

CLIVE CROOK'S VIEWS ON NEWER MEDIA TOOLS

The Economist
experience...

The question whether *The Economist* should do anything on the Web is still worth asking. On the one hand it seemed early on as though the Internet would become the primary, if not the only channel of distribution for the content provided in *The Economist*. If that turned out to be the case, then the decision to go ahead with an Internet version of *The Economist* would be a life or death decision for the publication. Three years on, the situation is not the same.

Old media companies such as *The Economist* so far as I am aware without exception, have done nothing but lose money with their web ventures. This stems from the fact that there is intense reluctance among users of the web to pay for anything that they read on the web. So any magazine that is trying to gather revenue by setting subscriptions finds out pretty quickly that it doesn't work. The other option is to use something that attracts a lot of visitors and then hope to attract revenues through advertising. But there is a cultural resistance to the latter model of *The Economist*.

Subscription
vs.
advertising....

People at *The Economist* are very proud to tell you ad nauseum that every issue of the magazine makes money on its subscription price alone – that is virtually unique in the news publishing industry. The advertising sold in the magazine is additional profit and that encourages a spirit of editorial independence, a notion that the paper can actually get along without advertising should the need arise. Hence the reluctance to embark on a venture that would put the paper in the hands of advertisers.

Developing
technological
capability
without diluting
the quality of
the magazine...

The Economist decided to develop a defensive strategy – the option to develop a technological capability to put the paper on the web should the need arise if it turned out that the web would be the primary channel of distribution for content. However, a set of golden rules about what would be done on the web in the meantime, until it became the only way to sell *The Economist* were framed. First of all, the web would have to be of a very high quality – as good as the magazine –the web cannot dilute the reputation of the magazine. What that would mean in turn would be rather limited goals – the editorial team could not produce a daily revised news-driven version of *The Economist* for the web without severely eroding the quality.

To begin with therefore, the efforts were concentrated on putting up a version of the print edition of the paper, in other words, this would be a weekly revised one, not a daily revised

one, let alone hourly. But the navigation around the paper had to be good:

it had to conform to the layout of the paper so that the contents would be organised in a similar way

an archive was instituted

The latter turned out to be one of the most successful parts of the website in terms of hits. This was a pretty limited ambition – a user-friendly web version of the weekly Economist.

Emphasis on analysis and opinion....

To tailor the product for the web, we had to attend to special attributes of *The Economist* print edition. The first as I have already mentioned is editorial independence. The other aspect that is very conspicuous about *The Economist* is the emphasis on analysis and related to that, opinion. In *The Economist*, opinion is not confined to the so-called opinion pages, opinion infuses the whole magazine and the team was not sure how that would look on the web. The ideological stance is pro-market and classical liberal.

No bylines transfers the onus singularly to The Economist ...

Lastly and perhaps the most conspicuous feature of the magazine which related to these other aspects is the fact that *The Economist* does not give authors bylines. That creates and is indeed intended to create a sense of collective responsibility for what goes into the paper. This last feature combined to some extent with the other aspects creates the single biggest problem in translating to a web version and that is quality control. At *The Economist*, because of the no byline rule, the author of every piece is *The Economist* and that puts a very heavy burden on quality control. Every piece has got to be raised to a certain standard and this is achieved by each article going through at least four stages of editing by a series of senior editors. All this is combined with a regime of incredibly tight deadlines for a weekly magazine.

The web as a threat to excellence of the print edition??

The Economist closes editorially on Thursday afternoons and the print version of *The Economist* is on newsstands in much of the world on Friday morning. This procedure has taken years to perfect and my personal worry, as deputy editor, about the web operation was that it would contaminate this model. Some people may feel that this is a stereo-typical old media response, but I saw the web and still do to some extent as a threat to the excellence of the print edition of *The Economist*.

Attention span, cultural contamination, and lowering of

In conclusion, if I were to organise the 'threats' under headings, the first would be **attention span**. It takes a while to read *The Economist* to get value for money. In addition to the reluctance to pay for what you get over the web, there is a great reluctance to spend any time reading what is up on the web. The ethos appears to be - 'it doesn't cost you anything, so don't waste your time reading it, look at the flashy graphics for a few minutes and then click onto the

standards on
the web....

next'. That really is the antithesis of what *The Economist* is offering to its readers. What we implicitly say to our readers is that "we are going to charge you a lot of money for our magazine and to get much out of it you'll have to read it carefully." It is hard to see quite how that core proposition makes sense on the web, but we are trying. In the past couple of weeks the website has been re-launched and it now looks different from what it looked before. There is now a *web only* aspect to it – global agenda is a continuously revised commentary section on the 5 or 6 big global news stories each day. There is a danger of cultural contamination and the possibility of lower standard on the web because things are produced instantaneously and they aren't read very carefully. *The Economist* has to guard against that ethos seeping into the way the print edition has been produced for years.

QUESTIONS AND ANSWERS

The Economist
losing out by
not adapting
rapidly to new
technology

Clive Crook replied that the print edition of *The Economist* is an enormously profitable and commercially successful operation. The web is a threat to our editorial values. In terms of circulation, there is no evidence whatever that we need to be concentrating on the web. The limited edition on the web is costing us a lot of money and is making virtually no money. The print edition of the paper is making money hand-over-fist. The circulation of the print edition of *The Economist* has been rising between 5 and 10 percent a year for a long time. Despite the new economy and, the Internet, there is no interruption in that trend.

*Matching the
content of the
print edition of
The Economist
with the new
medium*

In response, Clive Crook examined the rationale of Why would any media company, any magazine do that?

There are two reasons why:

one is that the new medium is particularly suited to the creative work – that could be one way for a journalist to look at it – '*The web lets me do things I can't do in print and I want to grasp that opportunity*'

The other point is the commercial opportunity to make money

For the kind of journalism that *The Economist* does, which requires long attention span, we don't see many opportunities on the web. From a commercial point of view, there is no sign yet that the web is commercially imperative for companies like *The Economist*. In a recent survey by *The Economist* on old media companies on the Internet, the results showed that hardly any old media company is making money out of the Internet – it has been a severe disappointment commercially so far. It may change, but there is no sign yet that it is changing.

Credibility is crucial. People want to open themselves to a

reputable, respected news source and accept *that* offers guidance on what matters. People also respond to different kinds of brands. One of the problems on the web in terms of news is an endless proliferation of unbranded information. People find that very difficult to cope with. But for instance, Reuters, which is a very powerful brand, crops up all over the place. The branding element is very important since people want to feel that the news they receive has *someone with a reputation to lose* standing behind it. That is an opportunity for *The Economist*, because we have a reputation and we have to be very careful that we don't squander it in what we do on the web.

Comment on the advantages of the net offers in terms of credibility, numbers and attention span by the three speakers

Clive Crook said that in terms of penetration, he was not sure how much more penetration there is going to be in the US and Western Europe. A report in the Financial Times says that web usage in America actually declined in 1999 as compared with the year before, implying that penetration had reached saturation point in the US. Almost everyone who is interested in news has access in the US and in much of Western Europe to the Internet, if not at home, then at work.

Are people using this technology that they have access to, to read news? Clive Crook said that in his view so far not much. That may change with broadband access that delivers a richer experience. Most consumers of news are fairly passive – they would like to pick up a newspaper and browse – they aren't looking for specific things. One of the great strengths of the web, is that if you are looking for something specific, it is now much easier to obtain it. However, *newspapers, magazines and television still play the dominant role in shaping opinion.*

(Excerpted from the presentation made by Clive Crook, Deputy Editor, The Economist Group, held in New Delhi on November 2, 2000)