Newspaper Association of America
attn. Mr John Iobst, VP Technology Applications
4401 Wilson Blvd, Suite 900
Arlington, VA 22203
United States of America

Redmond, July 17th, 2009

Request for Information "Monetizing Digital Content"

Dear Sirs,

Thank you for inviting us to provide information on our solutions and technologies for monetizing digital content, as per your Request for Information. While we do not provide end-to-end turnkey solutions for specific industries, we have a rich portfolio of products, services, and technologies the NAA and its member organizations might find useful for building next-generation digital content monetization platforms. In this response, we would like to share with you some of our thinking regarding the future of media, and provide you with an initial overview of the capabilities we can provide with our portfolio. We have structured our response based on the guidelines you provided in the RFI and we will be happy to consult with you and/or provide more detailed information on each of the below topics as needed.

Awareness and Understanding of Requirements

Microsoft understands that with digital and online media being widely adopted, and with audience behaviors and expectations changing, publishers need to adapt their business models and their production and distribution platforms to stay competitive in this new world of media. At Microsoft, we have a strong vision for the future of software, and we believe the future of (digital) media will be closely interrelated with the future of software, as digital media experiences are delivered through software.

Below please find a visualization of some of the key concepts for the "future of publishing" as we see it, and some more details on those with a direct impact on monetization:

- Digital media experiences are delivered through a combination of content, (on-device) software, and (cloud) services which help users to discover and share content.
- Editorial and "user-generated" content will co-exist and ideally be combined into a content experience that combines the strengths of both. While the "ratio" and relative importance of editorial and "user-generated" will be different across the content categories, even "purely editorial" will be rated and recommended by users.
- Content will be made available in "editorial packages" (like a TV channel or a newspaper today), and in parts (like an RSS feed or individual articles being available for download).
- Sales (of packages or parts), subscriptions, and advertising will remain the key monetization models.

- Advertising will evolve to be contextual, targeted, and sometimes be woven into a social experience.

Vision

We have developed a vision for a Next-Generation Newspaper which revolves around the concepts of

- contextual awareness,
- interactivity and user participation,
- personalization,
- anywhere access,
- cross-platform/cross-device access,
- semantic search and navigation,
- pay-for-content and
- advertising-based monetization.

The Next-Generation Newspaper is the user's information hub, aggregating content from different sources and matching it to the user's profile, preferences, and context (situation). It is accessible from any device, both online and offline, and helps the user to navigate the content universe through search, links, and recommendations. Content and audiences are monetized through pay-for-content and advertising. This vision is mapped onto a stack of products, services, and technologies which are available from Microsoft today and can be used to implement this vision. An overview of these products is provided below.
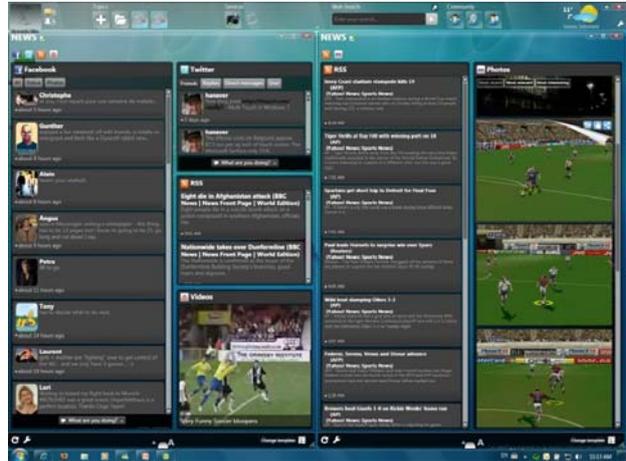
Products, Services, and Technologies

Some of the Microsoft products, services, and technologies relevant for implementing the various capabilities required for a Next-Generation Newspaper are:

Editorial Collaboration and Digital Content Management

- **Microsoft SharePoint Server** for supporting editorial collaboration, for accepting and retrieving content from participating media companies.
- **Microsoft BizTalk Server** for orchestrating content processing processes.
- **Microsoft SQL Server** for storing content and metadata.
- **FAST Search for Internet Business** for indexing, searching and linking content elements.
- **FAST Recommendations** for matching content to user profiles and behaviors.
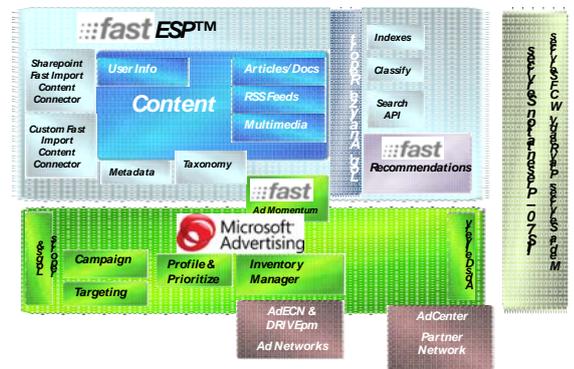
Distribution and Digital Content Experiences

- **Microsoft Internet Information Server** (IIS) for presenting the content to the user.
- **Windows Presentation Foundation, SCE Reader** and **Silverlight** for creating compelling content experiences on Windows and across platforms.
- **Microsoft PlayReady** for protecting content from unauthorized use.
- **Windows Live** Services for enhancing the user experience through communications and content sharing services.

Distribution and Digital Content Experiences

- **Windows Live** User Identity Management for handling user registration and managing user IDs.
- **Microsoft Advertising** solutions for booking and serving advertising.
- **Microsoft Commerce Server** for content e-commerce including transactions and communications with banks.

- **Microsoft Dynamics CRM** for managing customer relationships and supporting and tracking customer interactions.

Contact

This overview was prepared by

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from our Media & Entertainment Industry Management team. This team consists of subject matter experts who have a background in the publishing, broadcasting, and advertising industries; their charter is to set the overall vision and strategy for our media and entertainment solutions portfolio, to work with our product groups and partners in implementing these solutions, and to develop and share best practices across our lighthouse projects in the media and entertainment industry. More details on Microsoft solutions for the media and entertainment industry can be found at http://www.microsoft.com/resources/mediaandentertainment/default.mspx.

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for any questions or for arranging for more detailed conversations on the individual technologies.

Company Profile

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. More information on Microsoft is available at http://www.microsoft.com/about/default.mspx.

Product Descriptions / Capabilities

For more information on the individual products, services and technologies, we have included a list of links at the end of this document. All these products, services and technologies are available today.

Current Client List

Current clients include many major newspaper and media organizations worldwide. Case studies on Microsoft projects in the media and entertainment industry are available at http://www.microsoft.com/casestudies.

We hope this overview is useful for your initial information. We look forward to working with the NAA and its member organizations and will be happy to provide more details on the individual products, services and technologies upon request.

Sincerely,

Kirsten J. Roach   Rainer A. Kellerhals
Account Manager   Global Media & Entertainment Solutions Lead
Communications Sector   Communications Sector
Microsoft Corporation   Microsoft Corporation

For more information on our solutions for media companies, please visit www.microsoft.com/resources/mediaandentertainment.

For more information on the products, services and technologies mentioned above, please visit the following sites
Microsoft SharePoint Server   http://office.microsoft.com/en-us/sharepointserver/HA101656531033.aspx
Microsoft BizTalk Server   http://www.microsoft.com/biztalk/en/us/overview.aspx
Microsoft SQL Server   http://www.microsoft.com/sqlserver/2008/en/us/default.aspx
FAST Search for Internet Business   http://www.microsoft.com/enterprisesearch/en/us/internet-business.aspx
FAST AdMomentum   http://www.microsoft.com/enterprisesearch/en/us/Fast.aspx#none
Microsoft Advertising   http://advertising.microsoft.com/home/home
Microsoft Commerce Server   http://www.microsoft.com/commerceserver/en/us/default.aspx
Microsoft Dynamics CRM   http://www.microsoft.com/dynamics/crm/default.mspx
Microsoft Windows Server including
Internet Information Server (IIS)   http://www.microsoft.com/windowsserver2008/en/us/default.aspx
Windows Presentation Foundation   http://msdn.microsoft.com/en-us/library/ms754130.aspx
Syndicated Client Experiences and SCE Reader   http://windowsclient.net/wpf/starter-kits/sce.aspx and
                                                         http://windowsclient.net/wpf/starter-kits/sce/sce-get-more-details.aspx
Microsoft Silverlight   http://www.microsoft.com/silverlight/
Microsoft PlayReady   http://www.microsoft.com/playready/
Windows Live   http://home.live.com/allservices.aspx