

# **Electronic Newspaper Project**

## **Executive summary, March 29, 1995**

Five years from now, The Tribune should be the pre-eminent electronic/multimedia source of information in and about Chicago and the Midwest, with aggregated newspaper, radio, video, and online content that, although not all produced by the newspaper, will be packaged under its aegis--and should produce revenue and profit.

Over the next 18 months, achieving this goal calls for a phased rollout of editorial and advertising content through one of today's most rapidly expanding channels, the Internet/World Wide Web. The company should also be enhancing its content on Chicago Online; experimenting with other distribution channels and formats; and storing content in media-independent formats for future re-use.

In the short term, this project team recommends beginning work simultaneously on two projects:

1. Publishing an editorial-and-advertising information product on the World Wide Web by mid-1995.
2. Covering the 1996 Democratic National Convention in Chicago with a broad and deep electronic news and information product.

Among the project goals: to acquire and develop multimedia capabilities and skills in the organization; to identify and train people to work in multimedia content aggregation and dissemination; to identify sources of revenue; and to test ideas about content and customization for any and all future electronic products, while also building useful databases of information that can be used, reused and continually updated.

This course of action is dictated because, every day, it becomes easier for readers and advertisers to bypass us and reach one another. The models under which media companies deliver added value therefore are changing fundamentally, and the size of the electronic marketplace is growing as quickly as the cost of computing is falling.

Simultaneously, the number of competitors we must overcome is growing--largely because the barriers to entry in this new business are so low for new companies, and because regulatory roadblocks are constraining fewer and fewer established ones. While issues of bandwidth constrain all electronic publishers today, waiting for time to resolve them is to invite these competitors to learn how to catch up with, then defeat us.

The Chicago Tribune brings significant strengths to this competition, but some of them mask weaknesses. For instance, we aggregate news content already, but we must also develop competencies in aggregating entertainment and advertising as well. By taking advantage of opportunities, like that to incorporate interactivity into our offerings for the first time, we should be able to stave off threats from companies that are nimbler and more daring but that are constrained by their lack of resources.

The proposed projects are designed to emphasize the Tribune's strong reputations for technological savvy and for local market domination. The "Tribune on the Internet" would be the first newspaper service featuring content created strictly for the Net on a daily basis. The convention coverage would emphasize, to both a local and a worldwide audience, that the Tribune is the place to turn for news of Chicago.

While undertaking these projects is not without risk--investment will not be repaid at once, technology continues to evolve wildly, and significant staffing is required--not pursuing them puts at risk not only future revenue, but significant current business. There is no guarantee, further, about which advertising and subscription models for electronic products eventually will hold (though we have worked out some scenarios).

In order to successfully launch these electronic publishing ventures, each department will have to raise its staffing levels, hiring--and then retaining--specialized personnel. Organizing to do so within the current departmental structure confers advantages of flexibility, accountability, and training opportunity on us, while leveraging existing expertise in sales, content creation, and operations.

Given the pace of change in the marketplace and the need to identify and train people to produce an electronic newspaper, the time to start work is today.