Technological and social innovation in digital media: *Quartz News* case-study

David Anguí-Sánchez [CV] [ORCID] [GS] Investigador. Facultad de Ciencias de la Información. Universidad Complutense de Madrid (España). dangui@ucm.es

Francisco Cabezuelo-Lorenzo [CV] [ORCID] [GS] Docente e investigador. Facultad de Ciencias de la Información. Universidad Complutense de Madrid (España). fcabezuelo@ucm.es

Joaquín Sotelo-González [CV] [ORCID] [GS]. Docente e investigador. Facultad de Ciencias de la Información. Universidad Complutense de Madrid (España). joaquin.sotelo@ccinf.ucm.es

Abstract

**Introduction and context.** Technological changes and new business models are generating new formats and media and all around the world. **Methodology.** The in-depth case-study method is applied to the North American digital media Quartz News, which becomes the object of study. The research focuses on the analysis of four main variables: the web design, the use of the mobile application, the newsletters, the sponsored content and the analogical promotion strategy, complementary to the digital one. **Analysis and results.** The Quartz News website becomes a paradigmatic case of breakthrough design worldwide. Both, the app, which is committed to personalized conversational journalism, and subscription newsletters, are confirmed as an excellent tool for user-loyalty and a guaranteed traffic for more visits. The branded content becomes the star of its digital advertising strategy. They all are the pillars of the new business model. The offline strategy surrounding digital communication reinforces the identity of the medium. **Conclusions.** Quartz is one of the most successful digital media, despite its creation in the middle of the economic crisis. It is an example of good digital *praxis* in a context of unstoppable disruptive transformation.

**Keywords**


**Contents**

1. Introduction and context. 1.1.-Technological challenges and new business models. 2.- Methods. 2.1.- Subject of study. 2.2. Thesis and research questions. 2.3.- Research axels. 3.- Analysis: the case of Quartz. 3.1.- Quartz News website, as an example of breaking design. 3.2.- Quartz app or the commitment to personalized conversational journalism. 3.3.- Quartz newsletters as a strategy for user

1. Introduction and context

Digital transformation has changed the dynamics and scope of journalism. Technology informs the functioning of newsrooms in media outlets and even determines news consumption habits. New media and formats emerge continually (virtual reality, drones, podcast and messaging services) as well as sustainability solutions (readers and users communities) and financial viability of digital journalistic adventures (journalistic entrepreneurship) in a new relationship context between the media provider and the reader who has become an internet user with his computer, mobile phone and / or tablet. Faced with social and technological changes, the media have readjusted their work methods, adapting them to the new scenario. Emerging professionals have learned new techniques for different digital platforms and through trial and error have put into practice innovative approaches to seduce a new audience that is not satisfied with a traditional simple journalistic text but prefers a wide multimedia display to complement it.


To the extent that the media has anticipated the new emerging ecosystem, it has also taken advantage of the resources of a framework yet to be explored. The media has also made the most of what to date
is an unprecedented challenge in the "new" predominantly digital journalistic sector. Traditional media efforts are no longer focused on daily production of the printed version with continuously reduced circulation and sales but on the web section. This is where the vast majority of information contents are enriched with all kinds of technologies, developments and audio-visual presentations. Sports journalism is an example of leadership in innovation (Manfredi-Sánchez, Rojas-Torrijos, Herranz-del-la-Casa, 2015: 69). The printed version has been relegated to a more analytical aspect. This crisis has also opened a range of possibilities for digital media that come forth in response to the need to combat the weaknesses of traditional media and its slow digital transformation. The specialization in certain fields where there is a niche market, constant work and strategic innovation have been the main allies for new media trying to break into the journalistic scene (Angú-Sánchez, 2018: 5).

Digital revolution is bringing huge challenges to the media sector and solutions are needed. The main problem is that "the impact of digitalization on the media has been especially fast and intense when compared with other sectors. It is surprising that in a society where information is a priority, it is precisely the media sector with information as its essence that experiences most difficulties to find a viable and sustainable business model over time" (Cerezo, 2017).

Hypertextual, interactive and multimedia activity are required for digital journalism or multimedia to abide. These three characteristics are incorporated by Deuze (2003) in his model of digital journalism. Traditional journalism includes guiding and instrumental roles. Digital journalism allows for focusing on public connectivity.

Further developments propose an improved model that, at its core, reflects the emerged new digital culture. A culture that demands a symbiotic relationship between media content producers and their audiences going beyond bidirectional conversation in a new ecosystem that enhances participatory culture and interactive experience (Angú-Sánchez, 2018:13). This expansive model incorporates both aspects of journalism, content and connectivity with a new focus on personal experience and it gives rise to a new dimension where readers feel immersed in the news and participate in its production.

Journalism has been affected by a convergence of issues that operate in its midst resulting in its transformation parallel to the emergence of new technologies that allow for information transmission in new digital media.

1.1.- Technological challenges and new business models

News production changes constantly and now tends to provide the audience with new opportunities to experience the information transmitted, to feel part of it and participate in it. On the other hand, content producers deal with the difficult task of upgrading their skills and adapting their news’ transmission to emerging technologies (Manfredi-Sánchez & Artero-Muñoz, 2014: 161). How can all this be combined while creating a sustainable and profitable business model for media companies without losing accuracy and journalistic quality? That is the challenge that new media faces while they gradually find their way into alternative self-funding methods.

Osterwalder and Pigneur (2011) state that a business model "describes the bases of how an organization creates, provides and captures value" according to nine parameters: market segment, value proposition, channels, customer relationships, income sources, key resources or assets needed to operate, key activities, key associations and cost structure.

The choice of the business model in the press sector "depends on the market organization, internal capabilities and degree of digitization. Therefore, not all formulas are valid for any header […]. Business models affect production to a great extent, how it is produced, distributed and who the end user is. Models’ innovation, diversification and hybridization are the three main characteristics that should be present in any business strategy" (Cerezo, 2017).

The current journalistic ecosystem business model is based on the Anglo-Saxon trend called "Digital First" (digital comes first). Media companies must work to take full advantage of multiple opportunities offered by the digital sector and capitalize on them. Many media outlets made "the big mistake of offering free information for years without taking into account the cost in people, hours of work, investment, facilities and distribution that comes with publishing news" (Edo, 2017).

Currently, the media scene has three problems, according to Marshall (2017). There are "too many digital publications" and there are "too many monopolies on platforms" which "have catalysed together to create a third problem: investors have realized that they were investing in an illusion and do not want to invest any more" (Marshall, 2017)

2. Methods
2.1. Subject of study

This research focuses on the Quartz News case analysis as a model of success in the new digital context. The American media outlet specialises in economics, business, technology and lifestyles. An analysis will be carried out on what is behind the brand, how work is carried and its strategy to help the public understand business through journalistic and graphic quality as well as following a business strategy geared towards economic viability. Quartz News (https://qz.com/) is a native digital media considered as "the guide for the new global economy for people excited by change". It belongs to the multimedia communications group Atlantic Media, founded in 1857 under the name of The Atlantic Monthly by Ralph Waldo Emerson and Henry Wadsworth among others and established as an editorial group since the National Journal Group acquired it in 1999.

The media outlet has received several international awards such as “Best App” and “Best B2B sales team” awarded in 2016 by The Drum, benchmark in the information field specialized in media and
communication among the English speaking world. Quartz News was also awarded with “Excellence in online journalism” in 2016, awarded by the Online News Association and rewarding excellence in digital journalism throughout the world.

2.2. Thesis and research questions

Quartz News can be considered a media success model within contemporary digital press. In order to prove this point, the research will firstly explain what the main characteristics are when considering the development of digital media as well as the new strategies to attract audiences and financing ways that can be of benefit to create a viable business model. Secondly, this piece of research will explain the birth of Quartz News within its parent company and the progress made in its brief history. It will continue with a detail analysis of its premises, characteristics as a media outlet and the bases of its current business model. Five basic pillars of its positioning strategy will be discussed: website, mobile application, newsletters, Branded Content commitment and offline actions.

Thus, the following research questions arise. Is Quartz News really an innovative media organization? What differentiates Quartz News from the rest of the media? How is its viability and economic sustainability possible in the framework of a crisis within the sector? This research aims at shedding light on whether Quartz News is a medium born in the digital context that has taken advantage of this setting to prosper and grow in the media ecosystem or whether it drags traditional press approaches and applies them to its business model.

2.3. Research axels

The research engages in (a) the study of the Quartz News website as an example of a ground breaking design, (b) the study of the app as a commitment to customized personalized conversational journalism, (c) the newsletters as a strategy to attain readers´ loyalty, (d) Quartz News option for branded content and finally, (e) the study of offline strategy and everything that surrounds a digital medium from an analogical perspective. The aforementioned variables´ analysis was carried out in the first semester of 2018.

3. Analysis: the case of Quartz

Quartz News (https://qz.com/) is a digitally native news outlet considered as "the guide for the new global economy for people excited by change”. It belongs to the multimedia communications group Atlantic Media, founded in 1857 under the name of The Atlantic Monthly by Ralph Waldo Emerson and Henry Wadsworth among others and established as an editorial group since the National Journal Group acquired it in 1999. The Atlantic Media parent owns brands such as The Atlantic, literary and cultural magazine; Government Executive Media Group (the group division dedicated to the public sector, including brands such as Government Executive, NextGov, Defense One and Route Fifty); National Journal and CityLab.com.

Quartz News was launched on the 24th of September 2012. It defines itself on its website as "leader in web design adapted to mobile in the formats of personalized advertisements, newsletters by email, applications, social video, data visualization, format-independent digital journalism and international readers”. The name was chosen because “it embodies the essential character of the new brand: global, disruptive and digital. Quartz -referring to the mineral- is found throughout the world and plays an
important role in tectonic activity. The word Quartz is written by two of the rarest letters of the English alphabet -Q and Z-, a contraction easy to remember for readers (Quartz, 2016).

The Quartz founding team was made up of 12 people initially, including some experienced journalists from large headers (Quartz, 2012). Its main office is in New York, although they have correspondents and journalists in London, Paris, Indonesia, Los Angeles and Washington. His coverage of this new economy "is organized around core obsessions: topics and questions of seismic importance to business professionals" according to his own website.

In June 2014 they released their Indian edition Quartz India (https://qz.com/india/) and a year later in May 2015 the African edition Quartz Africa (https://qz.com/ Africa/). They completed their editorial products in addition to the web as the core of content strategy (https://qz.com/); Quartz at Work (https://work.qz.com/), a guide to lead, build and walk in the modern workplace and Quartzy (https://quartzy.qz.com/), a guide to good living in the new digital economy.

In its eagerness to use technology and integrate it into information products, Quartz News also created the following products: Quartz Bot Studio (https://bots.qz.com/) to experiment with the creation of bots in order to improve journalistic narrative; Quartz Index (https://qz.com/index/) which highlights statistics that show how global economy is changing and Atlas (https://www.theatlas.com/), a platform to create and share graphics and data linked to the storytelling technique (Bajak, 2015).

In June 2015 the podcast 'Actuality' was launched in collaboration with the radio program Marketplace through regular broadcast three times a month with the aim of "exploring the functioning of the new global economy." Quartz News has an official and free application compatible with Android and iOS devices. It was first released in February 2016 for iOS and was subsequently developed for Android (Popomaronis, 2016; Zachary, 2016).

According to data provided by Quartz News, their web has about 22 million monthly visits and five million read their reports from applications such as Apple News, Flipboard and Google Newstand. Their Twitter and Facebook video publications have been seen by 85 million people while 680,000 people receive their newsletter by email and 745,000 subscribers receive their notifications throughout the day (Kafka, 2018).

3.1.- Quartz News website, as an example of ground-breaking design

Quartz News began operating in September 2012. Several versions of their web page were released following the aforementioned date. However, it was not until web version 3.0 was released on the 24th of August 2014 that a homepage was first displayed (Zachary, 2014). Already in 2004 their idea of homepage was very different from that of many digital media of the time (Zachary, 2016). When accessing Quartz News, the user sees the Brief section composed of a news summary that does not pretend to be "a sea of headlines" but rather an "update" of the popular newsletter called Daily Brief at the heart of Quartz News business strategy. The newsletter provides “main and most relevant global news on your inbox each morning” according to its website.

On the 8th of December 2015 they introduced a new modification on the homepage. It was done after their third anniversary intending to "reflect the breadth of our coverage and the many formats that Quartz News employs (three years later): news, videos, email, graphics, obsessions, events, podcasts, social networks and messages. It also highlights the bold and user-friendly design that is expected of
us”. In a digital ecosystem, the user accesses a web page from many platforms. Each platform must be considered as a different big data based publicity system targeting each user type (Boedegaad Hansen, 2017).

Quartz News always presents a design adapted to every particular device. In addition, several sections are provided to organize contents according to hierarchy and priorities while speeding up the user’s visit according to their specific needs and seeking the best possible accessibility and efficiency in all instances. The sections are the following: (1) Home, (2) Ideas, (3) Latest, (4) Popular, (5) Obsessions, (6) Our Picks, (7) Search. The news outlet flees from the media most usual traditional thematic sections.

Figure 3.- Quartz News home page comparison. On the left, seen in August 2014; on the right, in December 2015. Source: The author based on Quartz News.

All journalistic work that is published in Quartz News vary in form and size. Short publications linked to other valuable contents distributed elsewhere on their website are combined. Visual work aimed at contributing to a more attractive journalistic narrative for the reader and longform or longer articles that advocate for quality contents and a complete understanding of the object of information (See the example of Figure 4, corresponding to 03/23/2018).

Mosaic structured news format is left behind opting for strong visual impact. Visual focus is placed on a main story by displaying the headline on larger font size than the rest of the text that goes with it. Below the main story, four relevant articles are displayed close together with the aim of maintaining the reader’s attention on that content that is of possible interest to him. This formula succeeds in retaining the user and delivers an interactive navigation experience with visual components designed to catch the reader’s attention without being intrusive.
Figure 4.- Complete capture of Quartz News’ home page. Source: The author based on Quartz News.
3.2. Quartz app or the commitment to personalized conversational journalism

Quartz announced the launch of its official application for mobile devices on the 11th of February 2016, first for iOS and then for Android. Their release statement stated the following: "imagine what our journalism would be if it lived natively on your iPhone”. The media app interface is based on what has been called conversational journalism.

Thanks to internet bots - computer assistants that performs repetitive tasks - and to artificial intelligence, the user interacts with the application establishing a conversation as if it were instant messaging and different information alternatives are offered based on their answers.

The application enriches its informative content with other information sources that lead to traditional media, photographs, GIFs, emoticons and links for the user to react indicating whether he is interested in exploring the matter further. The sessions only lasts a few minutes. The concept that the user does not have much time is established and the conclusion reached is that once the app is started, all that is expected is a light brief with the most outstanding information.

![In-app development of Quartz News iOS app](http://www.revistalatinacs.org/074paper/1405/88en.html)

Figure 5.- In-app development of Quartz News iOS app.
Source: The author based on Quartz News.
Similarly, some messages reach both the mobile and to the smartwatch in the form of *push-up* notifications. Sliding to the left will take the user directly to the piece of news. Should the user has a smartwatch with notifications activated, an emoticon will be display next to the time and date on the home screen bringing feeling and friendliness into communication. The contemporary language of emoticons is used in notifications.

Given it is a *bot*, it might seem that the whole system is automated but in truth, it works with journalists’ texts. As the user interacts with the app, artificial intelligence works to offer a more personalized experience based on news read or rejected.

![Image](http://www.revistalatinacs.org/074paper/1405/88en.html)

Figure 6.- In-app publicity integration within the editorial experience. Source: Quartz News.

A year before its launch in 2016, the prototyping and design phase of the application began. As they explain on their website, "we were never interested in recreating our website as a native app". They preferred to seek new approaches within a technological world that offer many opportunities to explore and exploit. The formulation /conception of the Quartz News app was strongly influenced by Product Manager Jonathan Libov’s “Future of text” investigation and by two applications called Lark and Lifeline, based on the user’s interaction with *bots* in the form of conversation. They follow the path of instant messaging and conversation with virtual assistants. In 2014, the media outlet had launched its first experimental *app* called Flags which, on the same bases allowed customizing the mobile phone or tablet’s keyboard to easily type the flags of the world with emoticons.

As for the advertising section, MINI Car Company gave its support to Quartz News in the form of sponsor for the *app*’s launch. Quartz news conceives advertising as something that must be perfectly integrated into the design in an elegant and unobstructed manner in parallel to the editorial experience. The user can interact with integrated advertisements as they would interact with any other content in the application.

### 3.3. Quartz newsletters as a strategy for user loyalty

The *newsletter* understood as "a somewhat informative digital publication distributed periodically by email" (Núñez, 2014) is another tool in Quartz News’ contents and audience loyalty strategy. Content matters to the reader as it has been their decision to receive the newsletter in their personal email address.
instead of accessing the website. It means that subscribers are informed of the latest news, it does not require a large economic investment, is an optimal channel for audience loyalty and one of the largest sources of web traffic. In addition, newsletters offer more possibilities for conversion than a publication in social networks, they can be segmented and therefore personalized (Núñez, 2014).

Quartz News holds five personalized newsletters based on the different publishing products they offer. Some are daily and others weekly. A total of 680,000 people subscribe to the Quartz News newsletters.

3.3.4. Quartz News commitment to branded content as digital advertising

Another pillar in the strategy is branded content understood as "the content produced by a brand aimed at raising interest, entertaining and stimulating the person who consumes it with the intention of generating a link between that person and the brand, in that order" (Casas-Alatriste y Darriba, 2014: 9). This technique defines "Brands’ tendency to transmit values, share experiences and generate conversations through media as diverse as audio-visual, music or publishing" (Casas-Alatriste and Darriba, 2014: 12).

Figure 7.- Example of branded content for Lexus developed by Quartz News. Source: Quartz News.
At Quartz News, conventional advertising is in the background. Based on their experience, they believe that executives, as their main target audience, are open to publicity consumption as long as it provides them with added value (Delany, 2017). 84% of their audience are open to brand content provided it is high quality and clearly labelled following strategies linked to branded content (Willens, 2017). Once they have accessed the publicity, 74% of executives confirm that they found the advertisement interesting, informative and valuable. According to the business news organization, executives are more likely to engage with an article-based content from a brand than with a display or a video advertising format produced by a brand.

Both the definition itself and the data obtained support Quartz News commitment to branded content as a method of obtaining part of its revenues. Zazie Lucke, media executive at Quartz, estimates that "the most important thing when you get the attention of the world’s smartest, busiest people (referring to executives) is to listen to what they need and want from an advertiser and their message" (Quartz, 2018). It is important to offer them added value to listen to their business needs and respond with solutions, data and information that can help them in their day-to-day work as professionals" (Quartz, 2017). It is a matter of understanding both the advertiser and his needs and the needs of the target audience in order to connect them with each other. "Advertisers did not usually carry out this type of communication and editors have worked for a long time so there is a lot of benefit for brands telling their own story but also partnering with editors like Quartz to be able to tell that story in a way that really 'affects' the reader "(2017).

At Quartz News there is a team specialized in narratives´ creation with integrated branded content. In this way, when an advertiser is interested in carrying out a campaign, the design, development and branded content teams work hand in hand to create the best proposal that combines and connects both the needs of the advertiser and those of its target audience. Once the content is created, they analyse and study how users interact with their editorial product. It should be noted that during the production process the teams coordinate with the advertiser’s marketing managers who verify the development step by step, as in the case of a Lexus vehicle launch (figure 7).

In these cases, creating a non-conventional advertising interactive visualization to accompany the written text, is considered to be the best option. The visualization explains the relationship between the most influential products and a current topic or a topic of interest to the public. To build these relationships, patents, development process, market making and cultural impact associated with each product are analysed. The mission in these cases is to communicate how these aspects of each product influence others by representing them with a union node.

3.3.5. The offline strategy around digital communication.

Quartz News incorporates in its business model a section related to e-commerce and events development surrounding the brand in a clear exercise that seeks to promote the company’s branding. On the 6th of September 2017 and with the occasion of its imminent fifth anniversary, Quartz News reported in a press release that it had published a physical book entitled The Objects that Power the Global Economy. The book showed ten objects that had changed communication patterns, commerce, leisure or electronic payment. All stories were developed and written by staff from Quartz News global editorial. The stories were accompanied by an original photograph, illustrations by prestigious cartoonists, digital economy leaders’ testimonials (including Bill Gates, Microsoft founder) and data

and Interactives visualizations. The book was put on sale in both physical and digital format in the online store (https://store.qz.com/) developed in collaboration with Qualcomm Technology Company.

The organization and implementation of events has also set the standards for Quartz News. The events generate the company two types of income through tickets sales and sponsorship. The most prominent event was *The Next Billion*, a forum that was active in cities such as London, New Delhi, New York, Seattle and San Francisco. It was "a metaphor on the Internet’s future" which stated that "the exponential growth of connectivity in emerging markets and the growth of next level technology in mature markets" were key to the new scenarios of digital communication. For its celebration, they counted on the contributions from leaders and experts in the industry who discussed the expansion of the connected world and its impact for each type of industry. They touched on topics such as innovation, online education, the rise of digital currencies and hyper connected global infrastructures. They were sponsored by Facebook as a *media partner* and the event was *streamed* to the rest of the world. The goal was to position the Quartz News brand as a "go-to" for all business professionals and to ensure that the event was perceived as a natural extension of their website.

![Figure 8.- Cover (left) and interior of the book titled: *The Objects that Power The Global Economy* (right) Source: Quartz News.](http://www.revistalatinacs.org/074paper/1405/88en.html)

### 4. Conclusions

The research concludes that Quartz News can be taken as a contemporary paradigm of innovative and successful digital media within the current news scene, due to multiple practices that set it apart from usual conventional media practices. This media outlet has taken advantage of the opportunities that the digital ecosystem offers in order to build a stable business model and establish itself as paradigm within its market niche. It has also been established as a benchmarks in journalistic innovation for the rest of the world's media. As a general conclusion, we claim that the irruption of the internet has revolutionized the media landscape and most media business have been forced to reinvent themselves in search of a new business model. The crisis of lack of trust in the media and the scarce time that users dedicate to reading has lead producers to develop new and creative approaches that make journalistic content attractive. The line to follow to provide the media with a sustainable future seems to be the combination of a quality, interactive and visual journalism with new advertising formats tailored to brands.
As specific conclusions, it is worth recalling that Quartz News has created a paradigm business model for the rest of the media by taking advantage of technology applied to journalism. The business news organization has studied its target and respective demands in depth resulting in the offer of a product adapted to their needs in time and streamline format and in constant evolution. Quality, innovative adapted design and the staging of complementary publishing products that enrich journalistic contents are this provider’s key principles. The media outlet listens to its advertisers and works to create a journalistic product that is endorsed by trademarks and provides value-added content for both audiences and companies working with them. The analysis described backed by distinctions achieved, confirms Quartz News as one of the most successful digital media despite its creation at a time of economic crisis. Undoubtedly, an example of good practice within the world of a journalism immersed in a constant revolution towards the most disruptive transformation of recent times.

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