



THE BUSINESS OF TECHNOLOGY

## **VMIX Powers Paper's Videos**

***Video startup brings reader videos to the web site of The San Diego Union-Tribune.***

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**By Alexandra Berzon**

Video startup VMIX is helping so-called old media get a piece of the action in the user-generated video movement.

The company on Monday said it was providing technology that allows readers of *The San Diego Union-Tribune* to post their videos to the newspaper's web site. The site recently began allowing users to upload videos of such local happenings as Little League games, school board meetings, and road accidents.

The move comes as national newspapers are set to unveil web site experiments in user-generated video, promising new advertising revenue and benefits to back-end video startups.

For struggling newspapers, there's a lot at stake. A Borrell Associates report estimated that local online video will surpass \$5 billion in advertising in five years.

"I think there's a big future for locally oriented private label content of this sort," said Chris Jennewein, director of Internet operations for *The Union-Tribune*.

The San Diego newspaper's SignOnSanDiego.com will feature reader-generated video in a new hyper-local offshoot site focused on a southern portion of San Diego County. Readers will be able to automatically upload video of local people or events. After the initial test, the newspaper plans to expand user video features to sites about other local communities, Mr. Jennewein said.

### **National Wave**

VMIX CEO Greg Kostello said the startup, funded by Mission Ventures and Enterprise Partners, doesn't want to miss the user-generated newspaper video wave. That's been led nationally by *The New York Times*, which recently began encouraging its web site users to upload wedding videos. *The Washington Post* and *USA Today* also both plan to roll out reader-submitted video features on their sites by year's end.

In January, VMIX licensed software tools to The Tribune Company, publisher of *The Los Angeles Times* and the *Chicago Tribune*. Mr. Kostello is hoping to announce deals to provide its user-generated video platform to three more newspaper chains in the next few months, he said.

"I think we're lucky to be catching a trend that's happening very rapidly," said Mr. Kostello.

With newspapers facing gloomy forecasts, the outlook for video on the web sites of newspaper is a relative bright spot. The Borrell Associates report pointed out that newspapers have already earned \$81 million in 2006 from streaming-video advertising.

### **Going Outside**

So far, most of that money has been generated by video created by journalists or other professionals. But user-generated video can become a low-cost way of tapping into that potential advertising market, said Borrell Associates analyst Colby Atwood.

But convincing papers to open themselves up to reader video isn't always easy, said Mr. Atwood. "The newspaper tradition goes back a long way, where editors have control over a product that appears in the paper. So to delegate that to people who don't even work for a paper can be a frightening position," Mr. Atwood said. "Newspapers are proceeding carefully because they need to protect their brand."

*USA Today* Executive Editor Kinsey Wilson said he expects to feature user-generated video sparingly—to connect more personally with readers around a story about baseball's opening day, for example, or to add a particular experience or nuance to a big event that's occurred somewhere. The Austin-based, Reuters-funded startup Pluck will provide the tools.

"It's a way of binding people more closely to the site," said Mr. Wilson. "Media has gone from being a closed, gated destination to a much more porous institution. Content moves in and out."