

BUILDING THE INFORMATION VALET ECONOMY:
Sustaining news and information through a shared-user network

A research proposal for the
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To sustain an information valet economy — and along with it both participatory democracy and journalism — the next-generation Internet needs a user-focused system for sharing identity, and for exchanging and settling value for digital information.

This system should provide payments for the sharing of text, video, music, game plays, entertainment, advertising views, etc., across the Internet. It could, for example, manage background payments for newspaper content that is repurposed for advertising gain by bloggers.

One challenge is to create a system that can be ubiquitous, yet never be owned or controlled by either the government or a dominant private, for-profit entity. It should be massively distributed and — in some fashion — might ideally be collaboratively owned.

THE REYNOLDS PROJECT

As a fellow from August 2008 through May 2009, I'll help the Reynolds Journalism Institute convene a development collaboration to define, document and rally public support for such a system and entity. It will add a network layer to the basic Internet that will allow privacy-protected sharing of users and information value.

Excerpting "The State of the Media, 2007": Finding an economic model

The [Project for Excellence in Journalism](#) produces an exhaustive annual report entitled "The State of the News Media". The 2007 report includes [this statement](#):

The evidence is mounting that the news industry must become more aggressive about developing a new economic model. The signs are clearer that advertising works differently online than in older media. Finding out about goods and services on the Web is an activity unto itself, like using the yellow pages, and less a byproduct of getting news, such as seeing a car ad during a newscast. The consequence is that advertisers may not need journalism as they once did, particularly online. Already the predictions of advertising growth on the Web are being scaled back. That has major implications, (which some initiatives such as .Newspaper Next are beginning to grapple with). Among them, news organizations can broaden what they consider journalistic function to include activities such as online search and citizen media, and perhaps even liken their journalism to anchor stores at a mall, a major reason for coming but not the only one. Perhaps most important, the math suggests they almost certainly must find a way to get consumers to pay for digital content. The increasingly logical scenario is not to charge the consumer directly. Instead, news providers would charge Internet providers and aggregators licensing fees for content. News organizations may have to create consortiums to make this happen. And those fees would likely add to the bills consumers pay for Internet access. But the notion that the Internet is free is already false. Those who report the news just aren't sharing in the fees.

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THE CHALLENGE

To be compelling, the system must have solid technology, a structure that enables the new-media service economy, and a motivating mission and culture. I have expertise in all three areas, as:

- **TECHNOLOGY** — Co-inventor from 1994 of the now-patented Clickshare™ Service, which makes it possible for a consumer to pay — or be paid — for customizable information from multiple websites, with one account and a high degree of privacy, without having to pass around credit-card or personal information.
- **STRUCTURE** — Collaborator, with Chris Peck² and the Journalism That Matters collaborative, on the Next Newsroom initiative, an effort to identify and test critical elements of a new news ecology as well as the operating structure and imperatives of a community news organization operated without regard to legacy processes or products. Two structural experiments underway in collaboration with the Next Newsroom initiative are Len Witt's Representative Journalism test in Northfield, Minn., and David Scribner's NewsCafes Project in Berkshire County, Mass.

Renumeration, reputation, validation

Excerpted from: "Sustaining democracy/sustaining journalism: A discussion at MIT, June 17, 2007."

<http://www.mediagiraffe.org/wiki/index.php/Mit-gathering>

The identity system has to be open, light, accessible and it has to be tied in with a robust reputation system. You can't talk about renumeration without talking about reputation and validation of the source and perhaps also of the user. And particularly where users are now creators as well as mere husers. So a challenge is to build communities that will sustain community journalism. What would be the tools and conditions to do that? Might they include a payment system? But is that sufficient, or just necessary? What else is needed from a social-networking point of view, not just a technical point of view? A consensus starts to emerge about the enumerated problems:

1. Finding a way to enumerate, exchange value
2. A valid way to measure reputation and therefore have accountability
3. A mechanism for sharing content that involves effective distribution, aggregation and sustainability
4. How to find users and information
5. A mechanism for user identity.

- **MOTIVATION** — Director of The Media Giraffe Project at the University of Massachusetts at Amherst, which finds and spotlights people making innovative, sustainable use of media to foster participatory democracy and community. This research focuses on what motivates "above the crowd" action and seeks to provide role models for replication or use by the public.

CONCEPTUAL BACKGROUND

When the U.S. defense establishment developed the Internet, its goal was a massively distributed system that would withstand nuclear attack. Thirty-some years later, it is the

² -- Peck is editor of The Commercial Appeal, of Memphis, Tenn., and a co-founder of the Journalism That Matters collaborative.

Internet's design that itself has exploded our information culture more thoroughly than any feared warhead might. But while the system has succeeded beyond anyone's imagination at opening up *access* to information, it has done little to enable the transfers of value that could *sustain* it.

The Internet eliminated physical information *product* scarcity, becoming the perfect copy machine. As a result, the product-based models sustaining information creation crumble — first in music, now in newspapers, and soon in film and video. Books and magazines may yet survive. What's needed is a ubiquitous social network that enables consumers to share value for information services.

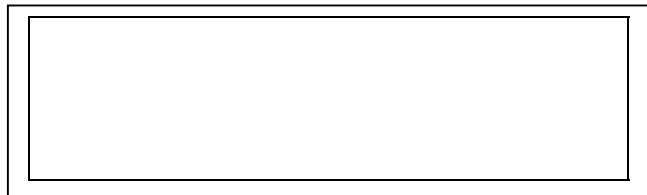
ONE SOLUTION — THE INFORMATION VALET

A service network of "information valets" will replace the old physical product-oriented music, publishing and entertainment industries, replacing many CDs, newspapers, DVDs, perhaps even books. These valets will compete across geographic and topical spheres with search, advice, community, research, linking, hosting, data storage and other services. They will compete to be best at meeting the consumer's diverse information needs within communities defined by individual users. Information resources will not typically be owned by the valet. Rather, the valet will be compensated for finding, shaping and referring them to the consumer, much as a retailer aggregates and merchandises for wholesalers.

THE NEXT NEWS ORGANIZATION

The Reynolds work might be a next phase of [Geneva Overholser's "Manifesto"](#) — which calls for a new approach to the management and outputs of the "convener" of news in a community, and perhaps a new form of ownership, too. The next news organization is not principally a newspaper — centralized daily printing is going to become a niche product for the wealthy and depends on non-renewable resources and expensive manufacturing. Rather, it is a 24/7, platform-agnostic nerve center that finds, organizes, shares and makes sense of information from a vast array of paid, volunteer, independent and partisan sources — and then serves it how you want it, when you want it.³

It will be a service organization — like a law or accounting firm — and it will be paid accordingly. At first, it will be extremely difficult to convince people to pay for such a service. But as the years go by, it will be seen as an absolutely indispensable way to get through the day. People will become as reliant on their "Newshare" as on their car, doctor, parent or colleague. Larger cities will have multiple "new shares" offering competing information valet services.



They will compete largely on technical grounds — which sorts best, who finds the real gems, and who provides premium information at the right price bundle? Advertising will be part of all this, but it will be an option — if you are willing to receive advertising, the cost of your "Newshare" will be less.

The competition for mass-audience advertising on the web is such that it seems hard to imagine sustainable rates will ever support the amount of original reporting the United States has enjoyed for the last 50 years. Audiences are now atomizing and the only future for advertising is

³ -- See also, "Engagement and the 21st Century Newsroom: The Four Phases of Editorial Voice," extended text of remarks at <http://www.mediagiraffe.org/voice>

in presenting targeted messages to individual users. This means the entity that earns the right to receive value for advertising is going to be the one which does the best job of understanding and then servicing the needs of an individual user — including privacy. In the information-service economy, you information valet will be paid for arranging your attention when you look at an ad, and that payment will be a credit to an account, will offset your purchase of premium information. This represents an ebb and flow of attention and info-currency, depending upon whether it is information someone *wants you to have* or information *you want*.

SUMMING UP

- Journalism is expensive, and mass-market web advertising alone will not sustain it.
- Charging for content puts up walls that destroy the brilliant utility of the open web.
- Sustaining journalism requires rethinking the very notion of advertising, and of news as a service, not a product.

With the New Information Valet Economy, the news industry may:

- (a) Migrate from its historic role as the most-trusted consumer information source in print to a ubiquitous advisor, authenticator and retailer of news, entertainment and service information from anywhere.
- (b) Aggregate for advertisers audience measurement and selected demographic data by unique users whose identity persists across a federated network that also tracks, aggregates, sorts and shares revenues.
- (c) Put in place technology for the optional sharing of content by subscription or click with sophisticated pricing and bundling options.

While revenues and advertising will be shared, each owner-user of the collaborative will retain complete control of its existing customer (reader/advertiser) base, including name and account information. Demographics will be shared only based upon the opt-in permissions set by consumers and the joint business rules of the collaborative owners.

We are moving to a world in which the audience owner is compensated merely for presenting audience, to one in which the service provider is compensated for the quality and depth of a user relationship that allows the advertiser to request the user's attention when the user is ready to provide it.

CONCLUSION⁴

By the end of my seven-month fellowship, the Reynolds Journalism Institute will have taken the lead in producing a blueprint for sustaining news in an information-services economy.

⁴ — DISCLOSURE OF CONFLICT

I am a large stockholder in Clickshare Service Corp. Any system based upon user sharing across the Internet where there are multiple home-bases for users may require licensing of Clickshare technology on terms which could be to my personal benefit.