *Tribune* with the average newspaper in Texas helps to illustrate the elite status of its audience. Table 3.2 shows the differences between the Texas adult population as a whole, the readership of an average issue of a daily newspaper in the five major designated marketing areas (DMAs) in Texas, and the *Tribune*'s two audience surveys. A larger percentage of the *Tribune*'s audience is in the valuable-to-advertisers 18–34 demographic than the average issue of a daily newspaper, but newspaper websites capture more than the *Tribune* or their own print editions. And more of the *Tribune*'s audience is highly educated and in high income brackets than one could expect to find for the average newspaper or its website. However, the *Tribune* does not do as well as newspapers or their websites in reaching women (Audience Survey, 2010; Audience Survey, 2012; Scarborough Research, Release 1, 2012 USA+, 2012).

Scarborough Research data covering the five major DMAs in Texas				Tribune Data	
Demographic	Adult Population (Nov 2012) (per cent)	Any Daily newspaper print edition (Nov 2012) (per cent)	Any newspaper website visited in the last 30 days (Nov 2012) (per cent)	May 2010 (per cent)	May 2012 (per cent)
AGE					
18–34	33.2	20.1	35.8	24.0	22.0
35+	66.8	79.9	64.2	75.9	78.0
SEX					
Male	49.5	52.7	55.2	58.0	56.0
Female	50.5	47.3	44.8	42.0	44.0
EDUCATION					
High-School or Less*	42.8	33.2	19.6	0.5	0.5
Some College	30.3	32.2	35.5	9.8	8.7
College Graduate	15.9	19.3	24.7	43.4	37.7
Some Post-Grad or More	10.9	15.1	20.2	46.3	41.6
HOUSEHOLD INCOME					
Less than $50,000**	50.2	42.4	29	0.5	0.5
$50,000–99,999	28.4	30.4	34.4	9.8	8.7
$100,000–249,999***	18.3	23.1	31.4	43.4	37.7
Over $250,000****	3.0	4.1	5.3	24.2	22.6

* *Texas Tribune* data is for high-school graduates only, ** *Texas Tribune* data is for $15,000–49,999, *** *Texas Tribune* data is for $100,000–199,000, **** *Texas Tribune* data is for over $200,000.

Table 3.2 Comparison between *The Texas Tribune* and Texas newspapers' user demographics (Audience Survey, 2010; Audience Survey, 2012; Scarborough Research, Release 1, 2012 USA+, 2012).

The answers users provided to other questions on *The Texas Tribune*'s surveys cannot be directly compared to newspapers as no such data for Texas newspapers exists; however, they further illustrate the elite nature of the *Tribune*'s audience.[48] As might be expected for a group with high educational attainment (Milligan, Moretti, and Oreopoulos, 2004), roughly 98.7 per cent of the respondents in 2010 and 98.4 per cent in 2012 were registered voters, compared to 53.2 per cent of adults aged eighteen years and older in Texas at the November 2010 elections. In 2010, 94.2 per cent of respondents had voted in the last election, and 96.4 per cent did so in 2012, compared to Texas at large, where 31.4 per cent of adults voted in the November 2010 elections (*Voting and Registration in the Election of November 2010*, 2011). About 87 per cent of respondents said they worked in a professional, technical, proprietorship, management, corporate officer, or business-owner capacity in 2010, and 81.5 per cent did in 2012. The survey respondents also owned their own home at a rate higher than the Texas average in 2010, which was 65.3 per cent (Table 993. Homeownership Rates by State: 1990 to 2010, 2012); in that same year, about 75 per cent of respondents to the *Tribune*'s survey owned their own home, and 77 per cent did in 2012. And *Tribune* reader's homes were more valuable than the state average, with a higher percentage of the respondents' homes falling into the top pricing bin as measured by the US Census Bureau in Texas (Table 996. Owner-Occupied Housing Units--Value and Costs by State: 2008, 2012). Figure 3.3 shows the distribution

48 All data referencing The Texas Tribune is from its internal audience surveys. Only additional comparative data is cited in line below (Audience Survey, 2010; Audience Survey, 2012).

of home values in the thee bins used by the Census Bureau: below $100,000, $100,000–200,000, and above $200,000.

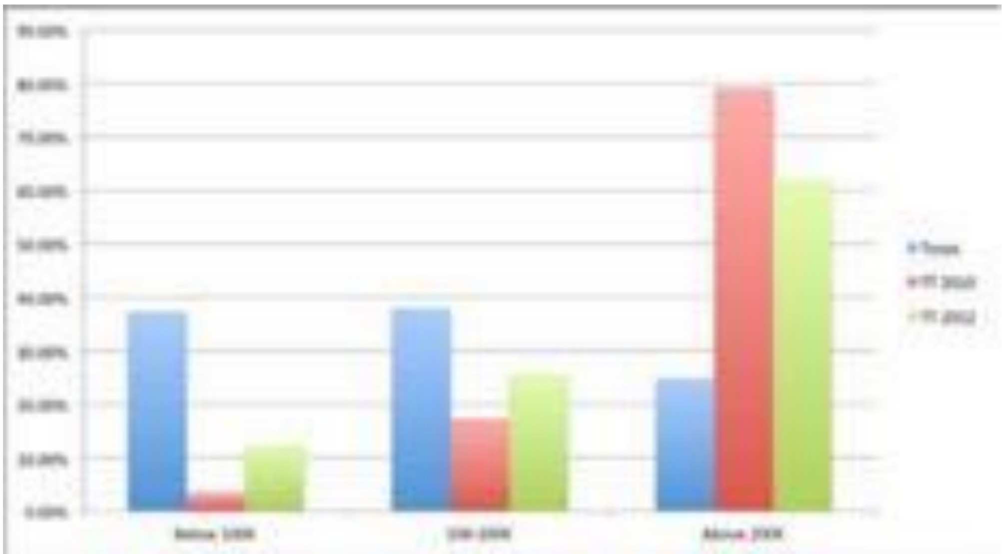

Figure 3.3 *The Texas Tribune* users' home values compared to Texans' overall home values (Audience Survey, 2010; Audience Survey, 2012; Table 996. Owner-Occupied Housing Units--Value and Costs by State: 2008, 2012).

In addition, the *Tribune*'s surveys asked about respondents' interests and activities. The responses further suggest an educated, wealthy, and elite group of people. More than 50 per cent of respondents in 2010 said they had in the past year participated in one of the following: read more than twelve books in the past year, flown within the US more than six times, attended movies in a theatre, visited art museums or galleries, attended live music performances, visited state and national parks, attended speaking engagements or lectures, been to college or professional sporting events, eaten at a restaurant more than four times in the previous two weeks, and had exercised more than six times in the previous two weeks. In 2012 only domestic air travel and attending sporting events fell below the 50 per cent mark.

3.2.1.2.2 PRODUCTS

During my period of fieldwork,[49] *The Texas Tribune* produced fourteen distinct products that could be put into five broad categories: typical journalistic content, digital journalistic content, live events, polls, and software. These categories are meant to help us understand the scope of what the *Tribune* does. They should not, however, be viewed as truly independent. For example, live events bleed into typical journalistic content when the *Tribune* publishes videos of speakers. Polls cross the same boundary when stories are published about them. Even software can become typical or at least digital journalistic content when it directly contributes to a story being told — as is frequently the case when a new data-analysis tool results in new stories.

3.2.1.2.2.1 TYPICAL JOURNALISM

Though *The Texas Tribune* is a born-digital news enterprise, it still produces a huge amount of content that would be instantly recognizable to a reporter from the 1970s: text, audio, video, photographs, infographics, and specially crafted newsletters. The *Tribune*'s production of text stories is much the same as that of newspapers; they are mostly crafted in the inverted-pyramid style, with catchy lede sentences, nutgrafs containing the key facts of the story towards the beginning, and supporting data frequently in the form of quotations from experts. The *Tribune*'s audio and video stories follow a roughly similar format, with the obvious changes required for a different

49 The specific products mentioned here were not all produced when the Tribune launched, and not all of them are produced as of this writing.

medium of delivery. Beyond general news and topical series, it also publishes a few specific types of audio and video stories. In audio, the *Tribune* releases a weekly podcast called the Tribcast, which is a roundtable discussion-format program, hosted by Reeve Hamilton, that brings in experts from the *Tribune* and elsewhere to discuss the top stories of the week. In video, the *Tribune* has a series called the TT Interview, which focuses on a video interview with a prominent figure in the news. Also, the *Tribune* makes video from its house-branded events available, frequently on the same day of the event. Then, there are two types of video it makes available to outside partner organizations: raw, unedited content for others to use to tell their own stories and complete news 'packages' ready to air on a partner television station or on the Web.

Another type of traditional journalism the *Tribune* produces is news photography. Many of the stories published on the *Tribune*'s own site and nearly all of the stories produced for publication in *The New York Times* (by way of a partnership between the two organizations, which I will describe in Chapter 4) have photos to accompany them. But, in addition to these, photos themselves sometimes tell stories in the *Tribune* by way of slideshows. In addition to photographs, the *Tribune* also produces another form of traditional, visual content: infographics. These range from the many small graphics produced every day to accompany stories without original photography to summaries of polls and data apps and the five or six major graphics the *Tribune* had produced to date that aim to explain complex processes such as an entire legislative session.

The final piece of traditional journalism produced by the *Tribune* during my time there was the *Texas Weekly* newsletter. When describing it, Ramsey said, 'a friend of mine in the Lobby describes *Texas Weekly* as the high-school newspaper [...] for the capitol. [...] And there's something to that' (Ramsey, 2011b). *Texas Weekly* has five sections: news, 'Inside Intelligence', 'The Week in the Rearview Mirror', 'Political People and Their Moves', and 'Quotes of the Week'. News in *Texas Weekly* is different from that in the *Tribune*. Whereas the *Tribune* is aimed at a public audience, *Weekly* is not. It is for insiders, meaning that stories cannot be about what happened, like they are in the *Tribune*. In *Weekly*, the 'secret sauce [...] is [...] to be how does the stuff that has happened roll forward? Tell me about the stuff that has happened and what it means' (Ramsey, 2011b).

For example, a *Texas Weekly* article will be about how a change in the Senate rules affects debating and what that means for a specific piece of legislation that will come in the next session. The next section is 'Inside Intelligence' — a straw poll of a group of selected Texas political insiders about contemporary political questions. A continual inside 'Intelligence Topic' while I was conducting fieldwork was the performance of Rick Perry on his (ultimately failed) campaign for the Republican Party's presidential nomination in 2011. After that, 'The Week in the Rearview Mirror' provides briefs of around ten or fewer key political stories of that week. 'Political People and their Moves' is a 'who's who' of Texas politics. It names, in bold text, political people and events in their lives such as new jobs, weddings, or the birth of a child. *Texas Weekly* ends with a humour- and blooper-focused 'Quote of the Week' section.

3.2.1.2.2.2 DIGITAL JOURNALISM

The Texas Tribune also produces content that is 'digitally native', or uniquely well suited to the Web. The most important of these forms at the *Tribune* is its data apps. Data apps are different from traditional stories — though they may contain such a text narrative. They are large databases of information that present a customizable display to the user, giving them a way to personalize each story. Frequently, the *Tribune* collects data that was already available to the public but in hard-to-access forms or that is inaccessible without a request under the Freedom of Information Act. In addition to being hard to reach, much of the information in *Tribune* data apps is collected from multiple points and then normalized to be comparable. The two most popular data apps are the public employee salary database and the prison inmates database, which are pictured in Figure 3.4 and Figure 3.5 respectively.

Figure 3.4 *The Texas Tribune*'s 'Government Employee Salaries' database.

Figure 3.5 *The Texas Tribune*'s 'Texas Prison Inmates' database.

In addition to data apps, the *Tribune* also ran seven blogs while I was there:

- *On the Records*: devoted to data apps and other public data
- *T-Squared*: covering the inner workings of the *Tribune* itself
- *Ads Infinitum*: posts about commercials, mailers, and other campaign materials
- *The Polling Center*: a breakdown of the *Tribune*'s internal public-opinion polls and a discussion of other such polling data
- *The Brief*: a morning and evening summary of news from all publications and geographies that affected Texas public policy or politics
- *Texplainer*: stories that explain something esoteric or complex about Texas public policy or politics
- *Inside Intelligence*: the same content as the *Texas Weekly* section, published three days later on a *Tribune* blog.

Though news enterprises have been aggregating news reported by others since their earliest days,[50] digital aggregation has become a new kind of product in part because of how easily a user may move from one publication to another. On the Web, a publisher can collect the best reporting on a given topic (either with human editors or by way of an algorithm), and offer its readers a quick summary and a direct link to that piece of content. During my fieldwork, the *Tribune* engaged in three types of aggregation. First

50 'Eighteenth-century editors filled their columns with items lifted from other newspapers' according to the NYU journalism professor Mitchell Stephens (See more in Breig, 2003).

was *The Brief*, mentioned above. Next, the *Tribune* offered two 'wire' services — TribWire and CampusWire. Reporters and editors contributed the links they read on key topics from all over the Web, and presented them on the *Tribune*'s home page, as shown in Figure 3.6.

Figure 3.6 *The Texas Tribune*'s TribWire aggregation service.

The last digitally native piece of content the *Tribune* produced while I was there was a daily news trivia game, QRANK (pronounced 'crank'). Players were asked questions about the previous day's news coverage on the *Tribune*'s site. And they collected points for correct answers for the period of a month. The *Tribune*'s sales staff collected prizes donated from local businesses (a local alcohol company or restaurant, for example) and awarded them monthly to the player with the most points. QRANK was run by an outside company that closed after my departure. The head of the gaming company now works for the *Tribune* as its chief innovation officer.

3.2.1.2.2.3 EVENTS

Events have been a key part of *The Texas Tribune*'s strategy from its earliest days. It runs four types of live and in-person events, ranging from the multi-day Texas Tribune Festival to individual reporters giving speeches to small groups. The Texas Tribune Festival is an annual, two-day, multi-track conference that attracts more than a thousand attendees (my polling of attendees at the 2011 conference showed the primary reason people came was that they worked in or studied the policy areas being discussed). I will discuss the Festival in detail later, as it is a critical part of the *Tribune*'s revenue model. TribLive is an event series made up of conversations with prominent politicians and politicos, in addition to cultural events that relate to the *Tribune*'s mission — such as documentary film screenings. The most prominent of the TribLive activities are the series of breakfast-time talks at the Austin Club, just blocks from the Texas state capitol building. In addition, the *Tribune* runs single-day symposiums, often on college campuses around the state, on current issues. They are, in effect, miniature Festivals with just one topical track. Finally, *Tribune* editors and reporters go to other community events to speak on topics on which they have significant expertise.

3.2.1.2.2.4 POLLS

The Texas Tribune, in conjunction with the University of Texas at Austin's political scientists, runs its own public-opinion polls four times per year. The polls are administered by University of Texas professors and graduate students. Although the *Tribune* has the rights to publish the results first, the data is thereafter made freely available. With each poll, professors, students, and *Tribune* staffers collaborate to write stories about the data, and publish them over about a week.

3.2.1.2.2.5 SOFTWARE

The last category of *Tribune* products is software. Its largest piece of software is the Armstrong CMS.[51] As mentioned above, the *Tribune* chose to build its own CMS on top

51 See <http://armstrongcms.org>.

of a software framework called Django. It open-sourced[52] the code that powers the CMS, and continually maintains it, allowing other news enterprises to quickly launch and build websites that can scale to large audiences. The *Tribune* funded some of the development it needed on Armstrong for its own purposes through a grant from the Knight Foundation to prepare the CMS for open-source publication. The *Tribune*'s technology team is also responsible for various other software products, such as the data applications and software frameworks that support their development, various application programming interfaces that allow other technologists to interact with *Tribune* software, and miscellaneous configurations of other software tools to support news.

3.2.1.2.2.6 ACCOUNTABILITY JOURNALISM

While the form of the journalism produced at *The Texas Tribune* is a mixture of old and new, the content of that journalism is remarkably similar to that of legacy publishers engaged in accountability reporting. One series about the funding of women's health care and family planning done by the *Tribune* during my period of fieldwork is illustrative. I will summarize almost a year's worth of coverage here to give an unfamiliar reader a richer, thicker understanding of the *Tribune*'s work. At issue in this series was the funding

52 For a full discussion of open-source software, its politics and its economic implications, see the work of Yochai Benkler. His primary work on the subject, The Wealth of Networks, discusses 'social production' in full. For a smaller treatment, see his article in the Yale Law Journal, 'Coase's Penguin, or, Linux and The Nature of the Firm'. Benkler also recommends Himanen's The Hacker Ethic, with sections by Linus Torvalds and Manuel Castells. Tovalds created the largest open-source software project, Linux, and Castells is a famous sociologist of the network age (Benkler, 2002, 2006; Himanen, 2001).

of women's health care by the state. Specifically, some lawmakers wanted to cut one provider of many health services, Planned Parenthood, out of any funding because it was associated with abortions. What is notable about the coverage described below is the explanatory work it does, the sustained period of time over which stories continued to be published, and the very fact that it exists at all in a state that is overwhelmingly conservative. In essence, the coverage attempted to hold the state's leadership to account over the protection of minority rights.

The coverage started with a story on 19 January 2011 that discussed recommendations to cut the state budget because lawmakers were unwilling to raise taxes or use their 'rainy day' fund to support government programs. This story was expansive, detailed, and explanatory; it provided links to the state's budget documents, but more importantly summarized and 'translated' the recommendations for reduced spending in ten areas: cross-agency (general), employee benefits, tax policy, health and human services, criminal justice, natural resources, transportation, insurance, higher education and public education. One recommendation, under health and human services, was to 'continue and expand the Medicaid Women's Health Program. Expanding a program that uses preventative screenings to avoid pregnancy-related Medicaid costs would save $3.8 million in the next biennium' (Texas Tribune Staff, 2011). While covering the legislative session, the *Tribune* published another story (on 17 February 2011) about the first time that a state official — the Attorney General — had attempted to remove Planned Parenthood from the Women's Health Program, claiming the organization had run afoul of a 2005 law that banned state money going to clinics that 'perform or promote abortions' or were 'affiliates' of such clinics. The story gives rich background and speaks to those with power on both sides of the issue. For example, Planned Parenthood, the story explains, does not itself perform abortions in Texas. It also discusses that the law in question was not previously enforced, for fear that it would be found unconstitutional. Moreover, the *Tribune* story also highlighted why this was controversial: the program had helped save the state about $40 million, and approximately half of the women who participated did so at a Planned Parenthood clinic (Ramshaw, 2011a). Continuing to hold those who make decisions accountable, on 24 February 2011, Evan Smith asked a state representative about the controversy in front of a live audience, and later that day published a video of his response that suggested the representative was cognizant that defunding Planned Parenthood might have unintended consequences for the provision of other health services (Zerwas, 2011). Two weeks later, on 8 March 2011, the *Tribune* covered protests at the state capitol, capturing the two sides of contention: protestors argued for 'a limited government and particularly when it deals with my body', while proponents of the funding change said 'faith-based organizations and education efforts could replace Planned Parenthood's role in the state' (Tan, 2012). When the controversy continued, the *Tribune* interviewed the national head of Planned Parenthood, Cecile Richards, on 17 March 2011. In the interview, Ramshaw openly discusses the organization getting shut down in Texas. In this way, she helped users to understand a potential future, and what the actions of the legislators would do (Ramshaw, 2011b). Two stories in April 2011 tracked the debates in the state House of Representatives over funding for 'family planning' and reported on what lawmakers did with funding (reduced it, and sent the money to other areas such as autism, crisis pregnancy centres, and children's mental health) (Tan, 2012). The *Tribune* published nine stories about the issue in May, reporting on and contextualizing everything from a lawmaker's effort to explicitly ban Planned Parenthood (and to shut down the entire women's health program should any entity effectively sue the state) to the specific political wrangling over vote-counting to renew the program at all, and the transition of the overall debate to specifically focus on the public financing of family planning services of any kind. In addition, in May, the *Tribune* brought the debate to its pages in the voices of lawmakers themselves by inviting a Republican and a Democract to write opposing pieces on the cases for and against family planning funding, and publishing them simultaneously (Tan, 2012). In June, the *Tribune* took its perspective to the national level and reported on how the federal government was reacting to actions by Texas, explaining the interplay between state and national governments. The *Tribune* picked up the thread again in August when it reported that the state was intending to force Planned Parenthood out of the women's health program, and that this decision would affect 100,000 people. In October, the *Tribune* reporters Thanh Tan, Justin Dehn, and Ryan Murphy published a long feature story, a documentary and a data-mapping application to show the impact the changes in funding already had on the community of Hidalgo County. The piece explained that, for many in this area, Planned Parenthood was the only organization providing medical services of any kind, and that, while none of the clinics in this county performed abortions, they had all been closed. It also contextualized the Texas situation nationally, noting that, as anti-abortion campaigners were unable to overturn the key court ruling making abortions legal, they had turned to other methods to make abortions more difficult to get. The mapping application was particularly powerful from an accountability perspective — it allowed users to see the impact of the law for themselves by showing the fertility and birth rates of every county in Texas, along with the location of family planning clinics. Users could see the trends and personalize them: they could view areas with high fertility and birth rates and determine whether there were nearby clinics; they could also see precisely how far they or their family might need to go for care (Tan, Dehn, and Murphy, 2011). By March 2012, *The Texas Tribune* had published another thirty-five pieces on the subject of the women's health program, including additional documentaries and data applications. And also that month the *Tribune* provided further understanding to anyone interested in the issue by stringing all of its stories together in one place, where someone could follow the twists and turns over the past year (Tan, Dehn, and Murphy, 2011).

To review, I have taken just one issue that the *Tribune* covered and summarized a year's worth of coverage to give a thick description of the ways in which the enterprise produces accountability journalism in the modern world. To be clear, I am not arguing that the content on the *Tribune*'s Web servers is the same as that published in newspapers. But what I do suggest is that it meets the high bar of holding those with power to account. Moreover, it does so in novel ways, specifically with the combination of many types of content, and with data applications. While the feature story, such as the one produced about Hidalgo County, is a classic newspaper tool, combining it with a video documentary is not. Instead of depending on readers to imagine the people discussed, the documentary shows the very people who are affected by the changes state legislators are making. And the data applications allow for users to take accountability to a vastly more personal level. While Ettema and Glasser argued that accountability-style journalists in the 1990s were 'masters of the personal story with a public moral' (Ettema and Glasser, 1998, 5), the data journalists at the *Tribune* have turned this on its head: they are telling a public story with a personal moral.

3.2.1.2.3 SITE USAGE (ANALYTICS)

The two-way nature of the Internet, unlike previous journalistic media, is very helpful for the measurement of what users do. Software that runs on their devices can report back to the news enterprise on the details of what exposures took place. That is, news enterprises operating on the Web can see exactly what content was accessed by their users, along with when and how. The programs that record this data are called analytics packages, and the basic set of data recorded by such software includes the number of visits, page views, engagement or time on site, estimated physical location of the device, software running on the visiting device (language, browser type, operating system), and the service provider connecting that device to the Internet. In addition, analytics show how users came to a particular website; that is, analytics record the referrer to any given piece of content.

Web analytics packages are capable of collecting vast quantities of data. Often, this data is considered confidential, as it helps to describe the success and failure of an enterprise, because it shows exactly what actions the publishers took and how an audience responded. Unlike other enterprises that sometimes provided me with summaries of their data, or even reported such summaries in the press,[53] the *Tribune*'s leadership allowed me to 'go spelunking' in the data. What follows here is a summary of the wealth of data the *Tribune* provided me with; the data is focused on providing a broad understanding what people do on the site. All the data presented in this section was recorded during the twenty-four-month period from January 2010 to December 2011 (Unless otherwise noted, all The Texas Tribune analytics data is reported from *Google Analytics for The Texas Tribune*, 2011).

Broadly speaking, the data reveals that the *Tribune* is growing an affluent audience that is centred in Texas and engages with some of the *Tribune*'s content intensely. A large percentage of visits to the site originate from search engines, though about a fifth of visits begin by users either typing the *Tribune*'s website address into their browser or clicking a bookmark. Some of the most popular content on the site consists of data applications — curated databases built by specialized 'data reporters' who find relevant data, make it comparable, clean inconsistencies from it, and build interfaces that allow non-experts to extract meaning from it. The most page views come from extended sessions with the site, specifically those sessions that range between ten and thirty minutes. For those interested in more detail, I have made an extended set of data available on the Web.[54]

53 There are varied studies available (Belam, 2012; Benton, 2011b; Cordrey, 2012; Doctor, 2011; Fancher, 2011; Goldstein, 2011a; Gunter, 2011; Kohut and Remez, 2008; LaFrance, 2012; The state of the news media 2010 : an annual report on American journalism, 2010).

54 For more, see the appendices.

For the purposes of this dissertation, there are a few key points to take from this analytics data. First, the audience is growing, and, as the *Tribune* reaches more people, it becomes easier to derive revenue. A larger user base provides more opportunities to do everything from selling tickets to events or on-site sponsorships to soliciting grants from foundations seeking ever-increasing impact for their dollars. Second, there is an appetite for data applications, which, as I argued above, can provide a unique approach to accountability journalism. Third, there are people spending extended periods of time with the *Tribune*'s content. This again suggests that there will be opportunities to drive additional revenue and thus viability. The average time spent on a newspaper website is just over one minute per day (Grabowicz, 2014), but, if users are finding enough value to spend ten to thirty minutes in a given session on the site, there are again more opportunities for the *Tribune* to find new revenue. It is also interesting to note that longer sessions at the *Tribune* are more closely aligned with the amount of time people reported reading newspapers on the weekend (Grabowicz, 2014).

3.2.1.2.4 ORGANIZATIONAL CHART AND STAFF

At the end of my field work in March of 2012, *The Texas Tribune* had the equivalent of thirty-one full-time employees on staff. The largest group consisted of ten and a half reporters. Business- and revenue-related staff were the next largest group, with seven people. The next largest group was in technology, with five staffers. The *Tribune* also had four editors, three and a half art and multimedia production staff, and one person focused on events. Within each group there were specializations, which are shown in Figure 3.7.

The *Tribune*'s structure is notable in a few ways. First, the organization itself is very flat compared to traditional newspapers, which have an editorial structure that 'is a strict hierarchy' with about five levels between reporters and the editor (Stephenson, 1998, 117). As Figure 3.7 shows, the *Tribune* has no more than two levels between the bottom and top. Second, despite its relatively flat organization, the *Tribune* does maintain some vestiges of the way legacy media organized itself. Most notable is the segmentation of business and editorial employees. Looking at a rough map of the *Tribune*'s offices highlights how little editorial and business mixing happens. Sales and other revenue-generating people are down a long corridor, totally away from the newsroom. The extent of this division was bought to my attention in my first week of fieldwork. The newsroom employees frequently picked up lunch for each other, or would go out together. Later in the week, I decided to pick up lunch, and went to each person in the office to ask what they'd like. The business people were shocked. No one from the newsroom had ever come to them to ask about lunch. Other echoes of newspapers also exist. There are separate departments for art and audio/video. Reporters are assigned to beats. And those beats might have been something a quality local daily had twenty years prior: immigration, energy and the environment, higher education, public education, the governor, healthcare, and so on. Only the data beat is truly 'born digital'.[55]

There are other ways in which the work of many at *The Texas Tribune* is similar to — but updated from — the way reporters work in newspapers. The newsroom remains on a somewhat print-like schedule; no one is there early in the morning. Reporters come in and are expected to both identify their own stories (out of their beats) and make story pitches at a weekly meeting. Interestingly, the meeting is largely redundant for the reporters themselves and they keep an online spreadsheet to track what everyone else is working on. Instead, the meeting serves as a single point at which Smith, the editor-in-

55 And, it could be argued that data comes from the newspaper 'computer-assisted reporting' tradition. Indeed, Matt Stiles, the Tribune's first data expert, explained that this is what was in Evan Smith's mind when he started doing data journalism (Stiles, 2012). However, data has morphed into a new role because it is presented online — particularly in the sense of curating important data sets, which is why I separate it here.

chief, can hear everything that is happening and keep up to date. The work of reporting is also similar to what it might have been at a newspaper, but with a few critical differences. The act of reporting at the *Tribune* would be familiar to a newspaper journalist: time on the phone, background interviews, additional research, and some trips out of the office to meet a source or cover an event. What is most different, however, is that reporters must be prepared to do much more than simply call in some copy for a story.[56] Instead, they must use the tools available to them, such as their smartphones, to record audio, video, and photos for use with their stories. They also must be on the lookout for areas where the *Tribune*'s technical experts can apply their skills. For example, instead of asking a source for the results of a calculation in a spreadsheet, reporters might ask for the whole sheet to build a data application. Additionally, the cadence of work is changed because the Web has no 'drop-dead' deadlines; stories can be published when they are ready, and updated as needed. Finally, all the reporters at the *Tribune* were active users of social media, including Facebook and Twitter. Not only did they promote their own work but also they were constantly consuming other news, following sources, and sharing tidbits of information with the audience.

[56] This is not to suggest that newspaper reporters do not do anything more than calling in stories. Indeed, many papers now have their reporters doing much more, but at the Tribune this isn't optional, nor is it something that most do; it's central to how they operate.

To see in full, visit the http://www.workingpaper.org/phd

Figure 3.7 *The Texas Tribune*'s organizational chart as of late 2011.

Figure 3.8 The floor plan at *The Texas Tribune* in late 2011.

3.2.2 OHMYNEWS

The shortest trip from Austin, Texas, to Seoul, South Korea, is sixteen hours and fifty-five minutes, with a layover of an hour and twenty minutes in Dallas, on American Airlines. While the differences in each place would be obvious to anyone on the flight, it is the similarities between *The Texas Tribune* and *OhmyNews* that are striking. That *OhmyNews* evolved under significantly different conditions[57] from *The Texas Tribune* is not itself surprising. But that the resulting organization operates under, I will argue, the same logic is interesting. The following helps to contextualize *OhmyNews* and describe what it is and how it operates. This section explains the genesis, morphology, and operations of *OhmyNews*. Only after we understand both enterprises can we begin analysis of the born-digital field.

In summary, *OhmyNews* is, unlike *The Texas Tribune*, a citizen journalism-based news organization. Founded on 22 February 2000 at 2:22 p.m., its motto is that 'every citizen can be a reporter'. Citizen journalism organizations are publications where 'citizen-reporters contribute a significant amount of material' (Lasica, 2003). *OhmyNews* is the 'ideal type' citizen journalism organization — from which most definitions are based. At *OhmyNews* anyone may register to be a reporter and may then submit stories into the same editorial workflow that the organization's professionals send their content.

57 These conditions, while interesting in their own right, are not the subject of this dissertation. For a significantly more detailed treatment of how citizen journalism developed in general and in Korea in particular, see my MPhil dissertation (Gruen, 2009).

Founded by Oh Yeon-ho, a former student activist and reporter, *OhmyNews*'s first posting was Oh's manifesto for the 727 'beta' citizen reporters who were signed up at launch:

> Born in the spring of the new millennium, *OhmyNews* declares it is making a complete departure from the media culture of the 20th century. We are going to change the culture of how news is produced, distributed, and consumed, all at one time. Every citizen's a reporter. Journalists aren't some exotic species, they're everyone who seeks to take new developments, put them into writing, and share them with others. (Oh, 2004)

The creation of 'citizen reporters' was only one of *OhmyNews*'s founding goals. In addition, Oh's manifesto called for 'break[ing] down the set formula for news articles' and 'demolish[ing] all walls that separate media' (Oh, 2004).

Unlike *The Texas Tribune*, however, *OhmyNews* is not a charity, nor was it open to public ownership. Registered as a privately held business in South Korea, the company began online because the founders did not have the capital to start a newspaper (Oh, 2012). Instead they formed the website <http://www.ohmynews.com> and sold display advertising on it. In addition, they suggested *OhmyNews* would offer a 'sporadic' print edition on business-card-sized pieces of paper (five headlines, two ads) (Oh, 2004). What start-up capital the enterprise did have (about KRW 100,000,000 or about £55,700) came from other Internet entrepreneurs who were friends with Oh. To create an office, Oh moved his family to a new home with an extra room (Oh, 2012). While *OhmyNews* had its first 727 'news guerrillas' at launch, it hosted four full-time staffers. It triumphantly proclaimed it had reached about 64,000 readers in its first days (Oh, 2004).

The major inflection point in *OhmyNews*'s history was the presidential election of 2002. *OhmyNews*'s open architecture allowed supporters of a left-wing candidate, Roh Moo-hyun, to engage in get-out-the-vote activities throughout the campaign, including on election day itself as exit polls revealed low youth turnout. By boosting youth voting, Roh won the election, and he acknowledged *OhmyNews*'s roll by granting his first interview as president to the publication (Gillmor, 2006; Hauben, 2006; Hua, 2007; Joyce, 2007; Kim, Moon, and Yang, 2004). While Roh was president, *OhmyNews* enjoyed deep access to the administration and government advertising revenue, and Oh Yeon-ho became close friends with the president himself.

By the end of my fieldwork, *OhmyNews* had registered over 65,000 citizen reporters, about 4500 of whom contributed stories in any given calendar year. The organization employed eighty-seven full-time staff, of whom fifty-four were primarily content producers or editors. These professionals produce content alongside citizen contributors. In addition to the main news website, *OhmyNews* offers about fourteen other products, including in sporting events, book publishing, online education, streaming television, and even a journalism school. In 2011, the site averaged about 19.4 million visitors and 51.4 million page views per month. At the end of 2011, the largest area of content published by *OhmyNews* was stories about society and social affairs, which accounted for 26 per cent of its lifetime total. The next largest category was politics, accounting for 14 per cent.[58]

While *OhmyNews* requested that total won-denominated financial results remain private, I am able to report their financial results as percentages (which allows for meaningful comparison while balancing the organization's need for confidentiality). *OhmyNews* draws revenue from approximately ten categories; in 2011, events and event sponsorship was the largest, accounting for 45 per cent of the total. *OhmyNews* was profitable in both 2010 and 2011.[59]

With an overview of *OhmyNews* in hand, we can now turn to a short review of the relevant modern Korean history. As I have previously argued in other work (Gruen, 2009), the

58 This data comes from internal measurement tools I accessed while on site.

59 Ibid.

development of citizen journalism was historically contingent with and happened only as a result of a confluence of factors in Korea.

3.2.2.1 KEY HISTORICAL CONTEXT

What a difference a decade makes. Unlike *The Texas Tribune*, *OhmyNews* started in a period when Web companies seemed to offer limitless potential. Instead of being born from a clear need for business-model innovation, *OhmyNews*'s innovations were a by-product of its broader goals: to shake up the Korean political landscape. As I have previously argued, *OhmyNews* itself, *OhmyNews* the citizen journalism organization, is very hard to replicate. It was born from the confluence of a history of repression; a huge outlay of infrastructure; and a pre-existing pro-democracy political movement. How, then, is this history relevant to an argument about the enterprise's viability?

As I will argue in later chapters, *The Texas Tribune* and *OhmyNews* have very similar approaches to building viable enterprises that support accountability journalism. That analysis would be less interesting if, as one might reasonably guess, both enterprises used a similar model because they had developed under similar circumstances. This could not be further from the truth; the difference in conditions is about as large as one could imagine.

3.2.2.1.1 THE DEVELOPMENTAL STATE

Any understanding of modern Korea requires knowledge of what sociologists call the 'developmental state' (For more on this concept, see Johnson, 1982). The Korean developmental state gave a group of Koreans both the political motive and the economic and technical means to build *OhmyNews*.

As such, before turning to specific pieces of history that motivated *OhmyNews*'s founders, I present below a very short introduction to the developmental state in Korea.

From the end of the Korean War in 1953 to the 2000s, Korea rapidly grew its economy, making it a place wealthy enough to support Internet media. Using GDP per capita by purchasing power parity in 1990 international dollars as a heuristic for growth is instructive. That metric grew 2085 per cent between 1950 and 2006 (from $854 to $17,813). In the same period, the UK grew by 331 per cent (*Indicator Gapminder*

GDP_per_capita_ppp). The accumulation of wealth is important to this argument because of how it happened: by way of a strong state. And, it is two consequences of that strong state that are important to the development of *OhmyNews* (repression and the subsequent democratization movement, along with a government mindset that invested in infrastructure).

That the developmental state was involved in capital accumulation is not surprising. Karl Polanyi argued that 'intervention is necessitated by a basic fact about capitalist markets: their inherent instability, and the welfare effects of this instability, generates a constant pressure on the state toward their management' (Chibber, 2003, 14). However, the methods used by post-World War II states to work on accumulation were different. These developing states' 'focus shift[ed] from managing the effects of accumulation to accelerating its pace' (Chibber, 2003, 14). To do so, states started to intervene in both the broader economy and the firms themselves. But, to do that, these states needed significant power. In South Korea, a military dictatorship consolidated power and further concentrated it by way of a development strategy that required significant influence over firms: export-led industrialization.

The most important event in the pooling of power in Korea was the 1961 coup d'état led by Major General Park Chung-hee.[60] According to Amsden, Park's dictatorship set the

60 Centralized authority in the government was not new to the peninsula; prior to the coup, the country had seen little in the way of democratic government. The Japanese colonized Korea in 1910 and remained in control up to their defeat in World War II. Although a president (Rhee Syng-man) was elected following the war, the intervening Korean War, American military presence, and student protests

stage for economic development because 'without a strong central authority, a necessary although not sufficient condition, little industrialization may be expected in "backwards" countries' (Amsden, 1989, 18). Park himself recognized that his 'only claim to government [would be his] ability to create a sustainable mechanism to raise national income' and he set about organizing his government to that end (Amsden, 1989, 49). In his 1962 book, Park was clear about his goals: until 'our poor economic power is greatly strengthened' little in the way of social improvement could be achieved (qtd. in Amsden, 1989, 49). His first attempt at jumpstarting the economy faltered, however, as it relied on a growth strategy of import substitution industrialization (ISI). In essence, ISI was a common strategy in the 1950s that has been summarized as the 'doctrine of infant industry protection' (Chibber, 2003, 32). By protecting new industry in a developing country, it argued, firms would eventually build up products to international standards and accumulate capital by selling to the internal market.[61]

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limited his effectiveness. By 1960 student protests had toppled his government, and the replacement administration, led by Chang Myon, ended in 1961 when a coup d'état deposed the democratic government (Background Note: South Korea, 2008). The military junta, headed by Park, consolidated power by holding elections immediately following his coup and did so again two years later to legitimize his new constitution.

61 Actual protection measures included trade barriers such as tariffs and import restrictions, and 'funnel[ling of] public funds to private firms' in the form of subsidies, tax breaks, and so on (Chibber, 2003, 32). When he came to power, Park inherited an ISI-driven development policy from the outgoing administration, and he had 'no intention' of changing strategy (Chibber, 2003, 67). His first Five-Year Plan, enacted in 1961, was in the model of ISI, which offered two key benefits. First, it placated small

However, ISI did not offer Korea the growth Park hoped — just two years after his first Five-Year Plan, the country entered an economic crisis, making clear the need for a new development strategy (Chibber, 2003, 69). Park focused on export-led industrialization (ELI).

Like ISI, ELI requires the state to be deeply involved in making firms successful. The logic behind protecting firms under ISI is that, without it, local companies would be 'decimated' by more experienced international producers (Chibber, 2003, 36). However, under ELI, the state offers significant support to local firms, in the form of tariffs and subsidies, but also requires a minimum level of exports. Forcing firms to export offers multiple advantages, including an inward flow of foreign hard currency and improvements in product quality as local companies are forced to produce to international standards to secure overseas customers (Chang, 2003, 4). The simplest way to think of ELI is that, 'in exchange for subsidies, the state [...] impose[s] performance

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businesses with forgiveness of debts and encouraged those firms to export products, but only insofar as they produced excess beyond what the internal market could support. Second, the funds gained from the limited exports of the small firms went to support a scheme of import substitution that offered big profits for 'domestic industrialists' (Chibber, 2003, 68). In protecting infant industry, the state had 'literally handed over [domestic industrialists entire sectors] free of international competition' (Chibber, 2003, 34).

standards on private firms', a process called 'discipline' in the developmental literature (Amsden, 1989, 8).[62]

Under ELI, and the required disciplining of firms, Korea saw rapid economic growth. However, the political effects of ELI are most relevant here. Though it is important to consider why local capitalists accepted the transition from a discipline-free regime to a disciplined one, for the purposes of this dissertation it is more important to understand what those choices meant in terms of state power.[63]

62 The export-led strategy in South Korea began in early 1964 in earnest, and was a part of the formal planning process by the next year. Chibber highlights three key factors in why Korea made the switch from ISI to ELI. First, under ISI, exports were a consistent economic 'bright spot' (Chibber, 2003, 70). Second, the country was in a balance-of-payments 'crisis' — very few outsiders wanted the won and so South Korea needed additional foreign currency for a variety of projects (Chibber, 2003, 70). Third, the US was reducing aid payments (Chibber, 2003, 70). To these canonical explanations, Chibber adds one more critical factor: Japan. Japanese firms were ceding, to Korean partners, sales infrastructure in the US. Increasing wages in Japan and growing protectionism in the US towards Japanese-made goods meant the country was less competitive (Chibber, 2003, 72). Adding the Japanese cooperation to the picture helped to explain both the supply (export requirements) and the demand (Western customers looking for light manufactures) sides of Korean trade.

63 Amsden and Chibber disagree as to why Korean capitalists accepted ELI policies and the discipline that came with them. Amsden contends that the state had enough power relative to the business classes to simply force the change. She suggests the social classes were weak and that business interests relied on state largess (Amsden, 1989, 52). But Chibber paints a nuanced picture. In his interpretation, the acceptance represented a 'pact' between the bourgeoisie and the state. Because the Japanese were off-

Although Amsden and Chibber disagree about the path to ELI, they both arrive at the same basic conclusion: the Korean state, under ELI, wielded massive, and often coercive, power. For example, the state could exercise significant power over firms that refused to play by the export rules through its nationalization of the banking sector. Money supplies for non-compliant firms would simply disappear (Chibber, 2003, 54). Another key example of state power over firms was its ability to collect the information it needed to do proper economic planning. Every time a government bureaucrat queried 'recalcitrant managers' for information, those managers were reminded that they were a part of a larger, state-run project (Chibber, 2003, 26).

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Understanding the nature of the developmental state in Korea is critical to comprehending the conditions under which citizen journalism developed there. Two conditions that were critical for citizen journalism were a direct result of the developmental state's power. First, while press repression had been a feature of the Korean peninsula long before the developmental state arrived, it was particularly intense under that regime; the military governments had a penchant and flair for restricting journalistic freedom. Second, the developmental state was exceptionally involved in and good at building modern infrastructure to help the firms it was 'disciplining'. While some argue that modern infrastructure development stems from the Japanese occupation of

loading industries, the capitalists needed and embraced the disciplinary policies because they both doled out subsidies and forced investment that promoted increased productivity (Chibber, 2003, 37, 82).

the peninsula, it greatly accelerated under Park Chung-hee and continued as a primary government activity even after the country transitioned to democracy.

3.2.2.1.1.1 HISTORICAL PRESS REPRESSION

Between Major General Park Chung-hee's 16 May 1961 coup d'état and the fall of the military government on 29 June 1987, the South Korean press entered a particularly brutal period of repression before the free and innovative period that spawned *OhmyNews*. The International Press Institute noted that, during military rule in South Korea, 'the shifts in the fortunes of the [South Korean] press were directly related to the whims of the ruling elite and the changing cross currents of the political situations' (qtd. in Youm, 1986, 870). Those whims became clear with the Military Revolutionary Committee's Decree 1, which ordered prior censorship of 'all newspapers and magazine feature articles, comics, cartoons, editorials, photographs, and foreign news' (Youm, 1996, 50). In addition, Park's government closed forty-nine of Seoul's sixty-four newspapers almost immediately after taking power (Kim, 1992). While the military governments reigned, the press was to become so utterly subjugated that it would take on the moniker *kwanje ullon* (government-controlled media) until well into the process of democratization in the early 1990s (Yang, 2000, 150). The legacy of the *kwanje ullon* played an important role in the minds of those who would start *OhmyNews*.

The military government took three approaches to press repression: legal, extralegal, and economic. Legal repression consisted of a set of restraints on publishing news in Korea. Some of these laws were specifically crafted to affect journalists: one decree (number 11) set minimum levels for the facilities of news organizations, thereby limiting them to a small number of well-capitalized enterprises that were easier to control. The Park government closed 834 publications using this law (Youm, 1996, 51). Extralegal repression was common, and was typically carried out by the country's intelligence service. Intelligence-service operators would frequently beat journalists who did not adhere to the government line on any given story (Youm, 1986, 879-80; See Youm, 1996, 57, 60, 61; Kim, 1992). Economic repression is harder to document, but historians documented numerous incidents when newspapers that defied the regulations found themselves facing increased prices for newsprint, the end of all government subscriptions, and reductions in advertising by state-'disciplined' firms (Breen, 1998, 156; Youm, 1996, 53).

3.2.2.1.1.2 INFRASTRUCTURE DEVELOPMENT

The repressive periods in the history of the Korean press were tied directly to the state, and so too were the major infrastructural achievements that made possible what James F. Larson (1995) called the 'information society' in South Korea. While the Korean state took a holistic approach to the promotion of the information society, for the purposes of this account its actions are forcibly divided into two major categories: direct investment in physical infrastructure (of which there is a long, successful history) and a plethora of strategies aimed at what Junmo Kim (2006, 379) called 'demand creation' policies. Demand creation — particularly important for the introduction of Internet services — can be further divided into policies that modified government agencies or large business and those that were designed to operate on the level of the family or individual.

The Korean state started investing in infrastructure to enhance its ELI development strategy. Two projects are particularly relevant because they were major leaps forward in physical infrastructure and represented intangible, almost patriotic benefits for South Koreans. The Seoul–Pusan highway was the biggest of Park's early physical infrastructure projects and helped to build the revolution in Korean industry. As Reinfeld and Steers document, the highway project helped to cement infrastructure-building into the mindset of the Korean state (Reinfeld, 1997; Steers, 1999).[64] As the highway jump-started transportation infrastructure, the TDX digital telephone switching system promoted telecommunications development. The internal development of a switching system in Korea pushed the country from a place where individual businesses could not get phones to one that would be called the bandwidth capital of the world in 2002 (Herz, 2002; Larson, 1995, 62).[65] This history of state-led physical infrastructure projects helped to prepare South Korea for citizen journalism because it set up the state as a primary actor in building infrastructure.

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To reiterate this crucial point and link the following sections to this dissertation: the developmental state in Korea was the central actor in providing advanced infrastructure for industry (as a part of its 'disciplining' activities). And the provision of infrastructure continued at a high level even after the transition to democracy. This point serves to show the role of the state in creating the conditions needed for *OhmyNews* to begin — a situation as foreign to Texans as the eating of *nakji* (live octopus).

64 Other key industrial and transportation infrastructure projects would follow, including a ten-year plan to build harbours, industrial estates, and ports in the 1970s. The state also built three hundred miles of highways in the south — between 1973 and 1978, road capacity increased 11.5 per cent per year but the number of cars grew by 18.4 per cent per year — and installed Seoul's subway system (Reinfeld, 1997, 5).

65 For more on the development of both the Seoul–Pusan highway and the TDX phone-switching systems, see the appendices.

3.2.2.1.2 DEMOCRATIZATION

Democracy arrived in Korea in June 1987. Massive demonstrations, an upcoming presidential election, and the world spotlight that was already shining on Seoul for the impending Olympic games collided, resulting in the declaration on 29 June by Chun Doo-hwan, the country's second military dictator, that nearly all the demands of the pro-democratic protestors would be met — including the direct election of the new president. The new transitional administration under Roh Tae-woo would remove the three modes of media repression found under the military governments, and consequently saw an explosion of new media forms (Kim, 2005a; Larson, 1995; Youm, 1996; Youm and Salwen, 1990). Although the entire media sector underwent significant change, there are three key pieces of history from this period that directly affected the founding of *OhmyNews*. First, the entire news ecosystem shifted and a new, left-leaning, publicly held newspaper — the *Hankyoreh Shinmun*[66] — launched. Second, the state heavily invested in broadband Internet infrastructure. Third, a series of events showed how activists could successfully co-opt the Internet to achieve political aims.

3.2.2.1.2.1 CHANGES IN THE NEWS ECOSYSTEM

Under the Roh administration, media in Korea underwent significant structural changes. Although shifts in broadcast regulation and in public trust in journalists are most likely the largest moves from the perspective of a general media history, the most important for understanding *OhmyNews* was the launch of a new newspaper: *Hankyoreh Shinmun*.

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66 Shinmun means 'newspaper' in Korean.

Started in 1988, and widely considered important for its politically progressive approach to news in an exceptionally conservative media environment, like *OhmyNews*, *Hankyoreh Shinmun* is more significant for its mode of production than its political stance.[67] Han translated the paper's founding principles:

1. The paper (called *Hankyoreh Shinmun*) should be a progressive daily - its motto being Minjok (nation), Minjung (Korean version of subordinate class), Minju (democracy).
2. It had to be a national daily published on a scale similar to that of the established dailies. The market entry costs would be provided through a fundraising campaign.
3. The company was to be a limited company and the contributors were to be the stockholders. It had to reject any large individual investments in order to be independent from ownership control by media capital. It had to disperse the ownership completely among the general public. The maximum amount of investment was to be 1 per cent of the total invested capital.
4. Financial resources would be based on both subscription fees and advertising revenue. (2000, 62)

67 However, the two are obviously linked. The Hankyoreh sold shares of itself because a) none of the labour-union and other liberal causes it wrote about had enough start-up capital on their own and b) by being cooperatively owned, it accorded with the politics it espoused. The Hankyoreh wrote about things left-leaning, pro-democracy, labour-oriented people and organizations were interested in, and it behaved like one of those organizations itself.

The paper was able to turn these principles into a reality and, in so doing, provided a strong example for *OhmyNews* to both follow and later modify.

First, the paper maintained its progressive approach to news — which *OhmyNews* would adopt, famously shown in its coverage of the Roh Moo-hyun election and protests against the US–South Korea Status of Forces Agreement. A content analysis of *Hankyoreh Shinmun* found that, even in the face of increased advertiser pressure to become more centrist, the paper continued to promote progressive policies and stories (See Table 3, Table 4 in Han, 2000, 69-70).

Second, the paper proved that there was a market for progressive news, which *OhmyNews* would also attempt to fill. When it launched in 1988, *Hankyoreh Shinmun* had 61,888 shareholders — of which 'at least 85.95 percent was middle class or middle class minded' — and had raised $24 million (Han, 2000, 64). Its starting circulation of about 300,000 immediately made it the third-most-circulated paper in South Korea. Moreover, it reached an audience that was 'no different' from that of the established, quality papers: 'The income level of the readers was similar to that of their counterparts of the established "qualities," and their educational level was rather higher than that of the readers of the established papers' (qtd. in Han, 2000, 64).

Third, with its large and commercially attractive audience, *Hankyoreh Shinmun* showed that a progressive paper could avoid 'moderation' to fund itself with advertising, as Curran argued (via his study of progressive British papers) would be needed (Curran, 2002). This, too, was crucial in proving that both the *Hankyoreh* (and later *OhmyNews*) could readily collect advertising revenue even when some businesses had a particular distaste for it: South Korean communication scholar Lee Sang-hee went so far as to note that 'some sponsors do not give advertising because they hate the paper' (qtd. in Han, 2000, 68).

Finally, and critically, the paper showed how to involve citizens in the news-making process. While the digital technologies were not available to allow anyone to write and submit stories, the paper collected input from many more sources than did traditional news organizations. Because so many middle-class citizens (as opposed to a few large investment organizations, venture capitalists, etc.) had invested in *Hankyoreh Shinmun*, the paper was forced to create a system to accept their feedback. This happened monetarily, through additional capital campaigns in later years (Han, 2000, 65). Additionally, the paper collected feedback when shareholders requested methods of representation in decision-making processes. However, it did not always accept shareholder advice, which led to fewer donations (Han, 2000, 71). *Hankyoreh Shinmun* further blended roles, as *OhmyNews* would do, by shaking up the traditional internal structure of a newspaper. Instead of a hierarchy with editors at the top, reporters were regularly involved in editorial decisions (Youm, 1996, 66).[68]

3.2.2.1.2.2 BROADBAND DEVELOPMENT

The Korean government took a multifaceted approach to the development of broadband in the country, which resulted in huge penetration of the technology significantly earlier than in most other states. This was critical for the development of *OhmyNews*, as it depended on the widespread availability of the Internet to make its business work. The government's toolkit for building the broadband Internet infrastructure included industrial restructuring, education programs, definition of a consumer marketplace through a marketable certificate scheme, and set overall nationwide service goals and coordinated companies to reach them.

68 Oh Yeon-ho, the founder of OhmyNews, also learned from the Hankyoreh's failures in the early days of the Web. He would explicitly flip the Hankyoreh's model from citizen ownership with professional editorial control to one of citizen contributions with closed ownership.

Prior to the World Wide Web era,[69] the Korean state separated Korea Telecom (KT) from the Ministry of Communications and created a competing enterprise, DACOM. In so doing, it effectively created the telecommunications sector in the country.[70] By the mid-1990s, the sector was well established and growing rapidly. Two programs in the post-

69 This is a specific usage of the term World Wide Web — the WWW, invented by Tim Berners-Lee at CERN, is often credited as the technology that popularized the Internet and made it accessible to the general public.

70 The state, which wholly owned KT for approximately its first decade, originally separated it from the Ministry of Communications in an effort to make it 'operate more like a private corporation with less restrictive supervision and increased decision-making speed' (Larson, 1995, 127). As a government-owned company, KT had various public-service requirements including 'establishing and operating telecommunications facilities, engaging in research and development, [and] developing manpower for the sector' (Reinfeld, 1997, 16). Despite its public-service remit, however, KT was also highly profitable. The revenues it generated, 76 per cent of which came from local and long-distance calling, 'were the principal single source of capital to finance Korea's telecommunications development in the 1980s' (Larson, 1995, 128). Interestingly, after DACOM began competing with KT in the long-distance sector, traffic and revenues increased (Larson, 1995, 129). Unlike the creation of KT, which was essentially a reorganization of a government ministry into a public-service corporation, DACOM was started from nothing by the state. Although DACOM was mostly private (KT owned 33 per cent), it still had specific, and in some ways more monumental, tasks defined by the government, including the building of 'information and communications network businesses' (Reinfeld, 1997, 16) in a country that, at the time, had only about eight hundred computers with ten thousand terminals (Larson, 1995, 72). DACOM introduced a flurry of services including the DACOM-Net Service, which grew at a spectacular rate — thanks in part to the uptake of bulletin board systems by students. In addition, DACOM expanded data services across the country, connecting twenty-one locations by 1986 and forty-eight by 1992 (Larson, 1995, 73).

World Wide Web era, one that decreased barriers to market entry for internet service providers and another that promoted small technology firms, are useful examples of how the state supported the development of broadband infrastructure (Kim, Moon, and Yang, 2004, 4). The state also ran education programs to increase demand for telecommunications services. One of the earliest training centres, the Information Culture Center (ICC), opened in 1985. It began with a course designed to create information and communication technology (ICT) specialists from those who had not studied computer science.[71]

Two programs of the 1990s and 2000s are of particular note because they aimed to educate the entire population. The state ensured that every primary and secondary school was connected to high-speed Internet. And, simultaneously, it built a training program for older citizens.[72]

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71 With eighteen 'rural computer education facilities', area residents could learn about 'personal computers, printers, overhead projector, television, and video cassette recorders' for free. When the ICC couldn't hire enough ICT-trained teachers it both added ICT instruction into the standard teacher-education programs and created a seasonal class that trained more than 1200 teachers over a two-year period. By 1992 the ICC had also trained more than 11,000 office workers from 140 different organizations to use ICTs for office automation. The ICC also created its own media: it launched a quarterly magazine, Information Culture, that was distributed in government offices and commissioned and broadcast three cartoon episodes for children called The Running Future Express (Larson, 1995, 165-67).

72 Universal connectivity in schools ensured that curriculums could include Internet-based activities and that students could expect to use the Internet in all their coursework. They would, in effect, grow up with

In addition to pursuing education, the state worked to create demand for Internet services. One program, the Cyber Building Certificate System, issued marketable certificates to builders that helped them prove the speed of the Internet in their new apartments. In addition, the state required minimum levels of connectivity in new apartment complexes, in which about 48 per cent of Koreans live. Not only did this enhance demand for services by creating guaranteed customers for data connections but it also provided high-speed Internet to a large proportion of the population (Lee and Chan-Olmsted, 2004, 659-60).

In addition to the competitive, educational, and demand-enhancement polices that represented continuations of 1980s-era strategy, the state also introduced service goals, most notably in the form of the Korean Information Infrastructure (KII) plan. The 1993 KII was a three-part program with mandates by the state for itself, the public sector (firms), and the testbed (research institutes). It coordinated these groups to ensure that the peninsula would have a planned rollout of improved Internet connectivity.[73]

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the Internet (Kim, Moon, and Yang, 2004, 5). However, the Ten Million People Internet Education project was more ambitious. Started in 2000, this program's goal was to give 'basic skills for computer and internet use' to ten million Koreans over the course of two years. Stay-at-home mothers were the program's key targets. The state recognized 'that the housewives have a strong influence on household purchase decisions and are also very interested in the education of their children' and as such provided special courses and subsidies to that group (Kim, Moon, and Yang, 2004, 5).

73 The government's responsibility was for KII-G (government), which committed the state to building the fibre-optic backbone network for the entire country. It built a high-capacity fibre-optic transmission

The efforts by the state to improve access to broadband Internet across Korea were singularly successful. In the middle of 1999 through to late 2004, broadband penetration rates (as measured by subscribers per hundred people) were higher in South Korea than anywhere else in the world (Lindgren, 2008). By 2002, when Roh Moo-hyun was elected, subscription rates in South Korea had reached twenty-five subscribers per hundred people. The UK did not achieve this level until 2007, and even then the connections there were qualitatively inferior as the South Korean government's definition of broadband was more than twice as fast as that of the British (Joyce, 2007, 11, Footnote 25).

3.2.2.1.2.3 MIXING POLITICS AND THE INTERNET

One of the key differences I previously highlighted between the creation of *OhmyNews* and the birth of *The Texas Tribune* is the explicitly political nature of the Korean news organization. As Oh unabashedly told me on numerous occasions, the point of

network that connected 144 cities in the country at speeds between 155Mbps and 40Gbps with plans to enter the 1000Gbps range. For context, the average broadband connection in the United Kingdom was 3.6Mbps (or just 0.00009 per cent of the KII-G's speed goals) as of January 2009 (UK Broadband Speeds 2008: Research Report, 2009). The KII-P (public sector) involved a series of regulations that set goals for consumer-oriented services, including requirements that stipulated 80 per cent of households must have access to, at minimum, a 20Mbps connection. Finally, the KII-T (testbed) was a series of investments by the government and private carriers into research on the future of fibre-optic networks, particularly so that new capacity goals could be reached and enhanced (Lee and Chan-Olmsted, 2004, 658-59).

OhmyNews was 'to change the world especially in [the] media market' (Oh, 2012). But, while *OhmyNews* would successfully combine the Internet with the formation of democratic politics and groups in Korea, it was by no means the first organization to do so.

One of the first illustrations of freedom and the Internet infrastructure's power to shape social relations in South Korea were the bulletin board systems (BBS) frequented by students in the late 1980s. Students were early PC adopters, which accelerated greatly with the expansion of DACOM network services in 1986. While general Internet use was growing, it was dwarfed relative to the growth of BBSs fuelled by students. These grew between 200 and 300 per cent annually, and were used as forums for discussion of all topics (Larson, 1995, 73). In addition, many of the same people were also active participants in politically radical email lists such as the Solidarity of Progressive Network Group. One user of these early communication forms explained that 'the community services were very strong [...] Community members formed a kind of connection through casual meeting, online chatting, study groups and etc.' (Hauben, 2006). The proliferation of BBSs and email lists amongst student groups in the 1980s is particularly interesting insofar as the '386 generation' (explained in the next section) – which played a crucial role in the democratization movement and later in the formation of *OhmyNews* – was collaborating on the Internet from its inception.

The Citizens' Alliance for the 2000 General Election (CAGE) movement was one of the earliest examples of Koreans using the Internet to collaborate and discuss public affairs. During the campaign for the 13 April 2000 general election, CAGE sought to shift the political landscape by replacing 'corrupt, incompetent, opportunistic, and self-serving politics with well-qualified fresh faces with impeccable backgrounds'. To do so, it published a blacklist in an effort to 'publicize the unacceptable characteristics of potential candidates in order to pressure parties not to nominate such individuals, and also to motivate voters to defeat those blacklisted if they were nominated' (Shin, 2003, 702).[74] Digital communication was critical to CAGE's promotion of the blacklist. Websites were created to help organize the defeat of candidates and leaders made heavy use of email lists to contact individual voters (Joyce, 2007, 21). CAGE was broadly successful. Of the eighty-nine individuals blacklisted at the end of its campaign, fifty-nine lost the election and fifteen of the twenty-two 'most problematic' candidates were amongst the losers (Shin, 2003, 710). While the Internet was not the single central feature of CAGE (other publications, particularly traditional newspapers, were crucial in disseminating the list), it helped to connect like-minded individuals. Just under two years later, though, the Internet was widespread enough that social groups in Korea could use it as their exclusive organizing tool.

One such group was the Red Devils soccer fan club. The club, created in 1997 under the name The Great Hankuk Supporters Club, was a cheering organization for the South

74 By the end of its first month in existence (January 2000), CAGE, in collaboration with 450 member organizations, had blacklisted 66 politicians across all parties that were 'unfit to be nominated' and just days after releasing its first list, CAGE published another with forty-seven new names (Shin, 2003, 703). This initial list included prominent politicians, such as Kim Jong-pil, who was head of his party and a former prime minister. Shin has compiled complete lists of actions that resulted in the blacklisting of a particular politician. Some of these include 'conviction for taking bribes, conviction for violating election laws, provocation of regional animosity to obtain support from voters in a specific region, frequent switching of party affiliation, speculative investment in real estate, serving as a member of the National Security Council's legislative committee under the authoritarian regime of Chun Doo Hwan, taking expensive foreign trips, and making statements unbecoming to a lawmaker' (Shin, 2003, 710).

Korean national soccer team. Soon after its founding, the name was switched to Red Devils, in a process that is illustrative of the ways in which the Internet was used to fashion the community. The group collected 'public views though e-mail bulletins' about potential names (qtd. in Hauben, 2006). But it was during the 2002 World Cup that the Red Devils became truly active. South Korea was a co-hosting nation and proximity to the event helped raise excitement, and the online world of the Red Devils created new, nationwide, collective forms of experience; Koreans turned to the Internet for raw information. The *Korea Herald* reported, 'Online users scoured the Web to absorb detailed real-time match reports, player-by-player descriptions, disputes about poor officiating and other soccer information' (qtd. in Hauben, 2006). In addition, people used the Internet to collaborate and create a community. The *Herald* noted, 'Instant messenger also played a role in spreading real-time news and lively stories to millions of people. Korea has more than 10 million instant messenger users and many of them exchanged views and feelings about World Cup matches' (qtd. in Hauben, 2006). The Internet also helped move people to action, because it 'raised public awareness about soccer and [through organizations like the Red Devils] prompted millions of people to participate in outdoor cheering campaigns' (qtd. in Hauben, 2006). Estimates put the total number of people who participated in activities organized by the Red Devils at over 24 million. This kind of collective action facilitated by the Internet was immediately recognized as important; it was directly compared to the 1987 protests that brought military rule to an end. *Hankyoreh Shinmun* published an editorial that described the events: 'What we had experienced at that moment was the experience of becoming a "Great One"' (Hauben, 2006).

OhmyNews benefited from the experience of the Red Devils. It would similarly create a community in the online world that would build something in the offline world, too. The clearest similarity between the two is the 2002 presidential election, which will be discussed in detail later in this chapter. Whereas during the World Cup the Red Devils took their cheering from instant messaging windows and websites onto the streets, during the election *OhmyNews* took online political argumentation into the voting booth.

3.2.2.1.2.4 THE 386 GENERATION

The final piece of Korean history critical for understanding *OhmyNews* is the 386 generation, because the organization's founders were members of it. The so-called '386-generation', which is well documented in the literature (Gluck, 2003; Hauben, 2008; Kim and Hamilton, 2006), is a play on words. It simultaneously references the computer chip popular with early PC enthusiasts — the Intel 80386 — and refers to a group who were in their thirties during the transition to democracy, were in university during the 1980s, and were born in the 1960s. The 386ers 'formed the main axis of resistance to the military regime in the 1980s' and were relatively affluent, making them very likely to have been participants in the BBSs discussed above (Kim and Hamilton, 2006, 553). In other words, the first group of Koreans to have meaningful and nearly universal access to the Internet was made up of the same people who were deeply involved in the struggle for democracy. Digital tools were not imported into this group after the fact; the group were, if not 'born' digital, the earliest of digital immigrants.[75]

3.2.2.2 ORIGINS

Although the historical conditions present in Korea prior to the start of *OhmyNews* are important to understanding why and how it started, they only tell half of the origin story.

75 Prensky was the first to use the terms 'digital natives' and 'digital immigrants', the latter of which describes people who came to technology later in their lives and have learned it consciously. (There is a large literature here, but for this foundational paper see Prensky, 2001)

The second half is the contemporaneous account of how the organization itself was originally conceived, got off the ground, and grown into a viable enterprise.

The first part of this second half is the story of *OhmyNews*'s founder and CEO, Oh Yeon-ho. In many meaningful ways, the origins of *OhmyNews* are just as entangled in the story of its founder as they are in the broader conditions under which he lived.

3.2.2.2.1 OH YEON-HO

Oh Yeon-ho, who grew up in Gokseong, a small farming village of about fifty families in the rural Southern Jolla province of South Korea, likes to tells a story about his first day of school. Oh was born in 1964, and the South Korea of his childhood was still in the process of industrializing, meaning the nearest school was a significant distance from his home. As such, he explained, students from his area spent the week at school and only returned on the weekends. Before his first day, he was really scared to go. He said he prayed the night before, to avoid leaving home. The next morning, despite waiting outside for hours, no bus came. It had broken down. Oh got his reprieve.

Once he started, however, Oh discovered that he excelled in school, and particularly in the study and creation of literature. One of the first from his area to do so, he attended Yonsei University[76] to study literature. And, while there, he discovered journalism and its role in shaping public discourse. But the discovery came with a price: jail time.

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76 Yonsei started as a medical school and was the first to practice and teach Western medicine in Korea. It grew into one of the country's most prestigious universities when it merged with Yonhi University in 1957 (Yonsei University Chronology, 2013). It is a part of Korea's SKY (Seoul National, Korea, and

While Oh was studying literature, one of his professors invited him to participate in a short-story-writing contest. Oh chose to write a piece that suggested, in vague terms, that democracy was a preferable system of organizing students.[77] One of his professors called him in to suggest he submit something else to the contest. When he didn't, and submitted it anyway, he was pleased to discover that his piece had won. But before it could be announced, the prize was taken away, and Oh ended up in prison for being a dissident against the regime. He would spend eighteen months there.

After leaving his confinement, Oh decided literature was a form of writing too far away from politics and transitioned into a full-time reporter for *Mahl*, an underground investigative reporting magazine that operated without license from the government. After working across Korea — including conducting a huge investigation into a massacre during the Korean War that would later be re-reported by the Associated Press, for which the AP won a Pulitzer Prize — Oh was in 1995 dispatched by *Mahl* to the US to be its correspondent there. In addition to writing for *Mahl* and other Korean publications and broadcasters while in the US, Oh completed a master's degree in journalism. It was during a class on entrepreneurial journalism that he built the first plans for what would become *OhmyNews*.

Yonsei Universities), which is similar to Oxbridge in the UK or the Ivy League in the United States. Put another way, this is where the country trains its elites.

77 Despite on numerous occasions asking Oh, other early OhmyNews employees, and members of his family, I was unable to get a copy of the story and do not know exactly what it contains.

3.2.2.2.2 EARLY CONCEPTUALIZATION

Oh did his master's work at Regent University, in Virginia Beach, Virginia. Pat Robertson, a prominent American Christian broadcaster, founded Regent in 1977 'for the specific purpose of preparing leaders who would not only succeed in their professions, but also advance as Christians equipped to effectively impact their world'. Regent (then called CBN University) focused on communications and journalism training from its inception (*History of Regent*). Like its founder, the University intended to train media professionals who would present news from a right-of-centre, Christian perspective. Oh explained that the students he met when he arrived there fit this mould; they were activists wanting to change the world. He found he had thrown his lot in with people as far to the right of American national politics as he is to the left in Korea. And he found a lot in common with them.

While most of Oh's classmates 'thought [of] *The New York Times* and *The Washington Post* as an enemy', because those papers didn't represent enough conservative ideas on their pages, Oh had his own enemies in the mainstream Korean press because they didn't discuss enough liberal issues (Oh, 2012). Oh felt like he had met kindred spirits. 'Because I also am [a] minority in [the] Korean media market I could know [...] their problems and their needs; why they want to change the landscape.' As such, Oh explained, 'I learned their strategies and tactics. That was very helpful for me' (Oh, 2012). But the real breakthrough came when a professor asked the class to write a business plan for a completely new media organization. While some students wrote papers that described organizations resembling the modern-day Fox News (and, indeed, many would go on to work there), Oh wrote the seven pages that became the early plan for *OhmyNews*. That document had everything including ideas on involving citizens in the news process, keeping strict editorial rules, monetization, and even how to use the then-nascent Web.

He said, 'I thought the Internet gave us the opportunity because the Internet has no limitation in terms of space and time' (Oh, 2012).[78]

Oh graduated from Regent and returned to Korea in October of 1997, two months before the 1997 Korean presidential elections. Though he had enjoyed living in the US and covering America for Koreans, Oh explained the choice to leave was simple: the US was a boring paradise, and Korea was an intensely interesting hell. That particular election was momentous for the Korean left. Kim Dae-jung (who would later go on to win the Nobel Peace Prize for his 'sunshine' policy of constant engagement with North Korea) easily beat Lee Hoi-chang and became the first left-of-centre leader to be elected as president. Oh covered the election for *Mahl* for the duration of 1998. However, when he had returned to Korea, he had also started teaching courses in journalism called Oh Yeon-ho Kija Mandulgi — which literally translates to 'Oh Yeon-ho Making Journalists'; in these courses he invited anyone interested in media to learn how to put together a proper story.

By the end of 1998, Oh had decided to leave *Mahl* and was preparing to 'make [a] new landscape for the Korean media market' (Oh, 2012). He gathered a group of about twenty people who had gone through his reporting classes at a pub, and presented his plan from

78 As he built OhmyNews, Oh explained, he started to see other value in the technology of the Web. Specifically: 'I just use the technology because the main thing I want to do is to change the world especially in [the] media market. [...] It is so efficient for us to do that because it is so cheap. [...] It's so cheap and so democratic so [there is] no space limitation, no time limitation. Any ordinary person can put his speak if he wants to speak that's why I thought [the] Internet is the delighting' (Oh, 2012).

Regent. The students — none of whom had ever been professionally involved in news — agreed to help him launch a company. For technical help, Oh called on a friend from Yonsei who worked as a Web developer, and another who ran a Web design firm. Oh laid out his plans for *OhmyNews*, and was frank with them: 'I have no money but if you make the Web design [...] later I'll pay for you if it is successful. If it fails, no money' (Oh, 2012). They agreed.

To fund his operations, Oh moved his family out of the small apartment they owned in western Seoul and rented a significantly less expensive house to the south, across the Han river. He used the excess rent to fund the early days of *OhmyNews*. And he used the second floor of the rented house as the enterprise's first newsroom. For additional capital, Oh went to his friends: other members of the 386 generation involved in the transition to democracy. He raised about KRW 100,000,000, or about $100,000 at the time, by selling a limited number of shares in the company but capping the total number of shareholders at twenty. He said he considered selling more shares but ended up eschewing the strategy because he feared it would have diluted the sense of responsibility at the top of the enterprise. When he was at *Mahl*, he said it could not make a transition into the digital world because there was a lack of leadership. He said the large number of equal shareholders of *Mahl* meant that there was 'no real person, no one person' who could make decisions (Oh, 2012). Instead, he felt that at his new company there 'should be someone [who spends] all the day, all the life just [...] think[ing] about how to make the media successful'. He added that he thought the 'costs of [...] managing or administrating the shareholders [are] very high' (Oh, 2012).

3.2.2.2.3 LAUNCH AND ROH MOO-HYUN

Oh launched his new organization[79] at what he considered a symbolic time: 2:22 p.m. on 22 February 2000. He wrote that 'at long last we're publishing *OhmyNews*, the world's internet newspaper truly becoming of the name', and selected that moment to indicate it was time for a revision, version 2, of modern media (Oh, 2004). At launch, *OhmyNews* was a small enterprise. The first piece published after the site opened to the public was its manifesto, called 'The Revolt of 727 News Guerrillas'. In the piece, Oh laid out his philosophy on what he would do to change modern journalism. Primarily, he claimed he would make a 'complete departure from the media culture of the 20th century. We are going to change the culture of how news is produced, distributed, and consumed, all at one time' (Oh, 2004). And, to achieve these ends, he had three strategies: 'Abolish the threshold to being a reporter; Break down the set formula for news articles; Demolish all walls that separate media' (Oh, 2004). His idea, that every citizen can be a reporter, was not new. But using the Web to collect their stories en masse was. By activating citizen reporters, he also hoped to change the style of news stories. He encouraged people to tell their own life stories and be clear about their personal points of view. And the Web allowed him to use the right medium to tell the story — the Internet in Korea at that time was already able to deliver multimedia experiences.

79 The name OhmyNews is not related to Oh Yeon-ho's family name. Instead, his early team could not come to an agreement on what they should call their new company. At that time, one of the most popular comedians in Korea was most famous for making jokes including the punch line 'Oh my god!' It was from this joke that they built the name OhmyNews.

Oh also clearly articulated the organization's political affiliations at launch, which were in stark opposition to those of the mainstream press, which 'monopolized 80 percent of daily circulation' (Joyce, 2007) at the time:

> *OhmyNews*' editorial philosophy is "open progressivism." We will compliment conscientious and productive conservatism when it takes the hand of the progressivism of our era and creates a new world with new news/sosik, and we will shun rigid and unproductive progressivism. *OhmyNews* will take the initiative in inter-Korean reunification, the desire of the Korean nation, and in achieving information society and globalization that has a human face. (Oh, 2004)

Though at launch *OhmyNews* had already built a small audience (it had about 64,000 unique visitors in its month-and-a-half soft-launch period), two pieces of coverage set it apart and helped build public awareness for the brand and its politics. The first such episode was what many consider the earliest episode of live, updating coverage on the Web in Korea. On 13 October 2000, Kim Young-sam, a politician and activist during the military governments and the seventh president of Korea, went to the campus of Korea University to give a lecture and was met with a large student protest. Rather than either disregarding the protestors or simply leaving the campus, Kim decided to sit in his car. And wait. *OhmyNews* picked up on this, and started updating its story on the protest in near-real time. Over twenty-five updates and fourteen hours of 'car striking' later, the episode ended.[80] Through coverage of the protest — including details on how the former

80 The original article, in Korean, is available online (See Lee and Choe, 2000).

president relieved himself while stuck in his car — *OhmyNews* had built a readership among activist students (Lee and Choe, 2000). One now-professor at the Korea Advanced Institute of Science and Technology recounted his experience of reading the piece giddily. He explained that he had never seen any coverage of such student protests, let alone any that was so active. He was hooked.

However, it was coverage of the next presidential election that brought *OhmyNews* to its peak in popularity and influence — both in Korea and abroad. Though there is debate in the literature as to whether *OhmyNews* and its digital distribution were critical to the election of Roh Moo-hyun (For a representative example, see the enthusiastic Joyce, 2007; vs. reserved Kang and Dyson, 2007), none suggest the enterprise was unimportant. Roh, a self-educated lawyer, first ran in an unsuccessful bid for the National Assembly early in 2000. Using the infrastructure from that campaign, about forty of his supporters, whom Joyce described as 'inspired by Roh's idealism', formed a continuing fan club that would come to be called Nosamo, an acronym meaning 'those who love Roh' (Joyce, 2007, 24). The organization's relationship with *OhmyNews* began at its first in-person meeting, attended by about a hundred people and held in a cyber cafe. The group posted updates about their activities to *OhmyNews*; in other words, 'from the very beginning, the Nosamo activists had an alternative media channel for transmitting information about their candidate to the public' (Joyce, 2007, 24). Eventually, Nosamo became a national organization, with chapters across Korea and on fifty university campuses. When the left-leaning party ran the first ever open primaries for its presidential candidate, Roh was put forward. By the third and final primary, he had won the party's nomination. And, throughout his campaign, Roh relied on the Internet to disseminate his messages and raise funds. Though *OhmyNews* was an alternative source of information throughout the campaign, it was in the final hours of the election that *OhmyNews* played its most important part. The day before people went to the polls, 18 December 2002, a key ally withdrew support for Roh. Supporters took to the Web to defend their candidate, and '*OhmyNews* seems to have been the center of this online deliberation'; the site also 'updated their coverage of the event every thirty minutes throughout the night' (Joyce, 2007, 27). During the voting period, supporters used the site — along with sending 'millions of e-mails and text messages' — to get young people to the polls (Joyce, 2007, 28). With strong support amongst young people, and the rise in voting by that group after the digital get-out-the-vote efforts, Roh won the election.[81] Immediately thereafter, Roh gave his first interview to *OhmyNews*, and in so doing may have made the enterprise appear more important after the fact than it was during the election itself. However, regardless of why or even precisely how *OhmyNews* rose to prominence during the election, that it did was indisputable.

Throughout the Roh administration, *OhmyNews* enjoyed the spoils of victory. The political issues that ignited its audience were the same as those of the political leadership of the day; that leadership was friendly to *OhmyNews* and its audience; and that audience, once stifled under the military governments, could contribute directly to agenda-setting in a way never before possible. That said, its competition quickly matched much of what made *OhmyNews* unique at the time. Prior to *OhmyNews*, even commenting on Web-based stories was infrequent in the mainstream press; by 2007 it was ubiquitous. The same is true for virtually all the other technological and procedural innovations that made *OhmyNews* work in its early incarnations (Joyce, 2007, 29-32).

81 Joyce rightly notes, however, that: 'Internet activism was not the major issue in the election. The issues that were most important in the election were regionalism, candidate scandals and anti- American sentiment,' (Joyce, 2007, 28).

3.2.2.2.4 THE CITIZEN REPORTING PROCESS

Perhaps the single most important, defining characteristic of *OhmyNews* is its editorial process. Though it was Oh's vision to give 'every citizen' a chance to be a 'reporter', his language is actually clearer than an untrained person might suspect. In other words, he never mentioned anything about editing. And, in the editorial process, Oh stuck with a scheme that would be familiar to most legacy publications, save for the additional inputs. Figure 3.9 is a rough workflow diagram showing how all stories, those written both by citizens and by the organization's professional staff, move through the editorial process.

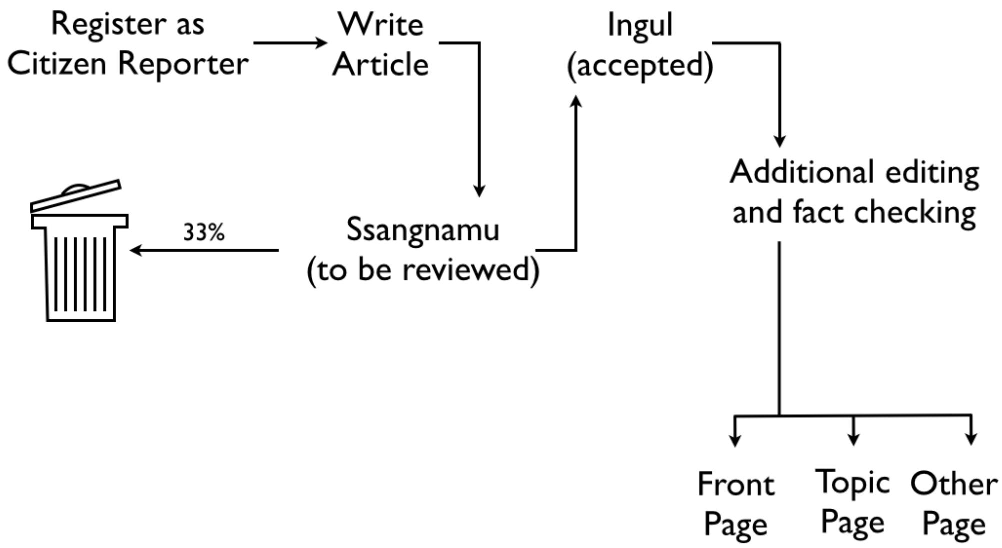

Figure 3.9 The *OhmyNews* editorial process.

The first step that any reporter, citizen or professional, takes is to register with *OhmyNews*. Though in part motivated by a now-repealed law that required real-name registration for any activity on major websites,[82] *OhmyNews* also uses this registration process as its first editorial filter. Members of the editorial team check the names and information people use to register against official documents to ensure they are who they claim to be. Not only does this help to cover legal liability, should any libel occur, but it also allows editors to better understand the motivation of those writing. When, for example, the president of the national teachers union registered to be a citizen reporter, *OhmyNews* could contextualize anything he would later write. The only reason why a registration would not be processed is if a reporter cannot prove they are who they say they are — for example, if submitted identification does not match with the stated name. In other words, registration itself is not used to filter viewpoints. After registration, citizen reporters are invited to write articles. Once submitted, these articles go to a queue, where the *OhmyNews* editing team reviews each one. At this stage, all articles are called *ssangnamu* (freshly cut, still-wet wood, not yet ready to burn or build with) to indicate that, while they may one day be useful, they aren't yet. During the period of my fieldwork, *OhmyNews* received about 150 stories per day, which was roughly the same as the weekday average over the enterprise's entire lifetime up to that point. Then, *OhmyNews*'s editorial staff review every story. During the review process, editors reject about 33 per cent of the *ssangnamu* stories. Technically, these stories are only provisionally rejected, for reasons including factual errors, unreasonable bias, significant writing issues, or a lack of newsworthiness. *OhmyNews* operates a system of volunteers (called *ssangnamu* doctors),

82 For more on the law pre- and post-repeal, see first Lee (2011) and then Ramstad (2012).

who read these rejected stories and suggest revisions to authors who are interested in improving. In addition, they may sometimes suggest classes for citizen reporters to take as part of *OhmyNews*'s education business. The other 66 per cent of stories are provisionally accepted and enter the stage called *ingul*, which translates, roughly, to a piece of wood that has just caught fire. Editors may engage in a back-and-forth with reporters about their pieces, fixing grammar or encouraging them to do additional reporting. Stories are ranked by editorial importance, quality, and newsworthiness, and then placed on different pages on the *OhmyNews* site. Depending on where they are placed, authors are paid between $2 and $50 for their contribution. In addition, *OhmyNews* users can 'tip' the author of any story. The author receives 60 per cent of the tip amount.

Though the fees to citizen reporters are small, what they receive is neither as limited nor as controversial as it might seem to an outsider. First, citizen reporters work for social gratifications. A study of why citizen journalists contribute to *OhmyNews* is enlightening and matches my own experience there. Sutton, by way of uses and gratifications theory, argues that '"self gain", "personal development", "community interaction", "information dispersal", and "social reform" form the five key gratifications of citizen journalists' (Sutton, 2006). All of these gratifications centre around social benefits, not economic ones. And this should not be surprising for an organization designed to promote a specific political viewpoint and built by members of a generation who had been politically silenced. Perhaps as a result, there is little to no controversy about payments amongst actual citizen journalists. Instead, in Korea and elsewhere, this argument is often used as a distraction from the point. Analyses of citizen journalism enterprises in the mainstream media often make bold claims, such as that the *Huffington Post* 'built a blog-empire on the backs of thousands of citizen journalists' (Silver, 2011). Nate Silver argues that these statements are inflammatory and suggests 'a misunderstanding of [...] [the] business model'. He continues, noting that, in the case of the *Huffington Post*, most revenue comes from other sources. Additionally, he notes that people may be upset about such arrangements because they misconstrue roles played by such companies — sometimes they are acting like traditional publishers, but other times they are providing a platform like

Facebook or Twitter, and no one expects to be paid for their tweets, despite the fact that they enrich a company. In the end, Silver notes that he himself (then an employee of *The New York Times*) had written for free in the past — particularly to establish himself, which is yet another social aim (Silver, 2011).[83]

3.2.2.3 *OHMYNEWS* IN LATE 2011 AND EARLY 2012

OhmyNews's founder, philosophy, and early years were critical to defining what it would be and how it would operate. However, a significant reason for including the enterprise as a part of this dissertation is that it has grown into its second decade; unlike *The Texas Tribune*, *OhmyNews* has built a large and comparatively stable business. The following section describes the enterprise when I was on site in December 2011 and the first two months of 2012. Though *OhmyNews* itself knows much less about its audience than the *Tribune* does, I report what it does know. I also report a full list and description of its products, how they are used, and the organization's structure (including details on the citizen reporters themselves).

3.2.2.3.1 AUDIENCE DEMOGRAPHICS

OhmyNews's most recent user data comes from a survey conducted on its behalf in early 2010. The enterprise continues to use this data both for reporting to associations and industry groups and for advertising sales. While the *Tribune*'s user surveys, too, had

83 Anyone interested in the partially mainstream media construction of low payment to citizen journalists as an issue should read Silver's entire article.

methodological issues, it is likely that the *OhmyNews* data is less reliable. No one in the organization could confirm even the number of readers surveyed — it seemed that the information was lost with employees who had left *OhmyNews*. Moreover, the original survey was conducted for *OhmyNews* by an outside company. That said, the data does fit with anecdotal accounts given by employees and those who work for *OhmyNews*'s competitors.

Users of *OhmyNews* skew heavily male; men account for 62 per cent of those surveyed. The site does slightly better in attracting a younger audience, with about half its users aged thirty-four and younger (52 per cent). Just 10 per cent, according to this survey, are fifty years old or older. And 14 per cent are under the age of 18. This is somewhat surprising, given that one might expect the key cohort to be members of the 386 generation. Also, the audience is more evenly balanced than Korea as a whole in 2010, as shown by the population pyramid in Figure 3.10 (generated by Statistics Korea). Though there is no comparable data for Korean newspaper readership by age in 2010, there is data available from the World Association of Newspapers from 2007. On a daily basis, newspapers reached 17 per cent of 10–19-year-olds, 38.4 per cent of 20–29-year-olds, 51.7 per cent of 30–39-year-olds, 63.6 per cent of 40–49-year-olds, 55 per cent of 50–59-year-olds, and 42.3 per cent of 60–69-year-olds (Korea, 2010).

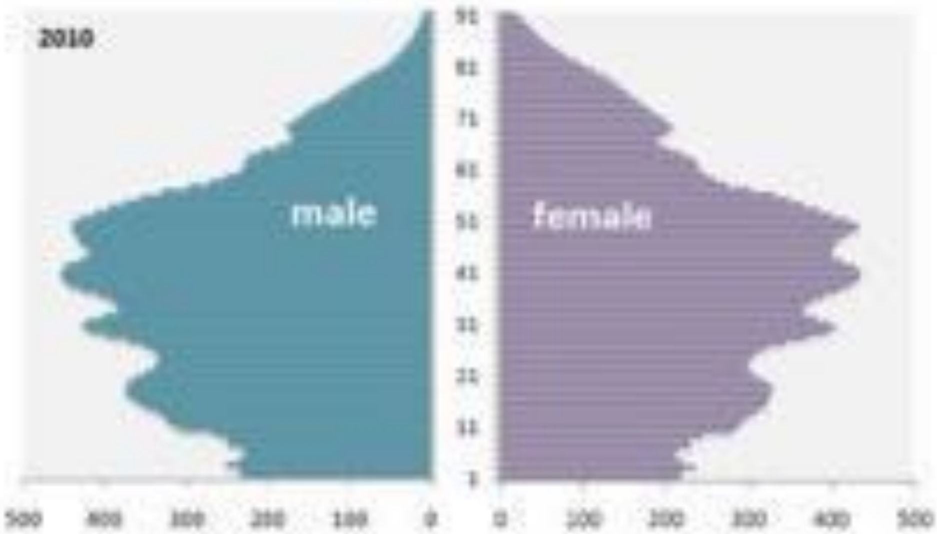

Figure 3.10 Population of South Korea by age and gender (*Population Projections for Korea: 2010-2060*, 2010).

Survey data also show that about 46 per cent of users work 'white-collar' jobs. The second largest occupational category is students, who account for 27 per cent of those surveyed. Another 9 per cent say they are 'blue-collar' workers, 8 per cent reported they were 'house wives,' 5 per cent said they were self-employed, and another 5 per cent listed other occupations. Self-reported income was broken into four categories. For annual income, 3 per cent said they made KRW 12,000,000 (~$11,000) or less, 29 per cent reported making between KRW 12,000,001 and KRW 36,000,000 (~$33,000), 42 per cent reported earning between KRW 36,000,001 and KRW 60,000,000 (~$55,000), and 25 per cent said they earned more than KRW 60,000,000. For context, it appears as though *OhmyNews*'s audience broadly matches with overall earning patterns. The Korean Statistical Information Service reported household income in the following quintiles, of up to: KRW 6,792,000 (~$6,200), KRW 12,122,000 (~$11,000), KRW 30,000,000 (~$27,000), KRW 45,468,000 (~$41,000), and KRW 88,242,000 (~$80,000) (*The Index of Income Distribution*, 2010).

3.2.2.3.2 CONTENT AREAS

From 22 February 2000 to 30 January 2012, *OhmyNews* published 478,465 articles in fourteen broad categories. Figure 3.11 shows the total number of stories published in each site category over this period, ranked from largest to smallest. The single largest category is social affairs, which is almost twice the size of politics, the next largest. Social affairs contains stories about the social welfare of Koreans, including issues related to unions or NGOs. Politics separates itself by only including stories about elected officials and their policy proposals. *OhmyNews*'s North Korea and international affairs section is notable for its name. *OhmyNews* uses the word *minjok*, which literally means 'ethnicity' or 'nationality'. The enterprise uses this term to refer to the 'whole' of Korea, but it could also be read as 'international affairs and the relationship with North Korea'. The three major newspapers[84] have sections called *bukhan* (literally 'North Korea') nested in their politics sections, and the main liberal newspaper[85] nests its *bukhan* section under defense.

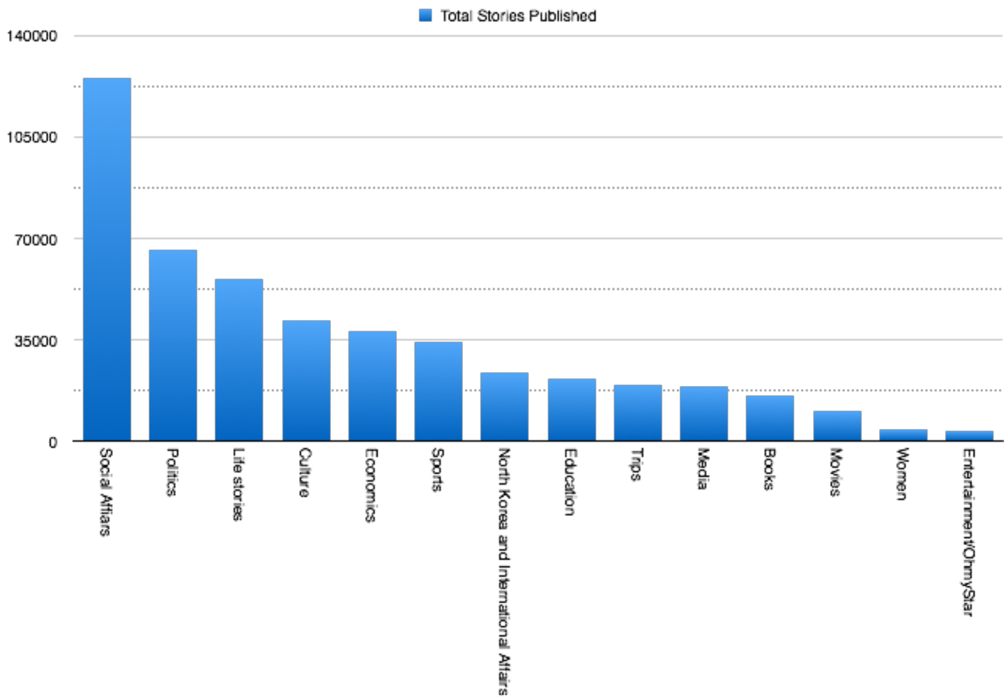

Figure 3.11 Total stories published by *OhmyNews* by category as of early 2012.

3.2.2.3.3 Products

While I was at *OhmyNews*, the enterprise operated seventeen distinct products that break down into six categories: typical journalism, digital journalism, citizen reporting extensions, events, education, and book publishing. Like at *The Texas Tribune*, these

84 Chosun Ilbo, Joonang Ilbo, and Dong-a Ilbo.

85 Hankyoreh Shinmun.

products are not independent — overlaps happen regularly. A common example, again like at the *Tribune*, is how events get covered by professional or citizen reporters and end up as pieces of content for *OhmyNews*'s main website. However, there are other interesting forms of overlap at *OhmyNews*, due to the citizen reporting system. For example, a user might submit a photo using the 'Thumb News' service for publishing cell phone photos, and this might in turn become a key illustration for live coverage on *OhmyTV*. I will discuss each of these products, in turn, below.

3.2.2.3.3.1 TYPICAL JOURNALISM

As with *The Texas Tribune*, much of the content that *OhmyNews* produces is an extension of what journalism has looked like for decades. The main news website publishes mostly text-based stories, often written in a narrative or the inverted-pyramid style, along with photos, illustrations, and graphics. In addition, video is peppered across the site, which also follows formats pioneered for television (even including the same style and tone of speech). *OhmyNews*'s video arm, called *OhmyTV*, offers both on-demand video and live coverage of events all across the country. In addition to typical news packages, the service also broadcasts political speeches, rallies, protests, in-studio interviews, and lectures.

Like in news stories written for other publications, the primary form of evidence is quotations from people on the scene of an event or who are perceived to be experts. The stories on all of *OhmyNews*'s pages are a mixture of those written by staff reporters and citizen reporters. Many of *OhmyNews*'s staff cover stories that would be difficult for individual citizens to access. For example, the company rents space for its staff in the press rooms of the National Assembly and the Blue House (the presidential mansion and offices, so named for the light blue tiles that cover its roof).

Another form of traditional journalism that *OhmyNews* produces is audio, in the form of podcasts. Podcasts rose to popularity in Korea in 2010 and 2011 thanks to a political program run by four comedians called *NakGumSoo* (roughly translated to 'I'm a petty-minded creep', a criticism of then-president Lee Myung-bak) (See details in Choe, 2011; Schattle, 2012). While *OhmyNews* offers various podcasts, its most popular, which is often the single most popular podcast in the Korean version of the iTunes directory, is a daily news commentary program that is little different from what one would expect to hear on talk radio in the US or the UK. Indeed, it is hosted by a former MBC[86] journalist.

In addition to these traditional story types, another set of content found in legacy publications and at *OhmyNews* is photography. Again, *OhmyNews* both employs professional photographers and uses photos sent in by citizen reporters. It includes these photos with many of its stories, and also runs slideshows of pictures. These can be stories in themselves and are branded under the *OhmyPhoto* name. In addition to pure photography, *OhmyNews* also produces infographics that are most often combinations of photos and illustrations but can be pure drawings.

Another product that was produced by legacy players is celebrity news; *OhmyNews*'s celebrity coverage is a microcosm of its larger site. Called *OhmyStar*, the site operates just like the larger *OhmyNews* organization but only covers the world of popular entertainment. This branch was just a few months old when I arrived for my fieldwork, and was designed to draw in a younger audience (Lee, 2012e).

The final typical piece of journalism *OhmyNews* produced was a weekly print edition, though it shut down just prior to my arrival. From *OhmyNews*'s launch, the enterprise took advantage of higher advertising rates on print products by taking stories published on the Web and reprinting them along with additional advertising. Though the product did bring in additional revenue, it took significant design effort that was retasked to building products for the site when the print edition closed.

86 One of the three major broadcasting networks in Korea.

3.2.2.3.3.2 DIGITAL JOURNALISM

OhmyNews also builds products that are only possible because the publication is digital; indeed, while it is possible to conceive of a citizen journalism organization that existed before the Internet (sending stories by post, for example), a functional citizen reporting process relies on the immediacy and low transaction costs of the Web. *OhmyNews*'s digital products can be categorized in two ways: the first set allows people to blog on the *OhmyNews* platform, and the second are related to doing citizen journalism or otherwise enhancing the citizen reporting experience.

OhmyNews has two primary products related to blogging. The first is a blog-publishing platform called *OhmyBlog*. This product is both a typical blogging platform and an entrée to other forms of citizen journalism. Like other blog-publishing tools, it allows users to publish whatever they see fit, without editorial intervention. Users can keep blogs on any subject, newsworthy or not. For example, an individual might post a mixture of restaurant reviews, photos of his children, and coverage of a local political official's town hall meeting. In addition to unfiltered publishing, however, *OhmyNews* can select articles originally destined for individuals' blogs and bring them to the main part of its news site (in so doing, it subjects them to the rest of the editorial process). The blog platform is directly linked to the rest of *OhmyNews*'s publishing system. The second blogging product, called Blogger News, is a technology that allows unaffiliated bloggers to link their posts to the *OhmyNews* CMS. If editors select a blogger's story to feature, they are paid like a regular *OhmyNews* contributor. Both systems are built in order to lower the barriers to entry traditionally required by the citizen reporting process, but also to allow *OhmyNews* to capitalize on the growth in individual blogging.

3.2.2.3.3.3 CITIZEN REPORTING EXTENSIONS

OhmyNews has built four products that are extensions of the typical citizen journalism model. The first is *OhmyNews*-E. Part voting platform and part citizen-powered aggregator, *OhmyNews*-E allows anyone with an *OhmyNews* account to submit a link from any place on the Web and then vote it up or down. As stories receive more up votes, they are featured more prominently on the E section of the site and in other places, including, at times, the front page of *OhmyNews*. The second product, *OhmyNews*-T, is similar but focused on Twitter. This service collects the tweets of citizen journalists and staff who have a Twitter account linked to their *OhmyNews* account. Then, it surfaces the most popular tweets, by favourites and retweets, on the site and to the *OhmyNews* editorial team, who may then incorporate them into stories or contact the author to request further information or an entire story. Thumb news is the third product built for citizen journalists. It allows anyone in Korea to send a photo and caption from their phones to a short phone number (5505). The sender pays for these messages, and they are displayed on the *OhmyNews* site. However, they are also stored with *OhmyNews*'s other photographs and made available to editors who want additional pictures to illustrate stories.

The final citizen reporting product is different from the previous one, as it covers citizen reporting itself instead of enabling the process. *OhmyNews International*, as it is currently conceived, is a blog itself. Written in English, to appeal to a global audience, the site attempts to collect news about citizen reporters and reporting from around the world. In addition, it translates some of *OhmyNews*'s best citizen reporting into English. And it publishes stories about the operations and practices of *OhmyNews*, again for non-Korean audiences. Previously, *OhmyNews International* attempted to operate just like its Korean counterpart, except in English and covering the world. The *International* product closed in 2010 due to a lack of editorial resources to support fact-checking of articles from all points on the globe.

3.2.2.3.3.4 EVENTS

Events are a key driver of revenue at *OhmyNews* and are divided into three major types. The first category is sporting activities. In a practice that is not typical in most Western markets, many Korean news organizations, including *OhmyNews*, run their own sporting events. The largest sporting event run by *OhmyNews* is its annual marathon. Second, the enterprise runs 'ideas'-oriented events much like the Texas Tribune Festival, though not of that length or scale. These are run on individual topic areas of current interest in the news, and on long-running themes important to the *OhmyNews* audience. One such long-running ideas event is the annual Citizen Reporters Forum, which discusses current issues in citizen reporting and the broader media landscape. The third category of events comprises a single event series, run multiple times per year, with a focus on enhancing the lives of children from rural areas. Most of these events, with the title 'Together We Go', involve bringing groups of children to Seoul for multi-day events that introduce them to the city, and institutions in it, along with rudimentary media skills training.

3.2.2.3.3.5 EDUCATION

OhmyNews offers two types of education product. The first are the courses run at the OhmySchool, which are an outgrowth of Oh Yeon-ho's Kija Mandulgi courses. The school is a physical place — a remodelled elementary school in a rural area about an hour's drive west of Seoul. The school has a full complement of facilities including sleeping quarters for about fifty people and classroom and computer lab space for about a hundred. In addition to Oh's original courses, many other journalism-related classes are run at the OhmySchool, including those focused on news-writing, media literacy, and English proficiency. The second education product is the on- and offline lectures organized by the enterprise. *OhmyNews* invites speakers of all kinds to its offices to speak on topics of interest to its audience — it often book authors, government officials, and party politicians — and then hosts a minimum of about fifty people to hear the talk. Each talk is recorded and can then be made available online later. These lectures, combined with outright classes taught by professional teachers, make up *OhmyNews*'s online education product. For a fixed monthly fee, users are able to watch any lectures they choose. Many of the most popular courses have covered social issues, the humanities, and economics.

3.2.2.3.3.6 BOOK PUBLISHING

The final product at *OhmyNews* is distinctly analogue: printed books. *OhmyNews* uses its existing editorial resources both to contact potential authors and to edit their works into book-length pieces. In a way, the citizen journalism process is a 'farm system' for book authors, letting *OhmyNews* effectively gauge who would be able to write compelling, long-form content. In addition, Oh Yeon-ho often writes up long interviews with newsmakers into books and publishes them under the OhmyBook imprint. It works with outside printers to create and warehouse the books, and uses its own site to promote and sell them (in addition to sales at major bookshops around the country). By the time I arrived in 2012, *OhmyNews* had been publishing books for about two years, at a rate of about five books per year.

3.2.2.3.3.7 ACCOUNTABILITY JOURNALISM

While the way stories are produced at *OhmyNews* is radically different from that at most news organizations, and while the tone is imbued with language around citizen participation, the content itself is comparable to the accountability journalism that readers from around the world have come to expect from a serious publication. A careful reader does not mistake the tone of inclusion for amateurness. In order to give unfamiliar readers a feel for the kinds of work done at *OhmyNews*, I summarize below an investigation undertaken by teams of professional and citizen reporters. The work, a ten-part series on the production of ethanol, was published as the Korean government was considering the introduction of ethanol into the national fuel market.

In the first series on ethanol as fuel, a team of *OhmyNews*'s professional reporters, along with citizen journalists, travelled to Brazil, Mexico, and the US to report on what they saw as under-covered issues surrounding the introduction in Korea, including the environmental impact, labour conditions of producers, and employment in a rapidly mechanizing field. In addition, because *OhmyNews* brought both citizen and professional reporters on the trip, it was able to both cater to its opinionated audience and rapidly increase the knowledge base of those working on the stories. For example, on one trip to Brazil, they brought the head of climate change at a major Korean environmental NGO, Lee Yoo-jin, along to aid in reporting on the carbon impact of sugar-cane farming. The stories Lee contributed to confront carbon from multiple perspectives, from the burning of fields to make harvests easier to the carbon output of ethanol burned in cars versus gasoline. The stories themselves are richly detailed and help give readers in Seoul context for the conditions in parts of the world they have likely never visited themselves. In one of the stories in the series, *OhmyNews* reporters visited Brazil and told the story of a single ethanol plant from multiple perspectives. They started by riding along on a surprise inspection of an ethanol producer by an inspector from the Brazilian Institute of Environment and Renewable Natural Resources, the administration arm of the environment ministry. They went to spot-check the factory's compliance with labour, waste-water discharge, and incineration policies. The reporters found conditions that would have been unacceptable in Korea; however, the official determined that the factory was compliant. The team then reported on the process used to turn harvested sugar cane into granular sugar (in 50kg bags) and ethanol. From the factory, they visited the cane field — in the largest area of production in Brazil. While there, they discussed farming practices to keep the lands viable over the long term, and also noted the practice of burning the fields to make the canes easier to harvest. These burns account for a significant portion of the CO_2 released in the entire ethanol production and use chain. Next, the reporters turned to the labour conditions at the plant, and were horrified. A rough translation of their description of conditions is that they were 'just below the level of awful'. When they talked to the workers, though, they discovered other issues, including the planned mechanization of the entire process, which would leave a thousand people at that plant alone without work. One worker told the reporters, 'we do not think of this as slave labour. Please let us work, we have finally are a living here [...] and if the machines are introduced, we would all lose our jobs.' The team concluded by zooming out from the plant and discussing the consumers of the product — interviewing Brazilian motorists, who buy much more ethanol then gasoline (Jang, 2007).

This series on ethanol is a useful lens through which to understand *OhmyNews*'s work because it embodies multiple characteristics of its brand of accountability journalism. First, like accountability journalism done elsewhere, it is oriented towards facts in the face of a large, powerful entity – in this case, the Korean government as it considered beginning the importation of ethanol. The series explains where the fuel comes from, the process used to make it, how consumers elsewhere treat it, and even the people who make it. Second, due to that explanation of the people who make ethanol, the series embodies the specific point of view that *OhmyNews* attempts to cater to: an orientation towards the individual without power. Rather than focusing on the specific economic impacts within Korea (an energy-hungry part of the world that has no energy resources and must have everything shipped in as the close border to the north makes it an effective island), *OhmyNews* gave its readers context for the unseen people who would produce the energy supplies Koreans would use.

3.2.2.3.4 SITE USAGE (ANALYTICS)

Like *The Texas Tribune*, *OhmyNews* uses an analytics package to track users as they interact with the site and other digital products. As mentioned above when describing my access to the *Tribune*'s data, I did not have unrestricted access to the entire history of *OhmyNews*'s analytics data. In addition, because *OhmyNews* uses a proprietary system that is popular in Korea but not used elsewhere, the data is not directly comparable to that collected in Austin. That said, having requested data from *OhmyNews*'s 'strategy' team, I am able to report some of the key metrics they use to understand how people interact with its content. In addition, thanks to *OhmyNews*'s proprietary system, which is popular across Korean news organizations, I have data for some of its key competitors, making comparisons possible. All data in this section is from the same period as the data presented above for *The Texas Tribune*: January 2010 to December 2011.

The analytics at *OhmyNews* paint a very different picture from that at *The Texas Tribune*. Specifically, they show an audience that is larger than the one in Texas but that is not growing at nearly as fast a rate. Indeed, in some measures, it could be said that *OhmyNews*'s audience is shrinking. While the site saw an average of 18,406,998 unique users per month over the two-year time period, the total number of unique users was cyclical — with a downward trend at the end of the time period. Moreover, the average number of pages visited by each visitor, and the average time on site, fell consistently across the period, from a high of just over three minutes per user to just under two minutes.

However, perhaps the most important trend to identify in the *OhmyNews* analytics data is how it fares in the competitive landscape. The data, visible in Figure 3.12 and Figure 3.13, show that, while *OhmyNews*'s audience is relatively stable, its closest competitors are consistently besting it.

Though *OhmyNews* uses a proprietary analytics system, direct comparisons with competitors are possible, thanks to the relative homogeneity of the Korean Internet ecosystem.[87] Nielsen's KoreanClick measurement service is used by virtually every online media enterprise in the country. It tracks website usage through a 'representative' panel of users it recruits. It then installs tracking software on those people's computers and extrapolates to the entire population from the data it collects (*Internet Audience Measurement*, 2013). These extrapolations are not accurate. Comparing *OhmyNews*'s internal data (a known accurate source) with the numbers from KoreanClick show that in some cases the latter can be off by more than 100 per cent. However, given that the same methodology is used for all sites, even if it is woefully incorrect it will be so for every page. As such, the comparisons between publications are interesting — and an opportunity to understand how *OhmyNews* operates in its market that was unavailable in Austin.

For this comparison, KoreanClick tracked unique user and page view data for all of 2011. The three comparisons are the closest competitors to *OhmyNews*. The *Hankyoreh* and *Kyunghyang* are legacy organizations with daily newspapers, and they lean to the political left. *Pressian* is another born-digital organization started just a year after *OhmyNews*. Perhaps unsurprisingly, the two newspapers have comparatively higher unique users and page views: in 2010 the *Hankyoreh* had a daily circulation of 283,000 and the *Kyunhyang* distributed about 266,000 (Korea, 2011).

87 The Korean Web is a notorious monoculture — most sites only support specific configurations of operating systems and Web browsers (Harlan, 2013).

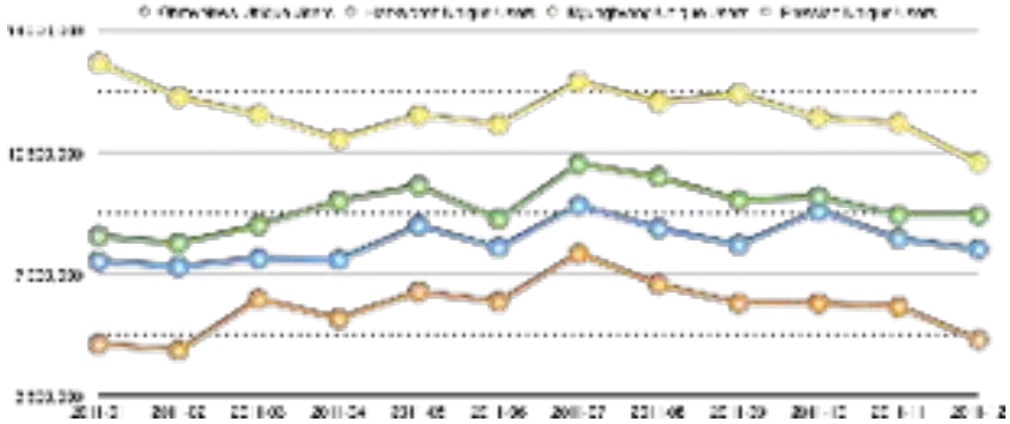

Figure 3.12 Total unique users at *OhmyNews* and competitors in 2011.

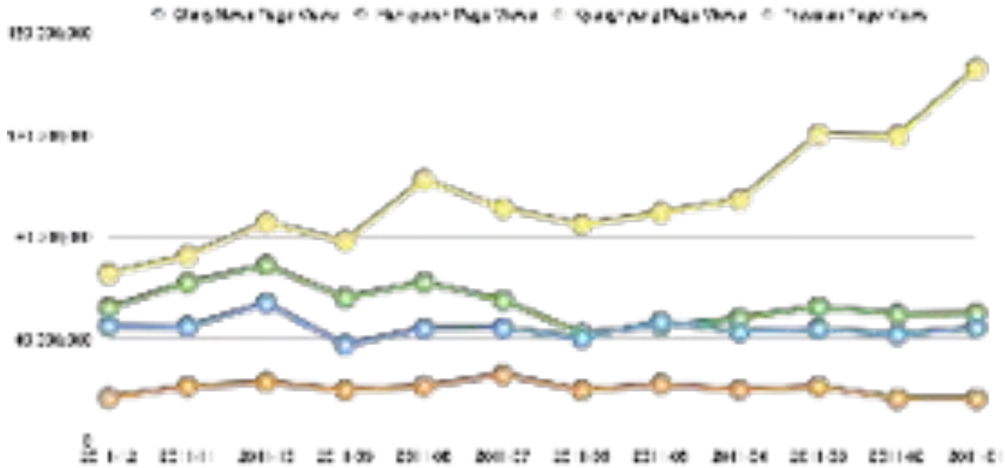

Figure 3.13 Total page views at *OhmyNews* and competitors in 2011.

Though KoreanClick data is not available for the three main newspapers in 2010 — *Chosun Ilbo*, circulation 1,810,000; *JoongAng Ilbo*, circulation 1,310,000; and *Dong-a Ilbo*, circulation 1,248,000 (Korea, 2011) — the World Press Trends report for 2010 reported that *JoongAng Ilbo* was the largest newspaper website, with 9,800,000 unique visitors per month. *Chosun Ilbo* and *Dong-a Ilbo* both saw about 9,000,000 unique visitors per month (Korea, 2010).[88]

3.2.2.3.5 ORGANIZATIONAL CHART AND STAFF

During my period of fieldwork in early 2012, *OhmyNews* had eighty-nine full-time employees, split into nineteen departments. The largest group of employees (fifty-five) was that working on content. The single largest group in the content area was the fourteen editors. *OhmyNews* had sixteen employees working on operations or revenue generation (sales and membership). Nine people worked on education and publishing. Four people worked on software development and another three on design. Each group described here also had specialists, which is explained in the organizational chart shown in Figure 3.14.

The structure of *OhmyNews* is significantly different from that of *The Texas Tribune*, and resembles more closely that of a traditional newspaper. As noted previously, newspapers are hierarchical (Stephenson, 1998, 117), and *OhmyNews* is similar. Additionally, the editorial process for both professional and citizen reporters mirrors the multiple levels of that of newspapers. The organizational chart illustrates the hierarchal nature; it is ordered by seniority in each subject-area column. Additionally, like newspapers and *The Texas Tribune*, editorial and business employees are literally separated by walls. Figure 3.15 shows the layout of *OhmyNews*'s primary office in Seoul's Digital Media City. Sales and

88 The World Press Trends report gathers this data from the Google Ad Planner tool, and is subject to similar disclaimers of accuracy to the KoreanClick data.

administration, along with the top executives, are down a long hallway and utterly separated from the content-generating employees. Again, like newspapers and *The Texas Tribune*, reporters are divided based on the beat they cover, and the beats at *OhmyNews* are relatively traditional: politics, economics, society, regional, and celebrity and entertainment. Also, the chart reveals some key management choices. For example, software developers and sales make up only 4.5 per cent each of the total staff.

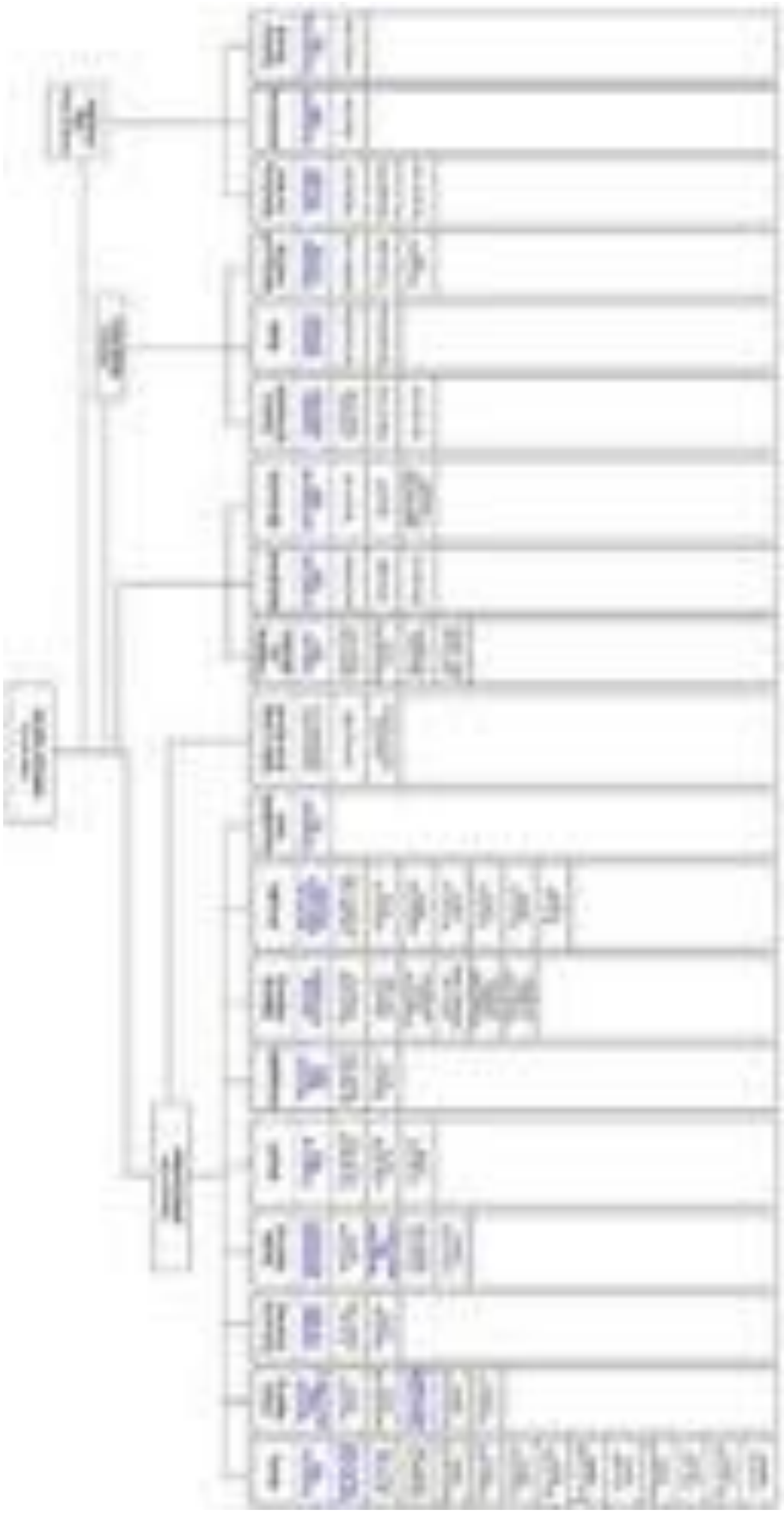

Figure 3.14 *OhmyNews*'s organizational chart as of early 2012.

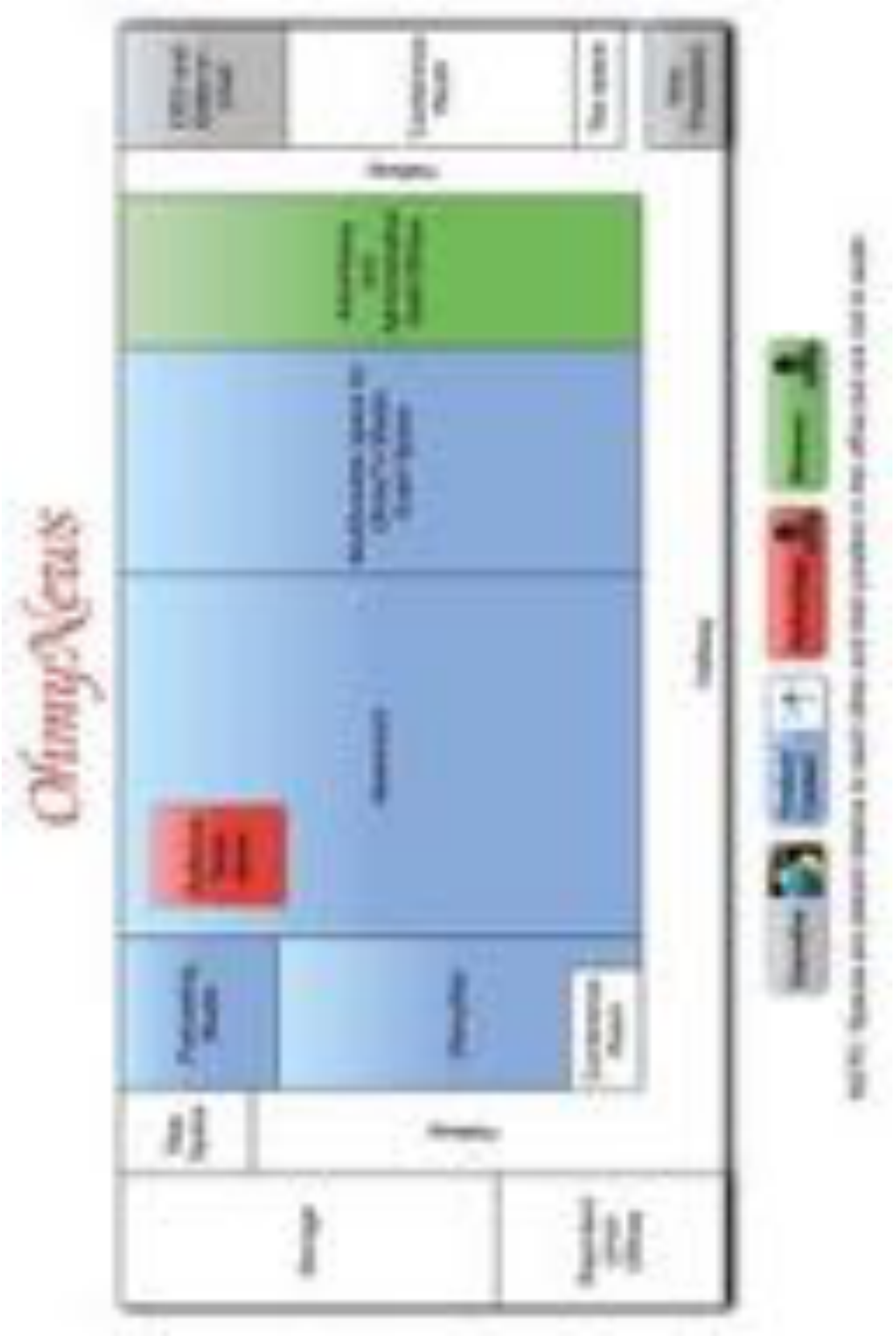

Figure 3.15 *OhmyNews*'s primary office floor plan as of early 2012.

3.2.2.3.5.1 CITIZEN REPORTER OVERVIEW

Perhaps the single defining characteristic of *OhmyNews* is its use of citizen reporters as a part of its overall journalistic workforce. As such, understanding that group is an important part of understanding how *OhmyNews* staffs. First, this section addresses the scale of citizen journalist contributions through the number of first-time citizen reporters per year, the number of citizen journalists who contributed per year, and the number of citizen-reported articles accepted for publication (the number that reached the *ingul* stage) per year. Then, to understand slightly more about who these citizen reporters are, and their interests, it offers a snapshot of contributors' ages, the occupations of those who wrote some award-winning pieces in 2011, and a short profile of a prolific citizen reporter. While I conducted limited interviews with citizen reporters, and both observed and participated in the process, the motivations of citizen reporters themselves was not a focus of this work because there has already been good scholarship on the subject.[89]

The number of first-time citizen reporters peaked in 2000, at 1808, and then reached nearly those levels again in 2003, but has been in decline since. For 2010 and 2011, the number of first-time reporters was between 600 and 700 individuals. Figure 3.16 illustrates the trend from *OhmyNews*'s first year to the end of 2011.

89 For a summary of Sutton's work, see 'The Citizen Reporting Process' on page 178.

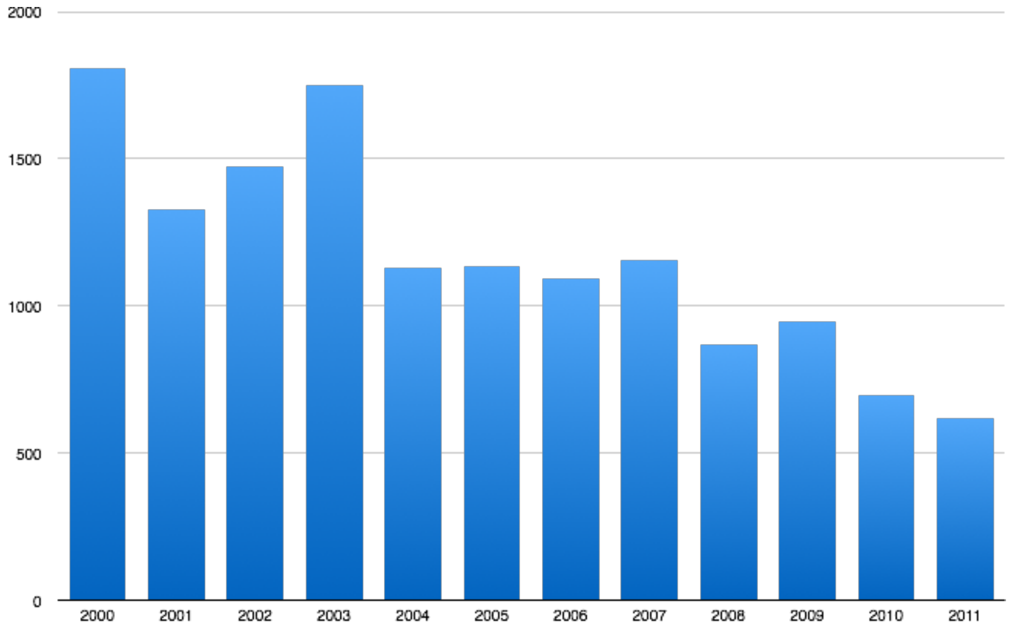

Figure 3.16 The number of first-time citizen reporters writing for *OhmyNews* from 2000 to 2011.

Obviously, not every registered citizen reporter contributes to *OhmyNews* every year. Figure 3.17 shows both the total number of contributing citizen reporters per year and the average number of articles per citizen reporter per year. The reason to show both is to highlight just how productive the period between 2003 and 2007 was for *OhmyNews*. The year with the single most contributing citizen reporters was 2003, with 4205. In 2011, 2919 citizen reporters contributed stories. Not only were more citizen reporters contributing than in other years but those reporters were also, on average, more productive, submitting nearly fifteen articles each. The average per citizen reporter in 2011 was 9.5. Figure 3.18 illustrates the total number of citizen-journalist-written articles accepted for publication per year.

Figure 3.17 Citizen journalist contributions at *OhmyNews* from 2000 to 2011.

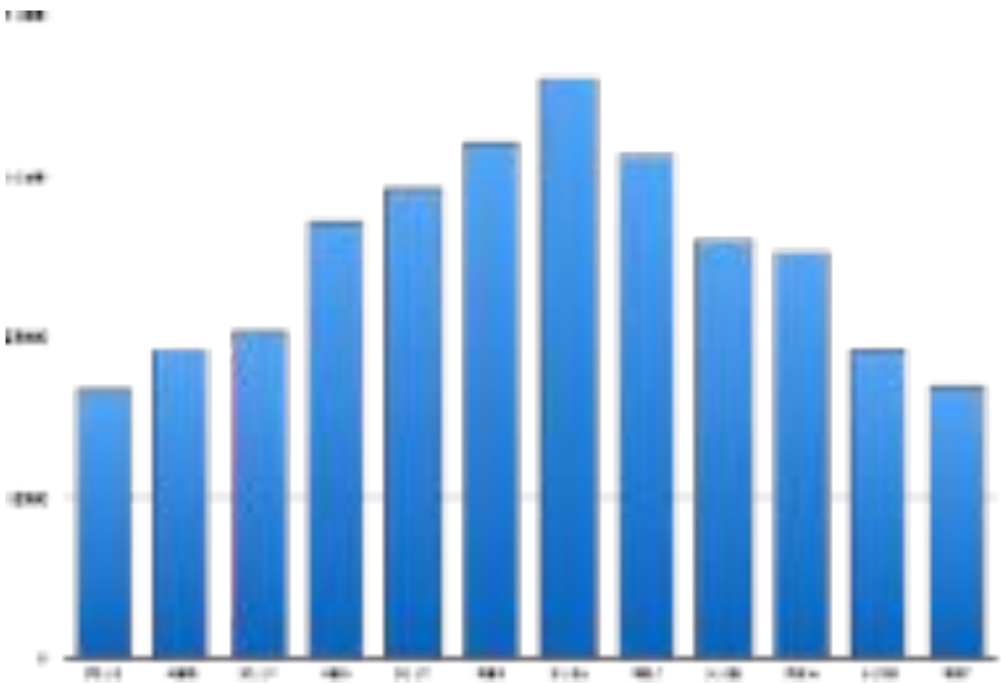

Figure 3.18 Number of citizen journalist articles published at *OhmyNews* from 2000 to 2011.

The age of citizen journalists is an important metric for *OhmyNews*, because it helps us to estimate for how long the enterprise can keep its unique editorial system working. By continuously recruiting young people, *OhmyNews* can try to replace those that stop writing as they grow old. Those in their twenties are particularly important as they can reasonably be expected to produce content of high enough quality for a general reading audience and they still have many decades of potential contributions ahead of them. Figure 3.19 shows the number of new citizen reporters in their twenties to submit articles each year. From 2005 to 2009, *OhmyNews* grew the number of contributors in their twenties, though the growth fell in 2010 and 2011.

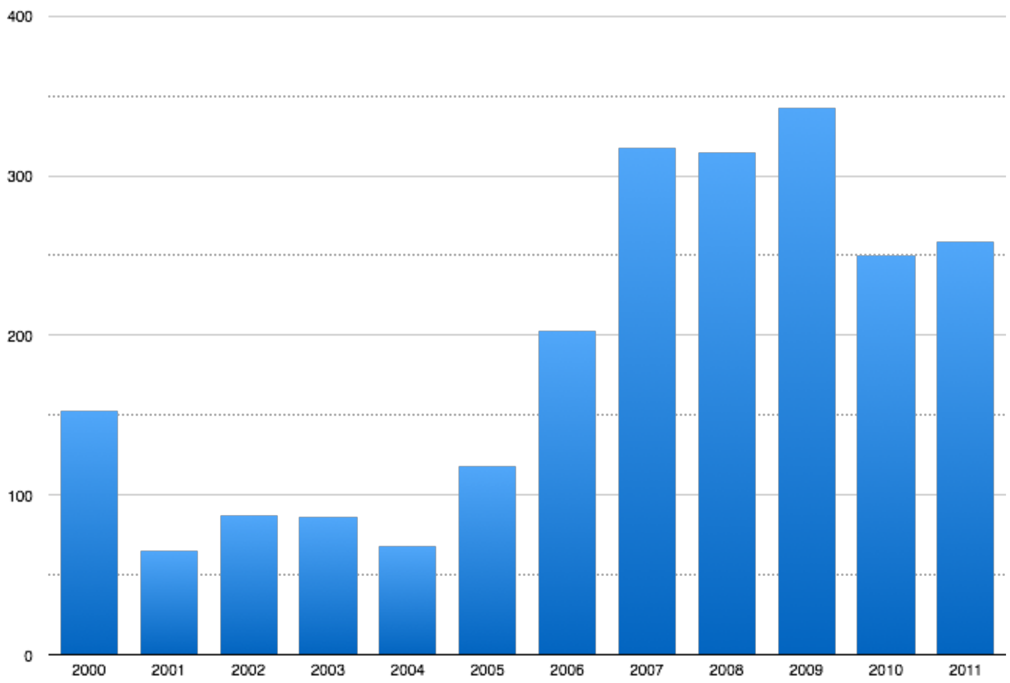

Figure 3.19 New *OhmyNews* citizen journalists aged 20–29 from 2000 to 2011.

Part of the appeal of citizen journalism, for *OhmyNews* and for those looking to increase participation in civil society, is that non-professionals writing for news organizations should bring their outside expertise to their work. Over the course of each year, *OhmyNews* offers numerous awards for citizen reporters whose stores have had significant traffic or impact. To understand the expertise of these citizen reporters, I collected all their occupations. These included a professor at Penn State University, a local sheriff, the spokesman for the national teachers' union, political-party-funded think-tank researchers, a pastor, a former research director of the KPF, and students at universities from around the world.

To better understand the motivations of citizen reporters, it is useful to look at one of the more successful citizen reporters. The spokesman for the national teachers' union explained that the first article he wrote for *OhmyNews* was critical of how a private school in his area treated students. He explained that if he had written it 'anywhere else' it would have been like writing it in his 'journal' or simply 'talking to himself'. By writing it for *OhmyNews*, 'the wrongdoings of the school [were] shared', enabling the teacher to 'raise a public sentiment' on the issue (Im, 2012b). The teacher, Im Jeong-hun, explained that the amount of time he spends on articles varies significantly, from twenty minutes to three days. He also explained that, in addition to amplifying his own voice on issues he cares about, being a citizen reporter is quite like other forms of social participation, like being on a local football team. He said that the money he earns writing for *OhmyNews* is not a prime motivator to write more but instead a way he can judge the quality of his own work.

However, more can be known about citizen reporters by way of a large-scale quantitative analysis. Sutton's study of the uses and gratifications of *OhmyNews* looked at 192 citizen reporters to better characterize them demographically and to understand their precise motivations. He reports that, 'If we were to generalise the participant demographic [...] we would observe that they are relatively well-educated city workers, predominantly male, and in their 20s, 30s, and 40s', and he offers a statistical table, reproduced as Table 3.3 (Sutton, 2006, 28).

		Questionnaire Column % n=192
Gender	Male	81.8% (157)
	Female	18.2% (35)
Age	Teens	0
	20s	24.5% (47)
	30s	30.7% (59)
	40s	28.6% (55)
	50s	13% (25)
	60s and older	3.1% (6)
Occupation	Student	21.9% (42)
	Working	66.1% (127)
	Unemployed	7.8% (15)
	Retired	4.2% (8)
Education	High school	8.9% (17)
	Short-term college	4.7% (9)
	University	58.3% (112)
	Graduate school	28.1% (54)
Locale	Urban	80.7% (155)
	Suburban	10.4% (20)
	Rural	8.9% (17)

Table 3.3 Demographics of *OhmyNews*'s citizen reporters (Sutton, 2006, 28).

For citizen reporters, 'The highest single motivating factor [to write] was "to exercise my right to freedom of expression"' (Sutton, 2006, 31). Additionally, as discussed in 'The Citizen Reporting Process' on page 178, all the important motivators for citizen journalists are non-economic. Also interesting is the psycho-political nature of the citizen reporters. None rated themselves as 'very satisfied' with Korean society, 61.5 per cent said they were 'dissatisfied' with it, and 12.5 per cent were 'very dissatisfied' (Sutton, 2006, 35).

Sutton summarized the key reasons why people participate in two ways:

> Firstly, desires for the free dispersal of information are widely found [...] in almost all of the remaining responses from the questionnaire. At the same time, but to a lesser extent, we can observe community interaction gratifications ('to just listen to the concerns of friends'), personal development gratifications ('my pieces have become the topic of discussion while at the same time creating countless other writers'), and social reform gratifications ('to make progress in the world and in history'). Secondly, a strong dissatisfaction with Korea's mainstream media is voiced, which is arguably a valid explanation behind the growth of citizen journalism in Korea (Sutton, 2006, 38).

In sum, while *OhmyNews*'s citizen reporters are the driving force behind the organization, and provide it both with large non-monetary resources (as will be discussed in Chapter 6) and the political basis for operation, the data show a precariousness about the organization's ability to continue. The number of new, young citizen reporters is shrinking, as are the number of citizen-produced articles. Moreover, the data also show that citizen reporters write for *OhmyNews* to fill non-economic needs. One potential explanatory factor for these trends appearing jointly is the rise of social media — it allows people to have a voice of their own, without the difficulty and constraints of an editorial system. That thesis is outside the scope of this particular investigation, though my work here suggests that a study on the continued ability to attract citizen reporters into the future would make for a useful intellectual project.

4 COSTS AND REVENUES AT BORN-DIGITAL NEWS ENTERPRISES

4.1 MONEY MATTERS

The previous four chapters are designed to give the reader enough context to understand both the problem faced by an institution central to modern democracies and two specific enterprises that are attempting to solve it. This and the following chapters constitute the core argument and analysis of this dissertation.

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These chapters represent my answer to the research question of this dissertation. There are three elements to the logic of viability for born-digital, accountability-journalism-producing news enterprises. The first two deal with money: costs and revenues at born-digitals are different from those at traditional newspaper organizations. This chapter analyses these differences in detail. In effect, it catalogues how these enterprises compete in the field for one type of capital mentioned in Chapter 2: economic capital. The next chapter scrutinizes other capitals, which when combined I refer to as non-monetary resources. It also discussed how born-digitals value and deploy them.

4.2 MAJOR COST CENTRES

The costs of building a born-digital, accountability-journalism-producing news enterprise are different from those of legacy media, in part because the 'production' costs are so much lower. As discussed in Chapter 1, costs at a typical American newspaper in 2001 broke into six categories. Unlike Table 1.1, Table 4.1 shows those costs in the same format I will use for born-digitals — as percentages of total expenditure.

Category	Dollars	Percentage of total costs
COSTS		
News-editorial	6,768,721.43	14
Advertising	5,147,828.57	11
Circulation and distribution	6,733,250.00	14
Production (mailroom, press, and pre-press)	4,925,378.57	10
Newsprint and ink	8,257,207.14	18
Building, general and adminstrative, and depreciation	15,182,928.57	32

Table 4.1 Costs at the average American newspaper with 100,000 circulation in 2001, as a percentage of total expenditure.

This chapter will discuss the major cost categories at both *The Texas Tribune* and *OhmyNews*. While neither of these enterprises track their costs in the same way that the Inland study of newspapers did, I will make comparisons wherever possible. I will start with the six major categories, which account for anywhere between 93.1 and 100 per cent of the costs at *The Texas Tribune* and *OhmyNews*, respectively. I will then discuss the other miscellaneous cost categories, present mostly at *OhmyNews*. (Some readers may find it helpful to refer to * Percentages are rounded to the nearest whole number for readability – the Etc. row, for example, has some extremely small amounts despite being listed as nil.

Table 4.2 and Figure 4.1, which summarize the same data in different formats, as they read.) I will conclude with a discussion of the costs for born-digital news organizations and why they contribute to a new logic of operations for the modern accountability-journalism-producing news enterprise.

There is also one important note on expenses, globally. The total expenditures at both *The Texas Tribune* and *OhmyNews* are significantly lower than they were at the average American newspaper in 2001. In part this is because, in many ways, both enterprises choose to do less than a newspaper. Rather than attempting to cover the world, both enterprises cover a well-defined vertical (niche). I will discuss this in detail in Chapter 5, but it is worth keeping this in mind as we go through the expenses in each born-digital enterprise.

	Texas Tribune		OhmyNews	
	2010	2011	2010	2011
Staff	67	56	50	54
Consulting	0	6	0	0
Citizen reporter payments	0	0	6	4
General and administrative	13	16	18	17
Editorial	7	7	2	1
Sales, marketing, and development	7	11	10	10
Hosting	3	2	4	3
Rent	3	3	4	3
Etc.	0	0	0	0
Events	0	0	3	3
Book publishing	0	0	3	3
Education	0	0	1	1
Tax	0	0	0	0

* Percentages are rounded to the nearest whole number for readability – the Etc. row, for example, has some extremely small amounts despite being listed as nil.

Table 4.2 Costs at *The Texas Tribune* and *OhmyNews* as a percentage of total expenditure in 2010 and 2011.

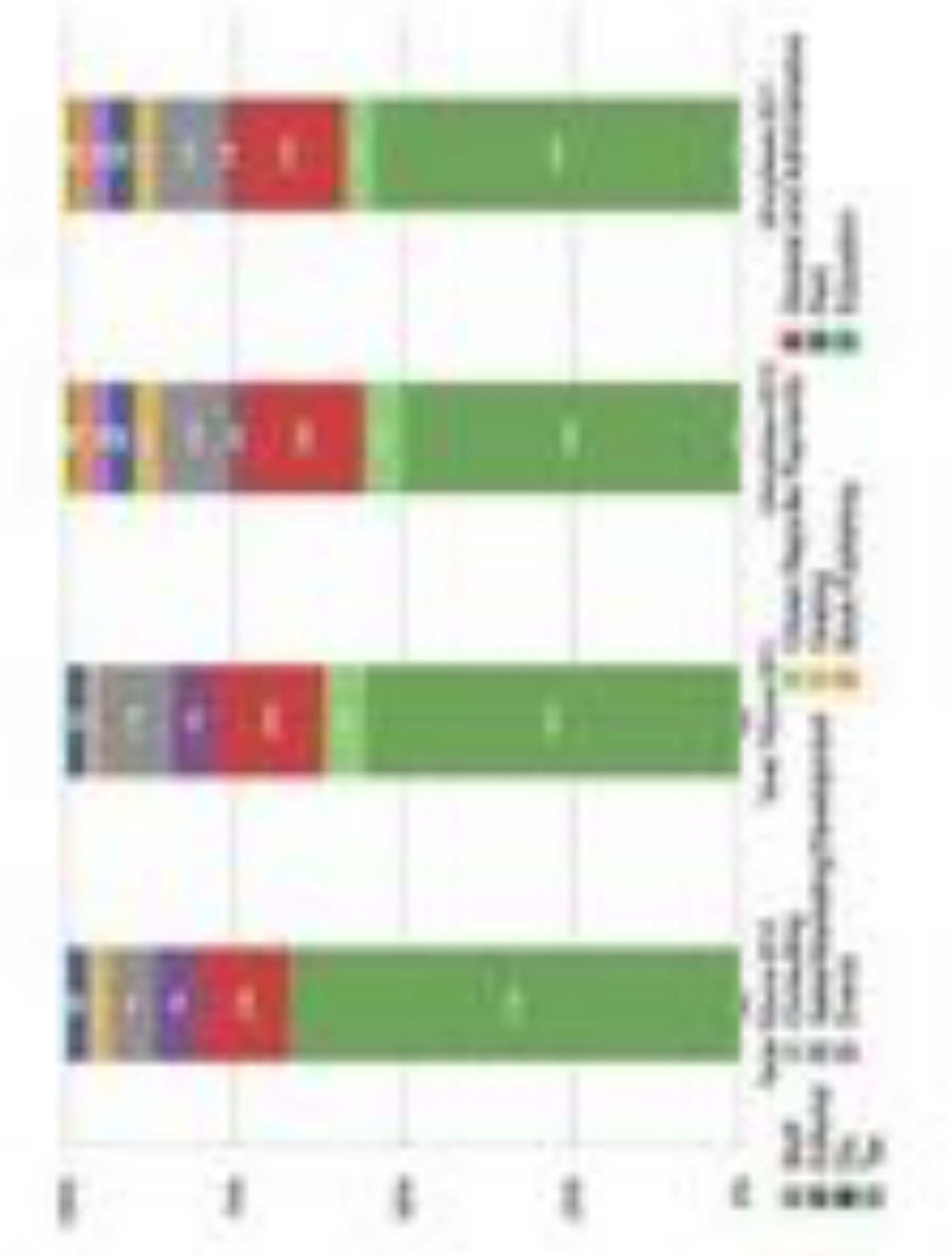

Figure 4.1 Costs at *The Texas Tribune* and *OhmyNews* as a percentage of total expenditure in 2010 and 2011.

4.2.1 STAFF

Although the Inland study of newspapers divided staff into various categories based on their activities, for the purposes of this dissertation I have group all staff together into a single category. There are three reasons why. First, neither *The Texas Tribune* nor *OhmyNews* tracks staff expense by department, instead tracking them as a whole. This meant that I would not be able to create a perfectly accurate breakdown without seeing individuals' salaries — data I was not allowed to access. Second, even if I had access to the data, it still would not have been directly comparable, as many of the functional areas of work are so different than in newspapers (software developers, for example, are not represented in the Inland data and typically have salaries much higher than journalists). Third, the people inside my two case studies did not think of staff costs in relation to departments — instead, as suggested by the way they kept their financial books, staff was a holistic category unto itself. This makes sense in light of the numbers: the single largest cost centre at both *The Texas Tribune* and *OhmyNews* is staff. At the *Tribune*, staff accounted for 67 per cent of total costs in 2010 and 56 per cent in 2011, or $2,006,176.41 and $2,532,259.47, respectively. At *OhmyNews*, staff costs were more stable, at 50 per cent in 2010 and 54 per cent in 2011.[90] The category includes staff salaries, in addition to fringe benefits. To compare, even roughly, with newspapers is

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90 Throughout the next two chapters, OhmyNews's data is consistently presented in terms of percentages. This allows a reader to compare it with The Texas Tribune or other companies without revealing OhmyNews's precise annual revenue. This was done at the request of OhmyNews.

revealing. Summing the costs of news and editorial along with advertising — the two most staff-intensive categories — covers just 25 per cent of costs. Even if we add the entire building, general, and administrative category, much of which is surely non-staff costs, we still come to just 58 per cent of expenses. The purpose of this is to highlight the difference between these born-digitals and newspapers: born-digitals spend comparatively more on their staff than does a newspaper.

Moreover, staff costs at born-digitals are high in both percentage and absolute terms. This is not surprising, after reviewing the cost structures of a newspaper. Not only are the large production-related costs removed when creating a digital product but also some higher-paid staff members are required to put together digital publications. The *Tribune*'s non-profit status requires the disclosure of key employee salaries, which offers an insight into some higher employee salaries. The two highest-paid employees in 2011, the CEO and head of sales, made more than $300,000 each. More critically, though, other key employees made more than $100,000, including the chief operating officer, editor-in-chief, director of technology, and executive editor (*Texas Tribune 2011 990*, 2011).

4.2.1.1 OUTSIDE STAFF

Both *The Texas Tribune* and *OhmyNews* also employ various outside staff when relevant. This has an important impact on the cost structures of born-digital news enterprises: rather than staffing for the peak, these organizations hire key people full time and then build relationships with other people they could not keep busy full time. At the *Tribune*, this manifests itself though the practice of hiring photographers and videographers for individual stories. Though *OhmyNews* did not set out to do the same with citizen reporters, they have the same effect. Editors in Seoul contact individuals when those individuals have the expertise or experience on a particular developing story, and pay them only for their time working on it.

The Texas Tribune rolls payments to outside photographers or videographers into its staff category in its internal books, but its tax filings reveal that it spent $109,328 in 2010 and $250,672 on 'other' 'fees for services (non-employees)' related to its primary programming (*Texas Tribune 2010 990*, 2010; *Texas Tribune 2011 990*, 2011). That accounts for about 5 per cent of the *Tribune*'s 2010 and 10 per cent of the 2011 costs.

OhmyNews's citizen reporter payments are recorded separately from other staff payments. In 2010 they accounted for 6 per cent of total costs, and 4 per cent in 2011. These payments are only those that citizen reporters receive for writing a story that is published onto the site, and range from about $2 to $50 per story, depending on how prominently a given story is first published.[91]

4.2.2 GENERAL AND ADMINISTRATIVE

The second largest cost category at both *The Texas Tribune* and *OhmyNews*, general and administrative, is a collection of expenses related to office upkeep and business operations; in other words, the costs of keeping the lights on. This category includes internal operating (utilities, communications, office supplies, postage, vehicle upkeep) and IT costs; business-related travel (separate from editorial travel); professional services (legal, accounting, etc.); and depreciation. The *Tribune* spent $382,985.34 in 2010 and $717,274.40 in 2011 on this category, or 13 and 16 per cent of overall expenses, respectively. *OhmyNews*'s general and administrative costs accounted for 18 per cent of all expenses in 2010 and 17 per cent in 2011.

Again, while the Inland study of newspapers in 2001 does not break costs into precisely the same categories, a comparison can still be useful. The Inland category covers building

91 To reiterate from the discussion on citizen reporter payments in Chapter 3, the amount of money individual reporters receive is quite low. However, the primary motivations for writing are non-economic. For a fuller discussion, please return to 'The Citizen Reporting Process' section in the previous chapter, on page 178.

costs (which I discuss below as rent), general, administrative, and depreciation, and accounts for 32 per cent of costs. Rent at the born-digitals accounts for between three and four per cent of costs. This comparatively lower expense in the born-digitals might be due in part to their different production modes. Where newspapers require physical plants and large offices (indeed, many newspaper offices are central, monument-like buildings: *The Guardian*'s offices in London, the Hearst Tower in New York, etc.), the born-digitals can simply rent traditional office space.

4.2.3 SALES, MARKETING, AND DEVELOPMENT

Sales, marketing, and development costs are the next largest area of expense at both *The Texas Tribune* and *OhmyNews*. This category contains all the money spent specifically to generate revenue, including client entertainment, travel for sales, additional fund-raising support staff, advertising in other publications, and commissions to outside advertising agencies. At the *Tribune* these efforts accounted for 7 per cent of total costs in 2010 and 11 per cent in 2011 ($200,609.71 and $502,533.72). At *OhmyNews* these accounted for 10 per cent of all costs in both 2010 and 2011.

4.2.4 EDITORIAL

Editorial costs consist of expenses incurred directly in the process of news-gathering, including traveling, meeting, or entertainment with sources, and food for reporters spending extended time on the job. It also includes the costs associated with memberships in reporting groups and wire services. At *OhmyNews*, this includes membership in groups that allow it to use office space at the presidential mansion and National Assembly. These costs accounted for 7 per cent of total expense in 2010 and 2011 at the *Tribune* ($210,603.84 and $309,172.15). They were 2 per cent in 2010 and 1 per cent in 2011 of *OhmyNews*'s expenses.

4.2.5 SITE HOSTING

Site hosting contains all the costs related to keeping *The Texas Tribune* and *OhmyNews* online and accessible to users. While the amount of information stored and content delivered is constantly increasing, this category is notable because these costs are decreasing as a percentage of the total at both enterprises. According to the University of Washington eScience Institute, which tracks prices of the Amazon Web Services platform (which is how the *Tribune* hosts all its content), 'Over time, the price to rent 1 unit of resources for three years of continuous usage has fallen dramatically as Amazon offered new instance types, offered new long-term pricing plans, and lowered prices outright across the board' (Howe, 2010). This constantly decreasing cost is a stark contrast to newspapers, which depend on commodities, many of which face increasing costs (such as fuel for delivery fleets).

The *Tribune*'s hosting costs are particularly instructive. Although page views rose from 23,011,983 in 2010 to 40,459,717 in 2011, its hosting costs dropped from $99,259.13 to $79,614.36. Hosting as a percentage of all expenses dropped from 3 to 2 per cent over the two years. *OhmyNews*'s hosting contract meant that it spent the exact same amount both years, but, as other expenses increased, hosting dropped from 4 to 3 per cent of total costs.

4.2.6 RENT

The last major cost category for *The Texas Tribune* and *OhmyNews* is rent for office space. At the *Tribune*, this is for its newsroom in central Austin, and for *OhmyNews* it includes the main office in Seoul's Digital Media City, the OhmyHouse, and the OhmySchool. Both organizations have some flexibility in where and what they rent when compared to legacy publishers or broadcasters. In essence, all either organization needs on site is appropriate office space and equipment along with an excellent Internet connection. Moreover, if these enterprises need to move, the costs are significantly lower (and less risky to production) than a newspaper attempting to move a printing press and production system.

Rent as a percentage of total costs was more consistent than other categories, staying at 3 per cent for the *Tribune* and dropping from 4 to 3 per cent at *OhmyNews*. The *Tribune* paid $94,126.84 in 2010 and $132,537.65 in 2011.

4.3 OTHER COSTS

The major cost centres listed above account for the vast majority of the expenses at born-digital news enterprises, but they do not cover everything. In fact, *OhmyNews* shows a small number of other expense categories — including event, book publishing, education, and tax — that offer insight into what a more mature digital enterprise might encounter. In part due to *OhmyNews*'s maturity, it has extended into other lines of business and as such incurs other expenses. This section details these costs.

4.3.1 EVENTS

OhmyNews collects data on the money it spends directly on running events. These expenses include everything from temporary staff help to promotional materials and signs for the event sites. And, compared to the revenue brought in by events, the costs are tiny: just 3 per cent of overall expenditure in both 2010 and 2011.

4.3.2 BOOK PUBLISHING

Book publishing costs include both the outside services and production efforts at *OhmyNews*. Required outside services include cover design and copy editing; production is a combination of paper, ink, printing, binding, and warehousing expenses. In both 2010 and 2011, this accounted for 3 per cent of total expenditures.

4.3.3 EDUCATION

Education expenses at *OhmyNews* cover educational activities taking place at the OhmySchool. This includes additional payments for teachers, transportation to the school, and even the food served there. These expenses accounted for just 1 per cent of total costs in both 2010 and 2011 at *OhmyNews*.

4.3.4 TAX

OhmyNews, as a for-profit corporation, is required to pay corporate and payroll taxes. The local borough government levies an extremely low tax based on headcount (about $145 per person per year). The national government also imposes a tax on corporate profits; however, this tax is calculated on the profits made over a ten-year period. Because

OhmyNews has had losses, and because profits are quite low in general, it typically pays no national tax. According to *OhmyNews*'s head of finance, this is not an intentional tax-avoidance strategy; rather, the organization frequently doesn't make enough profit.

4.4 THE IMPLICATIONS OF LOWER COSTS FOR VIABILITY

As shown by the data above, the breakdown of costs at born-digitals is different from that at newspapers. For the purposes of understanding how born-digitals approach viability, there are two related items to highlight: first, the primary cost as staff, and second, the lower distribution expenses. Because so much of what these enterprises do is to create digital intellectual property (capital), much of their expense is oriented towards the resource they need to produce it: human resources (human capital). And, some of the human resources required by these born-digital firms is in extreme demand across multiple sectors of the economy: software developers.

This combination of extremely inexpensive product and delivery with extremely expensive producers results in different ways of thinking and rules of the game for these enterprises. Instead of looking for optimizations in product areas — as newspapers did when they stopped vanity circulation, as I discussed in Chapter 1 — born-digitals are likely to look at other areas to control costs. Staff, as the largest expense, is an obvious area to examine.

One example of this playing out, though surely unintentionally, is the existence of data reporters at *The Texas Tribune*. These reporters are hybrids, with the skills of a journalist plus a subset of the skills required of a software developer. While they have a discrete job role — to produce some of the *Tribune*'s extremely popular data stories — they can also be seen as an intelligent way to manage and limit the human resources needed. Instead of hiring a software developer and training them to be a reporter, the *Tribune* can hire a reporter and give them a very focused set of training on data manipulation. Moreover, these hybrids speak enough of the 'language' of software that they can act as translators between the pure-technology and pure-editorial teams. Though the purpose of having the data reporter on staff is to produce their own work, when looking at their existence from the perspective of the broader logic of the field, it becomes clearer that they are also an attempt to minimize the amounts of capital required.

Another way the cost structures play out is in the constant change and experimentation in the distribution of the enterprise's actual products. For newspapers, a change in the form factor of their product — for example, from a broadsheet to a more commuter-friendly berliner or tabloid — is a significant business decision. But the decision to experiment with the delivery of richer content, by for example publishing HD video, is an utterly unimportant cost for *The Texas Tribune* or *OhmyNews*. This frees born-digitals to experiment in ways that newspapers never could, and that experimentation is evident. While I was in Austin, the *Tribune* ended its news quiz product, and while I was in Seoul, *OhmyNews* dramatically ramped up its podcasting.

In sum, born-digitals spend much less money than the average American newspaper did in 2001, and what money they do spend is differently distributed. This is, in part, due to the differing strategies undertaken by the born-digitals as compared to newspapers. An observer might ask about the causal direction: do the strategies lead to lower costs or do they result from less available revenue? For the purposes of this dissertation, however, the direction is immaterial: what matters in describing the character of these enterprises, and what will become our understanding of the logic of the field, is to simply note that lower costs are a key part of the overall approach to viability.

4.5 'REVENUE PROMISCUITY' — A DIVERSIFICATION OF REVENUE STREAMS

One of the core findings of this dissertation is that born-digital news enterprises do not make money in the same way that traditional newspapers do. They have diversified their revenue streams well beyond the traditional advertising and circulation used by newspapers.

This insight came early in the fieldwork process, though fully understanding and documenting it did not. On my first day in Austin — indeed my first day of fieldwork at all, 9 September 2011 — I asked Evan Smith whether I could come along to a talk he was giving to a group of leaders of other non-profit organizations from around the state of Texas. As I stepped up into his SUV, he told me that he already had the entire answer to the question posed by my PhD. Incredulously, I asked him to explain. 'Revenue promiscuity', he said. 'I have a "for sale" sign on everything.'

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Though both *The Texas Tribune* and *OhmyNews* do more to be viable than just diversify revenue streams, it is a core part of both enterprises' strategy. And to pre-empt questions, both enterprises are viable — there is nothing propping them up other than their own activities. *The Texas Tribune* has continued to grow its annual budget every year since launch to early 2014 (nearly five years), thanks to constantly increasing fund-raising activities. And, while *OhmyNews* had some years of small losses during the financial crisis, it was able to cut back and then regrow in the years of recovery. It has now been in constant operation, with paid staff, since early 2000 (fourteen years at the time of writing).

The rest of this chapter outlines the major revenue streams present to some extent in each organization. The majority defines and documents each stream, and illustrative examples from each enterprise are often included. The chapter concludes with a comparative analysis of revenues at *The Texas Tribune* and *OhmyNews* for the years 2010 and 2011. And it discusses revenue promiscuity as a fundamentally different strategy for accountability news production. In essence, the concluding section argues that changes in revenue sources and the strategy of revenue promiscuity matter because they highlight the changed links between users and enterprises. In so doing, they also change the focus of born-digital news enterprises into one of creating an experience that is curated for a group of people, a topic, or a worldview.

4.5.1 USERS' PAY

As discussed above, circulation was a major source of newspaper revenue throughout the twentieth century. Newspaper users would pay for the product — though their payments often only covered the pulp the news was printed on. However, in keeping with the theme of revenue promiscuity, born-digital enterprises have expanded even circulation into a broader category: user payment. They take advantage of users' willingness to pay for specific pieces of content or experiences, and accept money in four broad categories: subscriptions, memberships, micro-payments, and voluntary payments.

4.5.1.1 SUBSCRIPTIONS

Subscriptions in born-digital enterprises operate much like those in their legacy counterparts. They are fees paid to access content on a regular basis. Subscription revenue also implies a difference from buying a traditional good (e.g. a pair of socks). Subscribers do not buy a single piece of content, or even a set number of stories, page views, or other metric. Instead they pay a fixed fee for access to all the content produced by the enterprise, for a set period of time.

Subscription fees do not play the major role at *The Texas Tribune* as they did in legacy organizations — and, indeed, they play no significant role at *OhmyNews*. At the *Tribune*, subscriptions come in the form of $250 ($233.50 for tax-exempt organizations) annual fees for access to the *Texas Weekly* newsletter, described in the previous chapter. The fee for subscribing is not fixed — the *Tribune* offers terms for larger groups to subscribe. And subscribers can access the content in multiple formats of their choosing, including on the Texas Legislative Service. This is a paid service for professionals working in the government and policy space in the state, and it describes itself as 'an unmatched combination of comprehensive data, analytical tools, real-time entry, broad-spectrum delivery, and experience that provides the most innovative lobbying tool to the legislative professionals of Texas' (*TELICON*, 2013). In other words, in exchange for a fee, subscribers to *Texas Weekly* receive content tailored to their specific, professional interest, and get it in a place already useful to them.

At *OhmyNews*, there are currently no subscription-based news products. Interestingly, the company did offer a weekly print product to which users could subscribe. This print edition collected the best work of citizen and professional journalists done in that week, along with specific print advertising. It was also offered for sale a specific newsstands. However, although the print edition was profitable in its own right, *OhmyNews* shut it down at the end of 2011, while I was in Korea on my fieldwork. It decided that the resources involved in designing and printing the weekly paper edition could be better deployed elsewhere.

4.5.1.2 MICRO-PAYMENTS

Micro-payments are another mechanism that born-digital enterprises are using to generate revenue. In stark contrast to subscriptions, where users pay for all-you-can-eat access to content for a fixed period of time, micro-payments primarily consist of one-off content purchases. While *The Texas Tribune* has no meaningful micro-payment products, *OhmyNews* has many, some of which are particularly interesting as they represent the enterprise's ethic: payments accrue to users and *OhmyNews* takes a transaction fee.

The single most important micro-payment at *OhmyNews* is the user 'tip'. It does not result in huge revenues for the enterprise itself, but instead contributes to one of *OhmyNews*'s key non-monetary resources: citizen reporters. The *OhmyNews* tip system is just what it sounds like: users can tip the citizen reporter who wrote a story in any amount they wish. Tips are paid by users' mobile phones, and are collected by *OhmyNews* for distribution to the citizen journalist. *OhmyNews* keeps 40 per cent of the tip total to cover their own commission, VAT, and the costs associated with electronic transfers (Payment Process, 2012). Although tips are usually small, there have been some stories that have resonated with users and generated significant revenues for both the citizen journalist and *OhmyNews*. The largest amount any single author has been tipped for a story is about £12,500, from more than 6000 users (Sutton, 2006, 10).[92] However, given that few stories

92 The story, written in November 2004 by a leading professor, argued that 'the Constitutional Court's decision against a government attempt to relocate Korea's capital away from Seoul was undemocratic because the Court itself was unelected' (Sutton, 2006, 10).

ever reach that amount of money, the tip at *OhmyNews* is a micro-payment that supports the enterprise. But, much like membership at *OhmyNews* is about community participation, the tip system also helps to enhance the citizen journalism experience; in a way it operates like another kind of tip: the hat tip.

The second kind of micro-payment at *OhmyNews* is for 'Thumb News', which launched in September 2007. Thumb News (translated literally from Korean) is a real-time photo blog that accepts and posts pictures sent in from citizen reporters' phones. It was the company's first mobile-focused product, and in a company memo Oh Yeon-ho recognized that it was not to be the future solution to mobile products for *OhmyNews* — in its early days, he said it was simply funny pictures (Thumb News Memo, 2009). Although the mobile nature of the product seems secondary (after all, people had digital cameras and could email in photos), the sent-by-phone portion is critical: users pay a higher-than-typical messaging rate to send a photo to Thumb News.[93] Though there is additional money in it for the mobile network operators, some of this additional fee also comes to *OhmyNews*.

4.5.1.3 MEMBERSHIPS

The second way that users pay *The Texas Tribune* and *OhmyNews* is through memberships. Memberships are fees paid to receive special status with the news enterprise; this status might result in discounts, early access to events, exclusive content, or even social capital in other communities. Despite their differing legal and tax statuses (*The Texas Tribune* is

93 The URI for Thumb News is cleverly its shortcode for messaging: http://5505.ohmynews.com.

organized under the same tax code as charities), both organizations I studied used memberships in virtually the same way. Memberships offered a way to turn the most devoted users into paying customers, and helped to shore up the enterprise's brand. As Smith put it: 'It is a club that you want to be in, and it's not an exclusive club where you are pissing on the peasants from the balcony.' 'It is more inclusive than exclusive. But it is a "membership has its privileges" deal. I think you feel more in as a consequence of the association with the brand' (Smith, 2011c).

The membership programs at each organization share core features — users pay a set amount monthly or annually for membership — but are organized differently. *The Texas Tribune* offers multiple levels of membership, with a sliding scale of benefits accruing depending on how much members give. There are two fundamentally different types of members. The first consist of annual commitments paid either monthly or in a lump sum. 'Circle' memberships, the second type, consist of significantly larger donations over the course of three years. Annual memberships range from $10 student to $500 benefactor gifts per year. At the low end of member benefits (awarded to gifts from $10 to $60 per year) are a monthly newsletter, invitations to happy hours,[94] the donor's name on the *Tribune*'s site, and discounted tickets for *Tribune* events. Benefits continue to accrue up to the $500 level, when members receive all the above plus a monthly round up of the best content on the site, an invitation to a year-end cocktail reception, and an annual year book. For three-year commitments ranging from $1000 to $5000 — in other

94 Happy hours are scheduled times at bars and pubs with reserved spaces for Tribune members.

words, various 'circle' memberships — the *Tribune* offers increasing benefits including recognition on a donor board at events, invitations to additional social gatherings at the its festival, reserved seating at events, free advertising space on the *Tribune*'s site for a charity of the donor's choice, invitations to VIP-only events, and reserved parking and seating at the *Tribune*'s most frequently held events (breakfasts at the central-Austin Austin Club) (*Join Today*, 2013). *The Texas Tribune* began with 1488 founding members in 2009, dropped to 1266 in 2010, and rose to 1802 in 2011.

The membership program at *OhmyNews*, the 100,000 Club, is structured differently. Instead of various annual and multi-annual levels, the 100,000 Club sets a base membership rate at KRW 10,000 (approximately $8.86 or £5.70) per month. Users either pay by monthly donation or are offered a discounted membership rate if they pay up front. The default periods are monthly, pre-paid monthly (between six and seventy-two months at a time), ten-year, and lifetime memberships. The ten-year and lifetime memberships cost KRW 1,000,000 ($886) and KRW 5,000,000 ($4430) respectively. The 100,000 Club is so named because the original goal was 100,000 paying members. Besides a round number and ambitious goal, Oh Yeon-ho said the membership target was set at 100,000 people paying KRW 10,000 per-month rate, so that *OhmyNews* could become primarily (over 50 per cent) dependent on its readers, instead of advertisers or sponsors (Oh, 2009). *OhmyNews* offered members seven benefits during the time I was there. The primary benefit, according to both Oh and the membership directors, was pride. They said people joined because they wanted to participate in a 'world-first:

internet media that is financially independent' (Jeon, 2012).[95] Regardless of the literal veracity of that claim, anecdotal evidence suggests that it is felt by members of the Club. While in Seoul in 2009, I attended a TEDxSeoul event where speakers proudly announced that they were members of the Club (Song, 2013). In addition, members are invited to special lectures by professionals; the 'living library' of talks given by other Club members about their lives; discounts on OhmySchool classes; priority access to *OhmyNews* events; a special photo on the *OhmyNews* website; and a small welcome packet including a welcome letter from Oh Yeon-ho (Jeon, 2012). *OhmyNews* has not, however, met its grand goals of hosting 100,000 members and becoming dependent on only reader revenue. In 2009, *OhmyNews* had 9,18 paying members. However, in 2010, that number dropped to 6574, and it climbed slightly to 6733 in 2011. Instead of viewing the fact that *OhmyNews* couldn't fund itself purely on memberships — they account for between 9 and 6 per cent of revenue, as I will show later — as a failure of that strategy, it is instead better viewed as supporting data for the overall argument of this chapter: that these born-digitals are revenue promiscuous.

4.5.1.3.1 VOLUNTARY PAYMENTS

Both *OhmyNews* and *The Texas Tribune* also receive voluntary payments, particularly in connection with their membership programs. In this context, a voluntary payment has

95 This claim is suspect — there are many independent Internet-based media organizations. Although I clarified this with them — including asking whether they meant in Korea only — they still stuck to this line.

very specific meaning: financial gifts given by users to the enterprise without specific restrictions. While these payments could also be classified purely under the membership schemes for both enterprises, I break them out here to recognize that other organizations may not have explicit membership schemes and might still collect voluntary payments.[96] *The Texas Tribune* displays these gifts most clearly; they are publicly posted on the 'Support Us' section of its site.[97] In 2011 there were thirteen gifts given by individuals in amounts above the top membership tier.

4.5.2 ADVERTISING AND CONTENT SPONSORSHIPS

As with newspapers, born-digital news enterprises take advantage of advertising and content sponsorships — though this revenue stream is nowhere near as central for them as it is for legacy players. Advertising and content sponsorships are payment for connecting an outside person's or organization's message with the enterprise's audience (typically, though not always, via digital display advertising). In its earliest days, online advertising was typically sold in terms of CPM (cost per thousand impressions). An impression, as opposed to a page view, is 'one opportunity to see an advertisement', and as such there may be many impressions sold per page (Farris and Bendle, 2010, 323).

96 This is frequently the case for smaller Web-based publishers. Many simply offer a 'donate' page where people can give what they want, as often as they want. For example, Shawn Blanc allows people to make direct donations: <http://shawnblanc.net/members/donate>.

97 See <http://www.texastribune.org/support-us/donors-and-members>.

4.5.2.1 TYPES OF ADVERTISING

Neither *The Texas Tribune* nor *OhmyNews* are strictly traditional in the way they sell ads; like in every way regarding revenue at each enterprise, they choose many paths simultaneously. *The Texas Tribune* uses the typical CPM metric for just two types of ads: the site's data pages and story pages. But, in addition to these impression-based sales, the *Tribune* also sells various time-based content sponsorships. For a fixed fee (at the time of my fieldwork, $3000) the *Tribune* will rotate an organization's ads across the home, story, and blog pages of the site for a year. It makes no guarantee of impressions, views, or any other metric and instead sells against its audience composition and the public value of the content it produces. In addition to this rotating sponsorship, the *Tribune* sells targeted spaces and periods for even more. For example, thirty days of advertising in *The Brief* — the *Tribune*'s twice-daily aggregated newsletter — sold for $3500. *Inside Intelligence*, a feature that appeared first in *Texas Weekly* and later in the *Tribune*, sold for even more: $1000 a week or $40,000 a year. Again, these prices reflect the audience-within-an-audience that these two pieces of content are targeted towards: politicos and those who work in the lobbying industry. Other fixed-time-period ads included a pre-roll on the weekly podcast, an interstitial that overlaid the entire *Tribune* site the first time any user visited in a day, TT Interview stories, QRANK game sponsorships, aggregation box sponsorships, and the event, search, multimedia, and elected officials directory pages. Another time-based ad unit was in the monthly, weekly, and daily email newsletters sent by the *Tribune* (Hinkle, 2011).

In a conscious attempt to constantly diversify ad offerings — and leave no potential ad revenue 'on the table' — the *Tribune* also helped to pilot a new ad format, in partnership with Google, while I was there: the survey-for-content paywall called Google Consumer Surveys. The essence of this ad type is that Google shows survey questions to users before they can see the content they requested.[98] Users can complete the survey (for which Google acts as a broker and pays the *Tribune*) or sign up for one of the *Tribune*'s email newsletters. April Hinkle, the *Tribune*'s head of sales, explained that this ad type was an extremely useful way to either monetize or engage users on a particular type of content: data pages. 'Almost 60% of our traffic is on the datapages [sic.] and a lot of people are finding this information from search', Hinkle told Google. This made her confident that they were not amongst the site's most active users. The survey ads helped to engage users and also brought in about $6000 per month or the 'equivalent to having a solid advertiser who consistently spends each month' (Hinkle, 2012c).

In many respects, the *Tribune*'s advertising sales are significantly more advanced than those at *OhmyNews*, despite the fact that *OhmyNews* both is a 'for-profit' and has been operating for a decade longer. That said, *OhmyNews*'s advertising strategy supports the general theme expressed above: there is no one-size-fits-all approach. Instead, the enterprise sold on-site advertising in three ways while I was there conducting my fieldwork: CPMs and time periods — as discussed above — and by click. The third method charges advertisers only when a user clicks on the ad, and is thus often known as cost per click (CPC) (Farris and Bendle, 2010, 323). Although CPC advertising is typically preferred for advertisers looking to drive an action — and is the primary driver of some of the largest digital advertising platforms, such as Google AdWords — it only plays a minimal role at *OhmyNews*. Instead, the vast majority of advertisers choose display

98 For more detail, see <https://www.google.com/insights/consumersurveys/home>.

advertising sold either by time periods (frequently one month) or by impressions. Like at the *Tribune*, ads sold on a time basis were rotated across *OhmyNews*'s site for the period, and impression-based ads were rotated to give the advertiser approximately the number of impressions purchased in the given time frame. About 45 per cent of advertising sold on the site was by time and another 45 per cent by impressions. As such, just 10 per cent of *OhmyNews*'s ads were sold as CPC (Choi, 2012; Im, 2012a).

4.5.2.2 TARGETED AUDIENCES

One of the most often cited aphorisms on advertising, quoted by David Ogilvy and attributed to Lord Leverhulme, states that 'Half the money I spend on advertising is wasted, and the trouble is I don't know which half' (*Advertising*, 2012). A necessary corollary, then, is that advertising isn't necessarily about reaching as many people as possible but instead about reaching the 'right' people. The 'right' people concept is easiest to explain by way of example. Think of a plumber. At first glance, one might assume that the plumber wants to reach everyone; who doesn't have plumbing? But in actuality, a plumber would like to put constraints on her advertising so she only reaches the right people: those who live in the area she works, have an immediate need for plumbing services when she isn't already booked, and, critically, who can afford her services. Any advertising purchased that doesn't reach people in all three of these categories is money wasted.

Unlike newspapers, which offered the ability to target based on geography alone, both *The Texas Tribune* and *OhmyNews* take audience segmentation one step further. They cultivate specific audience segments with particular interests. In so doing, they can charge advertisers a premium over undifferentiated Web advertising.[99] In the case of the *Tribune*, it focuses on attracting an audience that is interested in Texas public policy and politics only. And this is reflected in what firms choose to advertise with it. Approximately 50 per cent of the advertising dollars spent on the site in 2011 came from education, professional associations, and financial institutions — all of which have interests in state politics and regulations. The single largest advertiser in the education category was a public university — meaning it is directly dependent on the state for funding (Hinkle, 2012b). At *OhmyNews*, the focus is on a different audience segment: the politically active and liberal 386 generation. In part, *OhmyNews* attracts this group by publishing 'democratic' content — the single largest story category is social issues, frequently those involving labour unions (*OhmyNews* Content By Category, 2012). And again, the targeted audience drives what organizations choose to advertise with *OhmyNews*. For example, roughly 10 per cent of all on-site advertising is purchased by book publishers, and another 10 per cent by local governments (Im, 2012a). That said, the Korean advertising market is different from that in the US — it is dominated by the large conglomerate companies (*chaebols*), which control the entire country's economy. Roughly 60 per cent of

99 This is not to suggest that either The Texas Tribune or OhmyNews do something unique when it comes to advertising. A plethora of online publications have taken this strategy — referred to as a vertical — in order to help raise their advertising rates. I note that both The Texas Tribune and OhmyNews are verticals here only to suggest it helps them in their pursuit of revenue promiscuity. I will address their topical focus more fully in the next chapter, on non-monetary resources.

OhmyNews's advertising sales are to these large companies. However, for perspective, Samsung alone accounts for 20 per cent of the entire country's GDP (Weissmann, 2012).

4.5.3 EVENTS

One of the most important revenue sources for born-digital news enterprises is what Evan Smith called the original social media: 'real-time, face-to-face conversation where ideas were presented, positions debated, solutions brainstormed', also known as events (Hinkle, 2011). At both *The Texas Tribune* and *OhmyNews*, the definition of an event is broad. Essentially, events put on by these news enterprises are open to the public (with an entry fee) and curated around a topic or activity by the organization's staff. The content and format vary significantly both within and across enterprises. Their contribution to viability, however, is massive and indisputable. In Austin they were effectively tied for the second largest revenue source, but at *OhmyNews* they were the biggest by a very large margin. In Seoul, they accounted for roughly 45 per cent of revenue — more than 15 per cent higher than the next largest category (on-site advertising).

Events attached to journalism-producing enterprises, in themselves, are not new. Magazines and broadcasters have long run events for various promotional and branding purposes. *The New Yorker* magazine is a prime example. The magazine runs a range of lectures, film screenings, and other cultural and politically themed events, along with its three-day annual Festival of panel discussions, lectures, and performances. Although there was a time when these events were individual profit centres for the magazine, that slowly eroded to the point where it 'lost money on a lot of [its] events' and corporate sponsors of events (specifically the Festival) only sponsored the festival as value added on top of traditional print advertising (Erlach, 2011).

What is new, however, is the central role events play in the viability of many digitally savvy journalism organizations. Events bring revenue to *The Texas Tribune* and *OhmyNews* in two ways: ticket sales and sponsorships. Ticket sales are fees paid to attend events. They are typically in person, but could also be via a teleconference-style live stream. Sponsorships are the fees paid, typically by outside persons and organizations, to place their messages or brands alongside the content of the event. While ticket sales do contribute to overall revenue, for most events at each enterprise, the sponsorships far outweigh anything users pay to attend.

In the next sections, I will detail all the event types run at each enterprise while I was there collecting data. In addition, I will present micro case studies of the most important events at each enterprise — including individual profit-and-loss statements to illustrate just how these enterprises generate revenue.

4.5.3.1 THE TEXAS TRIBUNE

As mentioned previously, *The Texas Tribune* participates in four different types of event: it runs the multi-day Festival, TribLive conversations and cultural events, and single-day symposiums (often on college campuses), and in addition individual reporters go out to the community and speak at other events. All of these events, except for one-off speeches, rely on 'sponsorships'. Speeches in the community highlight one of the non-standard ways the *Tribune* has found to generate revenue from events and simultaneously reduce the appearance of any conflicts of interests.[100] Instead of treating speaker fees or honoraria as straight donations to the *Tribune*, it instead treats them as advertising (on-site sponsorships). The advertising team converts the amount of money in the honorarium into the equivalent amount of advertising for that client and runs a campaign. This is done to help separate editorial and business; instead of the potential

100 Appearances matter as much as reality in such situations. For a more detailed treatment, in the organizational context, of conflicts of interests, see Gilman. (Gilman, Joseph, and Raven, 2002)

perception of a quid-pro-quo where a reporter takes a speaking fee, it is instead clear that the reporter is coming to speak and the sponsoring organization is buying advertising. Sponsorships and ticket sales, however, are the norm for generating revenue from events. In the following section, I will describe the 2011 Texas Tribune Festival in detail as a mini case study of how the *Tribune* collects revenue from events.

4.5.3.1.1 THE FESTIVAL: A MINI CASE

The single largest event run by the *Tribune*, by time and revenue, is its annual Festival. Patterned after the Aspen Ideas Festival and the New Yorker Festival,[101] the Texas Tribune Festival was originally an event Evan Smith wanted to launch under the *Texas Monthly* brand, but the timing of the economic crisis and its impact on the magazine made it impossible to do so. But, when Smith transitioned to the *Tribune*, he baked the idea into the organization early – the original pre-launch plan called for 'revenue events', including a festival to account for 11 per cent of total revenue after three years of operation.

The 2011 Festival, for which I was present,[102] was a two-day, four-track conference. Running over the weekend of 24–25 September 2011, the Festival hosted approximately 1083 people on the University of Texas at Austin campus and its attached conference centre. The four tracks were all issues regularly covered by the *Tribune*; the titles were

101 See <http://www.aspenideas.org> and <http://www.newyorker.com/festival>.

102 The specifics of the Festival, discussed below, can be verified in the paper copy of the 2011 program, available from the author or the Tribune on request (The Texas Tribune Festival Program, 2011).

often the same as the topical category links on the site's masthead. They were: 'energy and the environment', 'public and higher education', 'health and human services', and 'race and immigration'. Each day followed a similar schedule:

- early morning breakfasts with key political figures for those with special limited-availability tickets (e.g. while there, I and about ten other people — including one high-school student — had breakfast with the Mayor of San Antonio, Julián Castro, who is widely considered to be a future national figure in the Democratic Party);
- morning plenary keynote address (Saturday: US Senator John Cornyn, a Republican from Texas, spoke on energy and the environment; Sunday: Margaret Spellings, former US Secretary of Education in the Bush administration, spoke on public and higher education);
- two pre-lunch sessions in each track;
- two post-lunch sessions in each track;
- an evening plenary keynote address (Saturday: US Ambassador to Brazil Thomas A. Shannon, Jr. spoke on race and immigration; Sunday: former healthcare reform advisor to President Obama, Neera Tanden, spoke on health and human services);
- Saturday only: a drinks reception for *Tribune* members, donors, and Festival sponsors, followed by an open-to-all-attendee screening of *Haynesville - A Nation's Hunt for an Energy Future*, a documentary about a major natural gas field discovered in Alabama and exploited by hydraulic fracturing (fracking), a contentious method that some claim has serious negative environmental impacts.

Breakouts included data-heavy sessions such as one given by Steve H. Murdock, the former state demographer and former director of the US Census Bureau, called 'Population Change and Immigration in the United States: Historical and Current

Patterns and Impacts.'[103] But they also attempted to confront contentious political issues from both right- and left-leaning perspectives. The healthcare track offered a stark example, hosting both a talk by Cecile Richards, the president of the Planned Parenthood Federation of America, called 'In Defense of Family Planning', and another by Michael Burgess, a Republican US Representative from Texas, titled 'The Case against Obamacare'.

4.5.3.1.2 PROFIT AND LOSS

Although *Tribune* staffers work on the Festival for months prior to the two-day event, those days are still a capstone and, critically, the point when the enterprise actually earns money. In 2011, those two days resulted in revenue of $519,000,[104] with costs of $119,870.25, resulting in $399,129.75 in profit. In context, the *Tribune* took in a total of $627,859.20 event revenue in 2011. And the Festival profit covered about 9 per cent of all the *Tribune*'s operations that year. Table 4.3 is a profit-and-loss statement for the Festival itself.

103 Despite the bland name, this talk elicited more excitement from exiting attendees than most. Even Tribune reporters were enthralled with the data and with how Murdoch presented it.

104 In-kind contributions are not considered in the figure but are discussed below.

Texas Tribune Festival 2011			Total
Revenue			
	Sponsorships	$ 453,000.00	
	Tickets	$ 66,000.00	
			$ 519,000.00
Costs			
	Production	$ (26,209.72)	
	Labor	$ (9,631.00)	
	Promotion	$ (18,493.58)	
	Party	$ (4,804.29)	
	Art	$ (22,713.08)	
	Miscellaneous	$ (8,018.58)	
	SXSW Ticketing	$ (30,000.00)	
			$ (119,870.25)
	Grand Total		$ 399,129.75

Table 4.3 Profit-and-loss statement for The Texas Tribune Festival 2011.

Ticket sales and sponsorships contributed to revenue at the Festival. Comparatively, ticket sales were inconsequential, amounting to just 13 per cent of total revenue, or $66,000. Sponsorships, thus, accounted for 87 per cent of revenue. As sponsors, eleven organizations contributed in-kind goods and services worth at least $305,679. These sponsors were critical to the event's success. For example, the largest donation of any sort was an in-kind contribution of advertising space in another publication valued at $157,904. Other in-kind contributions included gifts for speakers, bottled water for attendees, the entire venue,[105] and the entire Festival operations staff, who were seconded

105 The venue was provided by the University of Texas, and is unaccounted for in the estimate of in-kind value, as renting the University is not something available for purchase by outside groups.

from SXSW Inc.[106] at a heavily discounted rate (they agreed to work for approximately 50 per cent of the ticket sales intake).

Cash contributions from twenty-nine organizations ranged from $2000 from an educational institution to $125,000 from an energy industry organization, and totalled $453,000. Companies in the energy, healthcare, automotive, air travel, lobbying/professional services, media, finance, education, and defence sectors[107] all were financial sponsors.

The companies that contributed to the Festival did not do so to be charitable (the energy and healthcare industries alone accounted for 59 per cent of total financial sponsorships), but instead, according to the *Tribune*'s head of sales, for the opportunity to put their messages and products directly in front of those attending the Festival and to associate their organizations with the *Tribune*'s brand.

To do so, sponsors received two different categories of product. The first was typical event advertising: logos on signage, mentions of thanks at various points throughout the two days, and display ads in printed programs and on the *Tribune*'s site. The second category was access. Sponsors were allowed to make direct contact with a target audience at the Festival. For example, the American Natural Gas Alliance (AGNA) brought a natural-gas-powered shuttle bus to move attendees from point to point on the University campus. And Chevrolet had a fleet of their latest gas-electric plug-in hybrid vehicles and drivers,

106 The privately held owner and operator of the South by Southwest festival series. See <https://www.google.com/finance?cid=7439939> and <http://www.sxsw.com>.

107 Ranked in order of financial contribution.

which would individually chauffeur attendees to their destinations. Both AGNA and Chevrolet used the time when attendees were quite literally captive audiences to extol the virtues of their products. But both organizations were looking to speak to just about anyone at the festival. There were some sponsors, though, who spent money to talk to a very small subset of attendees — and in some cases just a single person. An Austin-area bank, for example, sponsored the Saturday cocktail hour in an effort to direct its sponsorship at individuals with comparatively higher net worths. An investment bank went even further. With the help of the *Tribune*'s sales team — and the approval of the keynote speakers themselves — the bank sponsored the 'green room' where speakers waited before they went on stage. It had the explicit goal of putting someone in that room to talk with elected officials before they spoke in public. Again, the speakers agreed to speak with the bank's representative, knowing that the *Tribune* would benefit financially. One organization's decision not to sponsor the Festival highlights the desire of sponsors to reach targeted individuals. Early in the planning process, the *Tribune* intended to have Kathleen Sebelius, the US Secretary of Health and Human Services, as the keynote speaker for the health and human services track. A healthcare company planned to sponsor that entire track, in exchange for a meeting with Sebelius. When it was clear she could not attend the Festival, the sponsorship dissolved.[108]

108 This brings up an important point about sponsorships as a whole: how the enterprises seeking sponsorships also attempt to maintain independence. This specific instance offers insight into how the Tribune attempts it. The organization went ahead and ran its events, with other sponsors, even though a particular large one pulled out. In other words, while the Tribune attempts to sell everything it can, one

While expenses at the Festival were well below what they might have been, due to in-kind sponsorships, they still accounted for about 23 per cent of revenue. As a reminder, the *Tribune* did not pay for the venue, nor the advertising in statewide publications such as *Texas Monthly* and *The New York Times* and by Austin Broadcasters KUT and KLRU. Further still, SXSW Inc. effectively donated its deep knowledge of how to run a conference (this makes the SXSW ticketing expense line somewhat inaccurate — SXSW services would have surely cost far above what the *Tribune* paid for the system). Also important to note is that, as a policy, the *Tribune* did not pay the speakers. Expenses broke into seven categories, listed here from largest to smallest: ticketing systems and conference support; production; art; promotions; labour; miscellaneous costs (travel, parking, thank you gifts, etc.); and cocktail party supplies (food and drink).

A sceptical reader should note that expenses at the Festival were kept extremely low — indeed many basic expense categories such as venue and speaker fees were zero. That same sceptical reader has identified the subject of Chapter 5, non-monetary resources. To summarize here, a significant quantity of social capital was at work. Evan Smith is personal friends with the president of the University of Texas at Austin, and plays poker with the heads of SXSW. Moreover, the *Tribune* managed to use symbolic capital it itself didn't control in order to convince speakers to attend. By presenting itself as an advocate

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thing appears not to be for sale: its independence. That said, as I will discuss in the conclusion, significantly more research will need to be done on how these organizations maintain their independence in a world of significantly reduced economic capital like the one the Tribune finds itself in.

for the people of Texas, the *Tribune*, in effect, used the brand of the state and of democratic politics there to convince speakers to appear. The implications of this are interesting in the context of events. There remains an open question about what happens as the *Tribune* builds its own symbolic capital as an important player in the Texas politics world, and as other employees there (e.g. Emily Ramshaw) build their own social capital from their time and experience working at the publication. Though the *Tribune* was able to continue limiting these costs (venue, speakers, ticketing, etc.) by these other forms of capital for the next two Festivals, whether or not it will be able to continue to do so for the future is unknown.

4.5.3.2 OHMYNEWS

As discussed in the description of *OhmyNews*, the enterprise runs about eight major events each year, broken into three categories, along with many smaller events. As a reminder, the enterprise runs sporting and 'ideas' events, along with a series focused on enhancing the lives of children from rural areas of the country.[109]

Again, like the *Tribune*, *OhmyNews* generates revenue from these events, using both ticket sales and sponsorships. And, perhaps even more than in Texas, sponsorships account for a significantly larger percentage of revenue than ticket sales. In 2011, for example, *OhmyNews* generated roughly 51 times more revenue from sponsorships than from tickets. The sport category of events is the only one where the enterprise charges users fees to attend. Most years *OhmyNews* runs three major sporting events: a marathon, a

109 See the event description on page 188.

soccer tournament, and a foot volleyball tournament.[110] The marathon is the single largest event of the year, by attendance and visibility, for *OhmyNews*. The ideas-oriented events include speeches on politics and journalism (often given by Oh Yeon-ho), political forums, and the annual Citizen Journalism Forum. The final category of events, for children from rural areas, all run under the name 'Together We Go', are by far the most profitable events run by *OhmyNews* (nearly twice the marathon).

OhmyNews runs smaller events throughout the year on an ad hoc and/or opportunistic basis; as such these are not included in the three major categories described above. An example of such an ad hoc event was one put together because I was in Seoul. *OhmyNews*, its leadership, and some in its audience have an interest in media enterprises all over the world (the Citizen Journalism Forum is an obvious example), and they asked me whether I would speak to people on the first enterprise I visited for my PhD, *The Texas Tribune*. In addition, John Lavine — then the Dean of the Medill School of Journalism at Northwestern University — and Jim Boggs — head of Podcasting at Apple, Inc. — were also visiting Seoul. Together, Lavine and I gave a few lectures over the course of three days on current media research, and *OhmyNews* brought into its office professors from other universities around the county (to speak about local research) and practitioners from other media organizations (for updates on Korean media trends). Boggs spoke to

110 Foot volleyball, or footvolley, is a combination of beach volleyball and football (soccer). Originally developed on the beaches of Brazil, it is now also played in Portugal. For more about the sport in English, see <http://www.usafootvolley.org>.

major podcasters about how to work with Apple's online directory system. About 125 people attended across the three days, though only about 50 at any given time, and the basic fee for attending was KRW 150,000, or about £85/$135 (though 100,000 Club members and students received a discounted rate of KRW 135,000). *OhmyNews* called the event the 'Media and Podcasting Concert' (The advertisement for the event is available in Korean, see *OhmyNews Media Concert Announcement*, 2012). The only costs *OhmyNews* incurred for this event were fees for simultaneous translation, which were approximately KRW 2,250,000 (£1275/$2000).

Next, I turn to the details of three events to show the different ways *OhmyNews* generates about 45 per cent of its total revenue from this category.

4.5.3.2.1 OHMYNEWS EVENTS MINI CASES

Because events are so critical to *OhmyNews*'s revenue, understanding how each major type operates is central to comprehending the organization's approach to viability. As such, the following section will describe one event from each category, and explain its revenue-generation strategy. I will present data on *OhmyNews*'s marathon, Citizen Journalism Forum, and Together We Go programme.

4.5.3.2.2 MARATHON

The largest regular sporting event run by *OhmyNews* is its annual marathon, in operation since 2002 and held in Ganghwado[111] — a rural island area to the west of Seoul and north

111 Ganghwado is also where OhmyNews owns a converted elementary school it uses for educational programming. See page 189.

of the main international airport(*OhmyNews Company History*, 2012). The marathon takes palace in Gangwhado for both practical and political reasons. The local government there was traditionally of the same left-leaning political party of the coverage *OhmyNews* espoused, in particular the enterprise's attempt to cover the political issues of small, non-metropolis (Seoul) local areas, which are often left out of the mainstream press. Perhaps as a result, the local government also always ensured *OhmyNews* the logistical support it needed to put the marathon together, including permits to block off streets and other practical matters. In a final piece of cooperation, every runner in the marathon receives a prize for participation: special rice grown in the Gangwhado area. The marathon also took on additional political meaning when, in 2005, *OhmyNews* held it in Pyongyang, North Korea. The organization brought 144 South Koreans to the North Korean capital to compete in the race (Kim, 2005b), all as a part of the then South Korean President Roh Moo-hyun's 'sunshine' policy.[112] In 2011, the race offered four tracks – 5k, 10k, half-, and full-marathon courses – and was run on 1 May.

Revenue from the marathon in 2011 accounted for 19 per cent of all event revenue that year. *OhmyNews* generated that revenue by both selling tickets to enter the race and collecting sponsorships from companies. Ticket prices depended on which course a runner chose, and prices ranged from KRW 20,000 to KRW 30,000 (£11/$18–£17/$26); approximately 2000 people ran in the events. However, as mentioned in the

112 For an explanation of the policy, and what the government hoped it would achieve, see Sunshine Policy in a Nutshell (Sunshine Policy in a Nutshell).

previous section, sponsorships account for approximately fifty-one times more revenue than ticket sales. Sponsors of the marathon, like other events run by *OhmyNews*, are not the same companies that advertise on the site. Instead, major consumer products companies, including the politically conservative *chaebols*, are the large sponsors. These included Eastar Jet, a low-cost airline; Paris Baguette, a fast-food bakery chain; Hyundai Logistics; and Shin Han Bank. These sponsors participated to promote their brands at the event, which is less politically controversial than typical *OhmyNews* coverage. These corporations would like to promote exercise and small communities, but not, for example, coverage of labour unions.

The participation of large corporations is also an indicator of why *OhmyNews*, an enterprise fundamentally focused on delivering the news, runs sporting events at all. In essence, the marathon is a way for *OhmyNews* to reach people who wouldn't typically consider it a news source, and get paid for the privilege. In effect, *OhmyNews* has found a way to get paid for advertising itself and its brand.

4.5.3.2.3 CITIZEN JOURNALISM FORUM

The *OhmyNews* Citizen Journalism Forum is one of the larger annual events in the ideas category. Overall, this category of events is smaller than the marathon alone, making up roughly 17 per cent of total event revenue in 2011. The Citizen Journalism Forum started in 2005 and has continued annually since (*OhmyNews Company History*, 2012). At its inception, and for its first four years, the Forum was a large, international event that attracted major speakers from around the world. As a consequence, it was closer in structure to the Texas Tribune Festival, spanning two or three days, with multiple session types and plenary keynotes given by major figures in the traditional and digital media world. In 2006, for example, Tim Lord of Slashdot.org, Ethan Zuckerman of Harvard's Berkman Center, technology reporter Dan Gillmor, Craig Newmark of Craigslist.org, and journalist and academic J.D. Lasica all spoke (*OhmyNews International Citizen Reporters' Forum 2006*, 2006). In recent years, however, the event has been significantly smaller, lasting only one day and often confronting issues in the Korean national media. International speakers do attend, but often by videoconference or because they are in Seoul on other business. The Forum typically receives sponsorship from a different group of companies than other events, in part due to its international outlook. Sponsors of the forum have included major Korea-based international brands such as Samsung (electronics), Posco (steel), and the partially state-owned Woori Bank.

4.5.3.2.4 TOGETHER WE GO

The third kind of annual event at *OhmyNews* is a collection of two events jointly called Together We Go. At its essence, this series brings children from very rural backgrounds — the requirement to participate is that the child must be the only one in their grade level in their school — to Seoul to meet each other, see some of the capital, and learn some digital publishing skills.

The makeup of the event series is straightforward, and organized like a three-day summer camp for the children and their parents. The schedule for one group of seventy-eight students and eighteen teachers from a school in Jeollanam-do, who participated in 2011, included visits to *OhmyNews*'s newsroom and the OhmySchool to learn the basics of journalistic practice and how to blog, as well as trips to the National Assembly; the state broadcaster, KBS; a tourist lookout point in Seoul, Namsan Tower; the presidential residence, the Blue House; one of Seoul's royal palaces, Gyeongbokgung; the National Museum of Korea; the COEX aquarium; and a theme park outside Seoul called Everland. The explicit purpose of the event was to help students from the most politically and geographically remote areas to form friendships and simultaneously to provide cultural opportunities and exposure to Seoul, the centre of power in Korea (Kim, 2011a).[113] While, like the marathon, an event like this appears to fall outside the purview of a political news enterprise, in the context of *OhmyNews*'s founder, Oh Yeon-ho, it makes more sense. First, Oh was alone in his primary-school year. Second, as mentioned previously, Oh grew up in Gokseong-gun, in the southern province of Jeollanam-do, which was both utterly undeveloped and the historical home to political dissent in the country (Oh, 1999, 80).[114] Second, Korean politics remain divided on regional lines, and the rural, southern provinces remain a centre of left-leaning politics today (See for an English translation of the 2012 presidential election results Han, 2013). Furthermore, the development of rural Korea was a key part of the policies of President Roh Moo-hyun, who attempted (Watts, 2004), and ultimately failed (Jackson, 2010), to move the country's capital out of Seoul to a more rural area, to more equitably distribute government expenditures. In sum, the politics espoused in the area and its development aligns with *OhmyNews*'s core political stance. Running an event for children in this region suits the personal goals of *OhmyNews*'s founder and also matches the political beliefs of the organization overall.

113 Approximately half of Korea's population lives in the Seoul metropolitan area (See 2011 Metropolitan and Regional Status: Indicators Detailed, 2011).

114 Even modern tourist guidebooks suggest that the area can be summarized by 'rice fields, marine and land-based national parks, dramatic coastal views, fresh seafood and political dissent' (Robinson, Bartlett, and Whyte, 2007, 250).

That said, Together We Go brings in the most revenue of all event groups to *OhmyNews*, suggesting that it also has a purpose that transcends politics. In 2011, the event series accounted for 33 per cent of total event and sponsorship revenue. In addition, as a percentage of revenue, Together We Go was extremely cost efficient — costs were just 3 per cent of revenue that same year. Students attend these events for free, and, as such, all revenue results from sponsorships. Sponsors for the Together We Go series of events consist of the very same major international conglomerates who would typically not advertise with *OhmyNews* or any other left-leaning publication. However, *OhmyNews* discovered that, on the basis of the size of any news organization's audience, major corporations often had spending rules in place that allowed them to contribute specifically to live events that were not politically offensive. And bringing children from rural areas to see the capital met all these conditions. For the specific event described above, the three major sponsors were the county the students came from, Hana Tour (one of the largest travel and tour operators in the country), and the Doosan Group (a major *chaebol*). However, other iterations of the event have been sponsored by HomePlus (Tesco), KookMin Bank, LG, the Maeil dairy company, Samsung, ShinHan Bank, and others.

Essentially, through the Together We Go series, *OhmyNews* has found a way to do good for children, gently promote its political perspective, and collect revenue from corporations who would otherwise want nothing to do with a left-leaning publication.

4.5.4 EDUCATION/SEMINARS

In a continued effort to derive revenue out of what resources are plentiful in newsrooms — information — it may not be surprising that yet another way both *The Texas Tribune* and *OhmyNews* are building their viability is educating people. This tactic is vastly more developed at *OhmyNews* that at *The Texas Tribune*. Education-related revenue comes from events or content that are explicitly targeted towards teaching a group a specific set of knowledge — as opposed to general news content. As mentioned previously, an example from *OhmyNews* is the 'making journalists' classes that Oh Yeon-ho ran before he even started his citizen journalism enterprise (see page 189). In those courses, Oh taught students how to be reporters — often starting with the basic inverted-pyramid construction of the modern news article.

In Austin, the sales team had just begun to understand the potential of building an educational-content revenue stream at the end of my fieldwork; in Seoul, however, education was the fastest-growing revenue source, with an entire team of employees in place to help it grow further.

4.5.4.1 *THE TEXAS TRIBUNE*: WORKING WITH A PUBLISHER

The education effort at *The Texas Tribune* is best categorized as in its infancy. However, a short description is presented below because the approach in Austin is different from that in Seoul. The *Tribune* licensed existing stories for use in an online course about Texas state politics taken by 200,000 public college and university students every year. The course creator, Pearson, uses stories that are 'relevant, topical, and real' alongside traditional classroom materials to build a constantly updating textbook it calls an 'interactive learning lab'. In addition, included in the package is a membership to the *Tribune*, giving students preferential access to events, email newsletters, and other perks. The *Tribune* has plans to license other features to Pearson in the future, including a current events quiz and a blog aimed directly at students (Hinkle, 2012a).

4.5.4.2 *OHMYNEWS*: RETREATS AND LECTURES

OhmyNews's educational efforts, and revenue streams that result, are significantly more developed than those in Texas, in part because the courses predate the existence of the enterprise itself. As previously mentioned, the origins of *OhmyNews* itself are in Oh Yeon-ho's journalism classes, called Kija Mandulgi (Making Journalists). In their current incarnation, these classes have been expanded into the OhmySchool and still act as a revenue source. However, they have been joined by online and offline lecture series on topics that range from economics to politics and literature. Together, *OhmyNews*'s education efforts accounted for about 4 per cent of total revenue in 2010 and 5.6 per cent in 2011, making it a source of revenue growth. Put in perspective, *OhmyNews*'s education efforts took in about 59 per cent more money in 2011 than in 2010 and its overall organizational revenue grew by 39 per cent.

Also critically important is the contribution *OhmyNews*'s education effort makes to a major non-monetary resource: citizen journalists. I will discuss this further in the next chapter.

4.5.4.2.1 OHMYSCHOOL

The OhmySchool is a remodelled elementary school in Ganghwado that *OhmyNews* has leased from the city on a long-term basis. Because *OhmyNews* is barred from owning the school itself, it purchased the driveway, meaning the only way to access the site is via the company's property. The school has classroom, computing, sleeping, and cafeteria facilities, and often hosts multi-day courses or retreats. Classrooms can comfortably hold a hundred people and the facility sleeps about fifty. Oh Yeon-ho's Kija Mandulgi courses are still run at the OhmySchool. They consist of multi-day sessions with approximately nine classes covering the overall media environment and the role of citizen journalism. In addition, other courses target various groups of students; these courses include one aimed specifically at families, another for English proficiency, and some workshops on other writing types. Example schedules are listed in the appendices.

4.5.4.2.2 LECTURES

OhmyNews has hosted lectures for many years, and they accounted for approximately 1.25 per cent of revenue in 2010 and 3 per cent in 2011. The organization brought high-profile speakers, book authors, government officials, and so on to its offices and invited dedicated audience members and relevant citizen reporters to attend. However, as the 100,000 Club program grew, lectures were often added value for members. Offline lectures became an independent revenue source employed opportunistically — whenever *OhmyNews* staff thought there was enough interest to charge, a lecture would simply be promoted like an event. However, staff marked the transition of a key executive out of his role as editor-in-chief and into special projects as the key moment when lectures became a dedicated revenue stream. Lee Han-gi, the special projects editor, said he was approached by the Institute for Future Korea[115] to jointly produce a lecture series. Lee's primary mission was to 'expand *OhmyNews* from media to another industry' and he thought that with the backing of the Institute there might be enough interest to turn lectures into a more permanent revenue stream (Lee, 2012c). The series worked; *OhmyNews* turned a profit, and with the help of other outside partners (such as NGOs) the series built *OhmyNews*'s early lecture business. Typically the outside organization would propose a series and *OhmyNews* would operate it. (This is one of the key ways that *OhmyNews* partners with outside enterprises; for more see the section in Chapter 5 on Partnerships at page 267.) As the business progressed, most lectures focused on subjects in politics, economics, sociology, and the humanities, which initially surprised the editorial team, who assumed these would have been perceived as 'boring' topics (Lee, 2012b). They attributed the interest to what they viewed as the incompetence of the current presidential administration;[116] Lee put it this way: the current government is 'junk food [...] And now the people have [...] passion to really learn about this society, really learn about what's going wrong and what should be done to make it [...] better' (Lee, 2012b). Over time, *OhmyNews* also started to produce its own paid lectures without the support of an outside partner. To select new topics, *OhmyNews* takes an editorial

115 The Institute is an independent NGO set up by the staff of former president Roh Moo-hyun. See its website at <http://www.futurekorea.org>.

116 Through 2011, the Lee Myung-bak administration's approval rating stayed below 50 per cent and was measured at 27.6 per cent by the Asan Institute for Policy Studies when I spoke to Lee Han-ki (Kim and Friedhoff, 2012).

leadership approach. The lecture team attempts to locate trends and brings in speakers on those subjects, and also simply brings in exceptional speakers to discuss any topic it pleases. A typical lecture brought between sixty and seventy attendees and between five hundred and six hundred people attended each year. For the two years *OhmyNews* ran lectures, more than half of the attendees were aged between thirty and forty-nine (the next largest group was those in their twenties (30 per cent), followed by those in their fifties). Audiences were not gender balanced — six out of ten attendees were men – and most were white-collar professionals. Offline lectures 'doesn't make a huge profit', Lee said, 'but it's [...] [satisfactory]' (Lee, 2012c).

The larger component of revenue, however, occurred when these lectures made the leap from one-off, real-time, in-person events to video on demand. Revenue from online lectures was approximately three times that for those given offline. Most in-person lectures are recorded by the *OhmyTV* team and prepared for VOD streaming; however, there are also many more topics available online than ever was the case at *OhmyNews*. And, as might be expected, most of the revenue can be attributed to the scalability of VOD. Single well-performing lectures have been seen by more than 280,000 people (in this case, a former member of the National Assembly discussing a free-trade agreement — a hot-button issue in export-oriented Korea) (Lee, 2012d). *OhmyNews* sells access to its large and growing database of lectures on an all-you-can-eat–for-a-period-of-time basis, making it hard to generate a profit-and-loss statement for any individual lecturer. That said, in general, *OhmyNews* keeps 60 per cent of revenue generated from lectures. The lecturers themselves keep 30 per cent, and 10 per cent is returned to a 'scholarship' fund to allow for university students' access. Costs for online lectures are kept relatively low. *OhmyNews* uses its *OhmyTV* team to record the talks if they are done as part of an offline lecture series, otherwise the lecturer provides videos. And *OhmyNews* pays for all the technology and advertisements. According to Lee Han-ki, *OhmyNews* spent KRW 24 million ($21,600) on all its video hosting in 2011 (Lee, 2012a).

4.5.5 NOT-FOR-PROFIT SUPPORT

Not-for-profit support is a revenue stream unique to *The Texas Tribune* because of its tax status with the US federal government. The law that created this tax status is Title 26 of the US Code, section 501, part C, paragraph 3 (thus, the shorthand for non-profits in the US is often '501(c)3'). The tax status exempts from federal taxes those

> Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. (Exemption from tax on corporations, certain trusts, etc.)

Additionally, those individuals and corporations who pay US taxes are incentivized to give money to such organizations by a reduction in payments. Such donations reduce the individual or entity's total amount of taxable income. As such, the US federal government is, in effect, subsidizing giving to charitable organizations (that are nonpolitical). In so doing, the government is supporting the sector without needing to place its own bets and instead allows individuals and organizations to donate as they see fit.[117] For *The Texas Tribune*, not-for-profit support comes in the form of what it calls major gifts. A very small number of them are from individuals (John Thornton's initial $1 million, for example), and others are from community, family, or other foundations. In 2010, major gifts accounted for $869,642.41, or roughly 37 per cent of the *Tribune*'s revenue. Like much of the other not-for-profit support, these gifts were not explicitly tied to any particular activities. The Houston Endowment's $500,000 gift provides an excellent example. At the time the gift was made, the endowment's president, Dr Larry R. Faulkner, explained that 'The changing economics of journalism require invention. Houston Endowment is glad to support this important experiment' (Romenesko, 2009). In 2011, the *Tribune*'s not-for-profit support accounted for about 28 per cent of total revenue, or $1,177,500.

Between 2010 and 2011, the *Tribune* changed the way it accounts for grants and major gifts. In 2010, the categories were one and the same ('major gifts'); however, in 2011 it separated gifts from grant income. This change indicates a shifting understanding of what the *Tribune* itself was selling. The not-for-profit support comes in exchange purely for existing and is designed to support general public goods. Grant income, however,

117 For an excellent overview of the history of 501(c)3 organizations in the US, including both the legislative motivations and current revenues, see the IRS's in-house journal Statistics of Income (Arnsberger et al.).

suggests another kind of arrangement that I will explain more fully in the following section, on consulting.

A careful and critical reader will note that the amount of not-for-profit support at the *Tribune* fell as a percentage of total budget but rose in actual dollars in the two years of available data. This makes the longevity of continued reliance on gifts an uncertain prospect. While it would be reasonable to suspect that gifts cannot continue, two pieces of data provide some insight into the potential that they might. The first is the large funding pool of Texas-based foundations; according to the Grantsmanship Center, the forty largest Texas foundations give $1,036,206,344 annually (*Top Giving Foundations: Texas*, 2014). Second, KUT, the public radio station serving Austin, consistently raises around $500,000 per year in gift income (Vanderwilt, 2012).

4.5.5.1 CONSULTING

Consulting, as a revenue category, is not one tracked by either *The Texas Tribune* or *OhmyNews*. However, it is not unknown to born-digital news enterprises. For one prominent born-digital in France, Rue89, it is a significant portion of revenue. At that site, staff who understand both the practice of journalism on the Web and the technical or engineering systems required to run it train other businesses for a fee (Haski, 2013). Moreover, the training of citizen journalists at *OhmyNews* could be viewed as something akin to that which takes place at Rue89. However, because neither enterprise I visited breaks revenue into this category in its own books, accurate estimates of revenue from it are impossible to generate. Instead, the revenue is combined with that of not-for-profit support and other large grants, as just discussed.

Moreover, I only categorize revenue generation as consulting at *The Texas Tribune*, and even there it looks very different from the Rue89 model. Instead of teaching other people the skills that the *Tribune* employs to build its own products, the *Tribune* has found a way to get other entities to pay it to do work on their behalf. More importantly, the work the *Tribune* was hired to do was work that fit squarely into its mission. In general, this means outside enterprises give the *Tribune* a grant in order to complete a project.

One of the best examples of consulting at the *Tribune* was a $241,000 grant it received from the Michael & Susan Dell Foundation to build a data application that focused on public schools (*Michael & Susan Dell Foundation Form 990PF – Return of Private Foundation for the period ended December 31, 2011*, 2012). Called the Public Schools Explorer, the application is 'a database that combines key academic, enrolment and financial records on all of Texas' 1,300 districts and 8,500 public schools — including hundreds of charter schools and alternative campuses'. More important to understanding why the *Tribune* was hired to do the work, however, was the presentation of that data. The *Tribune* explains that 'this app makes school statistics accessible and easy to navigate' (*The Texas Tribune Public Schools Explorer*). In other words, the *Tribune* used its expertise in collecting complex, messy data from public entities and displaying it in a manner that is accessible to non-expert citizens to achieve an aim of its own and of the Dell Foundation. As discussed above, the *Tribune* sees data applications as journalism and attempts to make public data on areas of focus (education has been a primary beat since the beginning) more readily available to citizens. The app also fit squarely into the Dell Foundation's 'performance-driven education' initiative, which aims for 'the systematic use of data at all levels of educational administration' (*Performance-Driven Education*, 2013).

From a revenue perspective, because these two interests collided, the *Tribune* was able to get a specific piece of content that it might have built anyway subsidized by an outside partner, and the Dell Foundation 'purchased' an application useful to it but that it didn't have the skills or resources to produce internally.

Other examples of this kind of consulting work at the *Tribune* include grants from the John S. and James L. Knight Foundation to open-source the *Tribune*'s CMS and to create a fellows program that documents the *Tribune*'s best practices for use by other enterprises (*Armstrong CMS*, 2011; Smith, 2013). Moreover, not-for-profit support may well be mixed with what I have identified as consulting revenue. The Knight grant offers an easy example; the funds covered software developers who could do much more work than the single project that paid them.

4.5.6 CONTENT LICENSING

Content licensing is primarily a source of revenue at *OhmyNews*. In part, this is because *The Texas Tribune* gives away its stories to anyone willing to credit it, but it is also due to the unique Internet ecosystem in Korea. This system is dominated by web 'portals' that bring together many Internet services such as email, search, shopping, news, and so on. Although there are multiple portals, the utterly dominant player is Naver. As *The Economist* puts it, 'In South Korea people who want to look something up on the internet don't "Google it". Instead they "ask Naver"' (*Seeking success*, 2009). The site, pictured in Figure 4.2, has maintained more than 70 per cent of the Korean search market since 2007 (Choe, 2007; Kim, 2013; *Seeking success*, 2009), and in many ways fuelled the creation of a Korean-language Web by opening a question-and-answer site to help users generate content to be searched by Naver (Choe, 2007).[118] In addition to being the primary Korean search engine, Naver has a news distribution system that is extremely popular. Naver estimates that 25 million Koreans set their browser's home page to naver.com, which features news from a variety of sources (including *OhmyNews*) in a prominent position. While Naver does drive traffic to Korean news organizations' sites, the portal also licenses content from many of the country's top journalism providers. By doing so, it can provide a customized news service for its users, and those users never need to leave Naver's own pages. In addition, Naver also has an interest in ensuring that

118 As explained by Choe Sang-hun: 'When NHN, an online gaming company, set up the search portal in 1999, the site looked like a grocery store where most of the shelves were empty. Like Google, Naver found there simply was not enough Korean text in cyberspace to make a Korean search engine a viable business. "So we began creating Korean-language text," said Lee Kyung Ryul, an NHN spokesman. "At Google, users basically look for data that already exists on the Internet. In South Korea, if you want to be a search engine, you have to create your own database"' (Choe, 2007).

there is a constant flow of high-quality, Korean-language content to crawl. A cynic might argue that syndication fees are a strategy used to profit from other organizations' work, with their permission.

Figure 4.2 The Naver.com homepage, showing *OhmyNews* as a news source.

Regardless of why Naver and other portals pay syndication fees, the fact remains that they do, and as a result *OhmyNews* generates a non-trivial amount of revenue from them without much additional effort. *OhmyNews* distributes its content to Naver and other portals programatically, meaning little to no extra editorial involvement is required. And in 2010 syndication accounted for about 8.4 per cent of revenue. In 2011 it declined very slightly in KRW terms but dropped more significantly as a percentage of total revenue, to about 7.3 per cent.

While *OhmyNews* does vastly more than *The Texas Tribune* with regards to licensing, the Austin-based enterprise does generate some revenue from selling its content. Through its partnership with *The New York Times*, which started towards the end of 2010 (Edmonds, 2010), the *Tribune* generated $117,852.74 in 2011. That accounted for about 2.8 per cent of total revenue in 2011. However, the content-creation process at the *Tribune* is exactly opposite to that at *OhmyNews*. The *Tribune* creates bespoke content for the *Times* and then uses it on its own site later. As such, while the partnership with *The New York Times* does result in content-licensing revenue, it is different from the ancillary revenue at *OhmyNews* and offers vastly more non-monetary value, which will be discussed in detail in the following chapter.[119]

4.5.7 BOOK PUBLISHING

Publishing books as a source of revenue is, to some, an obvious extension of a journalistic organization that already trades on the written word. Indeed, individual journalists very often publish books to supplement their income. However, legacy news organizations rarely acted as publishers.

Book publishing as a revenue source is much more prominent at *OhmyNews* than at *The Texas Tribune*. Citizen reporters have long been publishing books based on the work they did for *OhmyNews*. Many were able to secure book contracts precisely because their citizen reporting was proof that they had the skills to accurately tell a complex story. But *OhmyNews* was not always the publisher of these books. Instead, the publishing business grew out of Lee Han-ki's career transition, mentioned in the section on lectures (see page 248). While he launched the education business, Lee also bootstrapped the publishing operation. Conversations about book publishing began much earlier. The initial appeal of books was that they might offer a source of revenue that was less tied to the *OhmyNews* brand, and as such be resistant to shocks. As Lee explained, the company was looking for

119 Partnerships are discussed in more detail on page 267.

'independent profit, that wouldn't crash with the identity of *OhmyNews*'. In addition, the team thought that books had particularly high 'social value', and as such were an opportunity to further influence the political debate (Lee, 2012c). And, perhaps just as important, the key legacy competition in the liberal news space, the *Hankyoreh* newspaper, had started publishing books at a profit. But the actual push into publishing came after the suicide of former President Roh Moo-hyun. Oh Yeon-ho put together a book of book reviews; each chapter was an interview with one of Roh's staffers about a book he had enjoyed. When published, the book sold well and turned a profit. From this Lee was convinced not only that *OhmyNews* had the right skills on staff to produce books but also that books could contribute significantly to the bottom line. Additionally, *OhmyNews* stumbled upon a format that it would use repeatedly: long-form interviews by Oh Yeon-ho with newsworthy people. By the time I arrived in early 2012, *OhmyNews* had published ten books under its own imprint. Average OhmyBooks sell about 10,000 copies. 'Bestsellers' sell between 40,000 and 50,000 copies, and two of the books *OhmyNews* had published to date were in this category (Lee, 2012c).

To better illustrate how the book publishing business worked for *OhmyNews*, Lee offered a picture of the first print run of the popular book *Plan for the Progressives to Seize Power*. The book used the Oh Yeon-ho interview formula; he talked at length with a progressive politician on strategies for winning future elections. The initial run of five thousand books sold for KRW 15,000 (~$13.50) and, after covering all costs, including an estimate of eventual returns and storage, *OhmyNews* made about KRW 20,000,000 ($18,620). A profit-and-loss statement for this print run is displayed in Table 4.4.

Plan for the Progressives to Seize Power

				Totals	
Revenue					
	Wholesale Price	KRW	9,000		
	Print Run		5000		
				KRW	45,000,000
Retail Price		KRW	15,000		
Costs					
	Royalties	KRW	(7,500,000)		
	10 percent of sale price				
	Design	KRW	(3,500,000)		
	Proofreading	KRW	(1,500,000)		
	Paper, Printing, Binding	KRW	(8,000,000)		
	Planning and Advertising	KRW	-		
	Uses pre-existing OhmyNews staff				
	Risk Management	KRW	(4,500,000)		
	An estimate to cover inventory returns and storage costs; approximately 10 percent of gross revenue				
				KRW	(25,000,000)
	Grand Total			KRW	20,000,000

Table 4.4 Profit-and-loss statement for *OhmyNews*'s book *Plan for the Progressives to Seize Power.*

During my period of fieldwork, of the two organizations I studied, only *OhmyNews* was publishing books. However, since I left, *The Texas Tribune* has started publishing electronic books that are repackaged versions of already-published stories.[120] In addition, *Tribune* reporter Jay Root published his own book based on his experiences covering the Rick Perry presidential campaign.[121]

120 For more, see <http://www.texastribune.org/2013/07/04/bidness-usual-e-book>.

121 See his profile here: <https://www.byliner.com/originals/oops>.

4.5.8 CONCLUSION

As mentioned at the outset of this chapter, the key finding of my investigation into the revenues at born-digital news enterprises is that they are vastly different from those at print newspapers. The sources and percentages of revenue at both *The Texas Tribune* and *OhmyNews* for 2010 and 2011 are presented in Figure 4.3. Whereas newspapers relied heavily on advertising,[122] born-digitals do not have that particular crutch. Instead, they operate in a more complex environment that requires a patchwork of various revenue streams. They are less dependent on any single stream, but more dependent on balancing many differing revenue generators in order to remain viable enterprises. One way to view this is that, while newspapers had a single crutch (which was kicked out from under them), born-digitals have multiple crutches, and they need them all in order to survive.

4.5.8.1 REVENUE AT *THE TEXAS TRIBUNE* AND *OHMYNEWS*

As mentioned previously, viewing the revenue data in aggregate makes it plain how important multiple sources of revenue are for both news enterprises. Beyond that observation, the trends within and across the two organizations offer a few specific insights. First, events are a serious and growing source of revenue. While they play an outsized role at *OhmyNews* (perhaps to the organization's detriment as it is so dependent on them), events are an important part of what it is to be a born-digital news enterprise.

122 Logically, as local advertising – particularly by local businesses (as opposed to the modern proliferation of multinational, big-box stores) and local classifieds – proved to be such a durable need that it could subsidize incredible journalistic feats.

Both *The Texas Tribune* and *OhmyNews* need the revenue, and by chasing it they have changed what they do and the kinds of content they produce. Second, advertising still has a role to play for these enterprises. Ranging between 13 and 31 per cent, advertising revenues are still covering the costs of creating some news. Looking across both organizations in each year also highlights an amount of variability in revenues. While specialty publications at the *Tribune* suffered, in raw and percentage terms, overall revenue nearly doubled from 2010 to 2011, and the *Tribune* increased its 'consulting' work from nothing to 14 per cent of the total. *OhmyNews*, too, shows variability — though less. For example, education is clearly a growth area. One explanation for the comparatively steady revenues at *OhmyNews* is simply that it had been in operation for more than a decade when this data was collected; *OhmyNews* already understood many of its revenue opportunities.

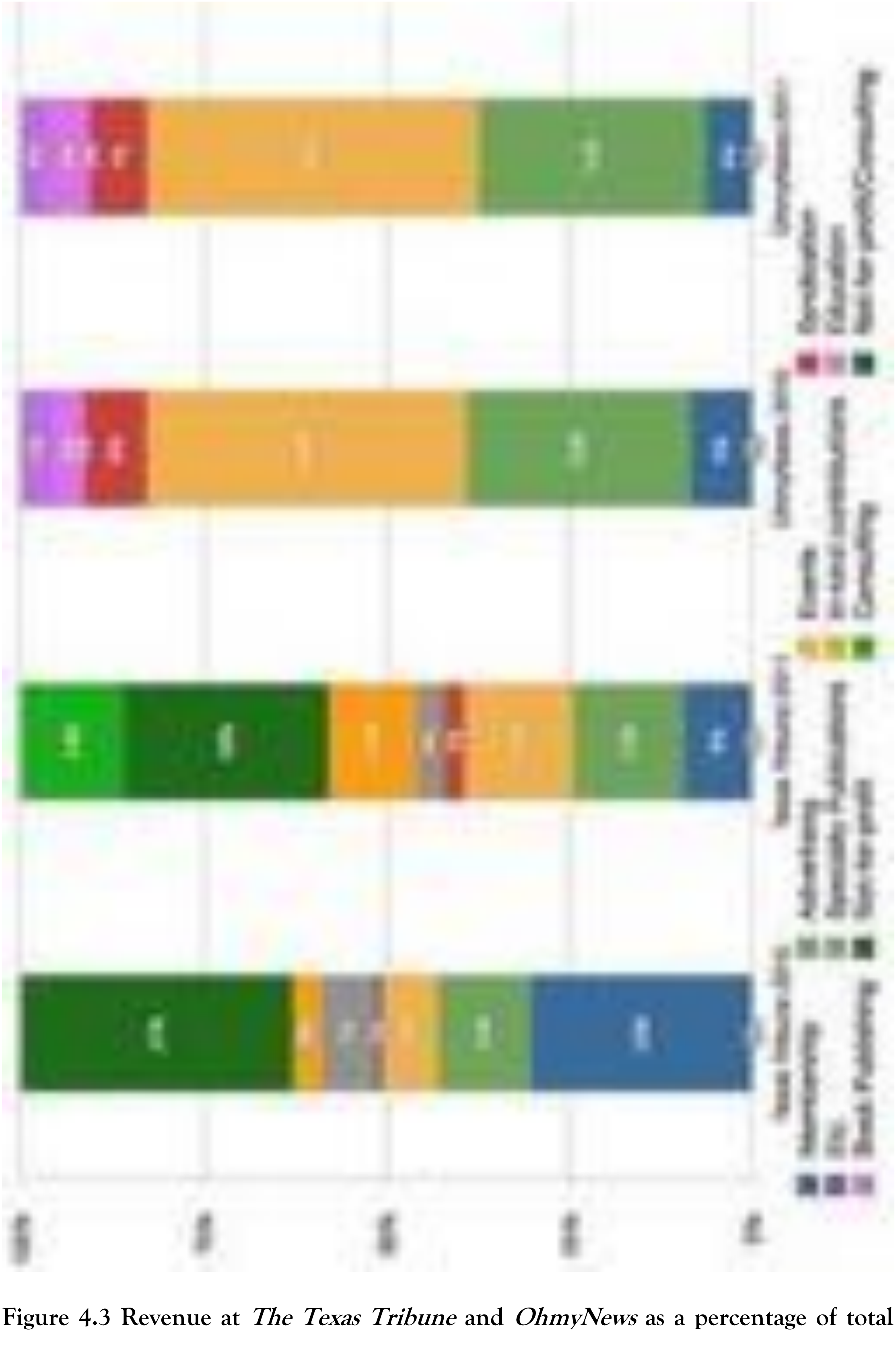

Figure 4.3 Revenue at *The Texas Tribune* and *OhmyNews* as a percentage of total income in 2010 and 2011.

More critically, however, is the question of what this snapshot of revenues means from the perspective of understanding born-digital, accountability-journalism-producing news enterprises. The next section will argue that revenues drive these enterprises to behave in ways that are different from newspapers.

4.5.8.2 REVENUE AS A DRIVER OF NEW BEHAVIOR

Changes in revenue sources and the strategy of revenue promiscuity are important because they show changes in the links between users and the news enterprises themselves. Born-digitals' differing strategy means that they are interacting with users in new ways.

First, there are no more 'medium'- or 'product'-based companies in the digital landscape. Instead of a magazine, paper, or broadcast (all of which were tied to specific geographies), we now have something closer to a news experience. In search of revenues, enterprises have gone to where users are. And unsurprisingly, users vary. The best examples of what has changed in the delivery of news is the proliferation of events and education initiatives at both *The Texas Tribune* and *OhmyNews*. These events and education initiatives are in line with each enterprise's overall content area objectives. But, instead of demanding that users accept content in one medium-based way, these activities bring stories and information directly to users. Paid publications at *The Texas Tribune* and books at *OhmyNews* offer similar support for this supposition. Users are willing to pay for something that interests them and that comes to them in a preferred format. Looking at the trend lines in one of these revenue areas is an even more compelling argument for that revised way of operating. The resulting logic of these enterprises, driven by their revenue models, is that they are building news experiences. They say, in effect, 'We'll meet you where you are and in the ways you're interested in.' And, by doing so, they get paid. This is different from the world of a traditional print newspaper.

But, to fully understand the impact that new revenue streams are having on news enterprises, another change must be incorporated; born-digitals are in fact making less money than newspapers did. Even though born-digitals can offset some of the revenue decrease through lower costs, the reduction still matters. Because born-digitals are working with less money, they are choosing another part of the concept of experiences:

focus. Neither *The Texas Tribune* nor *OhmyNews* even attempts the kinds of boil-the-ocean coverage found in legacy media organizations. The small (comparatively) revenues mean that each organization focuses on a specific audience, which in turn further enhances the logic of building news experiences.

The Texas Tribune builds its experience around a specific topic — Texas public policy and politics — while *OhmyNews* constructs its around a progressive worldview in an area where such views are under siege. Using the idea of focus to contribute to a logic of experiences helps to explain activities that might otherwise seem like nothing more than easy cash. For example, the *OhmyNews* marathon, which took place in North Korea and now happens in a rural area, is a service to a specific political point of view. For users, it is a part of the same experience that detailed coverage of local elections, or a lecture on social inequality, provides. Put simply, the marathon is not a sideshow: it is a part of the same play. At the *Tribune*, using a logic of experiences further explains its investment in data journalism. For people interested in public policy, there is little more useful than a set of comparable data, curated and updated by a trusted third party.

In summary, the strategy of revenue promiscuity present at both *The Texas Tribune* and *OhmyNews* drives a new way of behaving for these born-digital news enterprises. They no longer focus on a home medium. Instead they focus on a set group of people, topics, or points of view, and appear to create a multifaceted experience around the interested audience.

5 NON-MONETARY RESOURCES

5.1 OVERVIEW

Although Evan Smith tried to tell me he had 'the answer' ('revenue promiscuity') to my entire dissertation that first day of fieldwork, as I spent more time in Texas and then in Seoul, I came to understand that his quip only accounted for part of the *Tribune*'s ability to build viability. Of course, unconsciously, Smith knew this too. Recall that he had told me he had left his previous job to start the *Tribune* because 'There was not the will or the wallet for *Texas Monthly* to transform itself into the kind of business that said, "It's not about us, it's about them"' (Smith, 2011b). Though his quip was pithy, Smith clearly understood that it would take more than money to build a viable born-digital enterprise. Such resources are defined simply: anything that an enterprise either can't afford to buy at market rates or simply isn't 'for sale'. Recalling the discussion of fields and capital is also useful here. Many of the non-monetary resources I will discuss here can be understood in terms of alternative species of capital.

I identified five non-monetary resources common to both *The Texas Tribune* and *OhmyNews*. They are: internal practices, such as a willingness to build partnerships and staffing structure choices; strategies, such as focusing on news verticals and ensuring that products are easy for users to access; and personnel choices that contribute to the corporate culture and, more specifically in the cases of both enterprises I studied, leaders with large, independent personal brands.

These resources, I will argue, are all varying combinations of three different species of capital, as defined by Thompson and discussed Chapter 2: human, social, and symbolic capitals. As a reminder, 'Human capital is the staff employed by the firm and their accumulated knowledge, skills and expertise. [...] Social capital is the networks of contacts and relationships that an individual or organization has built up over time. [...]Symbolic capital is the accumulated prestige and status associated with the [organization]' (Thompson, 2010, 5-6).

The balance of this chapter will discuss each of these resources in turn. For each resource, it will offer a definition, argue what value it offers to the enterprise, and then discuss specific examples of its presence at both *The Texas Tribune* and *OhmyNews*. The chapter concludes with a discussion of how these resources influence the logic of born-digital, accountability-journalism-producing news enterprises.

5.2 PARTNERSHIPS

Historically, news organizations have gone to great lengths to compete with each other. Fuelled by high levels of profit, particularly local news enterprises would often replicate effort many times over. Every television station, for example, would send its sports reporter to a basketball game, along with its own photographer, satellite/microwave truck, and in some cases sound engineer. However, there is also a history of collaboration. Wire services such as the Associated Press, which was built by five New York newspapers in 1846 when they jointly hired an express delivery to bring news faster than the postal service, were some of the earliest examples (*AP's History*, 2013). However, beyond wire services that helped to defray the costs of news from far away or dangerous places, mid-to-late-twentieth-century newspapers engaged in limited sets of partnerships. For example, some television stations and newspapers collaborated by placing the station's meteorologist in paper, amongst other things. But there was little in the way of joint production of news or other content.

Both *The Texas Tribune* and *OhmyNews* rely more on partnerships than many legacy news enterprises. For them, partnerships are simply finding ways to work with other news enterprises that might have been traditional competitors. They both do so because this offers four distinct types of value. First, it can reduce costs. By collaborating sensibly, there can be a reduction in duplicated effort. Second, partnerships are a boon to each organization's marketing efforts. In some instances, the partnerships are simple trades of advertising space that could have been bought for cash, which is instead saved it for more pressing needs. However, in others, the marketing benefits give the enterprise benefits that are impossible to purchase. Third, partnerships offer access to sources that may otherwise be reticent to discuss sensitive topics with an enterprise. This works though both coercion and carrots. Sources may not want to be seen as having turned down a partner news enterprise, and, conversely, they may well be more likely to talk with a reporter if they know a story will appear in more than one publication. Fourth, some partnerships end up resulting in the other kind of resource: cash.

The Texas Tribune has a significantly more advanced partnership program than *OhmyNews*. The highest-profile partnership is with *The New York Times*. In 2010, *The New York Times* approached the *Tribune*, along with other born-digital, non-profit news enterprises in Chicago and San Francisco, with a proposition: the *Times* would create expanded local editions of the paper to help boost sales, and this content would be provided by the local non-profits; in exchange the *Times* would pay.[123] For the *Tribune*, this relationship has resulted in all four benefits. The *Tribune* did not expect that the partnership would reduce costs; indeed, it didn't plan on cost reductions at all. Instead, reductions appeared after the two organizations had begun to spend time working together. After *Tribune* staff started working closely with the *Times*'s newsroom, it became clear that the Austinites could learn a lot from the successes and failures in New York. So, a kind of informal professional development program emerged. *Tribune* staff would make week-long pilgrimages to see their counterparts at the *Times* and learn how they operate. This not

123 Although all the other partnerships launched by The New York Times have, over time, collapsed, the one with the Tribune remains strong. I addressed this with both editors at the Times and those inside the Tribune who had worked with the other non-profits. The overwhelming sentiment was that, for the Tribune, the Times partnership was an added bonus; it was not a defining part of the organization whereas in Chicago, for instance, it had been. In addition, Jill Agostino, the Times's editor in charge of partnerships, indicated that working with the Tribune was made easier thanks to Evan Smith's welcome (Agostino, 2011).

only helped to smooth partnership operations but also taught the *Tribune*'s staff how some of the very best journalists, editors, and software developers in the world did their work (Muto, 2011). And it was free.

The *Times* partnership also offered tremendous marketing value to both enterprises, though surely the *Tribune* got the better end of the deal. The *Times* could promote its vastly enhanced local coverage and the *Tribune* could promote its place in the national spotlight. But more importantly, the *Times* clearly stated where its local content came from, and did so in ways that were even better than if the *Tribune* had taken out a full-page ad. The most prominent promotion is illustrated in Figure 5.1. Every print copy of the *Times* distributed in Texas on Thursdays and Sundays (the days of the week when two pages of *Tribune* content were added to the print edition) came with what amounted to an ad for the *Tribune*. Except the ad was a brightly coloured sticker. On top of the masthead. And there are no ads for sale on this page. In other words, the *Tribune* brand is promoted as being literally on top of the most widely regarded newspaper in the US, wherever it is sold, including the more than eight hundred Starbucks stores in the state (*All Starbucks Locations in the US Map*, 2012).

Figure 5.1 Copies of the Texas print edition of *The New York Times* with promotions for content created by *The Texas Tribune*.

The *Times* partnership also brought with it access to Texas officials who might not have otherwise been willing to speak freely to the *Tribune*. The larger readership and prestige of a national publication became particularly important as the state's governor, Rick Perry, launched his run for president. Jill Agostino, the *Times*'s editor in charge of partnerships, said working with 'the depth of knowledge that these guys [at the *Tribune*] have' was critical to enhancing what would have otherwise been coverage from afar (Agostino, 2011).

Finally, the *Times* pays the *Tribune* for its content, which allowed the *Tribune* to add staff it needed anyway without incurring unaccounted-for costs. As mentioned previously, the *Tribune* books about $100,000 a year in revenue directly from the *Times*. While some of this is spent on purchasing outside content to fill the Texas pages, particularly for entertainment or lighter stories, it also goes to more critical *Tribune* functions. One of the biggest gaps it helped to fill was the creation of a serious editorial process and the hiring of a full-time copy editor, David Muto (Muto, 2011).

Although the *Times* is the *Tribune*'s biggest partner, it is not the only one. Nor does it even represent the full range of partnership possibilities. In addition, the *Tribune* gives away all its content to any organization that is willing to credit it, and works with other news enterprises to add expert analysis to coverage. Key examples of this included the *Tribune*'s work with *Newsweek* magazine to profile Rick Perry (giving marketing and access capital) (Smith, 2010a); its efforts to deliver premade packages to local television stations and participate in talk-backs with anchors (Tan, 2011); and its collaborations with Texas newspapers to give them a forward look at what content the *Tribune* will be publishing and when, giving editors the ability to plan to use its stories (Grissom, 2011). As Ross Ramsey (2011c) put it, 'if we give [our content] to everybody then we get ubiquity'.

Partnerships at *OhmyNews* play a significantly reduced role when compared to the *Tribune* but are not unimportant. The most critical partnerships are between *OhmyNews* and other left-leaning news enterprises. Though they all compete for audience, they also recognize that no one publication reaches everyone interested in their brand of political news. So they swap advertising space amongst themselves for events and other products, such as books. *OhmyNews*'s partner organizations as of my fieldwork included the

Hankyoreh and *Kyunghyang* newspapers. An example of what advertising swaps look like is in Figure 5.2; this specific swap comes from the same 'media concert' event (see page 239 for the discussion of events at *OhmyNews*).

Figure 5.2 An advertisement for an *OhmyNews* event placed for free in a competing newspaper, *Kyunghyang*, by way of a partnership.

In this way, partnerships may be thought of as a strategy that takes advantage of these enterprises' social capital. Social capital — the 'networks of contacts and relationships' (Thompson, 2010, 5) at an enterprise — allowed each of these enterprises to make sensible connections to related organizations. And, with these connections, they transformed social capital into other species. One of the easiest to see translations is of social into economic capital. By reducing costs and bringing in revenue, in some instances, these enterprises helped their bottom line, freeing economic resources to do other work. Another powerful transformation that is slightly less obvious is how the firms turned social into symbolic capital. In partnerships that gave access to unique marketing or story sources, social capital was employed to earn the right to use another firm's symbolic capital.

5.3 STAFFING STRUCTURE

I also discovered that the staffing structure at both *The Texas Tribune* and *OhmyNews* helped these organizations build viability. Staffing structure contains two related concepts. The first is the ordering of jobs within an organization; the second is the kinds of jobs created with it. Though the hierarchical ordering — or effectively lack thereof in both enterprises — appears important, the kinds of jobs being done are significantly different from those at a traditional newspaper and appear even more tied to viability. These two characteristics — a general organizational flatness and new job roles — are present in different quantities in *The Texas Tribune* and *OhmyNews*. The *Tribune* does a better job of organizational flatness and the nimbleness that comes with it, while *OhmyNews* significantly reduces costs by including citizen journalists in its production process.

As discussed in depth in the description of the *Tribune* (see page 140), the enterprise is flatter than a traditional newspaper. This leads to a more rapid pace of development of new products. Perhaps the best example is the data applications the *Tribune* produces regularly. While Matt Stiles said he was initially hired to do more traditional reporting with data as an added bonus, over time he was able build data into journalism in its own right. And, he explained, this happened in large part because he was able to directly engage with both Evan Smith and Ross Ramsey (Stiles, 2012). This engagement and resulting data apps brought measurable value to the *Tribune*. Beyond acting as a large driver of traffic — at times upwards of 60 per cent of total page views — it also gave the *Tribune* a point of differentiation with the audience and funders. In essence, the ability for Stiles to work directly with leadership and launch a new kind of journalism product resulted in audience engagement, a unique point of discussion with funders, and a differentiator for marketing of the organization's brand (Stiles, 2012). But, beyond the relative flatness of the enterprise, the kinds of jobs present at the *Tribune* help it to be even more nimble.

Unlike some other media organizations, *The Texas Tribune* employs all the people needed to completely control its product. The technical staff best illustrate this. During my period of fieldwork, fully 16 per cent of the employees were software developers; that number jumps to 22.6 per cent if the data journalists, who have much of the same skills, are included. Keeping this level of technical staff gave the *Tribune* incredible flexibility. First, it allowed the enterprise to build its own CMS (the tools it uses to deliver content to the audience). As a result, this system can be constantly 'tuned' to meet the creative needs of content producers.[124] For example, one of the most effective pieces of journalism the *Tribune* published during 2010 and 2011 was originally a simple table that showed

124 While unrelated to this chapter, there is an interesting argument to be had here on the sociology of technology and organizations, particularly as organizations are forced to shift due to changing technology patterns in their user base. For more, see Pickering (1995).

the actual impact of proposed school finance changes on individual districts (Murphy and Smith, 2011). Ryan Murphy, one of the *Tribune*'s data reporters, tuned up the table with information collected by the education reporter Morgan Smith. He added a search box, letting people quickly jump to their own districts. He explained in more detail:

> It just grabbed all the names of the districts and just made it a filterable option and just a text box. And [...] essentially all we did was just prompt and say here's this information and here's the top of the list. [...] But also you can use this little box here and search by name for your school district. And that was definitely when that may have gotten a lot more attention. [...] This was the first that some people were hearing about the actual amounts that their school districts were going to be cut including members of the house and senate and staff.' (Murphy, 2011)

If the *Tribune* had needed to rely on outside contractors for technical know-how, such a powerful piece of journalism may never have existed. Though the education reporter got the data, without the conversations and easy access to someone who could transform it into a searchable format, the impact would have been lost.

OhmyNews has also built technical experts into its organization, but it employs only four technologists to the *Tribune*'s five, despite having a staff roughly three times as large overall. That said, *OhmyNews* still benefits from having the technical staff it does, including through the maintenance of an internal BBS that is the primary organizational tool for the entire enterprise. Not only does it flatten the entire organization — anyone is free to post and everyone is expected to read posts, from the CEO to interns — but it also helps distributed staff stay connected to what happens in Seoul.

While *OhmyNews* does not staff as well as the *Tribune* from the perspective of flatness or having access to key technical skills, it far outperforms it in terms of cost reduction and audience understanding due to its 'citizen reporter' system. *OhmyNews* is one of the world's largest citizen journalism organizations; any person may register to write a story. These stories are subjected to the same editorial process that any of the professional reporters would use, and then are published in the very same way. While originally developed to suit the political aims of Oh Yeon-ho and his 386-generation contemporaries, the system also contributes directly to the enterprise's viability. Most obviously, *OhmyNews* is able to collect content at an extremely low cost because, as discussed in Chapter 3, citizen reporters are not motivated to write by payment. Recall that most motivations were for personal and social benefits, according to Sutton (2006). In that light, it is easier to understand how citizen reporters are willing to be paid a relatively small amount for their contributions (topping out at about $50 for a very popular article). Important for this argument, though, is not the citizen journalists' social motivations but instead that, because such motivations exist, *OhmyNews* is able to keep costs down. The enterprise pays small sums to citizen reporters instead of keeping a professional on retainer, or having a full-time employee. Citizen reporters write when they have something to say; they don't otherwise. And, if they have something that is valued by the audience, they may well make much more money through the tipping system (of course, in that case, *OhmyNews* makes more, too). To help put this resource into perspective, *OhmyNews* receives about 150 stories from citizen reporters every weekday.

Citizen reporters also offer *OhmyNews* an advantage that is not unlike that provided by developers at *The Texas Tribune*: they help the organization adapt to the needs of its users as they are literally able to shape what news gets covered. Authors may have even more expertise in an area than a reporter would. One such case is an active citizen reporter who is also the spokesman for the national teacher's union (Im, 2012b). Another is the high-school teacher who stays up overnight to cover premier league football for *OhmyNews* (Shim, 2013). While football is, unequivocally, lighter fare, it is also something that the audience is interested in and a topic about which *OhmyNews* has no internal expertise. In sum, *OhmyNews* has taken the most expensive part of being a born-digital news enterprise and 'crowdsourced' it (Brabham). This would have been impossible in the pre-Internet era, as shown by Korea's *Hankyoreh* newspaper (see discussion on page 157). And, in so doing, *OhmyNews* also does normative good: it involves people in the news-making and political process. Again, while a casual observer might view citizen reporting as exploitative, the detailed analysis of why people participate suggests otherwise.

OhmyNews also enjoys one further staffing advantage as a result of its political perspective and citizen journalism model: the ability to attract staff with salaries significantly below the market level. Multiple staffers independently confirmed to me that they would make approximately double their current salaries if they moved to other publications. This was particularly true for video experts — in part because the major newspapers were launching new cable television channels. However, *OhmyNews* employees chose to stay in their current jobs because they felt the work that the company does is important. In particular, *OhmyNews* staff wanted to ensure that a strong progressive voice entered the news ecosystem.

By staffing smartly, both *The Texas Tribune* and *OhmyNews* have built resources they could not purchase on the open market. Keeping the right people on staff, and keeping them as close to leadership as possible, helps both organizations flex to meet the needs of their users. And broadening the view of who a 'reporter' is offers significant cost reductions and improvements in the democratic idea of an informed public influencing policymakers.

In keeping with the understanding that non-monetary resources can be viewed as alternative forms of capital, staffing structure can be viewed as a particular use of human capital. Both enterprises sought out specific kinds of employees and placed them in a specific configuration that did not precisely mirror that of newspapers. These employees not only brought skills that were important to the enterprises' ability to build digital products (software developers) but they also helped to generate revenue and reduce costs (citizen journalists).

5.4 VERTICAL STRATEGY

The first of two strategies that contribute significant non-monetary resources to both *The Texas Tribune* and *OhmyNews* is their 'vertical' nature. Neither enterprise is attempting to replicate what print newspapers once did. Instead of offering a wide array of coverage designed explicitly to appeal to everyone in a geographic area bound by the limits of delivery technologies, both enterprises define their audiences based on a set of interests. In the case of the *Tribune*, it is those who are interested in Texas state public policy and politics. And at *OhmyNews* the audience is bounded by a progressive political outlook that is generally embattled in Korea.

This intense topical focus becomes clear when these enterprises are compared to legacy newspapers. The websites of *The New York Times* and *The Guardian* offer useful counterpoints to the born-digital strategy. The *Times*'s home page lists thirty-eight distinct areas of coverage: world, US, politics, New York, business, Dealbook, technology, sports, science, health, arts, style, opinion, autos, blogs, books, cartoons, classifieds, crosswords, dining & wine, education, event guide, fashion & style, home & garden, jobs, magazine, media, movies, music, obituaries, public editor, real estate, Sunday review, *T* magazine, television, theater, travel, and weddings/celebrations (*NYT Homepage*, 2013). *The Guardian* lists fifteen distinct content areas (news, sport, comment, culture, business, money, life & style, travel, environment, tech, television, video, dating, offers, jobs), and under the 'news' heading lists another fourteen (UK, world, development, US, politics, media, education, society, science, women, law, data, football, and *Observer*) (*The Guardian Homepage*, 2013). By contrast, the *Tribune* breaks its content into just ten categories (economy, education, energy & environment, government, health & human services, law & order, people, politics, race & immigration, and transportation), all of which could easily overlap with one another (*The Texas Tribune Homepage*, 2013). For example, where does a story about the people in politics involved in building new transportation infrastructure belong? *OhmyNews* also puts its content in ten home page categories (politics, economy, society, education, media, are you listening?, women, sport, cartoons, comics, global report), and, while they may not appear to a casual observer to be intimately related, they are in fact tightly woven into the progressive political agenda. That society, media, and women are distinct content sections is unique (*OhmyNews Homepage*, 2013). Moreover, the topical focus is even clearer when looking at the overall balance of content produced at both *The Texas Tribune* and *OhmyNews*. While on site at both organizations, I collected the primary category of every story ever published, and the concentrations are stark. At the *Tribune*, 53 per cent of content was political, and at *OhmyNews*, 40 per cent was a combination of politics and social affairs (with social affairs taking the larger share). This data is presented in Table 5.1.

Topic Area	Count	Percentage*
THE TEXAS TRIBUNE (LATE 2011)		
Politics	347	53
Heath and human services	382	6
Justice system	377	5
Race and immigration	330	5
Energy and environment	367	5
Education	591	9
The Brief (twice-daily news summaries)	1,194	17
***OHMYNEWS* (EARLY 2012)**		
Social affiars	125,466	26
Politics	66,160	14
Life stories	55,976	12
Culture	41,852	9
Economics	37,790	8
Sports	34,231	7
North Korea and international affairs	23,627	5
Education	21,617	5
Trips	19,470	4
Media	18,889	4
Books	15,607	3
Movies	10,458	2
Women	3,911	1
Entertainment/*OhmyStar*	3,411	1

*Rounded

Table 5.1 Total stories published by *The Texas Tribune* and *OhmyNews*, by content area.

The focus at *The Texas Tribune* and *OhmyNews* adds value to both enterprises in four distinct ways. First, it helps to decrease and control costs. Rather than staffing for every possible scenario — ranging from severe weather to ballet — both enterprises hire only in their areas of expertise. As shown in Table 5.1, the areas of content covered at *The Texas Tribune* and *OhmyNews* are limited. And, as one might expect, both enterprises employ a more limited set of content area experts. During my time at the *Tribune*, it had reporters assigned to immigration, higher education, the governor, public education, and energy and environment. There was virtually no topical sprawl. *OhmyNews* was similarly focused, only assigning reporters to politics, economics, society, regional issues, and a newly started pop-culture section. When either enterprise finds a need to cover a subject area outside its core expertise, it simply hires a temporary reporter. The *Tribune* does so to add culture reporting to its pages in *The New York Times*, and *OhmyNews* pulls in citizen reporters to give a progressive take on virtually any topic imaginable.

Second, the organizations themselves are simpler as a result of more focused hiring. This is more the case at the *Tribune*, where management need only work with their own areas of content expertise. In Austin, this is most easily illustrated by Evan Smith's passion for Texas politics and his deep knowledge of the state from his time at *Texas Monthly* and his show on public television. As Smith put it to me, there was no need for 'open tryouts' — he already knew the top reporters in the field. Moreover, he said he did much less management of the editorial and reportorial staff at the *Tribune* than he had done elsewhere, as a result of its vertical nature. He explained that reporters live within 'the vertical. They live within their world. They're talking to people in their world and they're arriving at a conclusion of [...] what are the stories we ought to be doing based on their knowledge and expertise of the subject' (Smith, 2011a). *OhmyNews* is, in some ways, different because of the citizen reporter structure. However, the editors of *OhmyNews* certainly benefit from focus. This is best shown by the contrasts between *OhmyNews* and its now-dead English-language edition. Whereas the Korean-language editors can specialize — they build relationships with specific citizen reporters and with the areas covered — the English-language editors could not. The English-language edition had no such crutch. Stories came from all parts of the world, on all topics, making it virtually impossible to edit, and contributed to the product's eventual end.[125] For the 150 citizen stories received a day, the Korean-language edition only employs fourteen editors.

Third, this focus enhances the meaning of each enterprise's brand; it is clear to the audience what they will get if they spend their non-renewable resource (time) visiting either site. The *Tribune*'s mission statement clearly enumerates what users should expect to get when they come to the site: the enterprise exists to promote 'civic engagement and discourse on public policy, politics, government, and other matters of statewide concern' in Texas (*About Us*, 2011). And the content it covers fits squarely within that description. *OhmyNews*, too, has built a strong reputation for its progressive viewpoint on politics. It reinforces this through public statements, social media, endorsements, and events that interact with or promote progressive agendas or politicians. With all barriers to publishing content now approaching the limit of zero, and with the rise of mobile devices that have many entertainment options sitting alongside news consumption, strong brands that stand for something are a useful tool to attract this limited attention. That both enterprises clearly differentiate their content is extremely useful in an increasingly competitive market for the public's attention. Or, as Ross Ramsey, executive editor of the *Tribune*, put it: 'One of the values [...] in brand names [...] is if I read information from this source, I can reasonably expect this level of quality and I get to pick what level

125 This was a constant point of contention and discussion when I worked for OhmyNews as a Luce Scholar.

of quality I demand, but the fact that the institution helps you do a quick sort on that [use brand as a heuristic]' (Ramsey, 2011a).

Finally, the focus increases the value of on-site advertising because more is known about the makeup of the audience than would be the case for a general-interest publication. Because each enterprise's brand means something, and as such attracts a specific population, they are able to charge a premium for their advertising. As explained by Iyer and his colleagues, being able to target audience segments is extremely valuable for advertisers because,

> With targeted advertising, we find that firms advertise more to consumers who have a strong preference for their product than to comparison shoppers who can be attracted to the competition. Advertising less to comparison shoppers can be seen as a way for firms to endogenously increase differentiation in the market. In addition, targeting allows the firm to eliminate "wasted" advertising to consumers whose preferences do not match a product's attributes. As a result, the targeting of advertising increases equilibrium profits. (Iyer, Soberman, and Villas-Boas, 2005)

As shown in the descriptions of each enterprise's audience above (see the *Tribune* on page 123 and *OhmyNews* on page 181), the vertical strategies at both *The Texas Tribune* and *OhmyNews* do provide a specific market segment for targeted advertising. As a reminder, the Texas-based audience is remarkably affluent and civically engaged, whereas the Korean audience is interested in social issues and progressive politics.

The vertical strategy at both enterprises can be seen as an attempt to build more and preserve existing economic capital, to make specific use of human capital given constraints, and to build symbolic capital — to '[accumulate] prestige and status' (Thompson, 2010, 6). The vertical strategy's link to economic capital is the easiest to see: by focusing on a single subject, and thus attracting a specific audience, as described above, an enterprise is able to sell advertising at higher rates. And the strategy helps to save economic capital by limiting the areas in which the enterprise needs to spend money acquiring human or intellectual capital; *The Texas Tribune* and *OhmyNews* don't try to compete on all subjects, and instead they spend their limited money on a specific content area. To that point, the strategy helps to make better use of what human capital is available to each organization. Not only is it clear what kinds of expertise they need to hire but the strategy also gives those employees clear objectives. For example, it would be obvious to *Tribune* employees that other news organizations would cover a major storm because it is outside the public policy and politics focus. Finally, the strategy can be viewed as an attempt to rapidly build symbolic capital at each enterprise. By focusing on a single subject area, each is more likely to become an expert and to become known by the audience. The *Tribune* offers another easy example in that its reporters quickly constituted more than half of the total number of people credentialed to cover the state capitol.

5.5 EASE OF USE

Another strategy that both *The Texas Tribune* and *OhmyNews* use to great effect is a focus on ease of use for the audience. This is in part possible because each enterprise knows who its audience is and what they are interested in. The essence of this strategy can be described as helping users to get all that they need, quickly. And the value of this to each organization is in the relationships it helps build with the audience. Users know that a visit to *The Texas Tribune* or following *OhmyNews* on social media will get them quickly up to date on a topic, regardless of which organization wrote the best story on a topic comes from.

For the *Tribune*, ease of use is attacked from three angles: aggregation, a simple and clean visual design, and a focus on easy-to-use data apps. As described above in the list of the *Tribune*'s products, aggregation is mainly tackled through two avenues: TribWire and the *Brief* newsletter. These pieces of aggregation are put together by the entire *Tribune* team as they read other news sources from all across the US. These tools help those in the *Tribune*'s audience to track issues that matter to them, without needing to read everything published across the entire Web. In addition to aggregating content for users, the *Tribune* aims to make its site easy for them to navigate. Extensive work at the outset, along with hiring design experts, resulted in a site that has quick access to all the *Tribune*'s major content areas and one that is responsive to users' devices; Web pages dynamically adapt to fit the screen. However, the commitment to making the lives of its audience easy is perhaps best illustrated in the way the *Tribune* builds its data applications. Very little about the data in *Tribune* applications is proprietary; in most cases the data is gathered through simple Freedom of Information Act requests. However, this data is put together with an explicit understanding that those who use it will not be computer or data scientists. Like its other (narrative) journalism (save, perhaps, *Texas Weekly*), the ethos of accessibility is applied to the data, to great effect, as seen with the education-funding app described above. This is not an isolated case. At the Texas Tribune Festival in 2011, attendees who worked for the state told me they use *Tribune* maps and data wherever possible because the apps are better than all the available internal tools.

At *OhmyNews*, aggregation and good visual design are also part of the ease-of-use strategy, but so too is a sprawling blog network. Again, mentioned above, *OhmyNews* has a citizen-powered aggregation service called *OhmyNews*-E, which allows citizens to add stories from other news organizations they think are relevant, and also vote them up or down. And, like the *Tribune*'s site, every content area is readily accessible along with special versions of stories designed to fit on small screens. However, *OhmyNews* also has a different take on ease of use that fits with its 'everyone can be a reporter' motto: a blog network. Because citizen-written articles are subjected to the same editorial process as professional articles, not everything someone wants to write will make the cut. A personal story or an opinionated piece might be relevant to the user's friends and family but not to the entire *OhmyNews* audience. In order to make publishing easy for authors, and to help ensure that all writing, regardless of target audience, happens in the same place, *OhmyNews* built its blogging platform.

In sum, both enterprises go to great lengths to ensure that it is as easy as possible for users to spend as much time as possible with their products. This represents another attempt to build the organizations' symbolic capital. Ease of use is a core tenet of both *The Texas Tribune*'s and *OhmyNews*'s brands. They want their audiences to very clearly know what they can expect when they visit either site — and the focus on ease of use helps to do that. Moreover, attaching ease of use to specific names (e.g. The Texas Tribune Festival, or *OhmyNews*-E) helps to create a shorthand for the symbolic capital these names hold (brands). While this doesn't translate into a resource that is instantly useful, it does mean that each organization can be more effective in other activities that range from audience engagement (turnout at events, submitting pieces of citizen journalism) to increased ad rates.

5.6 LEADERSHIP'S PERSONAL BRAND

Another personnel choice that contributes to the viability of both *The Texas Tribune* and *OhmyNews* is the personal brands that each leader brings to their respective enterprises. Evan Smith and Oh Yeon-ho are their own brands and public figures. They have not been catapulted to that status by the jobs they hold; in stark contrast, their public profiles might be as large as (or, arguably, larger than) those of the enterprises they run. The best way to explain this phenomenon is by way of a contrasting example from the UK: Alan Rusbridger. Rusbridger, editor of *The Guardian*, has recently become an international phenomenon. His work at the paper, beginning with his push to keep *The Guardian* not just on the Web but 'of the web' though the Wikileaks stories and most recently the documents given to him by Edward Snowden, raised his profile all over the world. However, it was his work at the paper that did so. Imagine if, now, Rusbridger left the paper to start something entirely new. Then that new enterprise would have an Evan Smith or Oh Yeon-ho. In other words, the leaders at both enterprises arrived there with significant social and symbolic capital in the fields they cover and with their audiences.

The value this brings to *The Texas Tribune* and *OhmyNews* can be broken into four categories. These two leaders' prominence brings their enterprises access to and credibility with audiences, sources, funders, and talent. These leaders brought audiences to their nascent enterprises, before the new organizations had had any opportunity to prove themselves. Because of their prior work, audiences both knew about the new ventures (a marketing value) and could transfer the credibility they associated with the old publications to the new ones. Leaders with personal brands also brings access to sources. Without someone who is known and trusted, sources have little reason to bring information to an embryonic enterprise; sources will go where they trust their information will be used in the way they wish it to be. Branded leaders also bring credibility to any fund-raising efforts, be they non-profit support or straight advertising.

With no known quantities at a new enterprise, there is little reason to invest any time or money; the barriers to entry in the digital media space are so low that many firms begin and rapidly fail. That a known leader is attaching their own future to this new activity is a useful heuristic for anyone considering financial support. Finally, well-known leaders can wrangle the best talent in the field to work at the new organization. Not only do they know the field of available people but also those looking for work know the leadership. This is not unlike the marketing value leaders provide to their enterprises via new audiences.

These resources are valuable to the viability of born-digital news enterprises, in no small part because obtaining them on an open market would be impossibly expensive for these firms. Gaining access to an audience can happen through adverting on other media properties. Buying lists of fundraisers and access to them is also possible. And, even more important, there is no way to buy access to and trust of sources, or knowledge of and the ability to attract top talent. (Though, admittedly, one might be able to attract some of them with massive paychecks.)

Smith and Oh had both developed clearly articulated and well-known brands prior to starting their respective enterprises. As mentioned, Smith had worked at one of the most popular and influential magazines in Texas, along with a nationally broadcast television programme, and was an active public figure in the film, literature, and arts spheres in the state. He was also a political junkie, personally known to many of the key players in the state's policy and political reporting worlds. Smith was at the centre of the people-to-know-in-Texas-media graph. Also as described above, Oh Yeon-ho brought a clear brand and credibility to *OhmyNews*. While an undergraduate, Oh served time in jail for writing a short piece of fiction critical of the authoritarian regime. The time, while not exactly a badge of honour, lent to his believability to other members of the 386 generation. After his time as an undergraduate, Oh worked for *Mahl*, the leading pro-democracy underground magazine, eventually becoming its foreign correspondent in the US. While in the US he also worked as a stringer for various mainstream Korean publications and broadcasters. In addition to this positioning as a serious journalist writing on issues of democracy in Korea, Oh also started running his Kija Mandulgi courses. As more students attended these classes, they came to know about not only his reporting but also his teaching abilities.

I observed each of the values mentioned above at both *The Texas Tribune* and *OhmyNews*. The first, bringing audiences to the enterprise, was obvious. Both Smith and Oh have large followings on social media that are entirely independent of their enterprises. More than 15,000 people follow Smith and about 68,000 follow Oh on Twitter. To put this in context, Morgan Smith, the *Tribune*'s public education reporter, has 4670 followers, while one of *OhmyNews*'s video journalists, Park Jung-ho, has about 5500. I use social media presence to show how connected these leaders are, directly to audiences, because it is both easily quantifiable and tangible to see. Visiting either's Twitter page is an instant lesson in user interactions.[126]

Credibility with sources, thanks to the stature of the leadership, is also readily visible at both enterprises. At the *Tribune*, two examples from my period of fieldwork stand out. The first is Smith's interview with Rick Perry, then governor of Texas and Republican presidential hopeful (Smith, 2010a). Without Smith, the *Tribune* would never have been able to access the state's governor so soon after forming, let alone a presidential candidate. The second example of access to sources enabled by Smith is the stature of those he attracted to the first Tribune Festival. When I asked the head of events how she got people to speak at the Festival, she was extremely animated: 'He [Smith] comes in

126 Visit Evan Smith at <http://www.twitter.com/evanasmith> and Oh Yeon-ho at <http://www.twitter.com/ohyeonho>. For those who do not speak Korean, Google's translation service, while imperfect, offers a quick insight into Oh Yeon-ho's conversations on Twitter.

here [events office] and he's like, "All right!" And then he just rattles off the top of his head, like, twenty names. And all I do is write it all down' (Erlach, 2011). Some of those names included the state demographer and Texas's senior senator. Examples abound with Oh Yeon-ho and *OhmyNews*, too. Perhaps the most canonical example is how Oh secured the first interview with Roh Moo-hyun after his election to the presidency in 2002. *OhmyNews*'s book publishing business is one of the best examples from my period of fieldwork. Many of the books are formatted not as interviews with *OhmyNews* but instead as discussions with Oh Yeon-ho. And these interviews are with extremely-high-profile Koreans, ranging from party heads to national experts on reunification.

That the leadership of *The Texas Tribune* and *OhmyNews* were independently well known is also a resource for raising capital. In the case of the *Tribune*, Smith had the pedigree and the rolodex to start raising funds from large donors before the *Tribune* ever published a single word. The top political donors in the state already knew him and his coverage. Once he had started work for a non-profit, which could receive tax-deductible donations, he was able to directly contact that pool. For example, Smith reminded me he was able to contact one of the wealthiest donors in Texas (T. Boone Pickens) to ask for money. At *OhmyNews*, Oh Yeon-ho is also able to credibly reach out to funders, but in a different way from at the *Tribune*. Oh, with his long-expressed ethos that 'every citizen can be a reporter' was able to directly recruit for the 100,000 Club membership scheme. Using his personal networks, he jump-started membership. And the letters that went to individuals to request they join didn't come from *OhmyNews*; they were sent by Oh, not a generic employee or email address.

The final area in which brand-name leadership added non-monetary value to *The Texas Tribune* and *OhmyNews* was the recruitment of talent. At the *Tribune*, Smith knew the entire state press corps and was able to go after those he knew would be top-tier talent. Many of the *Tribune*'s reporters explained they had come to the *Tribune* in part because Smith had asked them. This was true of April Hinkle, the organization's head of sales: she came from a lucrative job at *Texas Monthly* because it was Smith making the ask. At *OhmyNews*, though, Oh's credibility with talent was huge: his years of running Kija Mandulgi had given him a list of people to be professional and citizen reporters along with years of experience working with them. Indeed, the early meetings and discussions about starting *OhmyNews* were held with Kija Mandulgi alumni.

To reiterate, Evan Smith and Oh Yeon-ho brought significant social and symbolic capital to each of their enterprises. By way of their standing in the communities that each organization operates within, they often knew the right people who were needed to get jobs done. And, from their previous work, they brought 'prestige and status' to enterprises that otherwise couldn't have had any as they were so new.

5.7 CONCLUSIONS

On one level, all the non-monetary resources discussed in this chapter (internal practices, strategies, and personnel choices) could be characterized as the organizations simply being smart and opportunistic. And yet, some newspapers failed to operate this way. It is my contention that these practices, which could have been undertaken by any media enterprise, are further evidence of a changed logic at born-digitals. *The Texas Tribune* and *OhmyNews* wanted to achieve some of the goals of legacy enterprises. Both aimed to produce accountability journalism. However, neither enterprise felt the need to reproduce the all the methods employed by their forbears. Both enterprises employ reporters and editors. Both have workflows for moving information from sources through to final products. Both produce stories that, if delivered in another medium, might be indistinguishable from what a newspaper produces.

However, practices surrounding the viability of these enterprises are vastly different. *The Texas Tribune* and *OhmyNews* are willing to do more than modify a business model to ensure their viability; they are willing to modify long-built cultural norms of their professions.

Though it is very difficult to speculate on why more legacy enterprises haven't taken on some of these non-monetary resources, it is easier to understand why the born-digitals did: The enterprises would last long enough to make it through their first, second, and third years. Or they wouldn't. Perhaps this struggle for survival is different than managing a long and slow decline.

Thus, the final non-monetary resource at these born-digital enterprises is that their viability is a smaller and more controllable problem than at legacy enterprises attempting a transition. *The Texas Tribune* and *OhmyNews* had very clear goals: more money needed to come in the door than left; their content needed to resonate with an audience; and the challenges they faced, though gargantuan, were clearly defined. As aptly put by the Reuters Institute for the Study of Journalism at Oxford, for born-digitals, 'Survival is success' (Bruno and Nielsen).

6 CONCLUSION

The Texas Tribune and *OhmyNews* have every reason to be radically different enterprises. Though both set out to produce accountability journalism in their own contexts, the distance between those contexts is significant. As I described in Chapter 2, they are different ages, treat political affiliation differently, operate using different modes of production, and are about 11,170km apart. And yet, the ways the *Tribune* and *OhmyNews* approach their own viability is not markedly different. They both benefit from costs reductions due to digital distribution, have built strategies of 'revenue promiscuity' that seek multiple sources of income, and make use of non-monetary resources.

How could this be? Why are two enterprises that are so *prima facie* different behaving in such similar ways? As suggested by Thompson's depiction of the logic of the field, they are a part of the same field and as such use capital and respond to external pressures in similar (and potentially predictable) ways.

However, before I explicate this logic, we need to return to the empirical data that supports it; Bourdieu's admonition is true — the data and the theory do not make sense without each other.

6.1 ARGUMENT SUMMARY — THE TYPES OF CAPITAL

The data presented here shows there to be three components of viability for born-digital news enterprises, and that these are different from models in place at newspapers. The first is a lower cost structure. Born-digitals have very few significant cost centres; almost all the money they spend goes on staff. Their cost structures are unlike newspapers, which have significant manufacturing costs. Newspapers need to make significant capital (economic) investments in printing plants and delivery fleets, in addition to producing a physical product every day. The second area of difference is in how these enterprises generate revenue. Between *The Texas Tribune* and *OhmyNews*, there are nine distinct revenue sources. And, while some are very large (as a percentage of overall revenue), such as events at *OhmyNews*, none approach newspapers' dependence on their largest single source of revenue: advertising. This strategy of 'revenue promiscuity' is also expanding; these enterprises are constantly seeking new ways to make money. The final area of difference is in how born-digitals use resources that are not money. Instead of replicating the ways of operating of legacy publishers, they are willing to change their internal structure, the kinds of people they employ, how they work with other organizations, and more in order to get journalistic work done.

The three pieces of these enterprises' viability strategy translate into different types of capital, as understood by Bourdieu and Thompson. As Chapter 4 shows, reducing costs and promoting revenue promiscuity both contribute to economic capital. Though this economic capital is important to both enterprises, the actual amount of money they operate with is much lower than in the world of newspapers. Using the *Tribune* as an example, its annual budget for 2011 called for just over $4 million in spending, and, according to the Inland data from Chapter 1, the average American newspaper with 100,000 circulation spent about $31.8 million in 2001 (Inland Press Association Research National Cost & Revenue Study, 2001). Thus, Chapter 5 shows how these enterprises use other forms of capital to help run their organizations. Recall the five non-monetary resources I identified (partnerships, staffing structure, vertical strategy, ease of use, and leadership's personal brands) are each blends of three non-economic species of capital (human, social, and symbolic).

That there are non-economic species of capital critical to the viability of born-digital enterprises shows the overall value of Bourdieu's theory in this work. Because born-digitals are cash constrained, they have turned to other resources to help fill the gap, and Bourdieu's framework helped to identify where to look for those resources.

6.2 THE LOGIC OF THE FIELD

Identifying the differing types of capital in play in these enterprises' viability strategies is not, however, an end in itself. As I discussed in Chapter 2, Bourdieu argues that 'in order to construct the field, one must identify the forms of specific capital that operate within it, and to construct the forms of specific capital one must know the specific logic of the field' (Bourdieu and Wacquant, 1992, 108). So, at this stage, we have only carried out half of Bourdieu's method of understanding the logic; we have only identified captials. His method of moving from that understanding to the broader logic is clear: knowing the forms of capital at play allows the analyst to understand the structure of the field and how agents in it will behave. Bourdieu summarized, arguing that, 'to say that the structure of the field [...] is defined by the structure of the distribution of the specific forms of capital that are active in it means that when my knowledge of forms of capital is sound I can differentiate everything that there is to differentiate' (Bourdieu and Wacquant, 1992, 108). Thus, to complete Bourdieu's 'hermeneutic circle', we must now turn to what these combinations of capital tell us about the structure and logic of the field of born-digital news enterprises that produce accountability journalism.

In other words, we have to make the logic of the field explicit.

To me, there are four parts. First, enterprises are *comparatively* small affairs. Second, they operate in deep verticals (put another way, they serve a specific audience bounded by something more than geography). Third, they are multi-product enterprises. And fourth, they modify the work practices of legacy organizations; they feel no need to emulate *anything* in a precise fashion.

Smallness is a required reaction to the conditions in the field — there simply isn't enough economic capital in the system to support enterprises that are as large as newspapers once were. Vertical operations are a reaction to both smallness and the need to develop revenue where possible. First, as smaller enterprises, it becomes impossible to attempt coverage of an entire geography. Even with technological support in the form of everything from data journalists and software developers to excellent telephone and Internet networks that help reporters cover more while traveling less, it is still not possible to recreate the geographic mode of newspapers. At the end of the day, with fewer people, focus on a specific subject is the more reasonable choice in order to maintain the standards of accountability journalism. Second, both the *Tribune* and *OhmyNews* serve audiences that have predefined interests in what their enterprise covers, which is useful in the competition for limited economic resources. As described in Chapter 4, advertisers are willing to pay more to reach a specific audience, and users are willing to pay (with money or attention, which is monetizable) for something that they want or need. The specific audience also creates the conditions under which the third aspect of the logic develops: multi-product enterprises. In order to generate more revenue, born-digitals need to adopt revenue promiscuity, but that strategy can only be successful in the service of a specific audience. An enterprise can only develop additional revenue-driving products if they know whom they are working for. With no conception of the needs of an audience, it is hard to imagine how to build something for them that will result in cash accruing to the builders. Finally, and perhaps most importantly, in order to achieve these ends, born-digitals have learned from the practices of legacy players, but are willing (and perhaps more able) to break with traditions in order to achieve viability. This is a way to reframe the discussion of the non-monetary resources described in Chapter 5. *OhmyNews*'s citizen journalists are the clearest example of this aspect of the logic. By inviting amateurs into the news-making process, the enterprise violated one core tenant of modern, professional, objective journalism (see Schudson, 1978), and in so doing created a vast resource it could use to compete and survive in the digital world. At the same time, it kept another: professional editors. This should not be viewed as schizophrenic. Instead it is a willingness to keep some of what worked in the past but discard what did not.

6.3 PUTTING THE LOGIC TO WORK — IMPLICATIONS FOR ACCOUNTABILITY JOURNALISM

The first benefit of the logic described above is that it helps us to identify the existence of a field. The logic explains why it is not a coincidence that the approaches to viability of *The Texas Tribune* and *OhmyNews* look so much alike. Further, it is reasonable to suspect that there might be other, very different, organizations that also belong in the field and conform to the logic. One interesting example that suggests this to be the case is a company called Vox Media. Vox can uniquely show how the logic plays out because the company owns multiple properties that cover different topics (sports, technology, video games, explanatory journalism, food, nightlife, and real estate), but, rather than uniting them in presentation, it does so with its technology and publishing platform. In other words, though it is expanding the types of coverage it does as a company, it maintains the presentation of content in vertical silos. However, Vox has reduced costs by building a shared back-end publishing platform that each vertical can use for its own purposes. Vox has also adopted a strategy of revenue promiscuity, selling advertising and goods and running conferences and other events (Stelter, 2014). Finally, Vox properties do not dogmatically follow the practices of legacy publications. Its sports property, *SB Nation*, is powered by bloggers who have already established themselves as excellent writers, something of a merger between the professional and citizen journalist model (*SB Nation*, 2014). Vox's technology and explanatory journalism verticals, *The Verge* and *Vox* respectively, were started by journalists with large standing in their field, much like Oh Yeon-ho and Evan Smith.

However, we can do more with the theoretical contributions than just note the existence of a field and explicate its logic: we can make tentative predictions about the broader implications it has on journalism as a whole. And from there we can ask important questions about what the logic of the born-digital field might mean for the future of accountability journalism — a good that is important for citizens around the world. In other words, we can ask about what it will mean if there are many such organizations in existence. What might be positive, and where could the limitations of the new system lie?

There is at least one unequivocal good that emanates from the existence of a born-digital field (and, the obvious corollary, from the fact that there is a viability strategy to support it): more accountability journalism. Not only do we get more total journalistic output by having extra players in the overall game of producing accountability news but also we get different types. It is hard to imagine the development of a data application to understand the implications of differing budget plans on *your* school in an enterprise without the skills or presentation platform to display it.

But the limits of these enterprises still loom incredibly large, and suggest that there are still significant questions worth asking about how we want to shape future born-digital enterprises. Perhaps the most obvious limitation is that this field has an exceptionally short and varied track record. Existence and limited success over a period of five or even fifteen years is trivial compared to the period over which newspapers produced 'iron core' news.

Beyond the distinct lack of a track record, there are other important limitations of born-digitals that require broad discussion. Two deeply critical issues that appear directly out of the logic are legal protection and the social implications of focus. Part of the way that newspapers were able to act independently of the state, and hold it accountable on behalf of citizens, was through their access to large amounts of economic capital. Their money didn't buy independence directly, but it *could* buy the time of the very best lawyers. This issue could not be more important today, as illustrated by Edward Snowden's disclosures. By delivering data to an enterprise like *The Guardian*, Snowden could ensure that the stories would be published. Not only could *The Guardian* hire excellent legal representation to help defend itself against the government using prior restraint and ending publications but it could also avoid many of the legal issues altogether by transferring the work to another fully operational newsroom on another continent (in New York, where the UK government has no jurisdiction and US law does not allow for the prior restraint of journalists). Because, at least at this stage, born-digitals do not have access to that level of economic capital, it remains an open question of what one would do if it received a story like Snowden's.

Another important limitation of born-digitals that stems directly from the logic of focus/vertical coverage is whether and how born-digitals can contribute to pluralism in society. This limitation is easier understood by way of example. While a reader might have bought the newspaper for the sports score, she might have also caught a headline about education funding on the way to match results. In a world where more news organizations focus on a specific vertical in order to survive, we must consider how people will be exposed to ideas other than the ones they already know. While this is an issue that has received significant attention in the literature already, from Negroponte's concept of the *Daily Me* (Negroponte, 1995) to Sunstein's *Republic.com* (Sunstein, 2007) to Pariser's *Filter Bubble* (Pariser, 2011), the explication of the born-digital logic should reinvigorate the debate.

In sum, using the types of capital present in the viability strategies of *The Texas Tribune* and *OhmyNews* to understand the overall logic of the field allows us to do many different kinds of work. Perhaps most importantly, it can let us begin to make educated predictions about what might happen to the entire news ecosystem if left unchecked. 'Unchecked' is, of course, the critical point. Like any social system, as opposed to laws of physics, we could use these predictions to help us reshape the entire field to better suit our needs.

6.4 MAKING IT MATTER — LIMITATIONS AND FUTURE RESEARCH

However, to justify substantive interventions in this field, practitioners and policy makers would surely call for a robust and ongoing program of research. This dissertation is the first (to my knowledge) substantive, scholarly attempt at doing the most basic task: sketching out the field so we can conduct further research. Of course, that suggests there are both significant limitations in the work and huge opportunities for learning that stem from it.

The first and most obvious limitation of this work is that, due to the constraints of time in a PhD and the relative dearth of work on the born-digital field, I needed to focus intensely on just two case studies. While I attempted to select the cases carefully so I could begin to generalize, any conclusions here must still be limited. Moreover, because I had no telescope with which to see ahead of me (no previous work), I needed to invest significant time in understanding these cases. The dissertation that resulted also attempts to describe them thickly, so future researchers can understand their logic without needing to spend a year in the field. This limitation suggests obvious paths to additional research. Using the logic developed here, it might be possible to conduct significantly higher-N studies. For example, it might be possible to devise a questionnaire that worked like the Inland study of American newspapers for born-digitals all over the world. With such a tool, based on the specific empirical findings in this dissertation, we could learn about born-digitals across many geographies and verticals at once.

Another limitation of this work is that it did not examine failed cases. Working with failure in organizations is particularly difficult. First, how can the researcher know in advance that an enterprise is going to fail? And, even if they had a hunch, could they then gain access on that premise? Moreover, examining already-failed enterprises presents different challenges. Once people disperse, documents are lost and time passes, it can be difficult to reconstruct an accurate picture of what happened. I experienced this first-hand in this project. I had originally planned to conduct a third case study of a smaller born-digital (Brown Line Media, in Chicago), but a week before I was slated to start its owner and publisher took a job with the *Chicago Tribune*. And at that stage, he was no longer interested in allowing me to examine Brown Line Media's financials or to look into the organization. However, again, I suspect this work will aid in the study of failed cases in the future, which will also strengthen the entire body of knowledge. An excellent example for future research on failures that could be supplemented with this work would be to look into the *Chicago News Cooperative* and the *Bay Citizen* — both born-digital non-profits started at roughly the same time as *The Texas Tribune*. Both also built partnerships with *The New York Times* and attracted serious reporting staff to work for them. It would be interesting, though, to examine them through the lens of the logic as I have sketched it here. Were they operating as verticals? Were they willing to break with the traditions of newspapering, when it made sense? It might also be insightful to compare their costs and revenues with those of both *The Texas Tribune* and *OhmyNews*.

Yet another way this study could have been improved would have been to examine more years of data. In my case, I was necessarily limited because *The Texas Tribune* only had two years of data when I arrived. However, in the future, a longitudinal examination of costs and revenues could be exceptionally useful. Specific questions abound. Which revenue streams grow? Which are the most consistent? What happens to key costs, such as technology talent? And broader questions will be important as well. For example, an isomorphic-based (DiMaggio and Powell, 1983) study could be extremely useful. To what extent do future born-digitals build similar structures due to similar conditions or mimicry of what worked for early entrants? Even broader still, how do the costs and revenues at these enterprises map to broader economic trends? With more years of data now available, the amount of useful longitudinal work to be done is nearly endless.

The final limitation that I will discuss here is perhaps the most critical: more work is yet to be done with both groups served by most news enterprises: users and advertisers/sponsors. Again, the constraints of time in a PhD are extreme, particularly when working in such an understudied field, and as such I was forced to carefully tailor my research question to fall squarely on the news enterprises themselves. However, this leaves significant aspects of our holistic understanding of the field underdeveloped. Without users, news enterprises are subject to the tree-in-a-forest aphorism. They simply wouldn't matter if no one used the content they produce. Equally important is a deeper understanding of the people spending their own capitals to support the enterprise, be they users or other organizations looking to reach the audience aggregated by the content produced. In particular, more needs to be known about how they attempt to exert their influence over the enterprises producing content — particularly if these enterprises are supposed to be holding similar groups to account. In other words, news enterprises are a bit like brokers, and, while we now have a limited insight into what makes the brokerage process happen, we need to know much more about what brings each of the brokees to the table in the first place.

6.5 A PRECARIOUSLY POSSIBLE FUTURE

At the outset of this dissertation, I cited Clay Shirky's dire predictions about the future of accountability journalism in the digital age. These predictions should be taken seriously; we know so little about the field that the possibility of outright failure cannot yet be dismissed.

However, it is my hope that this work stands in the face of that uncertainty and places an early, and tentative, stake in the ground. At least in the specific conditions I examined, it appears possible to do accountability journalism in the digital age.

The value of such a stake is that it suggests we might be able to avoid a situation wherein old institutions die before new ones can be built. It suggests that, if the major institutions of the last century, such as *The Times*, *The New York Times*, *Le Monde*, and others, were to simply implode tomorrow, we *might* know how to replace not the enterprises themselves but the outcomes we care most about.

What are those outcomes? An independent method to keep those with power in check. The ability to change the course of public discourse and government action. An effort to 'maximize the opportunity for the forces of "good" to recognize and do battle with the forces of "evil"' (Protess, 1991, 7) and to tell a 'personal story with a public moral' (Ettema and Glasser, 1998, 5).

Moreover, this work suggests that the way we do this battle and tell these stories has already and will continue to change. An application on a smart phone that allows any citizen to identify the staffer in their representative's office who works on an issue they care about and then instantly call their direct line — as does *The Texas Tribune*'s app — is a new approach to holding those with power to account. So too is the ability for a caterer to tell a story of excess at a party hosted by Lee Kun-hee, the chairman of Samsung Electronics, directly and in his own words — as happened at *OhmyNews*.

Both happened because viable enterprises could develop new forms of accountability journalism, and bring those forms to the public.

7 APPENDICES

7.1 LIST OF INTERVIEW SUBJECTS

INTERVIEW SUBJECTS		
NAME	EMPLOYER	JOB TITLE(S)
THE TEXAS TRIBUNE		
April Hinkle	The Texas Tribune	Chief revenue officer
Ben Philpott	KUT Radio	Reporter
Brandi Grissom	The Texas Tribune	Managing editor
David Muto	The Texas Tribune	Copy editor/editorial assistant
Elise Hu	National Public Radio	Former multimedia reporter/producer at *The Texas Tribune*
Emily Ramshaw	The Texas Tribune	Editor
Evan Smith	The Texas Tribune	Chief executive officer and editor-in-chief
H.O. Maycotte	Umble	Former chief technology officer of *The Texas Tribune* and current member of the board of directors
Jill Agostino	The New York Times Company	Assistant national editor in charge of Zoned Editions
Jim Henson	The University of Texas at Austin	Professor and pollster for *The Texas Tribune*
John Thornton	Austin Ventures	Founder of *The Texas Tribune* and member of the board of directors
Maggie Gilburg	The Texas Tribune	Director of development
Matt Stiles	National Public Radio	Former data reporter at *The Texas Tribune*
Natalie Choate	The Texas Tribune	Assistant director of development
Niran Babalola	The Texas Tribune	Director of technology
Ross Ramsey	The Texas Tribune	Executive editor
Ryan Murphy	The Texas Tribune	Data reporter
Tanya Erlach	The Texas Tribune	Director of events

Thanh Tan	The Texas Tribune	Multimedia reporter/producer
OHMYNEWS		
Bang Ki-kwan	OhmyNews	Vice president
Cho Myung-shin	OhmyNews	Editor
Im Hyeong-jo	OhmyNews	Salesperson
Im Jeong-hun	National Teachers' Union	Spokesperson and *OhmyNews* citizen journalist
Jang Yoo-jung	OhmyNews	Planner
Kim Byung-ki	OhmyNews	Editor-in-chief
Lee Byong-han	OhmyNews	Head of strategic planning team
Lee Han-gi	OhmyNews	Head of publishing and education teams
Lee Jong-ho	OhmyNews	Head of *OhmyTV*
Lee Mi-na	OhmyNews	*OhmyStar* reporter
Oh Yeon-ho	OhmyNews	Founder and CEO
Park Sang-gyu	OhmyNews	Staff liason for citizen journalists covering the general election
Son Byong-guan	OhmyNews	Social media editor
OTHER		
Alec Klein	Northwestern University	Professor and director of The Medill Justice Project

7.2 EXAMPLE OHMYSCHOOL COURSE SCHEDULES

Example OhmySchool class schedules (Thacker, 2008) are available in the Web appendices, available at:
http://www.workingpaper.org/phd.

7.3 ANALYTICS

7.3.1 DETAILED ANALYTICS FOR *THE TEXAS TRIBUNE* AND *OHMYNEWS*

For more details, please see the Web Appendices, available at
http://www.workingpaper.org/phd.

7.4 EARLY KOREAN STATE-LED INFRASTRUCTURE PROJECTS

For more details, please see the Web Appendices, available at
http://www.workingpaper.org/phd.

7.5 A BRIEF HISTORY OF INVESTIGATIVE JOURNALISM

For more details, please see the Web Appendices, available at
http://www.workingpaper.org/phd.

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