

## **17<sup>th</sup> Annual International Symposium on Online Journalism**

**Day 1, April 15, 2016: Morning Session – 8:45-9:30 a.m.**

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**Keynote Speaker: Kinsey Wilson**, Editor for Innovation and Strategy & Executive Vice President, Product and Technology, **The New York Times**.

**Chair: Lorraine Branham**, Dean of S.I. Newhouse School of Public Communications, **Syracuse University**.

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**Kinsey Wilson:** Good morning, Austin. I certainly don't know if I can live up to Jennifer Preston's rock-star billing, but...[no audio]. I thought I would lead off [with], I was in China last week. And I'll see if I can get the slides to work here. [No audio.] [I] was over there to talk to the staff of our...[no audio]. I was over in China, as I was saying, and I was there to meet with the staff of our Chinese...[no audio]...like many western websites, is blocked in China. And [I was there] to meet with investors, to meet with some of the venture companies that have been started, to meet with the Foreign Ministry and others. And it also happened to be, as Jay mentioned, the occasion of the release of – the same week in which the Panama Papers were released. It was...[no audio]...immediately to the Chinese government, but particularly on Wednesday when news publications began reporting on some of the relatives of Chinese leaders that were named in the Panama [Papers]. [No audio.] ...government because they had positioned themselves as being anti-corruption. And not surprisingly, the news of the Panama Papers was blocked in China as you might expect it to be.

But more sort of startlingly, I guess, was that it was almost completely eliminated from social media and search by Wednesday. You couldn't find a reference to even the word 'Panama' in social media and search. And that [told] me that the technological innovations of the last 20 years, which have in part enabled the release of such a massive trove of documents which have allowed journalists across the globe to collaborate in mining these documents and reporting on them over the course of a year and to do so largely in secrecy, that technology has also enabled a determined nation state to essentially obliterate awareness for much of its population of those very same documents. And in some ways, it is a sort of striking example of the sort of dichotomous situation we find ourselves in 20 years into the advent of the internet and this sort of huge technological revolution—that on the one hand we are seeing tremendous innovation, tremendous new advances, opportunities in media that we hadn't seen before, and at the same time, a certain amount of dislocation, certainly a tremendous disruption [and] economic uncertainty. And we're living with these side by side, have been for the last 20 years, and I think are seeing it at a rate that is, if anything, only accelerating in the last few years.

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Examples of this are around us every day. The advent of Facebook Live, which has the potential to transform our viewing habits and maybe, possibly the definition of entertainment. [This was] on Facebook Live. The excitement that has surrounded sort of the transformation of traditional radio and the rise in podcasting. Joaquin Alvarado, who is here for the conference, you know, has [done] investigative journalism with radio storytelling in new ways. And we see examples across the media landscape of people experimenting with new forms. We see it in, as Rosental mentioned, the rise of VR in the last year, with everybody from Google and Facebook getting heavily involved, to many substantial media players beginning to experiment with small startups, like Verse, getting into it in a big way. And we're just at the beginning point of this as a sort of new canvas emerges for journalists to give expression to their work.

On the flipside, there's no shortage of headlines that sort of catalog the dislocation and disruption that we're experiencing at the same time. I'm sorry, I'll go one more. The news that the Boston Globe has basically concluded that it's seeing irreversible revenue declines and is having to once again sort of recalibrate its strategy. The questions surrounding NPR's long-term viability in the face of some of the new innovations in podcasting and digital on-demand radio listening. It's not confined to legacy media organizations with the layoffs and the changes that we're seeing at Mashable and at Yahoo and at other established digital publications. With questions arising as to whether the enormous freedom that we have achieved in recent years to be able to publish so easily has actually contributed to a glut of mediocre information that has created sort of a sic noise problem and made it difficult for the most important journalism to break through.

Questions around whether the internet itself is threatened and we're moving from a wide open browser-based environment to one that is once again more closed, more restricted, perhaps more resembles a cable channel environment that we've been accustomed to. And finally, most recently, questions around the financial viability of even some of the most successful startups that are on the horizon. So all of this, I think, in thinking through this catalog.... And this is not a.... This is just a recent sample of some of the headlines that have been out there, not a comprehensive rundown of sort of all of the changes. I was reminded of an observation that Clay Shirky made back in 2009 when he was reflecting on the state of the newspaper at that time. And he recalled sort of the period of the 1500's, 200 years or so after the invention of the printing press, and said "There's a segment of history that we've forgotten about through which there was an enormous amount of uncertainty and change." And he made the observation essentially that the old stuff gets broken faster than the new stuff gets put in place. And to some extent, I think that still describes the moment we find ourselves in now. If that's suitable maxim for the era, I might add to that that the new stuff gets broken too.

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I emailed Clay. Clay obviously is hopefully well known to most of those in the audience. And author, professor at NYU. He's actually in Shanghai at the moment. NYU has an extension there. And he's studying and writing for a couple of years there [and] teaching. I emailed him and said, "So, what's you take on the things that are working? What's working? What's not working so well?" And this was his informal list, not definitive. But he gave me permission to quote from our email exchange. Among the things he said are working in a limited fashion are paywalls—the ability to get people to pay for content online: most notably at The Journal and The New York Times, where each of us has somewhere between three-quarters of a million and 1.2-million subscribers. It falls off very quickly from there, and so this is hardly a universal solution that's working. Not-for-profits in some cases: The Texas Tribune notably, here in Austin, ProPublica, others. But again, not universally. Many of the not-for-profit news startups have struggled in their local markets. Some for-profit niche sites. He cited The Shade Room in particular, which was at one point a one-woman blog, but now has sort of emerged into a more robust entertainment site for the African-American community. Network journalism: obviously, the Panama Papers, but plenty of other examples.

On the flipside of that, the things that Clay cited as not working so well: Advertising; particularly, in supportive media. We'll talk about this at some greater length. And I know there are other segments of the conference that will deal with this directly. Some not-for-profits that are not succeeding so well. He noted Syria Deeply. Brand-name journalism. I don't know that this is a fail, but he raised questions as to whether the ability of a single, prominent individual to basically build an enterprise around themselves is faltering in this space. And we have the examples of Grantland and to a lesser extent 538 there. And finally, scale: Yahoo, Huff Po. To a lesser extent Vice and Vox have scale. "But is it sufficient," he said, "really, to be able to survive in this environment?"

So, in thinking about these, as we're grappling with this individually as media organizations, there are a couple of broad themes that I would pull out that certainly we at The Times and I'm sure many, many others are focused on and are things that are changing literally by the day. The top ones in my mind are these. I'll list four that I'll touch on. And I'll explain a little bit about how The Times is trying to engage with these.

**News consumption in the mobile era.** Certainly, the rise of mobile is hardly a new story at this point, but I do think that news organizations have been slow to grasp the extraordinary change that it has brought about in people's news consumption habits. There's a tendency to look at this as yet another screen, yet another form factor that has come along, and to simply deliver the bundle of news that we produce on a daily or an hourly or minute-by-minute basis to that platform. And in fact, I think what's so different about mobile is that it is relentlessly persistent. When combined with social, we have information coming at us as well as having a source of

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information or pockets that we can seek out. It is highly attuned to the rhythms of our day, and thus, our expectations of what we want at any given moment are enormously variable depending on what time of day it is [and] where we are in our daily routines.

Jeff Jarvis and I were having a conversation last night. He thinks about it in terms of the almost minute-by-minute use cases that apply to news consumption when news is available to you literally around the clock. In one moment a 140-word tweet -- 140-character tweet maybe sufficient. At other times, we're seeing an appetite for people to read long-form on mobile devices. We're not very good at understanding how to target that even broadly, much less down to the individual level. So there's a huge amount of work to be done there. And those who get it right, I think, will begin to attract audience in a much more profound way than those who are simply continuing to deliver their news report in a more conventional fashion.

**Advertising.** This is one of the topics that will be addressed at much greater length in the conference here. We're at a moment of huge transition in advertising. Essentially, the decline of the banner business that has both supported and vexed media companies for the last 20 years. The rise of so-called branded content is becoming a much more fundamental part of the advertising landscape. We're on the cusp of a huge transition in video as traditional 30-second and 60-second spots move off of broadcast and cable television and begin to attach to over the top and digital. You're seeing, as a result, a lot of media companies as they did when they thought they could chase those 30-second CPMs in digital really cascade into digital in a big way.

So it has created an enormous amount of at least momentary instability. And those companies that anticipated this switch, anticipated the decline of the importance of the homepage and the huge takeovers that were an important source of financial support for websites, and began moving into branded content studios and so forth will weather this and get through it, but it is a very disruptive moment.

**The rise of the importance of the platforms.** Again, something that will be treated. Vivian will talk about this at greater length in the portion that follows this. But the importance of their dominant position in the distribution of news at the moment really can't be understated. And every news organization that is trying to figure out how to reach audience is daily grappling with how to engage the different platforms. And there are enormous differences between them. It's very hard to generalize.

You take Apple News on the one hand and it is essentially a walled garden aggregating news from a wide variety of sources. The other end of the spectrum, Google Amp, is effectively, even though the content is being hosted on their servers, not trying to serve as a walled garden, but trying to preserve in some measure the open browser-based internet on the mobile

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phone. Very different business considerations in each case, and it remains a moving target.

The conversations that we have with these companies are evolving by the day, and there is no settled territory here. It is potentially a huge threat to media companies if they are reduced to being merely content providers in this environment and not really having a relationship with audience. A lot of questions around that.

And finally, **the rise of visual journalism**. And I call it specifically *visual journalism* because while there's a lot of focus on video right now, I think we're at the very beginning of a moment when we will be able to combine text and pictures and full-motion video in creative ways that give quick, succinct, deep expression to the stories that we're trying to tell in ways that were not possible before.

I mean, The Times has been at the forefront of this, but I would say that even our most ambitious efforts in visual journalism are still to some extent bespoke efforts that are attached to our best enterprise or some of our investigative stories or some of the things that we have really put effort into in a big way and not part of the routine journalistic flow. We're getting to a point now where the tools are getting light enough, where the forms are familiar enough and to some extent can be templated in a way that, I think, you'll begin to see visual journalism playing a much, much bigger role.

I would not be surprised if The Times, which among all publications is probably very, very text heavy, historically, if perhaps 50% of its journalism in the next couple of years has some sort of visual journalism attached to it in a routine way. And by that, I mean, more than just pictures attached to a piece of text.

So, how have we grappled with this? I mean, one of the things, I think, that is true about the environment we're operating in, is it's very hard to make generalizations. I mean, if these are the right themes, if these are the things that we're preoccupied with and trying to struggle with, every organization has to take a different view of this and depending on what their strengths and weaknesses are, what their relative scale is.

At The Times, we put together a kind of manifesto of sorts last September, in which we laid out the challenge of trying to sustain our core journalistic mission and create one of the most successful digital news businesses, and at the same time, said, "In order to do that, if we're going to succeed in this environment, we need to double our digital revenue by the year 2020." Essentially, giving ourselves about four-and-a-half years.

That chart, by the way, that doubling would be a repeat of what we did in the previous five years. We went from roughly 200-million to 400-million. Most of that, the blue area there, was a result of our having opened up -- having

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turned on the paywall and having attracted a substantial subscription business. You'll note that the advertising portion of that—the yellow portion of that—increased only marginally in that five-year period. So almost all of the lift that we saw in the last five years was a result of being able to attract subscription revenue. So there is no easy lever this next time that we're able to pull to simply open up a brand-new source of revenue. It will take a lot of creativity, a lot of work, to be able to do that.

How realistic is it? Ken Doctor has noted that this amounts to a 12.5 or so annual compound rate of growth. Not unachievable in terms of what we've done in the past, but obviously still ambitious. And this is premised on certain assumptions around a rate of decline in what is still a relatively robust print publication by newspaper standards in this country.

So, how do we accomplish that? We start with three fundamental things that are at the foundation of what The Times is able to do. One is we have a newsroom that is undiminished in manpower, that has the same number of reporters in it as it did in the year 2000. There are probably very, very few news organizations in this country and beyond that can claim to have sustained their news gathering force through that period of time. And it's part of what allows The Times to stand out head and shoulders above many others as a dominant, premier news source in this country and arguably globally. This being one measure of that, but there are social media measures. There are all kinds of different measures of how often The Times is cited by others are referenced as a sort of definitive source of news.

A second pillar is that business model that we've developed, which here, this is just one contrast with startup media, but is as robust as any business model in digital journalism at this point.

And then thirdly, we are fortunate enough to have a newspaper that on some occasions.... This being last September, the Sunday paper. I think it was a record that we had not hit for eight years. [We] delivered a paper of about 5.5 pounds. The New York Times, fortunately, is—as the finance people tell me, I can't use the word profitable—is contribution margin positive seven days a week [laughter] across 27 print sites. It is, in other words, throwing off valuable revenue that allows us to invest in digital as we go and we make this transition.

How have we applied this? How have we built on this? We have developed a strategic focus of five or six key things—journalism obviously being at the core. Making sure that we can sustain the level of quality that allows us to stand out and that, frankly, has allowed us to develop a very successful subscription model that otherwise would be difficult in this environment.

The people who subscribe are the people who come to The Times most frequently. 90% of that 400-million in digital revenue is generated by 12% of the audience. So a million verging on a million-two digital subscribers. They

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turn a lot of pages. And so the vast preponderance of the advertising revenue, in addition, comes through that relatively small group of individuals. And so in order to grow that base, essentially, we need to double the number of engaged readers, which are regular readers as we sometimes call them, those people who come at least four times a month in order to drive subscription. Because we have a process now, where we're fairly confident that if we can get them to engage, we can get them to subscribe. That means The Times needs to be not just a source of news but an actual daily habit. Something that people feel compelled to turn to in their daily lives, day-in and day-out.

We have declared that we are a subscription business first that also distributes a certain amount of its content for free. By doing so, we're able to reach into a global audience of about 90-million uniques. But it is in the service of creating a subscription business that drives the revenue that allows us to keep the newsroom robust.

We are a destination. This is probably a bold statement in the current environment of distributed media and Google and Facebook and Snapchat and so forth. And we are actively engaged with all of those and believe that it's important to be able to distribute our journalism on those platforms. But we also believe that we must be a dedicated destination for those most engaged readers in order to garner subscription and in order to be able to maintain the kind of economic model that we have.

And finally, we do all of that through a relentless focus on the reader first and foremost, not on our own internal imperatives. As this plays out, you'll see the evidence of this as we pursue this strategy in a couple of different ways. Obviously, a strong focus on mobile, on trying to understand, as I was describing before, what those moments are throughout the course of the day and how we serve people very directly around that.

You see it in the way that we give expression to our mobile home screen. I'm particularly proud of the way things came together around the events of the Paris attacks last fall. This was the product of probably a year's worth of work on the part of the newsroom and on the part of the product people to be able to give quick, robust, rich, high-impact expression of a fast-moving event in a highly constrained mobile environment. And I think we're doing as good a job as anybody at the moment of being able to actually give some full expression to our journalism in this environment. And this, I think, is critical. I mean, these screens are incredibly small. They lend themselves to a kind of repetitive presentation that doesn't give you much sense of hierarchy or weight or importance or texture. And we're working really hard to sort of allow that to come through in this constrained environment.

We've pursued a series of services that billed off of some of the journalism that we're producing. In this case, we had a database of 17,000 recipes that were sitting fallow in an archive someplace, untagged, not very useful to

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anybody. And we've created a site that basically says -- addresses the question of, what do I cook tonight? It's a different proposition of you go on Google and you search for the term *recipes* or *cooking*. You don't get nearly the same results as, what do I eat? Or, what do I cook tonight? So we're trying to orient it towards just addressing people's immediate daily needs.

We will launch a site later this year. We already have a newsletter out around what to watch. That addresses the question of not only how you sort through the incredible variety of television shows, in particular, and movies as well that are available today, but where you watch them. With many people having 2, 3, 4, half-a-dozen over-the-top services, different subscription levels and different windowing practices, you can spend a half-an-hour just figuring out whether it's available on Netflix or it's available on HBO Now or whatever.

So these are discreet services that we're incorporating into our core news feed and making a daily part of The Times routine. We've seen a lot of success here. We just passed the 200,000 threshold on subscribers to our crossword puzzles. That's more subscribers than most newspapers have. Each of these elements contribute to that element of making The Times a daily part of your life.

We need scale in order to achieve the kind of growth that we're describing. And we announced yesterday that we're putting \$50-million into international expansion, a piece of which is a site in Spanish that we launched probably about two months ago now. We're able to experiment inexpensively, in a relatively lightweight way compared to what it took for domestic U.S. media companies to expand internationally in the past.

We've developed a tool called Reader Scope that allows us to optimize audience acquisition on Facebook and to do it at a very low price and to find out [and] really understand what sort of audience opportunity we have overseas. How deep that is. Whether or not people are inclined to subscribe and so forth. So [we are] able to experiment in much more nimble ways that we could in the past. And we're getting into—like everybody else—areas like podcasting into live events, into all kinds of brand extensions.

We've also gotten much smarter about the way we expose people to our content. The Times publishes 300 stories a day. The most devoted Times reader couldn't possibly make their way through the corpus. Rather than simply erecting a paywall after you've looked at ten articles in the course of a month, we're trying to be much more creative about how we explain and expose the depth and breadth of that content to folks and give them an opportunity to experience it more deeply before we bring the paywall down.

And finally, you saw probably an announcement from our Executive Editor Dean Baquet a couple of months back that we are undertaking a really comprehensive roundup examination of how we organize and staff our

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newsroom. Really asking the question, if we were building it today, what would it look like? How would we staff it? What would the workflow be? We have already moved substantially to move our print operations, which were deeply rooted around the individual desks, downstream so that they are handled by a more centralized desk and treated as a downstream part of what is increasingly a digital output.

Whether these things will succeed in their totality or not, I can't tell you today. What I can tell you is that practically every day we're having conversations internally around each of those broad themes. They are changing by the moment. The sort of understanding of the importance of visual journalism beyond video is something that we really only started talking about, in terms of understanding the volume and velocity of that change, I think, is something we only started talking about in the last couple of months.

Obviously, the advertising changes with things that have accelerated just in the last 8-10 weeks in ways that were not anticipated. And so we constantly have to be on our toes to strategy changes, but important that it's rooted in some key fundamentals. And I think that's the key to anybody finding their way through this space, is being able to see far enough out and have some confidence about the things that are core to whatever you're doing and drive on that.

So I will end there. And I guess we're going to open it up to questions. And Lorraine.... [applause] Yeah, thank you.

### **Q&A Session:**

**Lorraine Branham:** I think they're going to let us sit down.

**Kinsey Wilson:** All right.

**Lorraine Branham:** You know, while we're waiting here, I have a question for you. And I just want to push back a little bit about this idea of paywalls working, which was one of the things that you suggested are working. And I've been hearing that for years. And it seems like every time people talk about paywalls working, it's the same two examples. It's The Wall Street Journal is working, because of course most executives can get their companies to pay for it, and The New York Times is working a little bit, but not enough that they're ready to label it a success. And I don't know of any other paywalls that are really working. So tell me why you think paywalls are working, starting to work? Because I've been hearing that for 15 years.

**Kinsey Wilson:** We consider the pay model at The Times as more than just a little bit of a success. 200-million in digital revenue is not an incidental success. And frankly, the fact that we're saying we are a subscription-first publication emphasizes the importance of that. I mean, advertising remains a

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very important part of what we do, but advertising is also.... I mean, one of the fundamentals about advertising is that the trend is that advertisers can find audience. They don't need media to find audience anymore. And you see in the shift of advertising dollars to the large platforms the fact that they can seek out audience often at lower prices than they are able to by attaching it to media. I think advertisers will continue to gravitate towards media, but I think the paid side of this, the consumer side of this, ultimately will be important.

Why hasn't it been a success for others to date? I think there are a couple of things. I think one is scale. I think the problem of solving.... The problem of local journalism is profoundly vexing in a way. I mean, local journalism is for many, historically, a second read, not a first read. It is enormously variable depending on where you live, where you work, [and] where your kids go to school. The kinds of things that you're interested in at the local level vary enormously across vast communities. And deploying reporters to cover that in a meaningful way becomes a real challenge. And so whether you can attract subscribers of sufficient numbers, to do that, I don't know. I'm not sure how that will play out.

I do think that we have been too singularly focused on trying to sell our content, if you will, in an environment where there is an overabundance of content. And part of the lesson I think we need to draw from the likes of Spotify and Pandora and Evernote and others, is that there has to be a service component to this. It's a very, very steep, uphill battle to simply sell people into the idea of buying one more news story.

Whether you can create something of true utility and value that speaks to them personally in the digital and particularly in the mobile environment, I think, is the question. There may be more opportunity there. But clearly, this has not been fertile territory for many.

**Lorraine Branham:** So the elusive business model is still elusive for many online publications.

**Kinsey Wilson:** True.

**Lorraine Branham:** And legacy publications.

**Kinsey Wilson:** Yeah.

**Lorraine Branham:** And so that leads me to talk a little and there's going to be further discussion about this later in the conference—the whole idea of ads. Because people had thought that, you know, finally we're starting to see some traction online, people were starting to make money online, and now we have ad blocking. And now perhaps that model, which finally seemed to be working, may be in danger.

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**Kinsey Wilson:** Possibly. I mean, I think you have to look at ad blocking in part as a reaction to what happened in the desktop environment, which was that we had an environment where anybody could publish. We had an explosion, if you will, in the amount of available inventory. And the only way the publishers were able to keep pace financially was to place more and more ads on the page. And the way the marketers were able to get through all of that noise was to put a huge payload on these ads that had tracking on it and so forth. And as soon as that started to shift into the mobile environment, it became virtually untenable. I mean, you had a certain amount of ad blocking going on, on the desktop level for some period of time, but it was not really an economic factor to publications. It's really with the shift to mobile where that ad payload, if you will, became unsustainable that you got a sudden surge in the rise of ad blocking. I think you're going to see solutions worked out.

Part of the problem is that individual publishers don't have a lot of leverage against the marketers who want to put these heavy ads on the page. On the other hand, we are seeing, perhaps most notably with Google Amp, efforts at scale to try and deal with the very real user problem of the time it takes for these ads to load. So part of the rationale behind Google Amp is that it's essentially putting some guardrails around the user experience, trying to make sure that the pages load quickly, [and] at the same time, trying to honor the business model the publishers have brought to the table. And I think it's sort of in that form where we'll problem see some kind of balance restored in how advertising and content fight with each other.

**Lorraine Branham:** I have always thought that part of the problem is that people have gotten so accustomed to free. How are you ever going to get people — other than making them look at ads, which they don't want to do? I had this this argument with my husband the other day. He loves ad blocking. He wants all of it for free. He does not want to have to look at any ads. He doesn't want to have to pay for any content. And I know that's the mentality of a lot of my students. They're constantly looking for ways to get content for free. How do we address this?

**Kinsey Wilson:** I think there's some hope in the fact that I think we've almost reached a saturation point, where everybody figured out how to do the 250-word hot take on everybody else's hot take, which was at some point premised on somebody's original reporting somewhere down the line. And it has created sort of an ocean of clutter, if you will, that now creates an opportunity for those who are doing original journalism or those who are able to sort of expertly curate things of real quality that are coming from a wide variety of sources to sort of break through. And I think there will be value identified there. And when, again, combined with the right kind of utility and services, maybe something that people are willing to pay for. I think that's where we, you know.... Do I or anybody else in this room have the silver bullet that's going to say, "We figured out the business model. Don't worry. You can sleep soundly tonight."

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**Lorraine Branham:** I was hoping you had. [laughs]

**Kinsey Wilson:** No, but I think we do have to be very carefully focused on these trends. I think part of the success that The Times has had is a matter of timing. You know, it wasn't by accident that we've been able to maintain the level of news reporting that we have in our newsroom. The Sulzberger's and The New York Times Company have sold off a whole variety of assets in order to keep that newsroom alive and performing at the level it does. And as a result, whether by design or by good fortune, we have arrived at a moment where actually having that level of quality in this sort of very cluttered, very noisy environment is a distinguishing factor, and [it] allows us to command both attention and revenue in a way that we otherwise would not be able to. And I think there's a lesson in that for others in terms of being able to really focus on quality and get that through.

**Lorraine Branham:** Some people seem to think perhaps that branded content and native advertising is the answer to that. I worry that going in that direction means that there's going to be less of an emphasis on hard news and real news. What do you think about that trend?

**Kinsey Wilson:** So I think when we talk about branded content and native advertising, in the early days of this, it was seen—justifiably in many cases—as an effort simply to hoodwink the reader and to get them to click on an advertisement not knowing that that's where they were headed. I think as it has played out, it has actually developed in a much more sophisticated way, and that is that in essence what's driving it is that markets, advertisers have access to the very same storytelling tools that journalists do these days, and they have the capacity to reach audience directly. And again as I said before, they are not dependent on media to get the message to their readers. And they are going to use those very same tools.

When they're used in the context of media, it's critical that we distinguish what's produced by independent journalists from what's produced by G.E. or Samsung or whatever advertiser is employing native advertising. What we've found.... I mean, we have a very successful branded content studio, T-brand studio, that has fueled a lot of the growth that we're seeing in digital advertising revenue at The Times. Our readers have.... There's been virtually no complaint. Our readers understand the distinction. The stuff is clearly labeled.

And there's an interesting study that the consulting group, BCG, did, particularly among millennials. They found that the presence of branded content and the transparency that it creates about the source of the content and the relationship of the advertiser actually lends credibility to the journalism brand rather than taking that down. That's one study, but there's some interesting things in there. I think before we simply dismiss it as a crude trick, we need to understand that this landscape is evolving and

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advertisers and marketers are going to make use of the same tools that journalists do. There's a spectrum of information out there from propaganda to advertising to PR and promotion to traditional journalism. And readers are getting more sophisticated about how to engage with it.

**Lorraine Branham:** Well, I could ask Kinsey a lot of questions, but this is supposed to be a conversation, not just me doing an interview, so we have microphones down here. One on this side. One on the other side. I'd love for some of you to come down and pose your questions to him. I know you're busy tweeting and posting, but [laughs] he is interested in having some questions from the audience, so please come on down [and] ask your questions. You can get in a line, and we'll be sure to get your questions in. So I don't see anybody moving. Ah, there we go.

While we're waiting for that, you talked about one of the other things that you see as a future trend is video and that there may be a video revolution going on. Where do you see The Times, traditionally a text-heavy place? I remember when they first started putting color pictures on the front page. It was not that long ago. And now you're talking about video.

**Kinsey Wilson:** It was controversial at the time. You know, The Times has made a couple of different forays into video. I would say that we are in the process of retooling the video team at the moment. And I think a part of what we've learned.... And this is part of what I'm trying to do as we sort of reboot our podcasting strategy, is to make sure that we truly understand the medium and how it should be used. And we're not simply taking Times journalism and rendering it on video or rendering it on audio. So it means having people in house who are skilled and really experienced at working in the medium and [that] can figure out which stories are best told through video or through more expansive visual journalism or through audio storytelling and making that part of the repertoire.

One of the reasons I think it's important is—and this is something that I saw very powerfully when I was at NPR—was video and audio are linear forms of storytelling. And they result in a level of engagement that text does not. And so they hold audience in a way, and they have a kind of emotional resonance that I think actually, ultimately, ties back to people's willingness to pay. And so we're interested in exploring it from that perspective as well. It has both. Both for its storytelling potential but also how it allows us to relate to audience.

**Lorraine Branham:** OK. We have a question over here.

**Man:** Yeah. So The New York Times is a national trust, maybe an international trust now. I've often thought that it's the one place that could turn the newsroom into a non-profit enterprise supported by a lot of people. \$5-billion would spinoff about \$200-million a year to run the newsroom. That would mean your one-million subscribers putting up \$5,000 each. And so

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you'd have your \$5-billion. I think it actually is at one place—for the New York Times—I think you could find a million people or ten-million people willing to put up \$500, a million people willing to put up \$5,000, and have ownership like the Green Bay Packers kind of model.

**Lorraine Branham:** He's suggesting that The New York Times become a non-profit? [laughs]

**Man:** Just the newsroom. Just the newsroom. And the rest of the profits that are coming in, come back into that non-profit also.

**Kinsey Wilson:** Yeah. Ugh.

**Lorraine Branham:** Better check....

**Kinsey Wilson:** Everything from --

**Man:** Just the newsroom. There's still money.

**Kinsey Wilson:** -- Michael Bloomberg buying us to The Times becoming a not-for-profit have been floated at various times. I guess my observations on this [is] it's that one's above my paygrade. It lies with the Sulzberger family certainly. But I would say this, having last worked at a not-for-profit at NPR, it's a mixed bag. One of the issues of working at a not-for-profit is that there's no margin, and you are constantly operating at a -- you know, you've got to keep your expenses and your revenues carefully calibrated. And if there's any volatility or any miss, you're suddenly under water and you're drawing on your reserves to try and make it through or having to make drastic cuts. There are pros and cons both ways. We're seeing it play out in this environment. Whether or not that's the appropriate model for The Times, I don't know. I would say that the fact that we are profitable and producing, you know, on order of \$250-million a year in profits, which we're able to reinvest into digital, is not a small thing.

**Lorraine Branham:** Thank you for your question. Gentleman over here. We have five minutes. [laughs]

**Man:** I'll be quick. I wanted to ask about some follow-up about some comments on local media and niche media that you made. The Times has always been a very broad product. You know, it's all the news that's fit to print. You've covered a number of subjects here. But some of the other media that you mentioned, like 538 or the Shade Room or The Texas Tribune are all targeted to a narrow niche market of one kind or another, be it geographic or demographic or ideological, whatever it is. Do you think you have an easier time selling such a broad product on the web and have an easier time making money online because of that? Or, do some of these organizations have an easier time because they're trying to appeal to a smaller niche market?

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**Kinsey Wilson:** I think, in general, it's easier to be focused and to go vertical, if you will, and to address a very particular market. I think, you know, it has always been a challenge in digital to be broad and general interest and to be sufficiently deep to compete against somebody who decides to focus on that topic exclusively. I mean, you obviously have the example of Politico, for example, and stealing the march on The Post and to some extent The New York Times when they launched by focusing relentlessly on that. Interestingly, I think mobile, in a way, opens up an opportunity to go a little broader again. And it's partly because people are visiting fewer apps or sites on their mobile phones. And so there's a different kind of appetite there that I think we should be open to.

In the case of The Times, because we've been able to in many cases be both deep and broad, we know that breadth is something that contributes to people's willingness to subscribe. And so for us individually at our scale, it happens to be important, but I think for many publications, going deep is probably the answer.

**Lorraine Branham:** Yes.

**Kinsey Wilson:** Mr. Jarvis.

**Mr. Jarvis:** I love to hear you say the word *service*, and we agree. And I just want to hear you explore for a minute the opportunities you see the more and more The New York Times can know me as an individual and serve me as an individual or a member of a community or a specific market. And point taken abroad, yes, but how can you also be more relevant to me?

**Kinsey Wilson:** I think it's critical that we understand what your particular news needs are at any given moment. I mean, we will have the capacity sometime in 2017 to be able to address our digital readers individually in a much more sophisticated way than we can today. You see evidence of it in, for example, our news app, NYT Now. If you come back within a few hours of having used it previously, we will tell you how many stories have been posted since you last visited. Technologically, very simple. It doesn't require a high amount of personalized information, but it's actually a gesture that says, "Now, we're paying attention to what you're doing. And we're going to make sure that we don't waste your time. That we don't make you sift through things."

So I think, directionally, what we need to do is balance on the one hand the appetite that we know our readers have for what The Times take is on the biggest news stories of the day, what sort of weight we assigned to them, our sense of what's going on in the world broadly, so that that's a shared experience. But then beyond that, understand, you know, are they just getting out of bed in the morning? Are they standing in line at the supermarket? Are they in repose and actually willing to read deep into the

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report? How do we get the right information in front of them at the right moments in ways that don't feel creepy and don't feel intrusive? Respect their privacy, but actually are highly attentive to the way in which they are consuming news and information.

**Lorraine Branham:** Thank you. Thank you, Kinsey. He's going to be around, so if you have other questions for him, you can grab him later. Thank you.

**Kinsey Wilson:** Thank you.

[Applause.]