Reuters Institute Fellowship Paper

University of Oxford

Reinventing the incumbents:
how old media are creating new products

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Acknowledgements

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CHAPTER 1: Introduction

"It's not the strongest of the species that survive, nor the most intelligent, but the one most adaptable to change".

-Charles Darwin

The new digital media are developing at an extremely rapid rate. Innovative new-comers and start-ups are challenging operational modes and income flows of the traditional news organisations in printed and in broadcast media.

Basically it is all about the disruptive power of the Internet, which has shaken many other fields of life and business before shaking the media. Media expert Nic Newman calls this change an ongoing revolution and argues that the Internet has flooded the market with information by removing geographical constrains on distribution and lowering the barriers to entry through low or no-cost publishing.[1]

According to Newman, we are undergoing a second wave of disruption – just as the legacy media industry survived the first one. In broad terms, he predicts that mobile, social and visual disruptors are the three big disruptors which are going to shape the media market over the next five years.

The rate of development in wireless will be monumental. The data transfer capacity of portable media systems is expected to grow as much as a thousand-fold by 2020. This explosion of wireless data transfer makes it possible for consumers to follow, share and contribute to news on their mobile devices.

The technological innovations and improvements in devices and software will intensify the competition over audience among existing media houses and possible newcomers. The rivalry will compel incumbent legacy media organisations to invent new ways to retain and engage their existing and possible new consumers.

As Emily Bell, the Professor of Journalism at the Columbia School of Journalism, puts it: "No serious news organisation can expect to have an

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[1] Newman, Nic: How journalism faces a second wave of disruption from technology and changing audience behaviour. Lecture at Reuters Institute for the study of Journalism, 29/10/2014.

audience or a future if it hasn't already worked out its place in the digital ecosystem."[2]

On the other hand, the ongoing evolution of data transfer and mobile devices is a huge opportunity to innovate, process and launch new ways of producing and delivering news for companies that are wealthy, ready and willing enough to embrace the change. The future looks bleak for those that are not. Several events organised by the Reuters Institute for the Study of Journalism (RISJ) and other institutions at the University of Oxford during the academic year 2014- 2015 ended on a sound of doom: The world of the news has changed permanently and every organisation has to adapt to this change or die.

It also became apparent throughout my year in Oxford, that not even the most experienced and self-confident editors can claim that they would have a solid, comprehensive answer or be able to predict where this change is going to take us. As John Naughton writes in his excellent book from *Guttenberg to Zuckenberg*, we are in the midst of a major upheaval in our information environment, and none of us has any real idea of where it will end up. [3]

Many of the lectures we attended pointed out the importance of experimentation: You just have to try and be as agile as you can; launch, listen and review. Take it step by step.

In this paper, I take a closer look at three experimental products and find out what we can learn from their adaptation and from the people behind new products. The three cases I chose for my research have some common features: All of them are new products of big, successful media companies trying to identify new ways to reach the audience.

The key individuals behind these products have already gained their spurs in digital-age product-management. What can we learn from their experiences?

Given the extraordinary speed of the change, surveys and books on the topic seem outdated the very minute they are published. In this paper, I try to keep my eyes on the windscreen as far ahead as possible, and not

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[2] Bell, Emily. Can Silicon Valley disrupt journalism if journalists hate being disrupted? The Guardian, 2014.
http://www.theguardian.com/commentisfree/2014/dec/09/silicon-valley-journalism-chris-hughes-new-republic-buzzfeed
[3] From Gutenberg to Zuckenberg, What you really need to know about the internet, p. 4, John Naughton, Quercus 2012

look in the rear-view mirror.

In chapter two, I start by wondering how the ongoing revolution of the news might continue and how this disruption might impact the big legacy media companies.

In chapter three, I speculate whether size can be a problem. Why is it sometimes extremely hard for big incumbent media companies to adapt when facing the disruption?

In chapter four, I take a brief look at how the Internet has fundamentally changed the long-lasting traditions and honorable pedigree of product management. What does it mean for big legacy media companies? What do they have to sacrifice? What are the compromises they have to make in order to develop new products?

In chapter five, I learn more about the implementation of the research. After analyzing the three cases in separate chapters, I end with the conclusions.

I hope this paper will give us tools to answer the fundamental questions so nicely formulated in the book *How Google Works*:

What will happen next? And what can businesses and individual entrepreneurs do to survive and thrive during periods of disruption? [4]

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[4] Eagle, Alan: "How Google Works." iBooks, 2015, page 244
https://itunes.apple.com/WebObjects/MZStore.woa/wa/viewBook?id=18A8360D1E2B87EF10A8FE3A043254DD

CHAPTER 2: The Internet revolution and disruption for news

''Your business is going to be more screwed than you can even conceive of now."

- Unknown media director

2.1 The big picture – information, connectivity and computing power

When we talk about the Internet revolution, what is it we are really talking about? In their book *How Google Works*, two top executives explain it in a simple, straight-forward manner:

'Today, three factors of production have become cheaper—information, connectivity, and computing power. This affects any cost curves in which those factors are involved.'[5]

'Three powerful technology trends have converged to fundamentally shift the playing field in most industries. First, the Internet has made information free, copious, and ubiquitous—practically everything is online. Second, mobile devices and networks have made global reach and continuous connectivity widely available. And third, cloud computing has put practically infinite computing power and storage and a host of sophisticated tools and applications at everyone's disposal, on an inexpensive, pay-as-you-go basis.'[6]

For media this has meant, yes, a revolution. The media industry is undergoing a rapid change along the entire value chain, propelled by continuously increasing consumer demand, digital technology, ubiquitous connectivity and evolving devices.[7]

This change is the topic of everlasting discussions taking place in numerous media seminars all over the world. The main points of these discussions could be summarized as thus:

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[5] Ibid., p.13

[6] Ibid., p. 11

[7] McKinsey & Company, Global Media Report 2014, page 5
http://www.mckinsey.com/client_service/media_and_entertainment/latest_thinking/global_media_report_2014

Even as one form of media's growth slows or loses its relative share, another takes its place, gaining our attention with new modes of digital interaction, mobility, or social networking. And, while technology has always been a driver of change, increasing digitization has escalated the speed of its transformation.[8]

Many incumbents—aka pre-Internet companies—built their businesses based on assumptions of scarcity: scarce information, scarce distribution resources and market reach, or scarce choice and shelf space. Now, though, these factors are abundant, lowering or eliminating barriers to entry and making entire industries ripe for change.[9]

So what does this all mean for the future of the media – and, more specifically, for the established media organisations?

Rasmus Nielsen, the Director of Research at RISJ, talks about the unfinished media revolution and points out three key issues:

1. This is an unfinished revolution (we are at the beginning of change).
2. It involves both the overturning of an old order and the emergence of new players—legacy and entrants will be part of the new establishment.
3. The basic structural trends point towards a world with more media, more communication, and less professionally produced news, all part of an increasingly competitive attention economy. [10]

While there are plenty of challenges arising from digitalization towards the whole media industry, according to McKinsey & Company,[11] some of the most pressing challenges include:

Growing complexity along numerous dimensions. Audiences are fragmenting and media companies will need to try harder to attract and manage these audiences, along a plethora of platforms and content owners.

In news consumption, this audience fragmentation is widely recognized as one of the key challenges. In the big picture, the usage of news varies considerably depending on the age of the consumer. This "generational split" is more or less a worldwide phenomenon, according to the Reuters

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[8] Ibid.

[9] Eagle, Alan. "How Google Works." p 13.

[10] Nielsen, Rasmus: Lecture for the Nordic Broadcasters in Oxford 23 /2/2015
[11] McKinsey & Company, Global Media Report 2014, p. 5 4

Institute Digital News Report 2015.[12]

Media strategist Nic Newman summarizes this generational split by saying that older people prefer a newspaper "edition" or scheduled "TV broadcasts" whereas younger respondents access news throughout the day – mainly online.[13]

Digital technology empowers consumers, giving them more control over their media consumption and their information sources.

In the world of news, digital has exploded the amount of available information. Facebook has 1.3 billion users, around 20 percent of the world's population. YouTube has a billion users and a hundred hours of video are uploaded to the platform every minute. Twitter has over 300 million users. [14]

Building sustainable, truly vertically integrated value chains might become a reality. A number of media owners who control consumer access platforms have shown an appetite for moving into content provision, whether by acquiring rights, a pre-existing library or acquiring content production.

Google, eight major publishers across Europe, and a couple of trade organizations are forming a partnership with the stated aim of supporting high quality journalism. According to Emily Bell, this partnership can be seen as one major step towards this movement. [15]

Managing "big data" and understanding its implications will become a critical advantage. There are many opportunities for media companies to capture data to use it for the benefit of both themselves and their audience. While media companies have a vast amount of consumer data at their disposal, understanding and analyzing the data efficiently and effectively will be pivotal to success for some of the companies.

In the world of news, big data can be utilized as a tool for making new kind of content and a way of deepening the understanding of audience behavior.

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[12] Reuters Institute Digital News Report 2015. http://www.digitalnewsreport.org

[13] Newman, Nic: How journalism faces a second wave of disruption from technology and changing audience behaviour. Lecture at Reuters Institute for the study of Journalism, 29/10/2014.

[14] Ibid.

[15] Bell, Emily: Google and Facebook are our frenemy. Beware. Columbia Journalism Review, 2015. http://www.cjr.org/analysis/google_facebook_frenemy.php

Creating authentic experiences continue to matter, even in a digital world. Where possible, media companies should take advantage of the "live" phenomenon and provide consumers with unique and premium experiences connected to their propositions—experiences that are difficult to replicate in the digital world.

In news, this is manifested in the interest the audience has for big, ongoing news events. For example, the live footage from Tahrir Square and the Kiev demonstrations gathered wide audiences.

Overall, we can see that the Internet has decimated traditional media business models, but new ones have and will continue to emerge in their place. The result will be a much bigger, more fragmented and chaotic market for creators and endless choices for consumers.[16]

2.2 The big disruptors for news – mobile, social and visual

As we have learnt, big technological shifts towards better connectivity, more computing power and ubiquitous data are changing the world around us.

According to Rasmus Nielsen, this is just the beginning. He argues that recessions have so far hurt legacy media more than digitalization. However, newspapers in particular have felt the structural challenges. There is more to come, and the TV is the next to shift.
Overall, media spend is increasing, but the link with news is broken. [17]

So how might this ongoing revolution reshape the way news work? One of the biggest news organizations in the world, BBC, put a lot of effort trying to predict this. Their comprehensive strategy paper about the future of the news was published in January 2015.[18] Their key-findings can be summarized in three main topics:

1. Being connected:

With even better connectivity people may expect news to find them, not the other way around. They will be able to get news from their own networks whenever they want to, and there will be many ways to access it.

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[16] Eagle, Alan. "How Google Works." page 259

[17] Nielsen, Rasmus. Lecture for the Nordic Broadcasters in Oxford 23 February, 2015

[18] Harding, James: Future of News: News v Noise – BBC News 2015.
http://www.bbc.co.uk/news/magazine-30933261

2. Content everywhere:

Smaller and more powerful devices and wearable technology – phones, cameras, and screens – will allow people both to create and consume high quality content more easily and more cheaply.

3. Using data:

The challenge of using data effectively will be central - whether that means data about how our content is being consumed, making wide use of data sources in our journalism, or managing and structuring the data around our own content.

Nic Newman has a clear vision about the three main disruptors for the news in the next five years. According to Newman, we are already being hit by a new wave of forces that will change our media environment once again.

He calls these disruptors **Mobile, Social and Visual**. These are the areas where things are going to be different, where media companies will need to acquire new skills. [19]

I will analyze more closely each one of these and, at the same time, combine evidence from other sources that support Newman's argument.

Mobile

When we talk about mobile, it is becoming increasingly clear that most of the time we mean smartphones. Smartphones matter partly because of their ubiquity. They have become the fastest-selling gadgets in history, outstripping the growth of the simple mobile phones that preceded them. They outsell personal computers four to one. [20]

There are two billion people around the world using smartphones that have an Internet connection and a touchscreen or something similar as an interface. By the end of the decade, that number looks set to double to just over four billion, according to Benedict Evans of Andreessen Horowitz, a venture-capital firm.[21]

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[19] Newman, Nic.. Lecture at Reuters Institute for the study of Journalism, 29/10/2014.
[20] The Economist: Planet of the phones. Feb 28th 2015
[21] Ibid.

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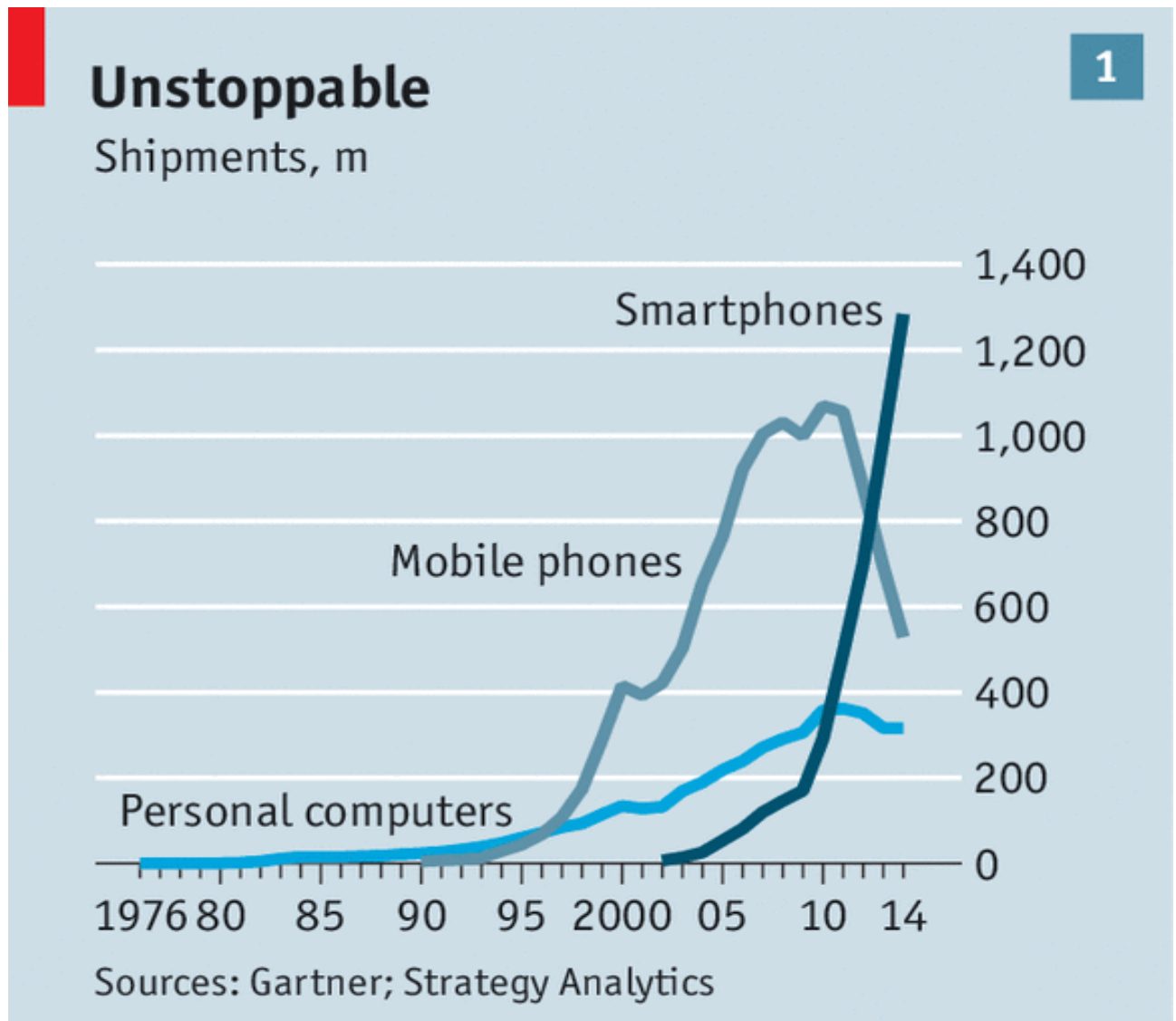
Shipments, m

Table 1: The Economist: The truly personal computer, February 28th 2015

Obviously, the boom of smartphones has influenced the news usage as well. Data from the Reuters Institute Digital News Report (2015) shows that the amount of news accessed from smartphones has jumped significantly over the last 12 months, particularly in the UK, US, and Japan. Average weekly usage has grown from 37% to 46% across all twelve countries researched. Two-thirds of smartphone users (66%) are now using their devices every week to access news.[22] These readers and viewers of tomorrow are increasingly using mobile devices as their preferred way of receiving news and, consequently, "snacking" more

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[22] Reuters Institute Digital News Report 2014. http://www.digitalnewsreport.org

throughout the day. [23]

Newman predicts that during 2015, smartphones will cement their place as the single most important place for delivering digital journalism and become hubs for other devices. It is hard to overestimate how far and how fast these devices are changing the news consumption experience. [24]

Social

The combination of social media devices and apps available for general audience is extremely powerful – just think of the combined impact of Facebook, Google, WhatsApp, Instagram, Pinterest, Snapchat, and so forth. These giant networks have become alternative media distribution systems. [25]

And at the same time, we see the role these platforms are now playing in intermediating traditional content. In the Reuters Digital News Report we see social media almost as important as going directly to news brands for information. This is particularly the case with younger people and what driving force behind the growth and success of social sharing news sites such as Buzzfeed, Upworthy and Viral Nova.[26]

Visual

Until recently, the Internet has been mostly about words and pictures because of the constraints of bandwidth, technology, processing and standards. However, one by one these constraints are dropping away.[27]

Ericsson Consumer Labs has estimated that by 2020 fixed broadband connections will exceed 1bn homes globally; there will be more than

[23]Newman, Nic. New threats everywhere from a second wave of news disruption. The Mediabriefing 2014.
 http://www.themediabriefing.com/article/reuters-2014-institute-report-nic-newman

[24] Newman, Nic. Media , Journalism and Technology Predictions 2015, RISJ 2015.
https://reutersinstitute.politics.ox.ac.uk/news/media-journalism-and-technology-predictions-2015

[25] ibid.
[26] ibid.

[27] Newman, Nic. How journalism faces a second wave of disruption from technology and changing audience behaviour. Lecture at Reuters Institute for the study of Journalism, 29/10/2014.

50bn connected devices, 15bn of which will be video-enabled and reliant on mobile Internet networks.[28]

On-demand and time shifted viewing, it is estimated, will grow to at least 50% of consumption. Immediacy and relevance – personalization – will become core expectations. [29]

Newman sees these three big disrupters having the following implications for publishers:

1. How to reformat the content for a **social and mobile** world

- Social and mobile world – where mobile and tablet will become the primary way that people consume the content you put out – requires a big shift in what you produce and how you hook it into those networks

2. How to achieve **distinctiveness** in an increasingly crowded market

- Distinctiveness and added value – in content and experience – becomes increasingly important in a market where information is available everywhere and, in many cases, for free.

3. How to move towards telling more stories with **video and visual** techniques

- Digital is no longer just about words and pictures. In some cases, it is the reverse. It is becoming a much more visual medium which requires new skills, such as video and visualisation skills.

4. How to **leverage data** for content and also for business

- The availability of data, turning data into compelling stories, using data to drive business decisions.[30]

In this paper, I will take a closer look on some of the new innovations of

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[28] Richard Sambrook and Sean McGuire's article in the Guardian 28/8/2014
http://www.theguardian.com/media/media-blg/2014/aug/28/tv-news-channel-phone-digital
[29] ibid.
[30] Newman, Nic. How journalism faces a second wave of disruption from technology and changing audience behaviour. Lecture at Reuters Institute for the study of Journalism, 29/10/2014.

big legacy media companies and examine how they meet these expectations. It is useful to start by briefly describing the special nature of these big incumbents.

CHAPTER 3: The big company has many hurdles

"Standing still is no longer an option for news organisations."

James Montgomery, BBC

The last ten years have shown that for many big legacy media companies it is very hard to sustain success when facing the disruption. Why is it so difficult for them to change, even though the company might be well managed? Is there something special about these companies that makes it particularly hard for them to adapt?

Professor Lucy Kung has researched extensively the working cultures of media companies and their ability to respond to changes. According to her, pro-technology transition per se is not the problem, but instead what she refers to as the hidden hurdles inside organisations. The more successful the company, she argues, the higher the hurdles. Leading companies rarely master market transitions. She even goes as far as claiming that doing the right thing in an existing market can set one up for failure in new ones. [31]

Clayton M. Christensen, a professor at the Harvard Business School, proposes to explain the challenge with his theory of disruptive innovation. According to Professor Christensen, the big legacy companies can almost never adapt to the new disruptive technology, because good management and concentration on the most profitable customers are the root problems, which obscure an appreciation of the impact of the rising disruptive technologies.[32] Former journalist fellow Kirsi Hakaniemi has used Christensen´s theory as a framework for her own research paper in which she explained it more thoroughly.[33]

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[31] Küng, Lucy, "Innovation, Technology and Organisational Change: Legacy Media's Big Challenges", *Introduction to Media Innovations: A Multidisciplinary Study of Change.* Göteborg, Nordicom, 2013.
[32] Christensen, Clayton M., *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*,
Boston, HarperBusiness, 2000.

[33]Hakaniemi, Kirsi: From a print house to a technology company. How to reinvent a regional newspaper in the digital age? RISJ Fellow Paper 2014
http://reutersinstitute.politics.ox.ac.uk/publication/print-house-technology-company-how-reinvent-regional-newspaper-digital-age#sthash.dWMFV7lw.dpuf

Decision making and resource-allocation processes, which are crucial to the success of the company, are also the very same processes which reject disruptive technologies. In other words, always concentrating on the best customers and focusing investments in places where profitability is the most attractive is the wrong way to manage disruption.[34]

Kung discusses the same phenomena, when she describes how success breeds complacency among the leaders of big legacy media companies. This means that leaders stay on top by perfecting their recipe. Success validates their formula. They get more focused, and more confident.

> *Market transition starts in the corner of their industry. Seeds of permanent shift are shown but changes are peripheral at first. Market leaders don't pay enough attention for new developments. They continue to put primary focus on existing products and competencies which are still delivering the bulk of business.*
>
> *New market establishes itself, based on different products, premises and competencies, and has new leading organizations. In the end the 'Old leader' must make late entry expensive and often unsuccessful.[35]*

Google managers say that when there is disruption in a market, there are two possible scenarios. If you are the incumbent, you can acquire, build, or ignore a disruptive challenger. Ignoring the challenger will work for only a short while.[36]

According to Charles Warner, the main reason why change and innovation is so hard to handle in a legacy media company, is that the media organizations and the work processes within the companies are built for avoiding mistakes, and that journalists crave individual credit. Warner's solution for the problem is to start making mistakes and to introduce more and more team work. He also suggests that the incentives, culture and even the people in the media companies should be changed to make innovation possible. [37]

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[34] Christensen, Clayton M. and Raynor Michael E., Innovator's Solution: Creating and Sustaining Successful
Growth, Boston, Harvard Business School Press, 2003, p. vii.

[35] Abernathy and Ueerback, 1978, Tushman and(Anderson, 1986, Christensen,1997 © Lucy Küng
[36] Eagle, Alan. "How Google Works." iBooks. 92

[37] Warner, Charles. "Innovation In Legacy Media Companies: Not", Forbes.com, 2014.

Bureaucracy and the legacy costs are also seen as the main reasons why legacy media companies do not succeed against the digital-only media.[37]

While establishing a culture in a start-up is relatively easy, changing the culture of an ongoing enterprise is extraordinarily difficult, but even more critical to success: A stagnant, overly "corporate" culture is anathema to the average smart creative.[38]

Kung summarizes this discussion in her "three tech transition truisms":

1) Mastery of current environment is no guarantee of mastering future ones. In fact, the reverse normally applies.

2) New sectors are usually dominated by new players, seldom by legacy players.

3) For legacy organizations, it is not the strongest that survive, it is the most adaptable. Natural selection applies to business models too: they adapt or die.[39]

In 2010, Newman published a research paper on how several British media companies had organized and managed the production of their new products. According to him, many editorial and creative companies have found it hard to see technology as a legitimate driver of their businesses and have struggled to make the organizational and cultural changes required to deliver successful products.[40]

But how should the big legacy media companies respond to these challenges? Changing a company's working culture is time-consuming, and time is of essence when trying to adapt to new challenges. Googlers' answer is to keep the eye on the ball and focus on making your product excellent.

As a result, product excellence is now paramount to business success — not control of information, stranglehold on distribution, nor overwhelming marketing power (although these remain important).[41]

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[37] Carr, David. *"Ezra Klein is Joining Vox Media as Web Journalism Asserts Itself"*, *Nytimes.com*, 2014.

[38] Eagle, Alan. "How Google Works." iBooks. 61

[39] Kung, Lucy, Lecture for Nordic Broadcasters in Oxford 24/2/2015
[40] Newman, Nic: The state of product management, BBC Academy 2010.
http://downloads.bbc.co.uk/academy/collegeoftechnology/docs/j000m977x/BBC_Academy_Product_Management_Report.pdf
[41] Eagle, Alan. "How Google Works." iBooks. P.13

According to entrepreneur Maurya Ash, successful new products require constant, disciplined experimentation in order to discover new sources of profitable growth. This is true for the tiniest startup as well as for the most established company. [42]

Newman emphasizes the need for new skills and competences when creating successful products. The future of many media businesses will depend on finding and empowering product leaders who can help define the right products and features to be built. The skills to manage an ongoing digital promise to consumers are considerably different from those that have built the media companies of the past.[43]

The Internet age has changed the product development during the last years. Googlers explain this in their book, quite provocatively:

> *The second reason why product excellence is so critical is that the cost of experimentation and failure has dropped significantly. You see this most dramatically in high-tech industries, where a small team of engineers, developers, and designers can create fabulous products and distribute them online globally for free. It's ridiculously easy to imagine and create a new product, try it out with a limited set of consumers, measure precisely what works and what doesn't, iterate the product, and try again. Or throw it out and start over, that much smarter for the experience.[44]*

This might be the case with Google and with some smaller, agile IT-companies, as well. But how could this new innovation circle of the Internet-age become possible for big legacy media companies?

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[42] Ash, Maurya. Running Lean: Iterate from Plan A to a Plan That Works (Lean Series). O'Reilly, 2012

[43] Newman, Nic: The state of product management, BBC Academy 2010. P.4.

[44]

Eagle, Alan. "How Google Works." iBooks. P .15
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CHAPTER 4: Towards agile product management

How to innovate, produce and launch new digital products in a big legacy media company in the times of disruption? In this chapter, I point out some central things, and again try to keep the eyes on the windscreen and use the fast lane.

I do this by using two main sources. Media strategist Nic Newman wrote a study of product management best practice in the UK digital media in 2010. [45] It highlights the importance of the product manager in the creation of successful digital products through interviews and case studies. I take some of his key findings and analyze them using the insights of *How Google Works*, mentioned in the previous chapter.

4.1 Innovation and the importance of insight

First, of course, is the question of innovation. What does it actually mean in relation to making new products?

Google's top executives Eagle, Rosenberg and Schmidt give a compact but quite challenging definition for innovation. According to them, in order to be called innovative, the product needs to be new, surprising and radically useful. Innovation entails both the production and implementation of novel and useful ideas. Since "novel" is often just a fancy synonym for "new," I should also clarify that for something to be innovative it needs not only to offer new functionality, but also be surprising. [46]

But you can also be innovative by making your product better little by little: one after another, five hundred tiny steps will get you somewhere new. This more inclusive definition—innovation is not just about the really new, really big things—matters, because it affords everyone the opportunity to innovate. [47]

When making new products, Eagle, Rosenberg and Schmidt very much emphasize the importance of insight, the thing you just got to have:

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[45] Newman Nic: The state of product management, BBC Academy 2010. Page 4.

[46] Eagle, Alan. "How Google Works." iBooks.

[47]
Eagle, Alan. "How Google Works." iBooks. 206

Product leaders create product plans, but those product plans often (usually!) lack the most important component: What is the technical insight upon which those new features, products, or platforms will be built? The result is something that is better than the competition in a fundamental way.[48]

As Newman wrote in his 2010 study, in a world of endless possibility audiences are smart and the winner takes it all. Successful products must offer something distinctive and useful enough to entice people back again and again.[49]

If it´s more about innovating and producing a new kind of journalistic content, one could talk about journalistic insight. But as even Googlers admit, basing products on these insights seems like a fairly obvious approach, but it is a lot more difficult to practice than to preach. Here we come to the broad fields of product management.[50]

4.2 Launch, Listen and Review

Product management has a long and honorable pedigree. Concepts like product planning, audience research and testing, product lifecycles and product marketing have been successfully employed for many years. [51]

Products can be initiated top-down or bottom-up. Sometimes strategic initiatives are announced by management and the product teams must scramble to match this to audience need. Other times, ideas bubble up and make it through an innovation or commissioning process and appear on a project or product slate. Some companies have a defined pipeline, which includes submission of ideas into a process, using a scorecard evaluated against strategic objectives.

This is what the Guardian's product management cycle looked like in the Newman's report in 2010.[52] The cycle is set out in stages with a sign-off point at the end of each.
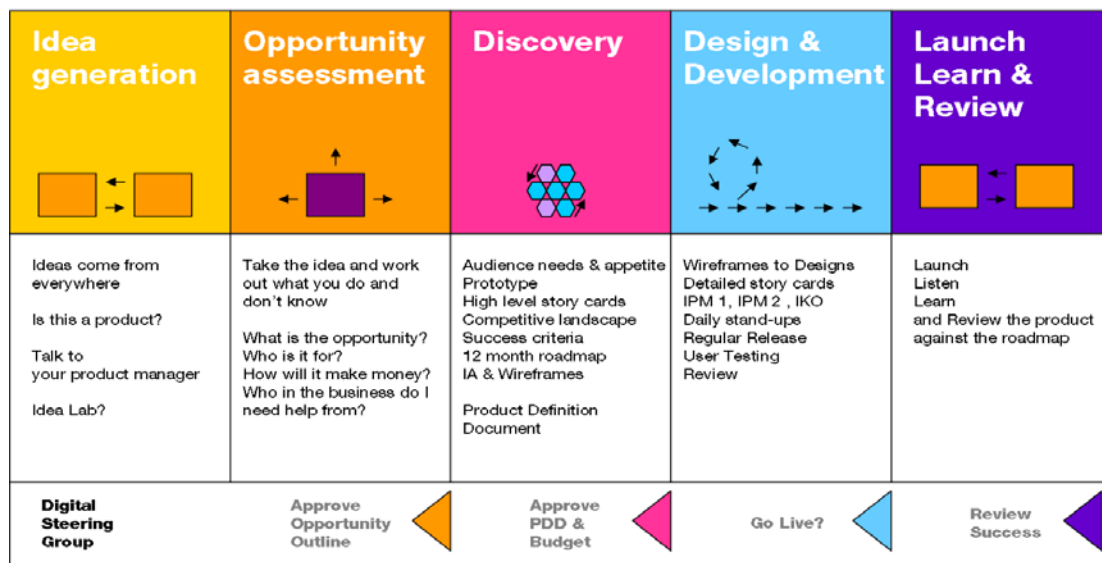
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[48] Eagle, Alan. "How Google Works." iBooks. 71

[49] Newman, Nic. The State of Product Management, BBC Academy 2010.

[50] Eagle, Alan. "How Google Works." iBooks. 4

[51] Newman, Nic. The state of product management, BBC Academy 2010. Page 4.

[52] ibid.

guardianproductdevelopment

Idea generation	Opportunity assessment	Discovery	Design & Development	Launch Learn & Review
Ideas come from everywhere Is this a product? Talk to your product manager Idea Lab?	Take the idea and work out what you do and don't know What is the opportunity? Who is it for? How will it make money? Who in the business do I need help from?	Audience needs & appetite Prototype High level story cards Competitive landscape Success criteria 12 month roadmap IA & Wireframes Product Definition Document	Wireframes to Designs Detailed story cards IPM 1, IPM 2 , IKO Daily stand-ups Regular Release User Testing Review	Launch Listen Learn and Review the product against the roadmap
Digital Steering Group	Approve Opportunity Outline	Approve PDD & Budget	Go Live?	Review Success

V1.1 04/2010

Table 2 The Guardian's product management cycle

According to Newman, most of the UK web and digital media companies interviewed for his study had moved increasingly towards agile methodologies. These place a premium on speed, transparency and minimum waste.[53]

In practice, this meant, for example, using more customer data throughout the development process instead of using it just after the launching. The idea is to make the whole development process more agile and more rapid.

The primary objective of any business today must be to increase the speed of the product development process and the quality of its output. Since the Industrial Revolution, operating processes have been geared to lower risks and avoid mistakes. Now, though, the defining characteristic of today's successful companies is the ability to continually deliver great products.[54]

Newman sees the speed and follow-up crucial for the success of a new media product. The launch of a new product is in many ways just a start, the beginning of a relationship with users that may go on for years or decades. When the launch is out of the way, it is important to review

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[53] ibid.
[54] Eagle, Alan. "How Google Works." iBooks. P 17

performance against the original objectives and to understand whether these have or have not been achieved. And so the cycle begins again. Launch, listen and review.[55]

> *Product development has become a faster, more flexible process, where radically better products don't stand on the shoulders of giants, but on the shoulders of lots of iterations. The basis for success then, and for continual product excellence, is speed.[56]*

> *Create a product, ship it, see how it does, design and implement improvements, and push it back out. Ship and iterate. The companies that are the fastest at this process will win. Ship and iterate is easy when your product is entirely digital—software, media—and the costs of physical production are minimal.[57]*

> *After a product or key feature launches, the Google´s management asks teams to conduct "postmortem" sessions where everyone gets together to discuss what went right and what went wrong. We then post the findings for everyone to see. The most important result of all these postmortems is the process itself. [58]*

Newman conducted his research five years ago. Nowadays there is an increasing amount of new tools available for collecting and analyzing data to help to process launch, listen and review. In Eagle, Rosenberg and Schmidt's view, it is crucial to use these tools. To determine which attempts are the winners and which are the losers, one should use data. This has always been the case, but the difference in the era of the Internet is how quickly data is available and how much of it there is. A key factor in picking the winners is to determine which data to use and to set up necessary systems to have it retrieved and analyzed quickly.[59]

The key is to iterate very quickly and to establish metrics that help you judge whether, with each iteration, you are getting closer to success.

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[55] Newman, Nic:. The state of product management, BBC Academy 2010. Page 23.

[56] Eagle, Alan. "How Google Works." iBooks. P15

[57] ibid. p. 56

[58] Eagle, Alan. "How Google Works." iBooks. 181

[59] Eagle, Alan. "How Google Works." iBooks. E422
https://itunes.apple.com/WebObjects/MZStore.woa/wa/viewBook?id=18A8360D1E2B87EF10A8FE3A043254DD

Small failures should be expected and allowed, since they often can shed light on the right way to proceed. [60]

4.3 Build a Team – and save it

In their research, Christensen, Skok and Allworth categorize the paths of big legacy media organizations performing new tasks.

They [61]define three ways of doing it: creating new capabilities internally, spinning out an independent organization from the existing organization, or acquiring a different organization, the capabilities of which match the new tasks and processes. [62]

According to Christensen et al., when you create new capabilities *internally*, managers need to pull the relevant people out of the existing organization and draw boundaries around the team.[63]

The team should be completely dedicated to the new tasks assigned to them. Ultimately, the new team boundaries facilitate new ways of working together, which can merge to become new processes. In this case, it is essential that the new *spin-out* organization has high-level support and stays out of the normal decision-making process.

One way to solve this problem is to have a separate working space, but most crucial is that the project is not left at the mercy of the old organization.

According to Eagle, Rosenberg and Schmidt, the building blocks of organisations should be small teams. They quote Jeff Bezos, the founder of Amazon, who at one point had a "two-pizza team" rule, which stipulates that teams be small enough to be fed by two pizzas.[64]

> *Small teams get more done than big ones, and they spend less time politicking and worrying about who gets credit. Small teams are*

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[60] Excerpt From Eagle, Alan. "How Google Works." iBooks. 430
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[62]Christensen et al.,*"Breaking News: Mastering the Art of Disruptive Innovation in Journalism", Nieman Reports*, Cambridge, Nieman Foundation at Harvard University, Fall 2012.

[63] Ibid.
[64] Ibid, p. 46

like families: They can bicker and fight, or even be downright dysfunctional, but they usually pull together at crunch time.

Small teams tend to get bigger as their products grow; things built by only a handful of people eventually require a much bigger team to maintain them. This is acceptable, as long as the bigger teams don't preclude the existence of small teams working on the next breakthroughs.[65]

4.4 Product Owner – or Two

As one of the main conclusions of his study of the UK media and web companies, Newman points out that there must be a leader for every successful new product development project. Traditionally, this person is of course called a product manager.

The product manager plays a key role in agile development process as *product owner*; representing the interests of stakeholders and audiences at all times.

If the product under development is large and technically complex, there might be a need to divide this product ownership between two persons with clear responsibilities. Newman writes that this need sometimes comes from the divided nature of the product itself.

> *Overall user experience in a digital product is a mixture of content and software, and for editorial organizations that raises a number of challenges. The intertwined nature of the experience makes it hard to know where the editorial ends and the product begins and therefore where responsibility and overall ownership lies. In many organizations, it has become common practice to appoint an editorial lead, whose job is to work with the product manager full time on defining the product, making calls on editorial issues and assessing and managing changes to workflow. These roles are sometimes used to co-ordinate and drive editorial projects that utilize existing functionality or require only small changes to it. [66]*

> *Some organisations have found these roles essential in delivering*

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[65] Ibid.

[66] Newman, Nic. The state of product management, BBC Academy 2010, p. 16.

successful projects especially those that involve workflow or significant editorial decisions. A full time editorial lead needs to be part of the agile development process, involved in stand-ups (morning product meetings) and sprint planning - working as an integral part of the product development team. In this sense, there is an editorial owner and a product owner. The product manager shapes it in a collaborative way. [67]

Eagle, Rosenberg and Schmidt emphasizes the importance of finding technical insights. They see the product manager as a key person responsible for doing that.

In the Internet Century, a product manager's job is to work together with the people who design, engineer, and develop things to make great products. Some of this entails the traditional administrative work around owning the product life cycle, defining the product roadmap, representing the voice of the consumer, and communicating all that to the team and management. Mostly, though, smart-creative product managers need to find the technical insights that make products better. These derive from knowing how people use the products (and how those patterns will change as technology progresses), from understanding and analyzing data, and from looking at technology trends and anticipating how they will affect their industry.[68]

4.5 Licence to Fail

As I wrote earlier, Charles Warner argues that the main reason why change and innovation is so hard in a legacy media company is that the media organizations and the work processes within the companies are built for avoiding mistakes. [69]

The Googlers encourage for a different kind of approach, at least when it comes to producing new successful products. Management's job is not to mitigate risks or prevent failures, but to create an environment resilient enough to take on those risks and tolerate the inevitable missteps.[70]

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[67] ibid, p. 11.

[68] Eagle, Alan. "How Google Works." iBooks, p. 38

[69] Warner, Charles. "Innovation In Legacy Media Companies: Not", *Forbes.com*, 2014.
http://www.forbes.com/sites/charleswarner/2014/01/08/innovation-in-legacy-media- companies-not/

[70] Eagle, Alan. "How Google Works." iBooks. E428

To innovate, you must learn to fail well. Learn from your mistakes: Any failed project should yield valuable technical, user, and market insights that can help inform the next effort. Morph ideas, don't kill them: Most of the world's great innovations started out with entirely different applications, so when you end a project, look carefully at its components to see how they might be reapplied elsewhere. [71]

Product development has got a bias for action: There is a point at which more analysis won't lead to a better decision. This is the most important duty of the decision-maker: Set a deadline, run the process, and then enforce the deadline.[72]

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[71] Eagle, Alan. "How Google Works." iBooks. E427

[72] Alan Eagle. "How Google Works." iBooks. 156

CHAPTER 5: The implementation of the research

5.1 Selecting the cases

I will now analyze three new products made by big legacy media companies. What is there to learn from these cases, if we are interested in innovations and in developing new news-related products in traditional media companies?

The three cases I chose to analyze are different in both their scale and size. All of them can be seen as part of the companies' digital transition and re-invention. All of these products are young, two of them launched in 2015. In fact, they are so new that we cannot be sure of their success in the long run, even though they are considered here as good examples of successful experimental products. I took this risk deliberately: The world changes very fast, and I wanted to be at the same pace as the product evolution. In a few years, we can look back and evaluate whether these products were successful also in the long run.

I chose these three products after the discussions with several experts during autumn 2014 and spring 2015. In the end, I was convinced these three products would make a valuable case study, because they were so often described as "innovating" and "interesting".

5.2 Research questions and methodology

As I briefly summarized in chapter 4, the Internet era has fundamentally changed product development. The key words are speed and agility, which has a huge impact for management when innovating and making the new product.

This means, for example, understanding the importance of *technical/ journalistic insight, having a clear vision of product ownership and using the data for continuous iteration.* This leads me to the first point of interest: *How have the new tools and possibilities for agile and continuous development process been utilized in the product?*

As I explained in chapter 2, Newman sees *mobile, social and visual* as the three main disruptors for the news in the next five years. In his opinion, these disruptors give implications and new challenges for publishers: reformat content for a *social and mobil*e**,** how to achieve *distinctiveness*,

move towards telling more stories with *video and visual*, and how to *leverage data* for the content and also for the business. This is my second area of interest:

How distinctive does the product seem to be in its area? How does the product exploit the possibilities of social, mobile and visual? How does the product leverage data for making content?

I have researched answers to these questions basically in three ways:

1) By interviewing the key individuals behind the product.
2) By quoting and analyzing blogs, press releases and reviews that cover the product.
3) By my own user experience of the product.

Each chapter includes four parts:

What is it?: A compact description of the product and its background and history.

Insight – the core value: What is the technical/journalistic insight?   What makes the product distinctive? What is its unique core value?

Making it: How does the product's development process seem to fulfill the requirements of the internet age?

Looking back and forward: Evaluation of the product – how does it meet the requirements of social, mobile and visual? What are the pertinent lessons for the future?

CHAPTER 6: BBC Trending – social news from social media

6.1 What Is It?

BBC Trending was launched in the autumn 2013. It became available for users at the end of October 2013.

By its own definition, BBC Trending is a social media-driven news innovation. It looks at the origin of the story and its destination, what fuels the trend, and what it says about the world's interests.[73]

The purpose of BBC Trending is to investigate social media trends around the world and the stories behind them. As Cordelia Hebblethwaite, the main blogger at the beginning of the operation, puts it: "So much of our world is nowadays happening in social media, that it is itself worthy of journalistic investigation in their own rights."[74]

The idea is to find and report the trends in the social media before they may become news in the "real" world. The goal is that these would include insights of ongoing political or social change in a particular country, rather than following celebrities. The BBC Trending team tries to extract stories with real journalistic value from the social media platforms worldwide.[75]

"It´s actually the nuts and bolts of journalism, because there are many danger zones in social media. You got to do a lot of verification", says Hebblethwaite.

"We are looking all the time what is trending around the world and then ask proper journalistic questions: Why, and what this tells about the world", explains Mukul Devichand,[76] the producer of BBC Trending and a key figure for the whole concept.

"People have agendas in social media just like they do in the real world

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[73] Devichand, Mukul: BBC Trending: An Innovation in Social Media-Driven News. Vimeo 2015: https://vimeo.com/100813976

[74] Hebblethwaite, Cordelia: How BBC Trending is able to spot and analyze social media trends. John S. Knight Journalism Fellowships at Stanford. You Tube 2015 https://www.youtube.com/watch?v=jFu9wk95Igc

[75] Ibid.

[76] Devichand, Mukul: BBC Trending.

and it's our job as journalists to try and understand those and cut through those," says Devichand. "This is an opportunity to do good traditional journalism that emerges out of this new sphere of life."[77]

6.2 Insights – the core value

The secret of the success of BBC Trending is their co-operation and networking with different BBC World Service Language Services and BBC Monitoring. In the BBC World Service there are 27 different language services and almost all of them have a social media editor. Using their expertise in identifying the interesting stories and understanding them is vital for BBC Trending. According to Hebblethwaite, "It doesn't matter how much data you have got, if you don't speak the language or understand the culture you can't really tell what matters".[78]

The co-operation has deepened, and now there are some Language Service journalists seconded to the BBC Trending desk to make the co-operation even smoother. This is one clear sign that Trending is considered valuable for the whole of BBC News.

BBC Trending also uses a number of different tools to spot and verify what is trending across the world. According to Hebblethwaite, the most important of these are Trendsmap, Topsy, Tweetdeck, tame.it, Gramfeed, Google Reverse Image Search and TinEye.[79]

BBC Trending is a multimedia operation so it puts its content out on many different channels:

Social media channels: Twitter, #BBC Trending account and hashtag Online blog 24/7: BBC.COM/TRENDING, BBC.CO.UK/TRENDING, Internet-first videos at least two or three a week: You Tube, BBC World Radio program: half an hour broadcast on Saturdays BBC World Radio + Podcast.

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[77] Reid, Alastair: New BBC reporting unit tracks stories taking off on social, Journalism.co.uk, 2013:https://www.journalism.co.uk/news/new-bbc-reporting-unit-tracks-stories-taking-off-on-social/s2/a554598/

[78] Hebblethwaite, Cordelia: How BBC Trending is able to spot and analyze social media trends.

[79] Ibid.

According to Devichand, they try to make their output to "Not to look or feel like BBC output". He says that although there is nothing wrong with the BBC style, the team tries to experiment how to do things differently for example in their videos. He thinks this is one of the reasons BBC World Service likes to use them, which in turn gives BBC Trending more value and resources inside the company.[80]

BBC Trending will publish through the BBC's magazine section of the news site, as well as on video and a weekly radio show, choosing the best platform for each story.

The videos will be internet-first, primarily through Twitter, with television a secondary consideration, in order to be directly involved in the conversations around the topic on social media. The radio shows will be summaries and reflections on the issues already covered on other platforms.

"The whole point is that social media audiences don't look at one particular medium or one particular channel so we want to be able to interact with them in all sorts of media," says Devichand.

According to Devichand, the days of developing an idea for a single platform are long gone. Good ideas now have the potential to be adapted for TV, radio, online and social media, to engage with the largest possible audience.[81]

Even though they are not emphasizing the importance of figures, everybody agrees that, at the end of the day, they do matter. Both the team and the commissioners noted their satisfaction for the figures of BBC Trending. According to Devichand, midway through the spring of 2015, the figures of BBC Trending were the following: 6.2 million visitors on their webpage, one million viewers for their videos on their own site, about 1.5 million viewers for their videos in social media (You Tube and Twitter), and their radio show the 16th most popular podcast in the whole of the BBC.[82]

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[80] Devichand, Mukul: BBC Trending. :

[81] Devichand, Mukul: How to be a digital innovator: BBC Academy 2014.
http://www.bbc.co.uk/academy/journalism/article/art20141120103059622

[82] Interview with Mukul Devichand 6/3/2015

Spreading the content so widely for different platforms gives an advantage: the lifetime of the story lengthens. The first peak of interest and users come from the Twitter, followed by radio, TV and YouTube. The written article is there to meet the needs of those who wish to gain in-depth knowledge on the subject.[83]

6.3 How was it made?

BBC trending is more or less one man's brainchild. It is a good example of a 'from bottom to top' product.

"The most important thing that I´m proud of in BBC Trending is that it did not come about this time after a bunch of guys with their suitcases came together and decided this is the thing we should do and then got for example me to do it", says Mukul Devchand, the producer and the presenter of the radio show.[84]

Mukul Devichand came up with the idea for BBC Trending when he realised in 2013 while reporting in China that the most interesting conversations were not happening on the street but on social media. He decided that charting and reporting on discussions around the globe via hashtags could make for a successful new BBC brand.[85]

The team piloted BBC Trending internally before launching it, but they did not use any external test audience. The operation started as an experiment with only two employees: Mukul Devichand was responsible for the radio program and Cordelia Hebblethwaite for the text blogging.

They started with a radio program and a blog, then proceeded with a video unit and expanded from there. All different parts were provisional in the beginning, meaning that there were no guarantees that would continue after the initial phase. Fortunately, all initiatives seemed to become quite successful, and Devichand and Hebblethwaite were able to continue the development.[86]

Actually, Devichand's timing was excellent, because there were three initiatives coming together at same time, according to James

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[83] Ibid.

[84] Ibid.

[85] Devichand, Mukul: How to be a digital innovator:

[86] Interview with Mukul Devichand 6/3/2015

Montgomery, Director for Digital Development in BBC News. Firstly, there had been ongoing discussions about the need to launch a blog and radio program about social media. Secondly, BBC News wanted to deepen their coverage of social media. And thirdly, the department had an idea to try Twitter Amplifier for sending more live footage online. All these ideas came through and together formed BBC Trending.

The number of people involved with the BBC Trending increased after the process and product proved successful. However, there are still less than ten people who work for the BBC Trending, and some of them are only part-time. Thus, the team can be seen as a small experimental cell inside the big BBC News department.

Devichand himself gives a lot of credit also for the three commissioners, who were involved in the discussions of focusing and sharpening the concept as one part of their role in different departments. "The concept wasn't clear at the beginning, but everybody saw that there was a valuable core in the idea".[87]

6.4 Looking back – and forward

BBC Trending has been a success in many respects, according to James Montgomery. The content reaches its audience, meaning that it is read, watched or shared. BBC Trending is a success internally because it shows inside the company how one can innovate in the field of social media. It has also successfully increased co-operation between different sections in BBC News.[88]

BBC Trending has increased the understanding of social media inside the company, says Montgomery.

According to Montgomery, BBC Trending was launched without stated targets, such as audience rates. Instead, the management started by setting up a certain amount of output, that is, by determining what the team got to put out every week.[89]

The commissioners seem overall quite happy about the success of the BBC Trending even though the Twitter Amplifier has not worked as well

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[87] Ibid.

[88] ibid.
[89] Interview with James Montgomery 6th March 2015

as expected. The project and Twitter Amplifier have taught the BBC News about publishing the live footage online.[90]

Devichand thinks that one of the keys to the success of BBC Trending was that it was not particularly geared towards a younger audience. The insight or the core of the creating and concept development was to find some real journalistic value of the discussions and trends in the social media. But of course younger generations are usually active in these platforms, so this crucial task of getting the millenials came across as a given.

BBC Trending is like a startup inside the big company, says Devichand. And like any startup, you need to convince your investors, meaning here the commissioners, what they will get if they invest money and resources into your product.

In Devichand's opinion, in their case it has been good to have to engage in an ongoing discussion process with different commissioners who each have had their own priorities. According the Devichand, for a young entrepreneurial figure, it is important to think strategically inside the big company, who may to be interested and be able to sell the idea to all commissioners one by one.

An entrepreneurial spirit can allow you to push forward certain formats and produce innovative news content. According to Devichand, it is important not to be afraid to try things that might fail.[91]

In his view, it is also important to adopt a strategic approach when pitching ideas. His idea was attractive to commissioners because he had thoroughly considered how the brand would work for multiple platforms and with existing resources.

He stresses that it is important for the staff to feel that they can push the boundaries of established formats and that they receive support when trying something new.[92]

According to James Montgomery, innovation in news is about changing the way we tell and deliver stories to benefit from new digital opportunities. He believes that in order for journalists and news teams to

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[90] Ibid.

[91] Devichand, Mukul: How to be a digital innovator.

[92] ibid.

remain relevant they must develop new techniques and production styles that are appropriate for particular platforms.

Montgomery believes it is crucial to give staff enough time, space and resources to develop ideas. Expecting people to come up with new and innovative ways of working after a long shift in the newsroom is never going to provide best results.[93]

As an experienced developer and commissioner in digital time, Montgomery believes in the same kind of a "catch and release" approach which, for example, Kung has found useful in her studies:

"You have to pick up the right people for the project, let them work quite freely in the small cells, give them the money, space and resources they need."

But according to Montgomery, it is also crucial to know when to put projects down, if they do not seem to get where they were meant to go.

In BBC Trending, there was one person, Devichand, who was clearly the one owner of the product and therefore responsible for its success. "Mukul was the team leader, no question about it", confirms Montgomery.

In practice, the findings from the developing process of the BBC Trending support the idea of well-working product management -models presented by previous research. The commissioners supported Devichand and his team step by step, gave them enough space and freedom. In the developing process, one can clearly see the basic idea of how to successfully manage "smart creatives", as Schmidt and Rosenberg called them.

In Montgomery's experience, it makes sense to start with a small team, sometimes just one individual who has a great idea and who wants to implement it. This was exactly the case with BBC Trending and Mukul Devichand.[94]

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[93] Montgomery James: How to lead innovation in news, BBC Academy 2014.

[94] Montgomery, James: How to lead innovation in news, BBC Academy 2014.

Based on Montgomery's experience, one gets the best results in product development by working with relatively small teams: this means that in the team there can be even less than five people. Ten is the ultimate maximum.[95]

Montgomery emphasizes that it is important to have a clear understanding of what success will look like. One of the hardest things is to develop an idea and then roll it out to the main newsroom so that it becomes part of the standard workflow.

According to Montgomery, the hardest part is to scale down the product to the everyday life and workflow of the newsroom. He thinks the BBC is very good at coming up with short-term tests, but not as good at scaling these things to fit the everyday life.

Montgomery believes in the power of examples: When developing new concepts, it is important to have something concrete to show early on. He suggests channeling more resources to develop the product or get the new concept into part of newsrooms workflow. He encourages producers to build the prototype as early as they can.

"If there is any possibility to put up a concreate thing, a model or prototype, it´s always much better than trying to explain the abstract idea."[96]

Overall, Montgomery believes that in the legacy media companies there is still room for grass root ideas for new news products. He is convinced that there are time and resources to develop these ideas, if they are good enough.

In "How Google Works", they write about the same topic: This is truer than ever today, when everyone in the organization is armed with abundant information and great tools. In fact, the biggest danger is not the conceit that only managers have good ideas, it's the conceit that only the company's employees have them. When we say good ideas come from

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[95] Interview with James Montgomery, 6th March 2015

[96] Montgomery, James: How to lead innovation in news.

anywhere, we mean anywhere. They are just as likely to come from outside the company as from inside.[97]

BBC Trending is an excellent example of mobile, social and visual trends coming together. It is a worldwide operation and at its core a journalistic innovation. It used mainly the existing tools and equipment to run its process and is managing to get out real new content from the social media.

According to James Montgomery, in BBC Trending there are not actually so many product developments inside it, if we talk about developing new tools. It's more about nuts and bolts-type journalistic innovation of how to collect and deliver news.[98]

At least in the case of BBC Trending, the company's management seems to have a right answer to the question asked in the book *How Google Works?*: How much freedom do employees have? If there is someone who is truly innovative, does that person have the freedom to act on his/her ideas, regardless of his/her level? Are decisions on new ideas based on product excellence, or profit?[99]
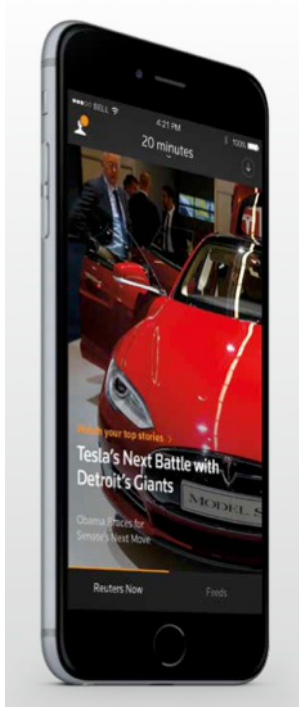
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[97] Alan Eagle. "How Google Works." iBooks. E 416

[98] Interview with James Montgomery 6th March 2015

[99] Eagle, Alan. "How Google Works." iBooks. 253

CHAPTER 7: Reuters TV – the future of TV news?

7.1 What is it?

Reuters TV was launched on 5th February, 2015. It is an iPhone application, where one can watch on-demand edited TV news for between five and thirty minutes. On the 4th July 2015, Reuters TV was also launched for iPad. The news is downloadable for offline viewing and the company also promises to be always up-to-date and customized to each viewer's interests and location.

In addition to these news casts, the application offers live feeds on-demand: real-time coverage of global events, which are promised to be unfiltered and uninterrupted.[100]

Reuters TV gathered quite a lot of interest at the time of its launch. For example Richard Sambrook, a former director of BBC Global News and now journalism professor in Cardiff University, has praised this application as "one possible future for TV news".[101]

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[100] Thomson Reuters: Introducing Reuters TV, 2014: http://www.prnewswire.com/news-releases/introducing-reuters-tv-300030912.html

[101] Sambrook, Richard: Lecture for Nordic Broadcasters in Oxford 24/2/2015

With broadcasters losing audiences to digital TV and Internet platforms, Sambrook questions whether digital news gathering will lead to reinventing the entire broadcast wheel –integrating TV feeds into the Internet as Reuters TV, for example, has done.[102]

According to the company, Reuters TV is aimed at a growing segment of informed, mobile, and globally engaged consumers in their 30s and 40s who value authentic video storytelling and are too busy to watch traditional TV news.[103]

Initially, Reuters TV for iPhone is available only in the US and the UK. Users can access a free 30-day preview of the service, with ongoing access charged at $1.99/£1.49 per month via in-app subscription. Reuters TV App also contains advertising.

This application has a great power behind it. Reuters has got 2,500 journalists in over 160 countries. Although the programming and combining the material is done by Reuters TV, Reuters takes advantage of its existing resources and bureaus that already produce content around the clock.[104]

"Our business, fundamentally, is about leveraging our extraordinary scale," says Isaac Showman, the managing editor of Reuters TV. [105]

To deliver the service's variable program lengths, all content is produced in multiple versions and organized by editorial teams in London, Hong Kong, New York and Washington DC. According to Showman, there are altogether 60-70 people who work in these editorial teams, so relatively few compared to the scale of the entire company.[106]

Reuters has hundreds of video crews around the world who already produce around 100,000 video stories annually, according to the company. From this material, Reuters TV editorial teams build up and

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[102] Richard Sambrook's lecture at RISJ 25th February 2015. The Future of TV news
[103] Thomson Reuters: Introducing Reuters TV, 2014: http://www.prnewswire.com/news-releases/introducing-reuters-tv-300030912.html

[104] Poggi, Jeanine. Reuters Is the Latest to Try Reinventing News With Digital TV Service. AdvertizingAge, 2014.
http://adage.com/article/media/reuters-latest-news-org-digital-tv-service/295256/

[105] Blattberg, Eric. Reuters TV aims to personalize news broadcasts. Digiday 2014.
http://digiday.com/publishers/reuters-tv/

[106] Interview with Isaac Showman 2/6/2015

publish 75-100 different video packages every 24 hours.[107]

Stephen Adler, Editor-in-Chief of Reuters, is responsible for the team that produces and markets Reuters news and commentary worldwide. This is how he puts the commercial target of Reuters TV. "In general, we're always looking for more revenue. So it's about looking to build into higher-growth areas. We see mobile video direct-to-consumer as a growth area that nobody's really tried it out that effectively. I think we're almost uniquely positioned to do it because we produce all of the video anyway for our television network customers."[108]

7.2 Insights – the core value

At the first sight, Reuters TV looks like watching a traditional TV newscast, but without the presenter and on your iPhone. The mobile is one of the key elements together with the promise of personalized content. The main product of the application is an algorithmically assembled but editorially curated news program.

All Reuters TV programming is assembled on the device itself through a novel application of iOS's AV Foundation and Core Animation frameworks and delivered via HTTP Live Streaming. All on-screen elements are also rendered on the device allowing for improved fidelity and different sizing across devices.[109]

In practice this means that Reuters TV editors produce segments that will then be assembled via an algorithm customizing each "broadcast" to a subscriber's location, desired length and interests.[110]

If a consumer does not like a certain news story, s/he can simply swipe to the left and move on to the next one.

"It's a reinvention of some of the fundamental aspects of TV news," says Isaac Showman. "We're moving away from mass broadcasts to one that's

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[107] Ibid.

[108] Adler, Stephen. The 60-second interview: Stephen Adler, editor in chief, Reuters. Capitalnewyork.com 2014. http://www.capitalnewyork.com/article/media/2015/03/8563748/60-second-interview-stephen-adler-editor-chief-reuters

[109] Thomson Reuters: Introducing Reuters TV, 2014http://www.prnewswire.com/news-releases/introducing-reuters-tv-300030912.html

[110] Poggi, Jeanine. Reuters Is the Latest to Try Reinventing News With Digital TV Service. AdvertaizingAge, 2014. http://adage.com/article/media/reuters-latest-news-org-digital-tv-service/295256/

relevant for every single user."[111]

What is promised to be "radically different" about Reuters TV is its personally curated news bulletins, designed for each user based on their interests and location, at a length which the user chooses, and then available for download for offline viewing.

However, Reuters TV still asks its audience to meet them on their app, in a world where consumers - especially the audience that Reuters TV hopes to reach - are increasingly operating in social media spaces.

Dan Colarusso, the Executive Director of Reuters TV, explains that Reuters TV is designed for younger but mature audiences who are looking for more depth than the 'tasting menu' that social media provide.

 "The collaboration across this has made this product greater than the sum of its parts," says Colarusso, "And that's the collaboration every media business is looking for these days, because our audience has gotten fragmented, our distribution has become uncertain and shaky. So in all this what you need to do is to combine your assets into greater pieces, and that's what we've been able to do here."[112]

But there is a lot of competition. With their TV app, Reuters is following the same strategy as some other traditional news organizations. For example, CNN and Al Jazeera are also attempting to find new ways to make live news more on-demand friendly, while reaching a younger millennial audience that increasingly gets its content via social media platforms.

CNN's CNNgo, introduced in 2014 as CNNx, allows users to control how they view the TV network's feed by letting them select segments from the past 24 hours and access expanded content in real time.[113]

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[111] Blattberg, Eric. Reuters TV aims to personalize news broadcasts. Digiday 2014. http://digiday.com/publishers/reuters-tv/

[112] Evans, Jake. Reuters 'Netflix for news' hopes to put a face to news wire agency, World News Publishing focus 2015. http://blog.wan-ifra.org/2015/02/06/reuters-netflix-for-news-hopes-to-put-a-face-to-news-wire-agency

[113] Poggi, Jeanin. Reuters Is the Latest to Try Reinventing News With Digital TV Service. AdvertaizingAge, 2014. http://adage.com/article/media/reuters-latest-news-org-digital-tv-service/295256/

And as a global financial-data service, Reuters competes with Bloomberg who has palmed in many accolades for its Bloomberg TV+ iOS app. Bloomberg app is more pronouncedly geared for finance people and was launched in October 2011. Bloomberg TV+ works so far only on an iPad, which is a clear disadvantage compared to Reuters TV.

In September 2014, Al Jazeera launched AJ+, an app that engages its audience with "card stacks" that explore different topics like ISIS or Ebola. Each stack includes videos ranging from very short clips to longer features. There are also interactive elements like quizzes, polls and debates, as well as opportunities for users to interact with journalists.[114]

Each company is going about it in a slightly different way. While Reuters is charging a small monthly fee for its product, CNNgo is only available to cable subscribers and AJ+ is free and does not include advertising.[115]

In addition, the BBC, Sky News, CNBC and Fox Business, for example, have their own applications, which allow their customers to watch TV news casts.

Colarusso says he is not worried about competition from similar attempts by companies such as CNN, CBS or Al Jazeera to launch apps which deliver curated content in a way that is meant to make accessing the news easier.

"There may be enough room for all of us the way the market has developed, or there may be enough room for two of us [but] I'm not so much worried about the competition, we're a unique player in that market and we're trying something that's a little more unique."[116]

From the strategic point of view the Reuters TV app can be seen as part of an evolving strategy from news agency to bring its global, but sometimes unrecognized, brand out from behind the scenes and into the hands of its own customer base.

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[114] http://adage.com/article/media/reuters-latest-news-org-digital-tv-service/295256/
[115] http://adage.com/article/media/reuters-latest-news-org-digital-tv-service/295256/

[116] Evans, Jake. Reuters 'Netflix for news' hopes to put a face to news wire agency, World News Publishing focus 2015. http://blog.wan-ifra.org/2015/02/06/reuters-netflix-for-news-hopes-to-put-a-face-to-news-wire-agency

"We have a great brand name within this business, but we do want a bigger consumer footprint," says Colarusso. "And we do want people to come to recognise that Reuters, in addition to being the largest news organisation in the business, is the greatest, the most objective."[117]

7.3 How was it made?

Reuters TV comes after a string of digital missteps at Reuters, most notably Reuters Next, an ambitious reworking of the news agency's Web presence. In September 2013, after two years of development, Reuters CEO Andrew Rashbass pulled the plug on that project. It was a long way from achieving commercial viability or strategic success, he then said.

Reuters TV has been in the works for just over a year, with development beginning just after Rashbass shuttered Reuters Next. Managing editor of Reuters TV Isaac Showman says the developing team included about 15 people during a one year period, sometimes less, sometimes more. They started in quite a traditional way producing editorial pilots. Their main task was to find the right kind of journalistic voice and how to present things in the newscasts. [118]

As one of the largest news organizations in the world, Reuters has a lot of experience in gathering news and delivering raw material for its customers, mainly the broadcasters. On the other hand, Reuters had less experience with delivering news directly to the consumers. According to Showman, they did some testing to figure out how much they should

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[117]http://blog.wan-ifra.org/2015/02/06/reuters-netflix-for-news-hopes-to-put-a-face-to-news-wire-agency
[118] Interview with Isaac Showman 2/6/2015

follow the traditional newscast. One of the key features of Reuters TV is that they do not have the anchor in their newscasts, so the team experimented on how to build a solid format without a person on the screen.

During this one year period they also tested and put together the workflows, that is, how Reuters journalists around the globe contribute to Reuters TV.

The developing and coding of the iPhone application itself started in July 2014, so it took eight months before the launch in February 2015. Most of the work was done by Reuters' own people.[119]

After the launch, the application has already been updated twice, in March and July 2015.

7.4 Looking back – and forward

Reuters has made attempts before to go directly to consumers, so this is not new. What is new is that this time Reuters does it through smart phones. Many presume that in the future all of us will get our news primarily from a hand-held device. Reuters TV is an interesting experiment on how to provide video to consumers, which every major business news organization is now doing more and more.

For its part, Reuters TV is forcing other news organizations to seriously consider what they are doing with video and how they should deliver video to consumers.

The most important question is of course whether consumers are willing to pay for the service, and whether subscriptions and ad revenue yield enough to be profitable. Reuters TV does not reveal numbers of subscribers but managing editor Showman claims to be very delighted with the success they have had so far. He is also satisfied with the advertising deals they have made with companies such as Microsoft.[120]

Showman says that the shortage of "real journalism" has made consumers more willing to pay for premium content they can trust. There has also been some criticism in public that this is a big bet on a small segment of

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[119] Ibid.
[120] Interview with Isaac Showman 2/6/2015

consumers, something of which Reuters is well aware. [121]

For example Bernard Gershon, the president of digital media consultancy firm GershonMedia, thought at the time of the launch that with an abundance of free news video, it would be challenging for Reuters to build up a sizable subscriber base.

"I would be stunned if they had more than 20,000 paying subscribers at the end of year one," said Gershon. [122]

According to Showman, they are putting all their assets in growth. Reuters TV will expand beyond iOS devices to other mobile gadgets such as for example Android phones and connected TV devices.

Only time will tell, but at this point it is possible to identify the major strengths and key challenges of Reuters TV. Many of the challenges are already under consideration, according to Showman.[123]

Pluses:

-After the latest updates, the applications work smoothly and nicely, and overall it looks like a prestige product.
-The content is easy to follow. Traditional news package; combination of sound bites, voiceover speech, footage and journalists stand-ups is really a familiar concept and an easy one to consume.
- Opportunity to choose the time used for consumption.
- The user can skip the uninteresting story just by swiping it to the left.
- The editors use nicely the Reuters correspondents not only as reporters from the spot but also in the role of experts for explaining the content, for deepening the story and for providing context. Because the stories are made in the form of classic TV news stories, this gives the editors the necessary "talking heads" sound bites. This is surely the economical way of getting some much-needed change and variation for the stories. This makes stories also "look like the real (= conventional) news clips".

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[121]Plessis Andre-Pierre: Reuters TV app brings innovation to the confines of a news bulletin. Memeburn.com 2015.
http://memeburn.com/2015/02/reuters-tv-app-brings-innovation-to-the-confines-of-a-news-bulletin/

[122] Blattberg Eric: Reuters TV aims to personalize news broadcasts. Digiday 2014.
http://digiday.com/publishers/reuters-tv/

[123] Interview with Isaac Showman 2/6/2015

- Reuters has a huge web of photographers, cameramen and reporters all over the world. This can be seen in Reuters TV as a good coverage of news items from different parts of the world.
- The application offers for the user a possibility to share and link to single news story in all the major social media platforms including Facebook, Twitter and WhatsApp. This makes the application also "social" to some extent and works as an advert for the product.
- The possibility to follow also the live feeds from the spot is a nice and probably not-expensive-to-produce additional service. It is useful for customers interested in certain topics to know beforehand what will be covered live.

Challenges:

- Speed. According to managing editor Isaac Showman, Reuters TV aims to cover the main news events in 30-45 minutes. The big question of course is, is that fast enough? If the application is meant for the younger users who value their time and who are used to online world instant reactions, for example in Twitter, half an hour can be a quite long time to wait.
The breaking news market is no longer unique, and has been partially replaced by Twitter and Facebook audiences assimilating and distributing information.
One may think that Reuters TV has also got to face much of the same critique as traditional 24 news channels have received -- that they do not quite manage to give us news when we want it – we often have to wait 15 or 30 minutes for the story to come around – so it is news-not-quite-on-demand. If we want it now, we will go online and get it instantly.[124]

And on the other hand, 30 minutes reaction time can be quite ambitious delivering time for a fully edited news story. For example, just the day I was interviewing Isaac Showman for this research, the president of FIFA, Sepp Blatter, quite surprisingly stepped down from his post. I had heard this breaking news my iPod radio an hour before I got the story from the Reuters TV.

-The challenge of trust. If the users want to become regular users of Reuters TV, they have to learn to trust the choices the editors have made for them. Because the format is linear, users have to learn to trust the

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[124] Sambrook, Richard. McGuire's Sean: We want news on the phone – and that means reinventing the TV news channel the Gurdian 2014.
http://www.theguardian.com/media/media-blog/2014/aug/28/tv-news-channel-phone-digital

promise that "these are the top stories". Even though Reuters is a well-known and well-respected brand in the media business, it will take time to build a strong and trustful user-relation, such as many traditional broadcasters still have.

According to Showman, their aim is to produce a "healthy tension" inside every cast a user has chosen. This comes from the three constrains put together by the algorithm: How long the customer wants to watch, editorial decision making on what is important, and understanding what might interest this particular user. The last one is one of the key issues on using the consumer data to personalize the content.

On a smaller scale, the use of Reuters' own correspondents as the only experts inside many news stories highlights this particular challenge. One of the main reasons experts are so widely used in TV news clips is that they prove with their presence and sound bites that the journalist knows what s/he is talking about. In this concept, the user often has only the Reuters experts to trust, there is no other evidence.

-The challenge of personalizing. Reuters TV has copied the concept of the TV newscast. What tends to follow is that the customer compares his/her own user history and user experience to a local/regional/national newscast. Is there really enough interesting "this is something I need to know" – stories for every user segment (divided, for example, geographically)? Were these really the topics I need to know to get on with my life? Basically, it is the question of personalizing the content depending on user interest and previous custom behaviour.

Showman says this is one of the main challenges and improvements are now under further development. He says it requires quite a lot of user data to build a unique user profile, but they are working on it. In the end, it will probably be a variation within one- or two items inside one newscast that will make the differentiation between two users inside the same geographical area.[125]

The challenge of world-wide audience can be seen as a part of the bigger question of personalizing the content for each customer. Many of the content and stories focus heavily on the US. This can become quite irritating for a user outside the United States. For example, the race for

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[125] Interview with managing editor Isaac Showman 2/6/2015

the Republican presidential candidate is not that interesting outside the country as it seems to be if one looks at the news selections.

-The challenge of engagement. The user experience of Reuters TV is based only on the headlines, edited news stories and the shorts. Most news rooms around the world try to diverse their newscasts by using different kinds of elements; live interviews, big infographics, etc. At least in the longer casts (longer than 10-15 minutes) these would do well also in Reuters TV. While Vice seems, at this point, to be the brightest star of reinventing the footage-based news formula, should Reuters TV try to include something about these new ways of doing things for its content?

One strategic strength of Reuters TV is the large amount of footage they can get from around the world. "We need to focus on our unique photography and video to win in an increasingly visual media world," Reuters CEO Andrew Rashbass wrote in a memo to employees on September 2013, when he pulled the plug on Reuters Next project. Live footage is the strong(est) element in the TV story. The most interesting footage does not always come from politics and economics, which can make the watching experience a bit dull. This is of course one of the main challenges that newsrooms around the world have to tackle all the time: how to cover the "important" things interestingly on TV?

According to Showman, they have noticed this challenge and are going to diversify the output of Reuters TV.

The Reuters Digital News Report in 2015 shows that even *social media users* value TV most for accuracy and reliability as their news source – and by some margin.[126]

Reuters TV application has copied the trusted, very traditional format of TV news with all its strengths and weaknesses, and transferred it as such to online platform. Only time will tell how interesting the audience will find this coalition of the most traditional story-telling and the latest digital delivery channel.

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[126] Reuters Institute's Digital News Report 2015. http://www.digitalnewsreport.org

CHAPTER 8: BBC Taster - Let´s make it together!

8.1 What is it?

BBC Taster was launched on 26th January, 2015. It is a testing platform, where different departments of the BBC can put out and test their new products and content at an early stage.

BBC Taster has got a two-headed leadership, the mode already discussed earlier in this paper. Adrian Woolard is the technical leader of project. He is the head of Connected Studio and BBC R&D´s North lab in Salford. This is how he describes BBC Tasters three key elements:

> *1. It is the website that acts as an index to all the new pilots from across the whole BBC. The site is not designed around genres or types of pilot or the teams that built them but is based on our own experiment with style and tone focused on the user. For example the content discovery is based on "Try Something…" (about me/epic/fun).The pilots themselves are all time limited so they are not there forever (typically months maximum).*
> *2. The public will then see the label of BBC Taster appear across rest of BBC Online and on other partner sites to identify those projects. The established BBC products are experimenting within their core area.*
> *3. The third key element to Taster is the ability and desire for the audience to try, rate and share each of the pilots – telling the BBC developers what they do/don't like. This enables BBC and its partners to begin to learn from the audiences' interactions what is required to turn the idea into reality.*[127]

The other part of BBC Taster's two-headed leadership is editorial lead Will Saunders, Creative Director at BBC. This is how he explains what Taster is all about from his point of view:

> *In The BBC Taster new products are being 'beta tested' by the BBC – for the audience it means an opportunity to get early*

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[127]Woolard, Adrian. BBC Taster, First week. BBC Internet blog 2015.
http://www.bbc.co.uk/blogs/internet/entries/15e2ffb7-98f3-49b2-a216-1b165d40c38e

access to projects in order to help our developers sort issues with bugs, code and such like.
In Taster different parts of BBC are not just sharing these new ideas with the audience. They want them to rate them and give us valuable feedback on experimental stuff we might previously have kept behind closed doors. [128]

When BBC Taster was launched, it featured a mix of content specifically developed to explore new ways of storytelling, such as the use of interactive video.

When the developers from Connected Studio launched the platform, they put out first experimental pilots to reach audiences. Content for these pilots comes mostly from BBC in-house production teams, but a lot of engineering, design and build of the various pilots has been completed by external digital agencies.[129]

The first pilots put out were:
4)   **Your story** (BBC Northern Ireland and **NixonMcInnes**)
5)   **R1OT** (Radio 1 and Kite)
6)   **Run the Jewels** (BBC Arts and **100 Shapes**)
7)   **WeatherBot** (BBC Weather and NixonMcInnes).
8)   **Who's in today** (BBC Future Media and **Complete Control**)
9)   Idris Elba's **Story of Now**

The closest link to News was the product called Your Story, unlocking the BBC news archive and working out how to make it relevant for audience. It was put out on the first day of BBC Taster and pulled back on the 26th of April 2015. When the pilot ended, it had gathered 6,234 ratings and 5,817 shares in the Taster. These figures can be considered quite good.

8.2 Insights – the core value

BBC Taster is considered significant for BBC in a number of ways:
Firstly, the company is sharing early stage/work in progress/concepts and novel ideas – usually these have been kept under wraps until perfect.

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[128] Saunders, Will. Whats on the menu? BBC blog 2015 .
http://www.bbc.co.uk/blogs/aboutthebbc/entrDaies/70420014-82c8-40b5-8072-38ece1bf2b1e

[129]Bevir, George. BBC Taster targets YouTube generation, Broadcast.co.uk, 2015.
http://www.broadcastnow.co.uk/broadcasters/bbc-taster-targets-youtube-generation/5082382.article

According to Will Saunders, this can be really useful also for BBC News, because credibility and trustworthiness form their foundation. In Taster, the news can test and play safely. [130]

Secondly, by Taster BBC developers acknowledge that not everything will work, some things might break (and have done so already), and everything is not complete or perfect.

This can be potentially hard for an organization that prides itself on always being of the highest quality, but by being agile they have a chance to learn quicker about what works – thus saving money and improving the final proposition.

As Saunders puts it, for the BBC, Taster can be a massive tool for killing things. The main idea is to test a wide variety of ideas on relatively low costs instead of testing one idea with a big risk and high cost. It is better to test 20 ideas, put £50,000 pounds for each, and find the one idea that really seems to work, rather than spend £2 million to test one idea only to find out that it does not work, after all. [131]

In his blog, Adrian Woolard points out the importance of mixing the collected data and BBC `s own experience:

> *Finally, in Tasters developers are inviting the audience in helping us to prioritize by trying, rating and sharing these pilots. This feedback is hugely valuable in helping us develop concepts further, but the developers aren't asking audiences to make the final decisions on what gets turned into official BBC content or services. The developers and commissioners inside the BBC still have their own expertise in this but the data collected from audience can play an important role in helping them to see breakthrough hits and avoiding the potential hype of new technologies. [132]*

According to Saunders, Taster tries to help to find a good balance between art and science. The user data gathered by Taster is the science and traditional understanding about editorial decision making and content

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[130]Saunders, Will. Whats on the menu? BBC blog 2015
http://www.bbc.co.uk/blogs/aboutthebbc/entrDaies/70420014-82c8-40b5-8072-38ece1bf2b1e

[131] Ibid.
[132]Woolard, Adrian. BBC Taster, First week. BBC Internet blog
http://www.bbc.co.uk/blogs/internet/entries/15e2ffb7-98f3-49b2-a216-1b165d40c38e

development is the art.[133]

Even if a product is not successful in Taster, this does not necessarily mean that it would not go on for further development.

The platform tries to keep up the speed. Saunders says that six to eight weeks for one product to stay at the first stage on Taster gives enough data about consumer usage. There is usually many straight-to-the-point questions asked by users about every project. When everybody knows the timeframe, it keeps the interest up for both the test-users and the developers.

Saunders thinks that "traditional" product management cycle (for example the Guardian in year 2010) is still valid but the whole process with the same stages can now be managed in six weeks.[134]

8.3 How was it made?

Salford, BBC Connected Studios had the main responsibility for building the BBC Taster platform. Technical lead of Taster, Adrian Woolard, is also the head of Connected Studios. He, together with his team, can be seen as the father of the whole idea. [135]

According to Will Saunders, it took many years to sell the idea little by little for commissioners, but once started, the developing process itself was fast.[136]

The development team thought at the beginning of the process that the basic idea of BBC Taster would be too new for a big audience, as senior product manager Eleni Sharp explains: "From the outset the idea of the Taster innovation platform or a place for the public to try ideas which might unfinished or be a bit rough round the edges - could potentially be a "hard sell" to the audience."[137]

According to Sharp, user friendliness was the main focus: "The developing team described very early on their product with the attributes

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[133] Interview with Will Saunders 27/3/2015

[134] Ibid.
[135] Ibid.
[136] Ibid.
[137] Sharp, Eleni. How we build BBC Taster, BBC internet blog 2015.
http://www.bbc.co.uk/blogs/internet/entries/ed075707-1b63-489d-b358-9e926cbc9d0a

like playful, positive and friendly, it should also feel different from the rest of BBC online. It should have to celebrate new things, it's not exclusively for techies, and they wanted to ensure it wouldn't be intimidating for those not familiar with open development."[138]

As Sharp describes in her blog, the development team worked to an adapted agile framework called Kanban and adopted continuous delivery principles, whereby they used tools such as Jira and Trello, doing live releases pretty much every day.[139]

They created the first prototype quickly, user tested it, and put it in the hands of anyone who would listen, then repeated the process. According to Sharp, they did this four times in total, developing and refining the product and features as they went and building momentum internally with every iteration. In October 2014 they got the final go ahead to launch, so the speed in which they delivered Taster was pretty incredible, as Sharp describes it.[140]

Their final iteration was the most challenging and meant that they moved from a prototype to an audience facing product, using the BBC's existing tools and services. They swapped light touch CMS for the much more robust and scalable iSite 2, moved into the BBC's cloud, and integrated the approved analytics.

According to Sharp, one of the most difficult stages of the development was when they started to bring in the first batch of pilots. This is because the variety of Taster pilots is huge, so they need to be able to easily accommodate the various technologies they will be trialing, which include **Interlude**, **Touchcast**, Tumblr, Twitter, and Wordpress as well as bespoke builds.[141]

The first feedback from the audience was good: The first tranche of pilots surfaced in Taster on Monday morning and in the first 72 hours of a 'planned soft launch' they had over 180,000 unique visits to the site and over 4,500 followers joining the @bbctaster at Twitter.[142]

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[138] Ibid.
[139] Ibid.
[140] Ibid.
[141] Sharp, Eleni. How we build BBC Taster, BBC internet blog 2015.

[142] Woolard, Adrian. BBC Taster, First week. BBC Internet blog
http://www.bbc.co.uk/blogs/internet/entries/15e2ffb7-98f3-49b2-a216-1b165d40c38e

Will Saunders says that in BBC Taster, the two-headed leading model with a journalistic and technical lead worked very well between himself and Adrian Woolard. He sees the model useful for traditional companies increasingly shifting towards digital products. It is rare to find individuals who really understand both the journalistic and the technical aspects of such products. If one knows storytelling and the other understands the technique, this can be a winning combination.[143]

8.4 Looking back – and forward

BBC Taster is a really interesting product, because it can be seen as one of the major tools for a traditional pre-Internet era incumbent like the BBC, to move towards more agile, digital product development. It is obvious that BBC Taster is an important try-out for one of the world's biggest broadcasters.

According to Will Saunders, BBC Taster is important because in a world of Netflix, Buzzfeed, Instagram, Snapchat et al, there are now new technologies, new methods of distribution and newer ways to consume media that have caught the attention of the BBC's audiences. They are hopping from screen to screen, and BBC needs to keep up.[144]

The feedback from the audience and their engagement for using the platform during the first months of BBC Taster seems promising. The concept and the platform have received positive feedback.

But as Saunders explains, BBC Taster has to reach certain goals to maintain its viability. These are the four points of success for platform:

1) The volume of products tested
2) The diversity of the tested products
3) The overall research of the audience
4) The number of the HITS developed[145]

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[143] Saunders, Will. Whats on the menu? BBC blog 2015 .
http://www.bbc.co.uk/blogs/aboutthebbc/entrDaies/70420014-82c8-40b5-8072-38ece1bf2b1e

[144] ibid.

[145] ibid.

In the agile production process of the platform itself and in the core idea of its usage we can see a nice example of how a big legacy media company utilizes the possibilities of the new Internet age:

> *The Internet provides everyone with the tools of creation; moreover, it is an ideal testing ground, allowing for prototypes to be rolled out and meaningful data to be collected in a fraction of the time needed before. Species evolution takes eons, but in the hands of smart creatives, today's process of idea evolution can— and needs to—work at Internet speed.*[146]

Many of the lessons learned from the BBC Taster experiment apply to the challenges faced by other legacy media companies. Jordan Kretchmer, the founder and chief executive of a successful San Francisco-based software startup LiveFyre, offers a good analysis of the current situation. Although his points may seem as something to be taken for granted, this is unfortunately not the case, at least not in many legacy media companies:

The company's social feeds act as de facto home page
People are now accustomed to social content feeds being their entry point to the web, rather than static homepages or search engines.
Through Taster, the BBC has found a way to encourage relevant conversations on an owned property and pull their community into them, rather than having that community exist on a third party site.[147]

Brands must involve their audience
By asking for customer feedback, the BBC is building trust. For the BBC, gaining direct access to the opinions of viewers will allow speedy resolutions to short-terms issues, and will also be useful for strategic planning on issues that may come up over time.[148]

Don't be afraid to fail
Taster is a brilliant new spin on the old idea of user generated content, which is a marketer's greatest resource.

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[146] Eagle, Alan. "How Google Works." iBooks. 210

[147] Kretchmer, Jordan. What does BBC Taster tell us about the future of content marketing? Wallblog.co.uk 2015.
http://wallblog.co.uk/2015/02/04/what-does-bbc-taster-tell-us-about-the-future-of-content-marketing/#ixzz3YnQH5Anq

[148] Ibid.

The key lesson from Taster is that for this to work, the BBC needs to give its users a reason to come to them. Previews of new projects and a chance to feedback on them is a powerful motivator.[149]

As Adrian Woolard explains, BBC Taster has also been a multilinked co-operation project both inside and outside the company. Many of the projects featured on Taster are the result of work by the BBC´s Connected Studio initiative which was launched in 2011 to bring together digital agencies, technology start-ups, designers and developers. [150]

At present, the content is mostly from in-house production teams but a lot of engineering, design and build of the various pilots has been completed by external digital agencies.[151]

The big part of BBC Online products are still built according to long-term internal roadmaps and a standard commissioning process, but BBC Taster can be seen as a good step to make this path more agile. The basic idea is that there is room for a more radical approach – experimental ideas can be pitched, built and delivered in an open, collaborative environment that is responsive to the big data challenge of connecting platforms, products and audiences.[152]

BBC Taster does also seem to go well together with the News Labs main working principals, which are:

1 Work with industry partners
2 Work together with Production teams - not as a siloed "innovation unit"
3 Use real data and content
4 Prototype quickly
5 Focus on strategy[153]

In this regard, BBC Taster can be seen not only as an interesting product as such but also the next step in the ongoing innovation programmes of the Internet-age.

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[149] Ibid.

[150] Bevir, George. BBC Taster targets YouTube generation, Broadcast.co.uk, 2015.
http://www.broadcastnow.co.uk/broadcasters/bbc-taster-targets-youtube-generation/5082382.article

[151] Ibid.

[152] Kretchmer, Jordan. What does BBC Taster tell us about the future of content marketing? Wallblog.co.uk 2015.
 http://wallblog.co.uk/2015/02/04/what-does-bbc-taster-tell-us-about-the-future-of-content-marketing/#ixzz3YnQH5Anq

[153]http://www.bbc.co.uk/partnersandsuppliers/connectedstudio/newslabs

Innovation is a broad term that means different things to different people - for Adrian Woolard and his team it means supporting "significant positive change" – and he believes that BBC Taster can be the start of a significant positive change for the BBC and their audiences:

'We do not know the results yet, but it really seems it's worth the try.'

CHAPTER 9: The conclusions: How do you eat an elephant?

If you don't change the direction where you are going, you will end up where you are headed.

-Confucius

There is an old joke that goes: How do you eat an elephant? Well, one bite at a time, of course!

In this research paper, I have taken a close look at three new products of big legacy media companies. In this last chapter, I will briefly summarize my findings, even though each product has been thoroughly discussed in previous chapters.

In the context of this paper, the three products were considered experiments designed to answer some of the challenges the disruption of the Internet era has brought to their companies. It is clear that all three are at least good attempts to utilize the new possibilities of this era. This means they nicely tick all the boxes in Nic Newman's "checklist" of the requirements for successful new products.

At the core of all three products is **leveraging data.** BBC Trending is all about utilizing the big data of social media usage around the world, and BBC Taster is actually made for collecting the user data. Reuters TV also uses data to personalize its content for users, even though there is endless demand for content that would be even more geographically focused. "The less one knows, the more one suspects." This wisdom from Machiavelli is really true, even when it comes to product creation in the Internet era. Data rules.

They are all obviously **mobile.** BBC Trending is a good example of how to deliver content on multi-platforms, and Reuters TV is all about trying to move the TV news experience for people on the move. Some content in BBC Taster can be used as a mobile game.

Social? Yes, they are. BBC Trending is fundamentally social, making its content about social media trends and sharing it in various platforms. Users are strongly encouraged to share and rate their experiences of BBC Taster in social media. Reuters TV also offers its users an opportunity to share the link for the just watched news clip with friends. There is always the possibility that a video goes viral and tempts more customers to sign up for monthly payment.

They all tell stories with **video and visual**. BBC Trending is more experimental with its video output whereas Reuters TV relies more on the traditional edited news-clip after a news-clip set-up.

But then comes the hardest part in the Newman's checklist. How to achieve **distinctiveness** in an increasingly crowded market?

As products for the public broadcaster, BBC Trending and BBC Taster have their own goals and targets. Trending needs its good user ratings and Taster has to show it really can produce success stories.

Here the success of Reuters TV remains yet to be seen. Will consumers find the application so distinctive that it will meet its commercial targets? It seems to have values for its company beyond revenue consideration, which are linked to brand-marketing and maybe also for sharpening the production process in the news and footage gathering. But in the end, it will have to make a profit at some point.

The key questions of course are whether the application gives customers some real value and whether it is unique or prestigious enough. As a smart person recently commented, the key question for media operating online is no longer just "what can I create?" but also "why will the audience care about it?"[154]

How about the product development, then? The change of pace has been rapid. Nic Newman published his study of product management best practices in the UK digital media in 2010.

But still, some basic rules seem to work according to the literature and experienced professionals quoted for this paper. Here are some key points for management to remember in developing new products:

- Remember the importance of insight
- Appreciate the grass–root ideas
- Think how to define success
- Own your product
- Build a small team - and save it
- Give a licence to fail
- Launch, listen and review aka iterate

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[154] Woolard, Adrian. BBC Taster, First week. BBC Internet blog
http://www.bbc.co.uk/blogs/internet/entries/15e2ffb7-98f3-49b2-a216-1b165d40c38e

Launch, listen and review: During the last five years this kind of workflow has increasingly become a part of everyday practices in the newsrooms around the world, when editors twist their homepage layout through real-time data.

This is why it is not a big surprise that the best digital developing teams in companies like BBC and Reuters already live in the world of ongoing iteration. For them using data effectively is not just for software coding but building little-by-little better usage and understanding of the entire product vision. It is agile and it is fast, as we can see from both BBC Taster and Reuters TV.

But going through these cases also made it clear to me that what it comes down to in the end is always going back to basics. As ever, it is all about the core idea, the technical or journalistic insight that makes the difference. There must be a solid foundation on which to build.

In "How Google Works" the writers point the same thing out quite nicely: "What is your technical insight?" turns out to be an easy question to ask and a hard one to answer. So for your products, ask the question. If you can't articulate a good answer, rethink the product. [155]

BBC Trending is a good example of this kind of innovation. One man's journalistic insight with a good load of entrepreneurial spirit has led to a unit with new distinctive products.

Of course it is also a nice reminder that there is still a place and need for these kinds of from-bottom-to-top innovations. Reviewing them yielded good, practical, and concrete tips to encourage a similar start-up spirit inside the big legacy organisations. No matter how you have built your innovation-production system, it is crucial to give staff enough time, space and resources to develop ideas. Expecting people to come up with new and innovative ways of working after a long shift in the newsroom is never going to provide the best results.

As James Montgomery, Director for Digital Development in BBC News, puts it: "You have to pick up the right people for the project, let them work quite freely in the small cells, give them the money, space and resources they need."

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[155] Excerpt From Eagle, Alan. "How Google Works." iBooks. 77

But it is of course also crucial to put an end to projects, if they do not seem to go where they were meant to go. This can sometimes be the toughest part. Test platforms like BBC Taster can offer the management a big help with this.

It is important to assign one person who is responsible for the entire development process. In some cases, however, a two-headed model with the journalistic and technical/commercial lead will work better.

Then there must be a promise to fail. As Will Saunders, Creative Director of BBC, puts it: "You've got to kiss a lot of frogs before you find your Prince Charming; Whatever you do in this organisation, hits are hard to come by. To know what to make and what our audiences want from us in fast changing world, we need to kiss a lot more frogs."[156]

And if journalism can maintain its reputation as a desirable line of work, basic skills and understanding of new technology and its possibilities will increase rapidly when the next generation will come along. We can call them smart creatives, as Googlers do.

This was one thing that the Deputy Editor of the Economist and an experienced digital product manager Tom Standage pointed out: One must give way to capable digi-native millennials to quickly rise to responsible product-developing posts also in big, legacy new media companies. This may sound like something self-evident, but in the news business, where experience and long work record have traditionally been a good (marketing) value, it is not.[157]

Even the biggest media houses have now had two decades to react to the technology-driven changes coming from outside. Some are already beginning the see the future, when it will be for them time to take the lead again, at least to some extent.[158]

It is a common claim that big legacy media companies are clunky and bureaucratic by their nature. I hope this paper, in a small way, has shown that this must not always be the case. If different stakeholders see the big picture and they put the success of the whole company first, then size can

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[156] Saunders, Will. Whats on the menu? BBC blog 2015 .

[157] Standage, Tom. News in the digital age, and how the Economist fits in. Lecture in the RISJ Business & Practice of Journalism Seminar20/05/2015, Green Templeton College, Oxford

[158] Bell, Emily, Director at the TOW Center for Digital Journalism at Columbia Journalism School,. Reuters Memorial Lecture 21/11/2014 for the Reuters Institute in Oxford.

be turned into an advantage. It is easier to allocate resources for new product development if you have the resources to allocate.

As always, times of change bring big opportunities for those who are agile enough: For anyone interested in reporting the world they live in, the means of finding stories, the methods of telling stories, and the mechanisms of sharing those stories have all become infinitely bigger and better. News organisations, as Jeff Bezos of Amazon puts it, have the opportunity to make the most of "the gifts of the Internet". This is because, as he puts it, we are living in the most exciting time for journalism since the advent of television.[159]

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[159] BBC: Future of the news report, page 5

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