



## **HOW INFOVALET CAN HELP THE NEW YORK TIMES -- AND JOURNALISM -- PROSPER IN THE DIGITAL MARKETPLACE**

*(Remarks by New York Times Executive Editor Bill Keller sparked in early February, 2009, a series of web conversations about the viability of newspapers charging in any fashion for digital information. Here is an imagined proposal.)*

- 1) "Putting up a pay wall," in isolation is definitely not an answer. It would be akin to throwing down a proverbial gauntlet in front of The Times' non-paying web users - without presenting an exciting, new value proposition. InfoValet does not recommend such an approach.
- 2) News organizations that join InfoValet add value. Instead of removing existing content from free circulation, InfoValet enables personalized and premium content to be added, and differentiated. And it gives owners of sponsored content (f/k/a advertisers) a new way to share value with publishers and consumers.
- 3) It creates multiple pathways to content that would otherwise live behind a single, locked door. InfoValet presents paid content options as part of a mix including free and paid links, offers and social-interaction options.
- 4) InfoValet allows valuable content to be single-account bundled into appealing packages, which span multiple websites and services at affordable transaction costs.

### An imagined strategy for the New York Times:

- 1) Offer all paid, print subscribers a free membership in *New York Times* InfoValet. This will include:
  - The opportunity to receive special offers and services available only to subscribers (not things presently free, NEW offers and services).
  - The opportunity to receive a more customized, personalized web experience by providing preference information.

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- A new relationship with a most-trusted information valet, or agent, who will safeguard a subscriber's web persona and work with the subscriber to determine when, how, why -- and if -- it should be shared with other websites. When it is, *Times Valet* will help the subscriber to receive a share of the value of that persona.
  - Over time, access to a growing array of personalized, premium services at other websites in the InfoValet network -- access not available to non-participating web users. And at price points ranging all the way from sponsored (*The Times* pays the subscriber) to charged (the subscriber pays, by subscription or click).
  - A convenient way to recommend and reward quality journalism and writing through direct payment to the source, whether the *New York Times* or other content providers (including blogs). These payments will be aggregated and managed by the subscriber in a partnership with *Times Valet*.
- 2) Expand the offer to all registered users of *Times Online*. Do so gradually, by inserting a pop up when they log in (i.e., when *Times* pulls the cookie from their computer identifying them), inviting them to consider an array of benefits resulting from providing some "persona" information. Gradually, progress to inviting them to provide financial account information -- first, so that they can receive rewards.

For example, it might start with: "Congratulations, because of your relationship with *Times Valet*, you have accumulated \$2.58 in credits from viewing advertisements and other sponsored content on the *Times Valet* network. May we credit this to your account? You can use it to take advantage of special offers and make purchases. Click here to establish an account." (A EZPass-like or PayPal-like "verification" process is then invoked, in which the consumer provides credit, debit or direct-bank-account info).

- 3) In the next phase, the user at some point clicks to a resource which the *New York Times* believes is compelling enough that the new customer would likely be willing to pay something. The user may have accumulated enough money in her *Times Valet* account to cover it.

Or, a pop up might say: "The resource you've selected is subject to a charge of 50 cents. You only have 25 cents in your *Times Valet* account right now. How would you like to pay? One option would be to "charge it to my *Times Valet* account." Another might be: "Add to my *Times Valet* account" (with options like \$5, \$10 or \$25).

Because this approach is a bank-like account, with some potential regulatory issues, it's likely this aspect of *Times Valet* will be backshopped to a bank. Or, to avoid that, *Times Valet* could operate as a subscription service, where the subscriber pays a flat amount each month (say \$20) for access to a bundle of information services. When they hit a limit (the functional equivalent of using up all your minutes on your cell phone), they are unable to proceed.

Because the latter approach creates friction, it seems likely most consumers will very quickly choose the stored-value or credit-account approach.



## THE END OF THE MASS MARKET

Worrying about pay walls and "losing eyeballs" is a concern of an old and shrinking paradigm in the delivery of valuable information, and journalism.

In the new information marketplace, value is created when an intimate, personalized, customized, permission-based relationship is established between individual consumers and their most-trusted information valet, or agent. Whether that consumer is part of a "mass" may be largely irrelevant to their needs and value.

The metric by which the success of the *New York Times* information service will be measured is revenue per InfoValet-enabled user vs. cost of delivering the services that user receives. The services will vary from user to user.

One service will certainly continue providing an undifferentiated, 24/7 news service in multimedia formats -- because millions of users will continue to want that. But if *The Times'* business is dependent solely upon how many people click to pages within that undifferentiated service (seeing ads on those pages), it will be failing because the CPMs on those untargeted ads will be low (and going lower).

And so the focus now should not be on how to get "more eyeballs" to those ads, but how to create an array of new, personalized, customized services that will support transactions -- some transactions which **\*\*pay\*\*** the consumers, and some -- few at first -- which **\*\*charge\*\*** the consumer.

ADDITIONAL INFO ABOUT INFOVALET:

<http://newshare.com/ivp/about.pdf>

<http://www.informationvalet.org>

<http://www.ivpblueprint.org>