Hedging: A Web of Challenges in the Second Half of the 1990s

The second half of the 1990s was a period of effervescence about anything related to the web, and American dailies were no exception: they poured human, financial, and symbolic resources into their nonprint endeavors with an intensity the industry had not seen before. In these endeavors, online newspapers simultaneously undertook three kinds of information practices. First, newspapers repurposed content by utilizing in an almost identical fashion on their web sites material originally developed for their print editions. Second, they recombined information by taking print content and increasing their usefulness on their web sites through the addition of technical functionality or related content from other sites or both. Recombination of practices included personalized or customized editions, new sites pulling together vast amounts of news and database information on a particular topic such as city guides, sites linking similar content from many online newspapers such as nationwide classified ads, and archives of past editions. Third, dailies created original content by taking advantage of the unique capabilities of the web. This type of practice included constant updates on breaking stories during the day, special multimedia packages of major events, new sections developed exclusively for their web sites, and user-authored content.

After exploring an array of nonprint options in the 1980s and settling on the web in the mid 1990s, what resulted from this multiplicity of information practices in the second half of the 1990s can be characterized as a form of hedging. Hedging emerged as a response to uncertainty in a volatile operating environment: newspapers spread risks by moving in many and often counterbalancing directions.

In chapter 2, I argued that American dailies, in their pre-web endeavors, had exhibited a culture of innovation marked by reactive, defensive, and pragmatic traits. Such a culture of innovation was also prevalent in their web efforts, which helps to account for the seemingly contradictory
mix of practices enacted in this period of hedging. More generally, after
two decades of tinkering with nonprint delivery vehicles influenced by
this culture of innovation, the overall consequence was twofold. On the
one hand, newspapers often appropriated new technologies with a some-
what conservative mindset, thus acting more slowly and less creatively
than competitors less tied to traditional media. On the other hand, the
cumulative transformations should not be underestimated. By the end
of the 1990s, online newspapers exhibited a technical infrastructure,
nascent communication and organizational patterns, and a suite of prod-
ucts that looked very different from those of a typical print counterpart.
It appears that in a relentless pursuit of permanence, newspapers ended
up undertaking substantial change.

Hedging

The second half of the 1990s saw explosive growth in online communica-
tions. The number of Internet hosts increased from 5.8 million in
percent of households in the United States had personal computers, and
America Online reached 10 million subscribers (Sproull 2000). By mid
1999, 106 million people in the United States, or 40 percent of the coun-
try’s adult population, were online (Compaine 2000b). Commercial
activity was also on the rise; of particular importance for the newspaper
industry, advertising on the web rose from $267 million in 1996 to almost
$3 billion in 1999 (Compaine 2000b).

Online newspapers also developed considerably during this period.
According to Levins (1997d), the number of online newspapers “more
than doubled” during 1996. A Newspaper Association of America tally
showed that by April 1998 “more than 750 North American daily news-
papers [had] launched online services” (Newspaper Association of
America 1998). By July 1999 only two of the 100 largest dailies did not
have an online presence (Dotinga 1999). The staffs of online papers also
grew. For instance, by July 1997 the Chicago Tribune Interactive Edition
employed 80 people, USA Today Online employed 84, the Wall Street
Journal Interactive Edition employed 90, and the Washington Post’s
Digital Ink employed 100 (Kirsner 1997a). Related activities such as syn-
dication also grew. According to Editor & Publisher’s syndication special-
ist, “in 1995, the wired world of syndication became acquainted with the
World Wide Web,” and in 1996 “they became very close friends” (Astor
1997b, p. 64). This trend continued in 1997, when sales of syndicated
content for web sites increased about 200 percent at United Media and when 20 percent the Universal Press Syndicate’s sales were to nonprint outlets (Astor 1997a).¹

Site traffic also grew substantially, more than doubling every year from 1995 to 1998. A study conducted by the Internet usage auditing firms I/PRO and Media Metrix concluded that “traffic to established media web sites increased by 130 percent in 1997” (“‘Astonishing’ growth,” Editor & Publisher, May 16, 1998, p. 34). As time went by, the traffic in online newspapers began to rival their print circulation. For example, by early 1999 the San Jose Mercury News had a daily circulation of 290,000 while its web site, Mercury Center, was getting 100,000 visitors per day, and the editor of the New York Times on the Web estimated that on a typical weekday about 250,000 visited the site of the daily, which had a circulation of more than 1 million (Outing 1999b).² More generally, a survey of 3,184 adults conducted by the Pew Research Center for the People and the Press found that the proportion of people getting the news online at least once a week rose from 4 percent in 1995 to between 15 and 26 percent in 1998 (Noack 1999b). The variation resulted partly from the absence or presence of high-impact stories, which generated peaks of usage. For example, washingtonpost.com served 4.5 million pages the day the Starr Report was released (Stone 1998).

Online newspapers became mainstream as a result of this growth in supply and demand. Thus, the Society for Professional Journalists created the first category for online journalism in its prestigious Sigma Delta Chi awards in 1997 and added two more in 1998 (“Online awards expanded,” Editor & Publisher, April 17, 1999, p. 20). Institutionalization continued when the Online News Association “opened for business” in the spring of 1999 (Noack 1999a). This mainstreaming was also evident in the experience of software vendors. For example, in 1997 Steve Burns, vice-president of new technology at Gannett Media Technologies, said: “A year ago . . . when you went into a paper, if it even had an ‘online manager’, that person was usually someone who had been given those duties in addition to their real job and did them halfway. Now, we regularly go into newspaper meetings to find the classified ad manager and ad director at one end of the table in suits and ties and these people in jeans at the other end—the online group. They used to be sheepish and quiet in corporate meetings because they were just overheard. But now we’re seeing these online managers rising to positions of real power within these corporations. And, the same online managers are starting to get substantial funding and purchasing authority.” (Levins 1997a, p. 45)
The mainstreaming of online newspapers could also be seen in an ad by Hearst Newspapers in which online is portrayed as a publishing environment as important as print. It is also worth noticing that the corporation’s logo is engraved in a microchip-like object, signaling the centrality that modern computing has acquired in the whole newspaper enterprise (figure 3.1). And in a move with strong practical and symbolic implications, in 1998 Knight Ridder announced the relocation of its headquarters from Miami, Florida, to San Jose, California. Anthony Ridder, the corporation’s chairman and CEO, said “Knight Ridder people simply must be immersed in the kind of futuristic and entrepreneurial thinking

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Figure 3.1
found in Silicon Valley.” (“New KR HQ: Silicon Valley,” Editor & Publisher, May 2, 1998, p. 16) Randy Bennett, vice-president for electronic publishing at the Newspaper Association of America, described the mood at the 1998 “Connections” conference as follows: “The days of evangelism, hand-wringing and talk of experimentation are really over. . . . Online newspaper publishing is now an established business and people aren’t looking to be convinced anymore. They came here this year for hard, detailed information about the logistics of online publishing.” (Levins 1998b, p. 20)

What did online newspapers consist of in this period of growth and mainstreaming? As I briefly described in the introduction to this chapter, as settlers ventured into the new territory, they hedged. Actors continued exploring and settling, but their initiatives became less experimental and more competitive. To account for these dynamics, in the remainder of this section I will first divide key developments into three types of information practices: repurposing, recombining, and recreating. Then, I will analyze how this multiplicity of information practices amounted to a form of hedging that newspapers enacted in response to an uncertain and changing environment.

**Repurposing**

‘Repurposing’ and ‘shovelware’ were terms often used to refer to the common practice of taking information generated originally for a paper’s print edition and deploying it virtually unchanged onto its web site. In the June 1996 issue of American Journalism Review we read: “Most of the newspapers on the Net are producing ‘shovelware,’ print stories reproduced on web pages, with few changes other than key words painted hypertext blue that offer readers links to stories with greater depth.” (Pogash 1996) Research has shown that repurposing was the dominant information practice not only of American but also of Asian and European online papers during this period.

Despite its apparent simplicity, repurposing had some complex implications. Such was the case of the relationships between newspaper organizations and freelancers. Historically, newspapers had tended to give freelancers secondary publishing rights, letting them publish contributed stories in other outlets. However, when the web began to become mainstream, several publishers became reluctant to continue to permit them to do so and asked freelancers to sign agreements transferring to them copyrights of their products published electronically or in any other form. For instance, on July 20, 1995 managers at the New York
Times circulated a memo to department heads and section editors stating that freelancers who did not sign such an agreement would “no longer be published in the newspaper” (Grunfeld 1996, p. 10). A cartoon in Editor & Publisher illustrated the freelancers’ situation (figure 3.2). Seeking to counter this trend, twelve freelancers, with the support of the National Writers Union, sued the Times and some other publishers for infringing their copyrights (Savell 1996). Dan Carlinsky of the American Society of Journalists and Authors stated the writers’ position: “When I create a piece as an individual contractor and not as an employee, it’s mine and I may license it to others, not the newspaper.” (Anderson 1997, p. 53) Kenneth Richieri, assistant general counsel for the New York Times Corporation, disagreed: “When no agreement exists, can a publisher include freelance pieces in an electronic version? . . . We say that even if we’ve never talked about microfilm, we can put articles on microfilm. The same rule applies to CD-ROM, Lexis-Nexis and other media.” (ibid.) In the summer of 1997, U.S. District Court Judge Sonia Sotomayor ruled that the publishers had not violated freelancers’ rights under the federal copyright law (Noack 1997); however, the plaintiffs later won an appeal. As the 1990s ended, this litigation was ongoing. On June 25, 2001, the U.S. Supreme Court ruled in favor of the freelancers (Greenhouse 2001). Regardless of its final outcome, the lawsuit is significant for present purposes because it shows how seemingly innocuous

Figure 3.2
repurposing affected newspapers’ established practices as they moved to the web.

As time went by, the dominance of repurposing began to recede. This happened partly because automation of the whole process freed resources for other types of activities and partly because online newspapers undertook other information practices to contend with companies developing new web-based products, which were either competing with the newspapers’ franchise or could eventually become a new and attractive source of revenue.

Recombining

In addition to repurposing, newspapers also recombined existing content on their online editions and related sites. Here ‘recombining’ refers to information practices that took some content originally generated for the print edition and substantially increased its utility on the web by supplementing it with new content or with similar content from papers of other geographic locations, and/or adding new functionality to the ways in which that content could be accessed, manipulated, and, in general, used.

One type of recombination had to do with the customization of an otherwise generalized product, realizing the vision of “The Daily Me” articulated by researchers at MIT’s Media Lab since the mid 1980s and embodied in their 1993 “FishWrap” prototype. Rather than present the same editorial content to all users, some papers began providing individual users stories about only those things they had previously declared were of interest to them. Customization was not confined to editorial content, but was also used in the delivery of ads. One online paper that took advantage of this commercial side of customization was the New York Times on the Web, charging advertisers a premium if they requested their ads to be delivered to specific groups of users. Although most of the site was accessed free of charge, the Times on the Web required users to complete a registration form before being given access. These data, combined with a record of each registered user’s behavior on the site, were processed in real time with the aid of software developed in house. “This constant tracking allows us to modify campaigns in flight,” stated Peter Lenz, research director for the New York Times Electronic Media Company (Sullivan 1999, p. 44). For example, in a campaign for a telecommunications company, the online paper “delivered ads only to those living in neighborhoods near the teleco’s retail stores in one metropolitan area” (ibid.).
A second form of recombination emphasized the provision of large amounts of content and an array of applications on specific topics, enabled by exploiting the virtually unlimited “news hole” of the online environment and its interactive capabilities. As opposed to the somewhat static and spatially constrained print environment, which gives its readers a “horizontal” overview of the every day’s main occurrences in most important areas of society, these “verticals” provided a seemingly unending stream of information and services focused on a particular matter. One type of vertical that attracted significant attention and activity was the “online city guide,” dubbed “the hottest new real estate in cyberspace” in a 1996 *Columbia Journalism Review* article (Houston 1996). It provided an array of options, including restaurant reviews, searchable event calendars, electronic yellow pages, and interactive maps. The “online city guide” arena became very competitive during the second half of the 1990s, when America Online, Microsoft, and Yahoo launched products in the largest metropolitan markets. This process included acquiring content usually from established information providers and hiring journalists to develop new articles (Flynn 1998). This market became very crowded in some cities; Boston, for instance, had eight different guides by the end of 1997 (Kirsner 1997c).

Another form of recombination had to do with putting together a specific type of content from various newspapers throughout the country and adding services ranging from search capabilities to electronic mail reminders. Like verticals, the focus was on a particular type of information. However, in contrast with verticals, the goal was to add value by providing a network of similar information in many cities and towns. Thus, these networks aimed to extend the reach of online newspapers’ products beyond the traditional local boundaries of their print counterparts. Sometimes these networks tied together various properties of the same newspaper chain; on other occasions, they were the results of alliances and partnerships among firms. In the second case, these alliances and partnerships were often among newspaper companies more accustomed to competing than to cooperating. For instance, when five newspaper chains bought the online service AdOne Classified Network in the spring of 1999, George Irish, president of Hearst, touted such partnerships as “becoming common” and foresaw the day that “every newspaper in the company will participate together in a national site so the strength of the entire market is evident in one location online” (Liebeskind 1999).

Unsurprisingly in view of the economics of the industry, strong embodiments of these networks of sites emerged in the area of classified ads, a
critical franchise that was seen as threatened by new online competitors. Two of the most significant endeavors in this area have been CareerPath.com and Classified Ventures. CareerPath.com, an employment site, was launched in October 1995, when the Boston Globe, the Chicago Tribune, the Los Angeles Times, the New York Times, the San Jose Mercury News, and the Washington Post pulled their help-wanted ads together on a single web site (Webb 1995b). The site grew rapidly; by mid 1996 there were 26 papers posting nearly 150,000 jobs at any time, which were being searched 4.5 million times per month (Liebeskind 1997). Both the number of contributing papers and the additional services offered had expanded vastly less than 2 years later. Classified Ventures was initially a partnership of Times Mirror, the Tribune Corporation, and the Washington Post Corporation concentrating on automobile and real-estate classifieds. This enterprise also grew quickly, and by August 1998 it had more than 150 affiliate papers, reaching 34 of the top 50 markets in the United States (Levins 1998c). This growth was accompanied by a discourse that countered the print-newspaper culture of local autonomy. For instance, when Knight Ridder joined Classified Ventures in early 1998, Bob Ingle, who was in charge of Knight Ridder’s new-media efforts, contrasted local print fortresses with global online armies: “Fortresses are about geography, defending your home base. That’s the old world. The Internet transcends geography. . . . The days of building local fortresses are over. We’re building an online army.” (Stone 1998, p. 32)

Another form of recombination had to do with turning the “morgue” (containing old newspaper articles and used mostly in house) into an archive that could be searched on the web. How far back these collections went and how much users were charged varied from site to site. What did not vary was that “breathing new life” into a morgue became a logical extension of print newspapers as they moved into the online environment (figure 3.3). Publicly available digital libraries proved financially rewarding for at least some of the online newspapers that developed them. For instance, in January 1998 USA Today began charging for use of its online archives because they were the “single most requested product” on its site (“USA Today archives,” Editor & Publisher, January 17, 1998, p. 28). Knight Ridder moved even more aggressively in this direction, developing NewsLibrary, a new product aimed at generating revenue from building a network of archives. NewsLibrary offered users access to the old stories of dozens of newspapers and had, for instance, 25,000 article downloads during the 1997 Christmas season (Neuwirth 1998a).
Recreating

In addition to repurposing and recombining, online newspapers engaged in an array of practices I call ‘recreating’, which basically consisted of providing their users with content developed primarily, if not exclusively, for their sites. Although the focus was on generating something new, I use the prefix ‘re’ to emphasize the fact that these practices drew partly from symbolic, behavioral, and material repertoires already
existing in media and computing circles—for example, writing genres, video editing procedures, and animation techniques. Although recreating constituted a minority of the information practices undertaken by online newspapers, it is worth noting that these practices experienced a steady increase. No data on this increase were available, but Editor & Publisher's new-media columnist put it this way: “Online-exclusive content being produced by online news sites is growing handily.” (Outing 1999a)

Among the manifestations of recreation practices were the updates that some newspapers regularly included on their sites during the day. That is, in addition to the more repurposed-like form of updates, e.g., by featuring a “live” raw wire feed, a web-enhanced wire, or wire copy edited by online staffers, some online papers provided reports during the day originally produced by either their own personnel, reporters at the print newsroom, or both. Because of their more direct relevance to users, most such updates tended to concentrate on either business or local news, and, in some cases, on local business news. For instance, every working day at 4:30 P.M. the Chicago Tribune’s print business desk produced a “first edition” of the next day’s business news for the paper’s site. Owen Youngman, the Tribune's director of interactive media, was quoted as follows: “The late afternoon is a peak time for Internet use, [so] we now provide serious information searchers compelling content in advance of its print publication.” (“Tomorrow’s news now,” Editor & Publisher, September 13, 1997, p. 34)

Another embodiment of recreation practices were the “specials.” They usually consisted of an in-depth look at a phenomenon or matter of particular attractiveness, from a major sports event to a salient health-care issue. They also permitted newspapers to experiment more intensely with media, and their technologies, that they did not use very often, like audio, video, and computer animation. One highly acclaimed special was the web version of the Philadelphia Inquirer’s “Blackhawk Down,” a series of articles on the 1993 battle between U.S. soldiers andSomalian rebels in Mogadishu (figure 3.4). The series was published in the paper in 30 installments starting on November 16, 1997. In addition to that version, Knight Ridder, the Inquirer’s parent company, produced a one-hour documentary aired on the Public Broadcasting System, a book, and a 30-part hypermedia package featured on Phillynews.com, the joint web site of the Inquirer and the Philadelphia Daily News. The making of this project took more than a year and included the participation of personnel from several Knight Ridder units. The online version featured text, photographs, video, audio, original graphics, animated maps, twenty question-and-
answer sessions with the main writer, a forum, and its own search engine. According to Gary Farrugia, Knight Ridder Video’s editorial director, the site was “a new kind of creature [that demonstrated] the amazing potential for online journalism to combine the dramatic narrative capability of TV, film, and radio with the depth and breadth of factual content afforded by print” (Levins 1997c, p. 23). This version proved very popular with users and industry peers. Shortly after its launch, it was getting 28,000 page views per day. A few months later, it received the 1997 EPpy Award for Best Special Section in a Newspaper Online Service (“Web interest high,” Editor & Publisher, February 7, 1998, p. 6; Levins 1998a).

In view of their technical sophistication, the production of specials usually confronted online newsrooms with challenges not heard of in their print counterparts: the challenges presented by users’ technical heterogeneity. Users connected to the web at different speeds, from diverse...
platforms, and by employing various browsers, as well as with different degrees of technical expertise and even wider interests in becoming more proficient. All these factors affected their online experience. This was well known among online newspaper personnel, who confronted the issue when they undertook an initiative involving sophisticated technical, design, and/or media elements. To Steve Yelvington, editor of Minneapolis StarTribune.com, this was “tantalizing and frustrating”; “We have some applications developed in Shockwave on our server and we don’t use them anymore. They don’t work with Internet Explorer 4. There are a lot of exciting and cool things out there, and we’d love to have them. But if they don’t work with a reasonably sized subset of our audience, we’re not going to use them. The big picture is that this technology is rapidly evolving and content that you author in 1996 may or may not work in a 1998 browser. Most troubling.” (Featherly 1998, p. 22)

A third form of recreation consisted of producing original content on a regular basis by personnel at either the print, online, or both newsrooms. Unlike the specials, with their one-time nature, this type of recreation consisted of a steady stream of content. Because of the need to generate a constant flow of new information, and the limited resources usually available, this type of product tended to be less sophisticated than the specials in terms of its use of audio, video, and/or interactive computing capabilities. One particularly aggressive site in this area was washingtonpost.com, especially in its coverage of political news, supplementing the paper’s content with original columns, briefs, newsletters, and so on. This in turn gave the site a level of institutional access enjoyed by few online news operations. According to Mark Stencel, the site’s politics editor, “to get our Capitol Hill press credentials . . . we had to prove to the standing committee [granting them] that we were doing significant original reporting.” (Outing 1999a)

Another manifestation of recreation practices was user-authored content. Although users contribute content to print newspapers in letters to the editor, op-eds, and so on, this has remained a relatively small source of information and one that has been filtered by editors at the print newsroom. On the other hand, online newspapers have seen a growth in quantity and diversity of user-authored content from forums and chat rooms to ranking and reviews to self-publishing. This marked a significant departure from the videotex experience of the early 1980s. Perhaps the most innovative expression of this type of content during the period covered in this chapter was “community publishing.” This consisted of an online newspaper giving space and tools to its users so that
they could build their own publications within the paper’s site. In comparison with non-news sites such as Geocities and Tripod, online newspapers’ community publishing efforts had “been slow to take hold—mostly because many publishers still resist the notion that they should be in the business of letting people other than themselves ‘pub-

lish’ news” (Outing 1998b). One of the first initiatives of this nature was by New Jersey’s Bergen Record, which in partnership with software vendor Koz launched a program that allowed community organizations to create their own online publication within the paper’s site. According to Glenn Ritt, the Record’s vice-president of news and information, this type of project meant “recognizing that you are a communications company providing an [information] infrastructure”—an infrastructure in which the content is owned by their creators. “We don’t want to be the ‘publisher,’” said Ritt, “we want to be the ‘host.’” (Outing 1998a)

Dealing with Uncertainty

If one examines the result from the weaving of repurposing, recombining, and recreating practices, one sees something remarkably different from the print artifact that has populated the American media landscape for almost three centuries. First, a largely generalized product has turned into one that can easily be customized to every consumer’s preferences. Although it is still early to assess the consequences of customization in news and advertisement content, it is undeniable that online papers have deepened a process of unbundling a unitary media artifact that began with the growth of print papers’ sections a few decades ago. Second, an entity in which content and form have been partly predicated upon the spatial limitations of newsprint has turned into one of “verticals” with unlimited newshole. The wealth of editorial, advertising, and database information available in, for instance, a well-developed real-estate section of an online paper, ranging from hundreds of news stories about the market as well as particular neighborhoods, to multimedia ads, to detailed records of anything from past transactions to school test scores, is a clear indication of the difference with what is feasible in a print paper. Third, an artifact that distribution costs have usually confined to a place has become simultaneously both micro-local and global. It can feature content such as high school basketball scores that interests only a handful of users while, at the same time, being accessible to migrants located around the globe who want to learn the news of their hometown.

Fourth, an object that often lasts only 24 hours has been made to extend its duration by having past editions as readily available as the latest
one, *de facto* turning into a permanently available digital library. Fifth, an artifact produced in mostly fixed cycles has been made more complex by featuring constant updates. This has challenged the division that has marked the news business for the past several decades of television, which informs when breaking news occur, and print, which explains the next day what they mean. Sixth, a product in which information could be communicated only through text and still images has now become multimedia, triggering the possibility of major transformations in the storytelling conventions of news reporting. Seventh, an information architecture dominated by one-to-many linear flows has exploded to include various forms of user-authored content. This has the potential of turning consumers into co-producers and altering the role of journalists as the single source of information available in the paper. Overall, a static entity has given way to one that has added to this quality a vast array of dynamic potentials. (See table 3.1.)

A common and salient feature across the whole range of information practices enacted by online newspapers in the second half of the 1990s is the uncertainty they faced about almost all the elements that constituted their enterprise, from what to produce to how to do it, and from who should do it to how to evaluate the performance of products and processes. Thus, a reporter covering a seminar on “The Print Newspaper: Its Future and Its Role” held by the American Press Institute in December 1996 began her article by stating that “the only things certain and unchanging facing the newspaper industry in the future are uncertainty and change” (Gersh Hernandez 1996, p. 9). The illustration reproduced

### Table 3.1
Transformations from print to online newspapers.

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<td>place-bound</td>
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<tr>
<td>• limited duration</td>
<td>• unlimited duration (archives)</td>
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<td>media bound</td>
<td>media unbound (multimedia)</td>
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<td>loci-bound</td>
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here as figure 3.5 (which appeared on the cover of the April 1999 issue of the trade publication *Mediainfo.com* with the legend “Do newspapers have a future on the Net?”) expresses the centrality of uncertainty during this period. Molina (1997b, p. 224) also concluded that uncertainty was a key issue in his analysis of the state of the industry: “Uncertainty is the name of the game at this stage. There is uncertainty about profitability

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**Figure 3.5**

from multimedia ventures, about what will happen to revenues from the print product.”

Profitability was a particularly sensitive issue for online newspapers. A proliferation of revenue strategies, coupled with a lack of profits in the vast majority of the cases, heightened the uncertainty about the worth of any alternative. A December 1997 Editor & Publisher article listed seven revenue streams pursued by online newspapers until then: display advertising, sponsorships, classified ads and directories, Internet access, subscriptions, transactions, and pay-per-story archives (Kirsner 1997b). Despite this proliferation of income channels, the end product was an abundance of losses. For instance, approximately 90 percent of U.S. online newspapers lost money in 1996 (Levins 1997b). Two years later, at PaineWebber’s annual media conference, top executives from most newspaper chains reported significant losses from their online operations, and even expected them to increase in the following year: Knight Ridder estimated losing $23 million in 1998, the Tribune Corporation $35 million, the New York Times Company between $10 million and $15 million, and Times Mirror $20 million (Neuwirth 1998b, p. 12). An article in Editor & Publisher summarized the collective mood with regard to financial matters: “Web publishers are betting there’s gold in them thar hills. The problem is, nobody knows where, how to mine it, or even for certain if it’s there.” (Garneau 1996, p. 2i)

However, uncertainty regarding financial matters did not slow down investment. For instance, at the end of 1999, the New York Times Company announced that it expected the losses of its web operations to grow between 100 percent and 200 percent in 2000 as a result of increased marketing and development expenses, and the president of the Washington Post Company told attendees at the last PaineWebber’s media conference of the decade that, despite past losses, the company planned to spend $100 million on online ventures because “this isn’t the time for neatness in Internet models” (Moses 1999a,b).

To make sense of the combination of repurposing, recombining, and recreating practices in such an uncertain context, I resort to the notion of hedging. Drawing on recent developments in economic sociology, I argue that actors’ information practices constituted a form of hedging that emerged as a multidimensional response to uncertainty in a volatile operating environment. This image of hedging comes not from any actor’s individual and omniscient reasoning, but from the aggregate actions undertaken by the industry as a whole.
Hedging was a form of taking compensatory measures to spread risks in a volatile technical and economic context. Howard Witt, the Chicago Tribune’s associate managing editor for interactive news, put it this way: “We’re deploying across a lot of different fronts . . . because we’re not sure which ones we’re going to have to fight on.” (Kirsner 1997a, p. 29) Because undertaking such a wide range of information practices is highly difficult for a single collective actor, online newspapers engaged in a variety of collaborative enterprises. I have shown above that several recombination and recreation initiatives were pursued by networks of collective actors composed of either newspapers from different companies, or newspapers and firms “originally” in nonmedia businesses, or newspapers and consumers, as in the case of community publishing and other forms of user authorship. This is congenial with recent studies that have suggested that “the business environment has changed in such a manner that it now rewards many of the key strengths of network forms of organization: fast access to information, flexibility, and responsiveness to changing tastes” (Powell 1990, p. 325).

Among other implications, these multi-directional strategies created an ambiguous image of the unit of production, the character of the industry, and even the identities of producers and consumers. Was a particular newspaper, CareerPath.com, or their partnership the production agent of that newspaper’s online help-wanted classifieds? Were online newspapers seen as news, broadcast, telecommunication, directory, computing, or retail businesses? Were community organizations producers or consumers in the Bergen Record and Koz’s joint self-publishing initiative? To Stark (2001, p. 78), network forms of organization “make assets of ambiguity.” This is partly because, in volatile economic environments, ambiguity enables actors to move from adaptation to adaptability as a guiding operating principle. Grabher (2000, p. 6) put it this way: “Whereas the notion of adaptation implies a retrospective view, reflecting the history of responses to changing environments, adaptability looks at the future, indicating the capabilities of coping with unforeseen challenges. In fact, adaptation and adaptability are complementary concepts. Successful adaptation in the past, a perfect ‘fit’ with the environment, might undermine adaptability.”

One illustration of this shift from adaptation to adaptability can be seen in staffing practices. Whereas in a relatively stable industry such as print newspapers, hiring is heavily dependent on skills and experience, in the nascent online news organizations, recruiting has been more premised on flexibility and learning capabilities. This has been so because in a volatile environment, specific functional competencies run
the risk of becoming rapidly dated, and the more ingrained they are, the more they can hinder the development of alternative information practices. Mary Kay Blake, Director of Recruiting and Placement for Gannett Corporation’s newspaper division, was quoted as saying “We’re hiring more on potential and brainpower and far less on functional skills.” (Stepp 1996) Owen Youngman, Director of Interactive Media for the Chicago Tribune, was quoted as follows: “Flexibility is really key. . . . We can’t promise that what I hired you for is what I need you for 4 weeks from now.” (Stone 1999, p. 31) Scott Woelfel, CNN Interactive’s vice-president and editor, said that his company was looking for people willing to “learn along with all of us and sort of create the map as we go along”—not “people who are filling a mold,” but “people who are sculptors of the news” (Zollman 1998, p. 21).

After more than a decade of exploring, online newspapers began establishing settlements, which led them to start hedging. This form of hedging is consistent with newspapers’ culture of innovation characterized in the previous chapter. American dailies usually ran behind the development of the web, following the lead of early entrants such as Netscape and Yahoo, even though they had been experimenting with online environments before these companies were formed. However, newspapers did not stand still. In other words, they were often not first movers, but they were not immobile either. When they moved, they tended to do so in ways that either reproduced the print product, such as in cases of repurposing, or protected various elements of their print franchise from the market for classified ads to that for news. This accounts partly for the comparatively slower and less experimental paths pursued by newspapers in relation to competitors without strong ties to established media. For instance, webzines such as Feed were more imaginative when it came to new forms of journalism, user-authorship sites such as Geocities exploited people’s desire for self-expression to a greater extent, and electronic commerce sites such as Monster.com were more aggressive in the online classified arena. However, reacting defensively and pragmatically sometimes led to outcomes that contradicted deeply held beliefs about the distinctiveness of print journalism. For instance, featuring constant updates ran against the notion of “news analysis” that print held as its advantage over broadcast for the second half of the twentieth century. In addition, enabling user-authored content conflicted with the long enforced separation between the spheres of consumption and production. More generally, the picture that emerges from comparing a typical print paper with its online counterpart at the end of the
The 1990s is one of major transformations. That discontinuous paths may spring up from a culture of continuity is the subject of this chapter’s concluding section.

**The Past Survives in the Future**

What effects have past endeavors had on web-related initiatives? Some have argued that the fate of the larger videotex projects in the first half of the 1980s turned newspaper firms more cautious when it came to undertaking projects on the web. For instance, to Pavlik (1998, p. 168) “a number of these companies . . . lost considerable sums,” and “as a result, most are taking a somewhat less risky approach this time around, investing smaller amounts in more limited trials.” Although reasonable at first sight, this interpretation does not help to explain why, for instance, Knight Ridder, the largest financial loser in the videotex game and certainly the most visible one inside and outside the industry, has remained one of the most aggressive players, first in online services and then on the web.

The particular perspective on the industry’s culture of innovation I have developed in the previous chapter problematizes this interpretation more generally by challenging its main assumption: that, as Miles and Thomas (1997, p. 255) put it, “videotex is the exemplary failure to realize expected consumer markets for [information technology].” Although this may have been so in other industries, especially those built primarily around videotex, the situation appears to be more complex in the case of newspapers. Here, it is my contention that videotex was both a failure and a success for the actors, albeit in paradoxical ways. Its immediate commercial failure was indeed a success, for it signaled that there was no “clear and present danger” to the core print business. However, this success had an element of failure, for it reduced the incentive to explore untapped territories that were then left open to new entrants, some of which became important competitors later on. This mix of success and failure loses its seemingly contradictory character in light of newspapers’ culture of innovation: failures online usually meant that print was in good health—at least in the short run—but this, in turn, limited actors’ ability to pursue more offensive and longer-term strategies with higher risks but potentially higher returns.

From the perspective presented above, two effects that past efforts had on the evolution of online newspapers were that a sizable portion of the industry seemed already decided that nonprint alternatives were worth exploring and that these efforts had acquainted them with basic features
of the web, such as interactivity. All of which contributed to prepare a somewhat fertile ground for the industry’s appropriation of the web. Although counterfactuals are always difficult to assess, it seems that without these past developments, the unfolding of web-related enterprises would have proceeded at a much slower pace than it did.

More generally, American dailies’ nonprint publishing initiatives during the 1980s and the 1990s illustrate how established media deal with new technical developments that both open new horizons and challenge their ways of doing things. My account shows that actors have attempted to create a “new” entity preserving the “old” one. That is, they have tried to transform a delivery vehicle that has remained unaltered for centuries, and whose permanence has anchored a complex ecology of information symbols, artifacts, and practices, while simultaneously aiming to leave the core of what they do, and are, untouched. In 1995, Arthur Sulzberger Jr., publisher of the New York Times, expressed this quandary during a conversation with Esther Dyson at Harvard University’s Nieman Foundation new-media conference: “Our job [at the Times] is to take the brand we have today and to translate it for this new medium. . . . We know it’s going to have to be different than what it is today. . . . Some of the parts will be shockingly familiar to all of us. Twenty and twenty-five years from now, other parts none of us can even imagine. Do I really think we need to change what it is we are? On the contrary, I think the only thing we know for sure is that we can’t afford to change what we are.” (“The new economics of journalism,” Nieman Reports 49, 1995, no. 2: 38–48)

How could something simultaneously be and not be? Sulzberger’s statement is so telling precisely because what appears to be a logical contradiction is rather a transparent expression of how emerging media unfold—and the usually hybrid outcomes that result from such an evolutionary process. “Early uses of technological innovations,” Marvin (1988, p. 235) wrote, “are essentially conservative because their capacity to create social disequilibrium is intuitively recognized amidst declarations of progress and enthusiasm for the new. People often imagine that, like Michelangelo chipping away at the block of marble, new technologies will make the world more nearly what it was meant to be all along. . . . This is also how historical actors secure in the perception of continuity are eternally persuaded to embrace the most radical transformations. The past really does survive in the future.”

How have American dailies appropriated nonprint alternatives? They have tried to change by remaining the same. More precisely, actors in the newspaper industry have been persuaded to undertake significant
transformations in their pursuit of permanence. Even though innovation has been carried on reactively, defensively, and pragmatically, it has nonetheless triggered a tremendous change. Imagining a future that would be an improved, but not radically different, version of the present, newspapers have pursued innovation efforts moving them along paths divergent from those initially foreseen. Paraphrasing Marvin, one might say that perception of sameness has led to substantive difference. Hence, discontinuous events have arisen from sources of continuity. One outcome of this has been that, paraphrasing Sulzberger, contemporary online papers have been able to simultaneously be and not be: they have been able to either repurpose existing products and processes, or recombine them, or recreate them, or do everything at once.

The accounts presented in this and the previous chapter have begun to address how American dailies have approached consumer-oriented alternatives to print publishing. But, despite its value in illuminating longitudinal patterns, this approach is less suited to capture the concrete practices that mix the established repertoire of print with the novel horizons available in a digital distributed information environment. To examine some of these practices, in the next three chapters I will present in-depth case studies of initiatives by online newsrooms aimed at creating content on a regular basis and taking advantage of some of the web’s distinctive potentials. Though not representative of the average situation of online newsrooms during the second half of the 1990s, these initiatives provide an adequate vantage point to look at these practices because they exhibit with great intensity some of the key processes involved in how established media appropriate new technologies from the starting point of their existing sociomaterial infrastructures.