

THE PROMISE OF DIGITAL

Hold On To Your Smartphone: A New Media Ecosystem Is Born

By Dan Gillmor

The journalism craft is undergoing massive changes, nearly unprecedented in their scope, and full of uncertainty for the people who have traditionally called themselves journalists. What's been unclear for years, and to some extent remains so, is whether the emerging media and journalistic ecosystem will support the kind of information resources we need in our communities.

Those communities are geographic, and they are topical. Topical communities, increasingly, are well served by a variety of media sources. Geographic communities, especially local and regional news in the United States and many other countries, have been losing some ground. Yet, there is reason for optimism.

The primary catalyst for the downturn and for my optimism about a resurgence is technology. The tech revolution of the past several decades has had profound consequences. Today people are as likely to seek the news on their smartphone, tablet or computer as they are in a newspaper or on a television set. This has severely disrupted traditional business models as readers and advertisers have moved online. But the same technology has also created profound opportunities. The tools of media creation have become not just ubiquitous but enormously flexible and easy to use. We are creating, as a result, a radically more complex and diverse media ecosystem.

Humanity has learned that diverse ecosystems are more stable than ones that are less diverse. The dangers of monocultures are well understood despite our reliance on them in, among many examples, modern farming and finance. When society relies on a monoculture that fails, the results are catastrophic; when “too big to fail” U.S. financial institutions became insolvent a few years ago, for instance, taxpayers were forced to bail out bankers and their shareholders.

A diverse ecosystem features ongoing success and failure. Entire species come and go, but the impact of

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losing a single species in a truly diverse ecosystem—however unfortunate for that species—is limited. In a diverse and vibrant capitalist economy, the failure of enterprises is tragic only for the specific constituencies of those enterprises. But assuming that we have fair and enforceable rules of the road for all, what economist Joseph Schumpeter called “creative destruction” ensures long-term economic sustainability.

The journalistic ecosystem of the past half-century, like the overall media ecosystem, was dominated by a small number of giant companies. Those enterprises—aided by governmental policies and manufacturing-era efficiencies of scale—controlled the marketplace, and grew larger and larger. The collision of Internet-driven technology and traditional media’s advertising model was cataclysmic for the big companies that dominated.

But is it catastrophic for the communities and society they served? In the short term, it’s plainly problematic, at least when we consider Big Journalism’s role as a watchdog—though the dominant companies have served in that role inconsistently, at best, especially in recent years. But the worriers appear to assume that we can’t replace what we will lose. They have no faith in the restorative power of a diverse ecosystem, because they don’t know what it’s like to be part of one.

Blooming of the News Deserts

The emerging ecosystem’s diversity stems in large part from an element of capitalism popularized by Silicon Valley: entrepreneurship. The lowered barrier to entry has encouraged countless young (and not so young) people around the world to try their hand at a media startup. And the last few years have seen an explosion of those startups—including some well-financed for-profit and not-for-profit organizations. Scores of independent local news operations have emerged. Many have failed, including *Bayosphere*, a user-driven local news site in San Francisco that I launched a decade ago. But some are succeeding, including a number of information services that serve local communities that had been turning into what some call “news deserts.” A list of promising local sites, maintained by journalist Michele McLellen, is growing, she reports, with progress on the revenue front as well as the journalistic one. It seems likely now that local news will be provided mostly by a legion of small startups that can never get very big. This may not be an interesting investment for Silicon Valley’s venture capital community, but these outlets will be a key part of journalism’s sustainable future.

Some valuable local news sources were never intended to generate revenue in the first place. In a Silicon Valley community where I lived for many years, our neighborhood had a simple mailing list where neighbors contributed valuable, newsworthy information; much of it amounted to outright journalism by any standard. Countless bulletin boards and mail lists are doing this in countless places, a parallel media

universe that remains mostly invisible. Several startups are working to expand this notion, including Front Porch Forum, which has been systematically offering neighborhoods a platform aimed at improving local information.

What we called “placeblogging” a few years ago—individual blogs covering local affairs—has become a more organized medium. In northern New Jersey, for example, Debra Galant, working with a nearby university, has turned *Baristanet* into a vibrant source of community news. Similar efforts have sprung up in many other places as well.

Some of the best local journalism has been explicitly not-for-profit. *VTDigger.org* has consistently produced excellent journalism in Vermont, where local news organizations (as elsewhere) have shrunk drastically in recent years. Foundations and individuals have supported its work.

Communities of interest are expanding at a rapid rate, meanwhile. One of the pioneers in this category is Nick Denton, a former *Financial Times* journalist who launched the Gawker Media collection of blogs, which has become a large and profitable venture. Josh Marshall’s *Talking Points Memo* began as a political blog and is now a serious media player. Om Malik’s GigaOm, a combination of technology blogs, research, and events, has pushed the boundaries as well. Walt Mossberg and Kara Swisher started the All Things Digital site with Dow Jones and the *Wall Street Journal*; last year, with funding from Comcast Corporation and others, they moved their technology-news operation to a new and well-regarded company called Re/code. Skift, a service aimed at the travel industry, also fits into what its founder, Rafat Ali, calls “vertical” news: targeting a niche and covering it deeply. There are countless others.

In some ways, verticals are the new trade journals and newsletters, which have always had an audience. They are growing in number and value. One of the most interesting recent startups in this area is News Deeply, a new media and technology firm co-founded by former ABC journalist Lara Setrakian, who began with a news site called *Syria Deeply* and is moving into other targeted topic areas. (Note: I am an advisor.)

The ecosystem of quality work extends far beyond what we’ve traditionally called journalism, moreover. Consider the deep reporting by advocacy organizations that is readily available online. No formal journalism organization does better reporting—collecting documents, interviewing, etc.—on human rights issues than Human Rights Watch. No news operation matches the quality of reporting on civil liberties that the American Civil Liberties Union does routinely. These and many other non-governmental organizations and advocacy groups are probing and exposing the abuses of governments and other powerful institutions. Yes, they are advocates. But they are transparent about their worldviews—indeed, like many news organizations outside the United States. Advocacy journalism has a long and proud history. From my perspective, the modern advocates are part of the journalistic ecosystem.

We've hardly begun to see the impact of technology in a longer-term sense. The future includes the marriage of data (from sensors, not just traditional data sources such as geographic or census data) and media, where we can remix vital information from a variety of sources to better understand our world. When we tap the collaborative power of this technology, the result will be profound. A particularly intriguing example is Safecast, a Japanese project that collects radiation data from the region where the 2011 disaster—earthquake, tsunami, nuclear meltdowns—took place.

Billionaires to the Rescue?

New media operations such as *BuzzFeed* and Vox Media have been adding significant staffs to do investigative, high-quality journalism. They've joined some not-for-profit enterprises such as *ProPublica* and First Look Media, which were funded by wealthy individuals who wanted to see serious journalism survive. Let's look at several of these:

—*BuzzFeed* has emerged as one of the most important new media companies of the decade. It has transcended its early “listicle” reputation—publishing lists of trivia as well as adorable cat pictures and the like—and now boasts a staff of excellent journalists. For example, it lured *Wired* magazine's high-profile editor and writer Mat Honan to head up its Silicon Valley bureau.

—Vox Media has been collecting talent and investment dollars in the past several years. Its best-known news product, *The Verge*, covers technology, science, art, and culture. But its new Vox site is aimed at a more general audience. And, like *BuzzFeed*, it has created its own software platform to manage content and data—what its managers hope is a competitive advantage that could plausibly also become a platform others license.

—*ProPublica* started with millions of dollars in funding from the Sandler banking family, and has become a powerful presence. It consistently produces some of the best investigative journalism around, and boasts two Pulitzer prizes, an astonishing achievement for an organization not even a decade old. (Note: I serve on a board of directors with *ProPublica*'s founding editor.)

—First Look Media is a group funded by eBay founder Pierre Omidyar in collaboration with investigative journalists Glenn Greenwald and Laura Poitras. Its first product, *The Intercept*, has boasted many scoops and deep looks into national security topics. (Note: Omidyar's investment arm was a backer of my failed 2005 startup.) First Look has a hybrid business model: the journalism will

apparently be not-for-profit, while another part of the company works on new tools and startup ideas that it hopes will scale into bigger businesses.

Getting millions of dollars from rich benefactors is not a sustainable business model for more than a tiny number of journalists. This is why large recent investments we're seeing in companies like Vox Media and *BuzzFeed* are so intriguing. Although the new media investment boom unquestionably has bubble-economy elements—there will be a reckoning sooner rather than later, I believe—it is gratifying to see optimism after so much doomsaying.

Business models, too, are seeing innovation—or at least useful experimentation. Kickstarter and other crowd-funding services are a big help, though not enough by themselves to do more than help startups get launched. We need to find ways to create financial sustainability, with recurring revenues, not just the ability to start. One controversial method of advertising, which was traditional media's bread and butter, is called "native advertising" in which sponsors create their own site content. This is fine as long as it's labeled clearly.

Which of the recent entrants into the media marketplace will survive, much less prosper? We don't have an answer yet. But we are starting to see some business strategies that can work for some operations. The *Texas Tribune*, a nonprofit, has worked hard to create and sustain a number of different revenue streams, including corporate sponsorships and signature events. In the end, news organizations will have to try everything.

One of the most essential issues for many who care about journalism is whether the best journalism organizations will survive. The *New York Times*, among others, may be irreplaceable. Without the voices and gravitas of the best, we would all be worse off. But optimism is warranted.

The *Times* has struggled financially in recent years, and it has not yet found a way to make what an executive from another news company called "digital dimes" a sufficient replacement for print dollars. But the paper is making progress. Last year's leak of an internal strategy report demonstrated its growing understanding of the need to transform into a "digital first" organization. The report showed that *Times* executives are fully aware of the challenges and, perhaps belatedly, moving faster to develop new revenue streams to complement the paper's superb journalism and digital experiments, in which it continues to invest. The paper's efforts with "paywalls"—charging subscriptions fees—have had some success, but are unlikely to provide a solid transition from the print era to a digital future. No one can predict with any certainty whether the *Times* will make it work. Yet however tragic it would be if the *Times* succumbed to an economic reality it could not handle—even if every one of today's major journalistic institutions disappeared—quality journalism would not die.

One of the most imponderable questions is the impact of technology from a new front. Search and social media, which came to the fore only in the past decade, are becoming a primary method by which journalists help our audiences find what we do. Much of what younger people see and watch, in particular, was shared with them by others. Major services such as Twitter and Facebook are increasingly where sharing and conversations start, and the Google database, which contains trillions of data signals created by Web users, is the overwhelming source for information when people search online.

For journalists, these enormous players constitute a double-edged sword. News organizations increasingly are using social media platforms as content platforms for their work, or at least the conversation surrounding their work. That's where the audiences are, at least part of the time. But this is a short-sighted tactic. To the extent that journalists rely on third-party platforms that they do not control, they are leaving themselves vulnerable to the whims and business needs of those platform operators. Facebook and Google are business competitors already, and Twitter is becoming one. How long will news organizations feed so much of what they do into their competition?

Some potential roadblocks, apart from the question of whether we'll find solid new business models, are looming. One is the growing power of not just centralized services like Facebook and Google, but the potentially overwhelming control telecommunications companies—the ones providing our connections to the Internet—are asserting in a digital age. If our Internet service providers can choose which bits of information get to their destinations in what order and at what speed, or whether they get to their destinations at all, freedom of expression and the ability to innovate without permission will be at risk. Governments are asserting more control as well. The re-centralization of the Internet could lead to tight press controls around the globe.

Media Literacy

For all the real and potential obstacles, I am optimistic about the future of journalism. One reason is a growing recognition that audiences can no longer be passive consumers of news. We all need to use, not just consume, information from all sources. This means being skeptical, using judgment, asking more questions, reading/watching more diverse sources, and understanding how media is used to persuade and manipulate. This all falls under the related categories of “media literacy” and “news literacy.” Traditional media organizations missed a big opportunity in the past by not being the primary advocates for these skills. A small but valuable example of this, and a good start toward boosting news literacy, has been visible in coverage of breaking news where journalists explain not just what they've learned but also what they don't know yet.

Telling what we don't know is part of a journalistic principle I consider essential in this new century: transparency. It will no longer be enough to be thorough, accurate, fair, and independent. Add transparency to those principles, as the best journalists will do, and they'll earn deeper trust from their audiences. Trust will add up to value in some information marketplaces.

As we move toward a new journalistic ecosystem, it's easy to see all the problems and fret about the future. I'd rather look at all the experiments in providing information and paying for it. Focusing on the latter is what keeps me optimistic. Indeed, I am envious of my young students. They can create their own futures. In my early career as a journalist, it cost a lot of money to launch a media product. Now thanks to communications technology there is almost no barrier to entry.