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Paper No. 8
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ONLINE JOURNALISM: OPPORTUNITIES AND CHALLENGES

AMIC 9TH ANNUAL CONFERENCE
THE DIGITAL MILLENNIUM: OPPORTUNITIES FOR ASIAN MEDIA
June 29 – July 1, 2000, Singapore
Online Journalism: Opportunities and Challenges

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9th AMIC Conference
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During the short span of its history, online journalism has already proven itself to be a powerful force to be reckoned with. Because of the characteristic features of the Internet--interactivity, hypertextuality, and anonymity—Web journalism has succeeded in capturing a sizable audience, who has long been declared as “out-of-reach” by the newspaper industry. Freely predicted to be the alternative medium for information and entertainment, Web site journalism will profoundly impact the traditional newspapers, in terms of contents, editor-reader relationships, and, essentially the very survival itself.

This paper discusses recent trends and future prospects for online newspapers in the context of the legal-ethical, financial, and cultural issues surrounding the new media.

Media Go Online out of Fear, Uncertainty, and Doubt (FUD)

Hundreds of millions of people today—especially the young, better educated, and affluent—connect themselves to the Web as a preferred medium for information and entertainment. It appears the Web journalism has the power to engage the unengaged with its interactive, on-demand, and customizable features. To the traditional media and newspapers, in particular, these trends can be both a threat and an opportunity. Motivated by fear of obsolescence rather than outright enthusiasm, newspapers and broadcasters of all sizes and scope worldwide are offering their online versions. Driven primarily by the FUD (fear, uncertainty, and doubt) factor, newspapers launch their online service, not to make a profit, but to establish a footing in the new media at the earliest possible stage or, to say the least, not to fall behind their competition. They are also motivated by the belief that the positive image of a paper can be transferred to the Net or vice versa.

No one knows for sure how many newspapers are online, but NewsLinks tentative total for the number of newspapers worldwide as of September, 1998 was 4,925, of which 43 percent were non-U.S sites. In Korea, 89 news organizations were found to provide their service online, according to a 1999 survey. The user survey also found that Korea’s Web readership is predominantly men (80.5%) and university-educated (68.6%). Over one-third (37.2%) of the sampled respondents “always read Web news and ink-on-paper news only occasionally.” Those who read printed newspaper for the most part and Web site news occasionally accounted for 32.1% of the sample. One quarter of the sample said they read both online and off-line newspapers almost equally. Only 6.4% said they read Web site only.

Online Press Evolves Through Mere Copying, To Hyperlink, To Original Texts

Pavlik observed that news content on the Internet has been evolving through three stages. In stage one, which still dominates most news sites, online editors mostly copy--and update--news content from their mother ship. In stage two, which gained momentum recently, the journalists create original content and augment it with hyperlinks. Stage three is just beginning to emerge at only a handful of better news sites. It is characterized by original news content designed specifically for the Web as a new medium of communication. Stage three will be characterized by a willingness to
rethink the nature of “community” online and, most important, a willingness to experiment with new forms of storytelling. Often this is immersive storytelling, which allows you to enter and navigate through a news report in ways different from just reading it.

On-line and Off-line Journalism Can Be Both Complementary and Competitive

Experts are divided on whether news sites are consuming the readership of their print counterparts. Research now shows that people are spending increasingly more time on the Internet at the expense of the traditional media, such as television, newspapers, and magazines. The old media are being hurt by Web journalism, Steve Outing concludes, “It’s no longer conjecture; now we have the research to back it up.” Despite the gloomy statistics, Eric Meyer counters, “consumption of online news accounted for declined use of traditional media among only 0.1% of the total marketplace in 1995 and only 0.7% in 1998.” There is even suggestion that circulation for the print edition is strengthened by the paper’s Web site. It is quite possible that the loss of the traditional newspaper readership is well compensated for by a sizable number of novel readers newly online, who otherwise would not be attracted to news in the first place.

Sibling Rivalry Escalates into an Ideological War between Elitists and Populists

Online newspapers have come to realize that they are operating in an environment where the players, rules of the game, and the game itself are radically different from their off-line counterparts. To survive in the new environment, they contend, antiquated rules of the traditional journalism have to be rewritten, taboos smashed, and the very definition of news revisited. Revolutionary as they may sound, skeptics of Web journalism contend, these changes do not necessarily promise improved news. They argue most of the old rules are still relevant in an online environment. Most popular news sites are living up to the standards of traditional journalism.

Seasoned journalists are disturbed to see the runaway Internet make a journalist out of anybody who has a modem, classic journalism skills take a back seat to technical savvy, and speed and sensationalism override accuracy and credibility. Critics of Web journalism are especially skeptical of “the use of anonymous sources, the ill effects of newspaper managements blindly driven by the Wall Street, and the degenerate influence of the World Wide Web.”

The sibling rivalry between those who once controlled publishing and the new generation of modem pamphleteers is essentially an ideological war between the “elitists” and the “populists.” In the end, it will be the business rationale, more than anything else, that will decide whose ideology would prevail. And the essence of that decision will consist in user response, as measured simply by the number of clicks and the volume of commercial transactions through the Web.
Interactivity Creates Community of Common Interests and Ideology

Optimistic observers of Web journalism argue that interactivity is the most distinctive contribution of online journalism. As millions of young adolescents are drawn into cyberspace to interact one another on the real-time basis, they come to form a wide variety of virtual communities, whether a geographical community or one formed around some other common bond.

Some people are skeptical about the nature and social significance of the interactions that take place on Web sites. They argue, for example, “why the CNN-Time instant “Take a Stand” poll—‘Is FDR the greatest president of the 20th century?’—should be hailed as constructive engagement, when the networks’ overnight tracking polls on Bob Dole’s status were routinely denounced as shallow or undemocratic? The “community” aspect of online journalism—chat and bulletin boards about stories—has yet to have proven its worth, except when people actively participate in an open discussion on a topic of specialized interest, such as Parent Soup, a place where parents can find resources and electronic discussion about parenting. More recently in Korea, a coalition of civic groups posted on its Web site a black list of political candidates running for parliamentary elections, that triggered a flurry of online debates about the moral aptitude of political leadership.

Who Pays for Content?: Funding for Online Journalism

Creating and maintaining a Web site is a costly venture, that has to rely for funding on either its own resources or some external entities, such as advertising, monthly subscription fees, pay-per-use, or transaction fees. Surveys have found that advertisers are still very skeptical and users are not likely to pay for content, even news they consider valuable. A number of funding models have been tried out by those who create online contents and manage Web sites.

In an analysis of 395 sites on the World Wide Web, McMillan presents four models of Web sites based on the content orientation and funding for the content in the current environment of computer-mediated communication (CMC). These include content that supports organizational objectives in Sales and Promotion sites, pre-packed information and entertainment in Sponsored Content sites, a wealth of information in Public Information sites, and content provided by individuals and non-profit groups in Community Content sites (See Figure 1 below).
Figure 1:
Four Models of Funding for Computer-Mediated Communication (CMC)

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<th>Sales and Promotion</th>
<th>Public Information</th>
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<tr>
<td><strong>Funding:</strong> Cost of doing business primarily of for-profit companies.</td>
<td><strong>Funding:</strong> Cost of doing business primarily of government and education organizations.</td>
</tr>
<tr>
<td><strong>Purpose:</strong> Direct sales and/or promotion of organization’s products/services.</td>
<td><strong>Purpose:</strong> Provide detailed, complex information in a searchable format.</td>
</tr>
<tr>
<td><strong>Communication:</strong> One-to-one from sender to receiver</td>
<td><strong>Communication:</strong> One-to-one from receiver to sender.</td>
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<tr>
<th>Sponsored Content</th>
<th>Community Content</th>
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<tr>
<td><strong>Funding:</strong> Advertising and/or sponsorship fees support creation of content.</td>
<td><strong>Funding:</strong> Volunteer efforts, non-profit groups and other community-minded organizations.</td>
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<tr>
<td><strong>Purpose:</strong> Provide information and/or entertainment that attract targeted and/or mass audiences.</td>
<td><strong>Purpose:</strong> Dialog, networking, community building. Also provide information and business awareness.</td>
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<tr>
<td><strong>Communication:</strong> One-to-many from sender to receiver.</td>
<td><strong>Communication:</strong> Many-to-many with no clear distinction between sender and receiver.</td>
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<table>
<thead>
<tr>
<th>Low</th>
<th>High</th>
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<tbody>
<tr>
<td>Level of Interactivity</td>
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Through and surveys of individuals who manage the creation of content at Web sites as well as content analysis of those sites, McMillan identifies the level of interactivity, ideologies related to intellectual property, and audience size as key factors affecting how those sites are being funded.

Community Content sites—that account for 57.3% of the sampled sites—can exist with minimal funding from community-minded organizations and with the donated time and efforts, and expertise of volunteers.

Sales and promotion sites, found at 20.7% of the sites, attract qualified customers as a win-win situation for companies that cost little to create.

Public Information sites, representing 10.8% of the sampled sites, are funded primarily by government and educational organization at little or no direct cost to the citizen.
Sponsored Content sites account for 11.1% of the sites. These sites come very close to traditional mass media forms, such as newspaper and broadcast companies, in the way that they pre-package information and entertainment to be delivered to target audiences. These sites build a business model based on advertising and sponsorship and make minimal use of interactivity. Creators of Sponsored Content sites can expect advertising and sponsorship revenues by attracting to their sites a large audience with generalized content or small but specialized audience.

Once in the online business, newspaper companies will have to come up with some kind of business rationale for their online efforts. Advertising support has proven to be unreliable at best as a revenue source for their business. Some are optimistic that their investments would yield fruit when the market catches up to their version. Others—companies like Time Warner, for example—have changed their perspective in light of no profits.

Legal and Ethical Issues of Online Journalism

Links. Credibility of Web journalism is often at risk as the lines between news and e-commerce are blurred and the Web news is instantaneously transmitted. It also risks the danger of losing their credibility when it provides links to external sources.

While a newspaper editor can, at least in theory, maintain iron control over the content of her own newspaper, no online editors can predict where his readers might be visiting. Take, for example, a story on The New York Times Web (www.nytimes.com) about a new Web site devoted to establishing the innocence of convicted killer Charles Manson, that provided links to Access Manson and three other sites espousing his innocence. Critics both in and out of the nytimes argued that the links to these stories probably led readers to less-than-credible sources and information. However, a nytimes editor defended his company’s practice by saying the Times is providing its readers a service, not assuming responsibility for the information at the other end of the click.

Reputable media organizations that operate online editions do have standards for linking, such as no links to sites that “celebrate violence, present sexual content, promote or extol bigotry or racism. As a safety measure—or, more accurately, for their own legal protection—online newspapers usually display a “disclaimer” page between their sites and the rest of the Net. Net surfers are constantly reminded that they are leaving their territory over which they have no editorial control. Here, an important question arises as to whether or not this legal disclaimer can be equally applied to online chat rooms, where discussions often center around name-calling and body parts.

Distributor Protection Principle. Most of the constitutional democracies in the world today do guarantee freedom of speech and freedom of the press. What is unclear about this freedom is whether or not the same freedom is extended to those who “distribute” a free speech. If a distributor—bookstore, newsstand, and so on—is to be held liable for all speeches, legal or illegal, made by someone else, it would nullify freedom of speech altogether.
Court rulings on this constitutional issue have been equivocal. At one point, the U.S. Supreme Court declared that the Constitution requires more than simply letting people speak and publish. There is another right against government censorship, just as fundamental: the freedom to distribute speech. The “distributor protection principle” was extended readily, first to magazines, then to online services. CompuServe was excused from a federal lawsuit, because it was only a distributor. In a separate court case, however, Prodigy was declared a “publisher” instead of a distributor, and thus ineligible for that protection.

The distributor protection doctrine entails profound free speech ramifications. The doctrine will “inevitably allow some illegal speech to be swept along in the current of predominantly legal speech,” Lance Rose argued, “but that’s a tradeoff we can readily make. It is our only real chance at achieving true speech and press freedom in an imperfect world.”

**Cookies.** In order to access a site, users are often asked to “register,” with their user name and password, as well as their age, gender, Zip Code, and income information as an option. Such information is embedded in the user’s PC as a cookie or tracking device. The cookie data are matched with Web user’s personal proclivities and site preferences, thus yielding a valuable information for marketing as well as editorial purposes. Privacy advocates argue that the potential for abuse is right there as cookies infringe on Web users’ right to surf the Net anonymously and privately. Most sites—including the New York Times and the Wall Street Journal—defend their “No Cookies, No Access” policy by insisting that “cookie information is used only in the aggregate and won’t be sold to other companies.” As Net users don’t seem to bother much, cookies are here to stay as long as news sites are to remain cost free and until such time alternative sources of revenue are to be found.

**Transaction Fees.** Web news sites rely on transaction fees from online vendors as a major source of funding. For example, a user clicks a Korean Air link while reading an article at joins.com showing Korean Air’s escalated safety rating. The reader purchases a ticket, the airliner makes a sale, and the Web site gets a commission. Perfectly innocent and appropriate as it may seem, the transaction fee arrangement can be an unethical melding of editorial content and advertising. The ethical dimension of transaction fees is further magnified when advertisers actually pay for the presentation of some kinds of editorial content through sponsorship arrangements. A survey by the Newspaper Association of America reveals that most of the newspapers with separate online staffs routinely ask editorial employees to design or produce banner ads for their Websites. Online editors will have to live under constant pressure to generate revenue and at the same time maintain editorial integrity, perhaps to a larger extent than their off-line colleagues.

In addition to linking, cookies, and transaction fee relationships, online editors will have to deal with other ethical challenges. News online means **deadlines** around the clock. The deadline pressure to publish often at the cost of accuracy can only be an added burden to the under-staffed online newsroom. Online **archives**--a system in which a story is available indefinitely--which raises a serious **privacy** implication.
Language Barrier Denies Access to English Web Sites

Nine out of 10 Internet users today are English-speaking; and no fewer than 82 percent of web sites worldwide are in English, according to the Internet Society’s survey of 60,000 computers with Internet addresses. Now what does it all mean to some six million Korean Internet users? They were found to use the global medium mainly for communication within the national boundaries, according to an Internet user survey.

To most of them the Internet remains largely an unexplorable reservoir of knowledge and information due to the language barrier. Their grasp of English is quite rudimentary, sufficient only for processing basic information such as the weather, sports, and erotic visuals. Only a fraction of Internet users can, to any degree, comprehend and produce written or spoken utterances in English. As a result, they are denied the tremendous opportunities that the Web sites have to offer, namely, in-depth information and knowledge.

Non-English Web sites are to be encouraged to expand databases in the vernacular languages to include information and knowledge of interest primarily, but not exclusively, at the national level only. Another suggestion is that there be a continuation of investment in translation technology, which will make inroads on the overarching language problem now besetting the Internet.

Z Generation Web Site Journalism

Recent developments in online press point to a significant departure from the current practices as major newspapers worldwide either have deployed, or have an eye on upgrading their conventional news sites to, portal sites. Designed to provide a “one stop” service to their customers, the portal sites make it possible for people to do practically everything that the Internet is designed to do, including chatting, e-mail, forum, and shopping as well as information search. A full blown portal site in the future would amount to 4C’s in one, that is, contents, community, commerce, and connection. Take, for example, an ambitious project launched by Midas Dong-A, a portal site run by Korea’s leading newspaper. Its business plan is to attract a large audience with readable contents, build a community of interest among the users, promote commerce through its shopping mall, and connect users to the Internet free of charge, all in one package.

3-D images will be interactively used with text and audio and hyperlinks will lead readers to anywhere and everywhere. Let’s suppose you’re watching a live Internet coverage of the South Korean President’s arrival at Pyongyang Airport, and you somebody you don’t recognize shaking hands with President Kim Dae Jung. Curious to know who he is, Bill Gates explains, you point your PC mouse at that person. That action brings up a biography and a list of other news accounts in which that person has figured recently.

News in the future will be supertailored as every news consumer will receive his or her daily doze of news in his own “Daily Me.” Once your own personal needs are fully identified, a software or human agent can pick and choose from tons of
information and entertainment fare and compile your completely customized Daily Me. If 90 percent of the population is online, according to Bill Gates, newspapers will almost certainly be distributed this way.

Gates predicts that advertising will evolve into a hybrid, a combination of today’s television commercials, magazine ads, and detailed sales brochures. Advertising lines will become blurred. They will be part display ad, part classified ad, part directory and part direct marketing.

Thanks to the interactive nature of the Web sites, future journalists will be developing communities of interest around their stories. On the negative side, as news gets customized to individual need, it will inevitably make people parochial. Instead of building a community based on common, the "Daily Me" may further sever people apart. Jerry Lanson at Emerson College advocates that customized news be designed in ways that give readers ready access to depth and breadth. Make personalized news a value-added component of what we read rather than a substitute for general news. Find better ways for readers to "pull" depth out of stories.
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