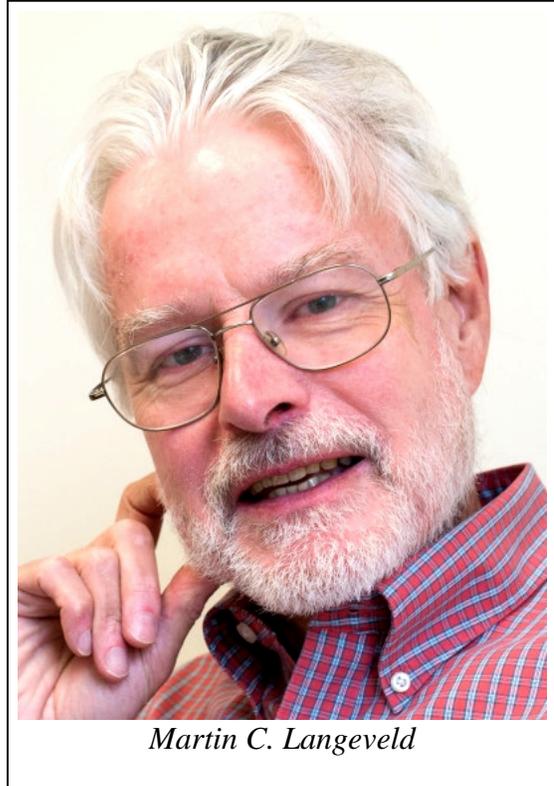


Elements of a content clearinghouse: Some ideas

An Information Trust Exchange could undertake research related to the valuation and sale of multimedia digital content. Martin Langeveld, a former daily newspaper publisher and [NiemanLab columnist](#), draws an analogy to ASCAP and BMI – the performing-rights copyright organizations for music – in this short essay suggesting possible applications. Langeveld has consulted to projects for the Donald W. Reynolds Journalism Institute. He also blogs at <http://www.newsafternewspapers.com>

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Publishers have tended to try and confine news content to tightly controlled proprietary channels such as their own destination websites and apps, in order to control monetization via advertising and direct user payments. This is a narrowly focused approach that ignores the fact that content atomization means the content must be allowed to find its own audience.



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However, by creating a pricing and payments clearinghouse, the news industry’s focus on controlling access and preventing piracy could give way to the much larger revenue opportunity that can come from allowing unrestricted distribution of content across digital platforms. Rather than having to attract readers to websites or track down unauthorized users, publishers will be able to liberate content to travel the Web in search of readers, and still get paid for it. Some elements of the system already exist.

Such a “rights-sharing” system would echo in several respects the way in which performance rights organizations such as ASCAP and BMI have for nearly a century acted as clearinghouses to channel royalty payments from performance venues and broadcasters back to music composers and performers. In 1914 composers and musicians formed ASCAP (later followed by BMI and SESAC) so they could broadly distribute their music to performance venues, broadcasters and now to streaming services like Pandora, with royalties flowing back to them through these performance rights organizations, which annually collect about \$2 billion on behalf of musical artists.

Specific tools and technologies may enable new ways for news to travel the Web in search of readers, expanding access to news content while protecting the ownership rights of content owners and creators, and directing new streams of revenue back to them. These techniques include:

- Semantic parsing and tagging of content to indicate the topics, people, places and ideas involved in each content unit — something that’s already possible with microtagging systems including

OpenCalais and hNews

- “Paytags,” [as described](#) by journalism consultant Jason Fry: “Bits of code that accompany individual articles or features, and that allow them to be paid for.”
- Real-time pricing algorithms, similar to Google’s AdSense auction, to determine ad revenue shares and content pricing to end users or end distributors. This sort of online, real-time pricing is [already becoming common](#) with physical goods.

Tagging techniques, coupled with robust rights protocols and pricing methods, could enable publishers to release their content to others for re-use, aggregation, or re-publication in many different formats and platforms. Revenue derived from advertising, user payments, or other sources would be shared, under the rights protocols to be established, between the original publisher or content creator and any re-publishers or “remixers” that make use of it.

ITE would need to:

- Study the economics, legal basis and technology of the idea
- Analyze the technical and legal feasibility of the network’s components
- Begin to describe the organizational structures necessary for its implementation
- Explore the development requirements of the missing or not fully-developed components: Paytags, pricing algorithms and a clearinghouse
- Begin the work of developing standards and protocols that will help the elements work together.

Clearinghouse mechanics and strategy

There are a number of existing models for rights-sharing clearinghouses that deal with creative content and intellectual property (music, video, academic research papers, etc.). The mobile telephone industry also presents a relevant clearinghouse in that typical flat usage fees paid by phone users are allocated among service providers in accordance with locations, time of day and length of call.

A clearinghouse for news content may present complex challenges because it will entail large numbers of users supplying and consuming content, and many possible variables that could affect pricing and distribution.

The variables involved in any transaction may include amount of content accessed or reproduced (in time or page views), the depth of access (just top news or lesser stories, deeper analysis, opinion, statistics, archives, etc.), and the breadth of access (local, national, sports, niche, etc.).

As in any industry clearinghouse, pricing and revenue sharing methods are key components, and fine-tuning them will require expertise in economics, accounting and technology. Quite likely, pricing and sharing formulas will start simply and grow in sophistication, much as search-engine ranking systems and keyword advertising systems have become more complex as they evolved and became more effective.

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sharing formulas will start simply and grow in sophistication, much as search-engine ranking systems and keyword advertising systems have become more complex as they evolved and became more effective. Factors may include the:

- Type of content item (news, opinion, statistics, photography, video, etc.); the size of the originating publisher (in user traffic terms);
- Type of the remixer (news site, aggregator, niche site, etc.); the size of the remixer (in user traffic terms);
- Value of the content item (taking into consideration its uniqueness, size, quality, cost to produce, etc.);
- Age of the content item (in which value may decay faster with some content types than with others);
- Nature of the end consumer, and so on.

New business opportunities

A wide range of new business opportunities may arise around a clearinghouse system:

- Distribution streams — larger, more robust aggregators of content streams. Channeling content flows through wholesaler portals of this kind helps ensure proper tracking of rights and payment obligations.
- Full content aggregators — new “remixers” or aggregators and niche publishers who take advantage of the ability to publish full content units (stories, pictures, video, graphics) created by others but republished in new contexts, in new markets and to new audiences.
- Hyperpersonalized news streams — content streams created by semantic content matching engines and presented in multiple formats on the Web, as browser add-ons, and as apps. Some of these will be highly specialized enterprise solutions with a subscription revenue models; others will target consumer interests such as sports, weather, cooking, recreation, style, entertainment, travel, pets, sci/tech, etc.
- Niche publishing — opportunities for individual journalists, professional or not, to find a wide audience for a very narrow niche. Those niches could be such topics as:
 - neighborhoods (or other geographical units up to and including individual small nations),
 - political campaigns, individual products, individual businesses or business niches,
 - individual colleges and universities, individual government agencies or programs, topical
 - areas of science, art or technology, etc. In each case, the Clearinghouse enables this
 - content to be repackaged by others with compensation flowing back to the originator.
- Curation — personally or socially curated news channels that could multiply and flourish by being able to supply full versions of news content rather than snippets.
- Content creation — many new content-creation opportunities for publishers. The remixers and hyperpersonalized news applications can be seen as akin to the explosion in cable channels since the 1960s, which resulted in a huge increase in video production and consumption. Far more local info can be fed into the content pools available to remixers and hyperpersonalized apps, because as consumers spend more time with these content providers, they will look at more specialized niche content just as they do on cable.

- Clearinghouses — there can be multiple clearinghouses, not just one, that would become major businesses in their own right.
- Clearinghouse optimization services — the equivalent of search engine optimization services: publishers could engage them to help maximize clearinghouse revenue by fine tuning the rights and pricing parameters, just as there are specialists in Google and Facebook ad marketing for retailers.
- Payment processing services — assuming an eventual expansion beyond business-to-business and into business-to-consumer transactions. This is a niche that most clearinghouses would outsource rather than do themselves, because of the complexities of interfacing with bank and credit card back-ends and later on with currency exchange issues.
- Usage metric services — new kinds of distribution will require new kinds of metrics; an opportunity for existing as well as new metrics services.
- Data-visualization services — these also can be used to provide insights into how content is flowing through the system, how the system may be optimized and how businesses that interface with it may use it better.
- Other service businesses — for example: businesses that semantically tag content including audio and video as well as text and photographs so they can be fed into the system; advertising networks that focus on supplying local as well as national ads to the remixers and content streams, including real-time priced ads.
- And the big unknowns — additional opportunities that are created as all of the above are impacted by the very rapid growth of mobile in all its forms, by location-aware services, by social couponing in all its forms, by the addition of item-level RFID tags to virtually all retail inventories (now beginning), the proliferation of QR codes (already saturating Asia), and the emergence of a viable mobile payment systems using point-of-sale proximity sensors or bump technology — all of which could be ingredients in turbocharging a direct commerce layer on digital platforms.

The news-sharing clearinghouse could also enable publishing participants to:

- Develop maps of the relationships and interactions between the various enterprises and organizations that may ultimately be part of the clearinghouse ecosystem
- Examine how affiliated businesses will interface with the system’s technology
- Examine legal issues that may affect the relationships of entities operating within the clearinghouse ecosystems
- Explore the need for organizational structures that may be needed to govern inter-entity standards within the ecosystem
- Identify the development requirements of the missing or not fully-developed components: Paytags, pricing algorithms and a clearinghouse
- Identify needs for standards and protocols that will help the elements of the system work together opportunities.