# Day 1, Panel 2: Emerging Business Models: Traditional media are struggling to adapt their old business models to respond to the devastating effects of disruptive digital technologies, while a new generation of media companies is creating fresh, innovative new models. Will those efforts result in profitable businesses that would finance journalism as it happened during the last century?

**Moderator/Chair:**
**Neal Burns,** Professor, Advertising Department, University of Texas at Austin

**Panelists:**
**Richard Anderson,** President and CEO, Villagesoup.com

**Staci Kramer,** Co-Editor of ContentNext Media/PaidContent.org

**Ken Riddick,** Vice President, Digital Media, Hearst Newspapers

**Michael Smith,** Executive Director, Media Management Center, Northwestern University

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**Neal Burns:** I'll do my best.

**Rosental Calmon Alves:** Okay, next. Rock and roll.

**Neal Burns:** As you've gathered, some of you may have gathered that Professor Alves, in a very uncharacteristic fashion, has suddenly become very compulsive about time. [audience laughter] I think that happens when he wears a tie. Usually he's got much more a generosity about time and lunches and the rest. I think he's going to shut me down now for…

**Rosental Calmon Alves:** No, on the contrary. I adjust the volume for you just a little.

**Neal Burns:** The volume?

**Rosental Calmon Alves:** Yeah.

**Neal Burns:** Okay. How about adjust audio, if you hit that? Okay? Okay. The title of this particular session is “A Look at Emerging Business Models.” And I’ll just take a moment and tell you that I’m Neal Burns, and I’m a professor in the College of Communication. I teach in the Department of Advertising.

**Rosental Calmon Alves:** Is your mike working?

**Neal Burns:** I think my mike is working.

**Rosental Calmon Alves:** Yes, now it is.

**Neal Burns:** Would you like it up higher?

**Rosental Calmon Alves:** It’s fine.

**Neal Burns:** It’s working. Okay. By the way, if you can’t hear me, raise your hand. Can you hear me adequately?

**Rosental Calmon Alves:** Everybody can hear you.

**Neal Burns:** Okay, super. And I also direct a research center called The Center for Brand Research, and it’s generous of these journalists to allow me to invade their premises. I think it’s an attempt on their part to get more, more advertising. The short summary for the session, I’ll just read it for those of you that haven’t looked it or have forgotten, and it deals with essentially the struggle of what we’re calling traditional media to adapt their old business models to respond to the devastating effects of disruptive digital technologies. We have a new generation of media companies that’s creating fresh -- in some cases, they are creating fresh and innovative business models. The issue is, will these efforts result in profitable businesses that are going to somehow financially support journalism as has happened during the last century? And you’ve already had an indication of how these things have impacted the changes that are going on in some of the major newspapers in the world.

The panelists will speak in an order slightly different than that which is here, and I’ll address that as I go forward. And I thought I would just have a bit of an intro. And from an advertising guy’s perspective, and you must forgive me, this is how the world was. I should also mention to you that before I came here in ’97, myself and a few friends started an advertising agency, and I spent 25 years in this business, and we were fortunate enough to sell it in ’97 to ____ Public. And I am just pleased as hell to be here and not there, [audience laughter], to be very candid about it. But, you know, the broadcast networks are essentially limited, and in a sense, sort of owned the marketplace and lived very comfortably and happily in that period of time. There was another wonderful characteristic that I’ll mention that some of the younger people in the audience may not know. When we watched Johnny Carson, the only thing that was on the screen was Johnny Carson. There wasn't anything moving across the bottom, okay? Multimedia hadn't really been there. We watched Johnny Carson. We went to sleep with Johnny Carson.

There was also, I think, a categorical separation among all the media: magazines, radio, TV. Some of it, I often felt, was almost legally mandated, but I may have been wrong about that. And then as the new media came in, there was essentially a kind of balkanization. They didn't get along. They didn't cooperate. And in large part, they weren't interoperable. Part of that, I think, was the trying to acquire eyeballs, trying to acquire venture capitalist money. Part if, I think, is characteristic of the way new businesses start. And you may or you may not agree with that. [chuckles] And what happened is, I think, clear to all of us. As we lost -- as we lost -- as we lost eyeballs, as we lost subscribers, as we lost readers, as we lost eyeballs and ears, guess what? You lost guys like me, the advertising agencies and their [inaudible] began to look elsewhere. They essentially follow the money.

And what happened also as you tried to restructure, and while all of us are just thrilled with Belo and very concerned about saying anything adverse, particularly those of us that are in the College of Communication, in large part as I listened to the work this morning, I think that many of the people are actually involved in managing a declining business and not really showing the kind of innovation and startling breakthroughs that I think are required. Any rate, that's my personal point of view.

What happens, of course, is banks and investors look at these declining operations with a rather jaundiced eye, and of course, as alternative media platforms came into play. And if you want to look at the incredible acquisition, for example, of digital media at retail and have your choice as to whether you're going to invest money in one of the existing newspapers or in a digital media company, quite frankly, your decision is very clear, and it's a decision that people are making constantly, right now, as a matter of fact, in the stock market today.

So at one point… By the way, let me attribute this line. I think it's brilliant. Just exactly a week ago at Arc, outside Palo Alto, Chris Anderson held a roundtable, and it's his line. "There used to be dozens of markets with millions of persons in each, and now I'll suggest there are millions of markets with about a dozen person in each." And it's a phenomenal difference. And the issue of relevance and really the brilliance of the chart that was shown in terms of important relevance in driving value has been critical to advertising agencies, to advertisers, and clearly critical to try to deliver relevant messages. We grew up in a world of broadcast. We grew up in a world of mass communication. And while we speak very comfortably today about narrow casting, the essential metrics aren't there. And you still hear even today, this morning in 2008, people talking about reaching frequency. At the very best, by the way, it's just a measure of cost effective. It has nothing to do with efficiency. It has nothing to do with success. Relevance is where success lies.

What's happened now is we've shifted in our advertising, and it's even interesting to look at in Cress, from what was an interruptive model to what's essentially an engagement model. What used to be, there was a narrative, and periodically companies like mine broke it up. We put a 30-second commercial in, and then the narrative started again. And guess what? You guys didn't like it and began devising techniques to stop it. And the interruptive model doesn't work even to the extent of having to go from Page 16 to Page 76 to continue my story in a magazine and even the way in which we've tried to intersperse ads in the upfront portions of the newspaper or above the fold and disrupt the readership. And so today, particularly when there's more than Johnny Carson's image on the screen, some of us in this room have the pleasure of teaching to a bunch of students who have white ropes dripping out of their ears, they are able to text in their pocket, their computer is open and they are looking at their favorite porno site, and I'm lecturing my guts out. Okay? And what's amazing is they hear me! Okay? What's amazing is they do somehow process in some multiple fashion. They engage. They watch what they want, when they want, and where they want to do it.

The concept of convenience, control, and choice, I think, drives this cohort. And what we see in an interesting fashion is while media usage has actually increased about 50% from the nineties to today, we know the decline that has taken place in the conventional media, and it's the alternative media that seems currently to rule and the ruling takes place at an increasing rate.

Everybody starts struggling, by the way. And I think it's phenomenal, just in interest of time, to look even at Google. All of us at some point want to buy some Google, and even though it's high, it still seems to be a reasonable buy, except the past several months have been rather interesting. And you begin to wonder about the success of this model. So the trouble is not just limited to things like the Dallas newspapers or the Austin newspapers; although, the trouble is there. Top ten news websites, as you know, and you've all seen the chart, they have a larger share of audience than legacy media.

And what's interesting to me is this concept of continuous media and the continuous newsroom that's there. And quite frankly, it commoditizes news. There's not a product anymore. This is a modest, quite boring, widely accessible service of virtually no value to me in terms of its relevance. Okay? It may be some other people feel differently about it. But I think that when you take a look at the fact that [inaudible] interpretive news product that really is of value, except in some of the legacy papers or some of the wonderful blogs, the issue is not just being able to quickly use technology and throw news around.

At the end of the day, I'd like you to think about these questions from our panelists. Tell us what's going on currently, if you can. Tell us what you think the likely outcomes are, both in the near term as well as in the long term. What will happen to this incredible infrastructure? To these talented people who have given us this wonderful notion of the free press? And can we expand that concept in a democracy to all the other alternative media that are swinging up? Can it be monetized somehow? Are people willing to really pay for this? And how do we really get the value? One of the ideas, of course, was clearly the relevance and took it down really to the neighborhood level. And I think that concept has validity and it underscores the market that Anderson describes as essentially millions of markets of a dozen each. Making money at it is tough.

The other concept that's interesting and the YouTube [inaudible]. I think that this year they are anticipating 330-billion downloads. 330-billion downloads. We had clients like Norwest Bank, Wells Fargo, Harley Davidson. I will tell you there's not a TV commercial we ever made [chuckles] that had a hundredth of one-percent of that kind of viewership. And so we have consumer-generated media. This concept of co-creation. How can professional news organizations really incorporate that and make it sing and make money from it as well? And, do we have any models that anyone knows about that they can point to that are kind of precursors of what we hope will be strategic and executional leadership within this category?

The change that we've got here, by the way, comes from a quick adjustment that we made as we tried to find out what the various panelists were going to speak about. And so on your program, if you will, our first speaker today is going to be Ken Riddick, who is VP of Digital Media for Hearst Newspapers. I just met him. I think you'll enjoy hearing him.

[Audience applause.]

**Ken Riddick:** [Getting Mr. Riddick set up to speak with his visual presentation.] Okay. Hi. First a little housekeeping. I've talked to the panel, and we're completely sensitive to the fact that we're the only thing that stands between you and lunch, so we're going to be brief. You just be nice. Okay? [audience laughter] I'm going to attempt to just sort of talk about the marketplace a little bit, and hopefully, I mean, in broad terms, and hopefully, set up a little bit more tactical discussion with these guys here. And this piece was AdvertisingAge.com, I don't know, two weeks ago or something like that. And it seemed relevant at the time, but as I've listened this morning… I was here last year, I think, Rosental, and I didn't hear near as much handwringing last year as I've heard today. It seems like everybody is sort of getting the message that we've got to do something, got to do it quick. And that's really encouraging for me. So this is a little less relevant than I had hoped it might be. But I think one of the things you want to take away from here is the first sentence, "Marketers still invest in marketing, but they have more options than ever before." And so as journalists when we talk about all of the choice in the marketplace, it's really important, I think, that we don't forget about all the choices that our marketers have as well, because that's what funds the ability for us to do great journalism.

And so you can see a direct correlation of what it's doing to employment, and this story is actually pretty good. It talks about the entire media industry. I just pulled out some pieces about the newspaper industry, but most of you are already really very sensitive to this fact.

The new project for excellence in journalism is out. If you haven't sort of poked around in it, it's got a lot of really great information, a lot of really great data that you can actually run queries on yourself, but in the walkup to it, this one sentence seemed extremely relevant to what we're talking about here. And I think that we just heard a little of that just a second ago. But the essential problem is simply that we don't have mass media anymore. We are not a mass medium, and we are done being a mass medium, and now we are an aggregator of medium, and an aggregator, hopefully, of audience, so that we can turn around and resell. And that sort of underpins everything that I'm going to try and talk about here today. So I think, quite frankly, we tend to complicate the story a little bit in that the math is actually pretty simple. And so this is just sort of just basic economics. Because we're no longer a mass medium, our audience and our advertisers have choices. We talked about that. Choices drive down prices. It's just simple supply and demand. And so if advertisers have more places to go to buy a want ad, then that want ad is going to cost less, because somebody is going to keep undercutting you as you go to market.

Lower prices mean we have to do more volume. And I think Mr. Moroney talked a little bit about that in his talk first thing this morning. That also, however, means more transactions and more business with smaller, more smaller advertisers. And more volume means that we as a medium have to have more inventory to sell to those advertisers. Now, I don't know how much y'all keep up with at least the public newspaper companies. Most of them will do web-casting, whatnot, of their analysts calls and things like that. And for the last three years, there seems like there's always an analyst out there in the crowd that's asking, "When is there going to be price parody? When are you going to get the same price for your employment ad online that you get in paper? And the answer to that is, it's never going to happen. There are too many choices. And you know what? We've been charging a lot for those ads in paper for many, many years. And so the answer really does lie in volume. The market is going to determine what the price is. We've got to be able to create the volume that's necessary.

News organizations reach a relatively -- well, wouldn't even say relatively -- I'll say absolutely a small share of their own local markets. If you go into your NSE databases and look at the advertisers that you're hitting in your marketplace, first of all, we do virtually no business to business advertising in our newspapers, and I think there's a huge opportunity for that. If not in the newspapers, certainly on the website and from different places there. Moreover, even with sort of the retail space, most advertisers are too small to do business with us or we're too big to do business with them. It costs a lot of money to go chase down those contracts, and so it's a whole lot easier to take a $3-million annual contract from Macy's than it is to go find a thousand of those from a bunch of small advertisers. The problem is, is that it used to be Macy's and Dillard's and nine others, and at least in Minneapolis where I most recently came from, it's down to really two, and it's really taken a bite out of the marketplace there. And as newspapers are… Because of that, our sales structures are not really built to take in this volume. As the blues song says, "We're built for [inaudible] not for speed." New audience growth is limited.

We've heard a lot already this morning about how content has got to be more and more relevant. We've got to reach well beyond a traditional news audience, and that's a problem for you guys to solve out here is, how can we take journalism and make it work for us outside of the traditional realm that we think of? We've got to create engagement and we've got to keep people on our sites generating inventory so that we can pay for journalism. And it really [will] cause a shift in sales strategies in organizations. We talked a little bit this morning, really interesting, the last panel that Bob led, about how we're reorganizing our newsrooms to be more responsive to our audience. But we -- I've heard, quite honestly, very little discussion about how we reorganize our sales organizations to be more responsive to the changing marketplace so that we can go up and get this money.

It requires economies of scale. And I know nobody wants to hear this too much and hears it way too much already, but it absolutely takes constant vigilance on the bottom line and especially on the expense line. If we can find ways to save money one place, we can spend that money in going out and acquiring good stories in journalism and keeping our audience happy as we go. But you'll see a little bit more in some of the slides that I've got ahead of me that the bitter truth is that the trends are going the wrong way. Okay.

Here's one that's going the wrong way. You guys have all seen this slide. Many of these graphics will have come actually from that site that I just cited. The actual data will have come from sources cited here. In this case, it's Editor/Publisher Yearbook. But you can see, and this is circulation in millions, so this is throughout the country, and it looks a little bit grave. If you see it sort of by average, it's not quite as bad. But it is grave and it is serious, because much of our print pricing is really based directly on our circulation numbers, by whatever we're audited by the ABC. And for example, of the last six or eight years, inserts has been a big driver of both revenue and profit in the newspaper business. Inserts are entirely driven by your circulation, the value of the insert, the price of the insert. And of course, every dollar you take in rate goes right to the bottom line, because you'll see in a minute about fixed expenses.

And so you also have to ask what the advertiser is buying as you see these audience numbers going down and down and down. We newspapers companies have traditionally lopped on 5% rate hike, 5% rate hike every year. We're seeing that become a whole lot more dynamic play in the marketplace. And we're beginning to see creative newspapers having, for example, instead of going up 5% in employment generally at the beginning of the year, now that we've got these challenges and we're getting this kind of kickback from our advertisers, maybe we have a different pricing structure, okay? Different pricing structure for different categories of employment advertisers. So the guy that's looking for a truck driver is not going to pay the same rate that the guy that's looking for a lawyer is going to pay. And I think creative solutions like that are going to help a lot.

So I've been given the two-minute warning, so I'm going to zip through this.

This is another trend line. And as you can see, and I've heard a lot in newsrooms over the years about how it's all cyclical and it'll come back, etc., etc., but if you look at this trend line overall, it is not a happy trend line. And when it crosses the expense line, there are several newspapers, at least from the media that I read in our country today, that are very close to that challenge right now.

So for the last couple of years we thought the internet was the salvation of our business, and I hope like crazy it is. At least that's the wagon I've hitched to. But we also need to understand that the growth we've seen in the internet, both in my view in revenue and audience, has happened organically. And so while we've been patting ourselves on the back for 25% growth for the last couple of years, the truth is we were going to get that by just sort of showing up to the game. From now on, because we know that this audience has stopped growing, we're going to have to earn every nickel of that, and that's where it gets really challenging.

So real quickly, you can see here that this is newspaper companies. The red lines are the part of the growth over the last few years that is internet related. I think it's -- we're all terribly proud of 25% growth, but I've got to tell you it's anemic under today's circumstances. We've really got to drive that line on the internet side, because we know what's happening on the print side.

So really quickly, this is just an illustration of how internet revenues have grown. But the thing I would point out to you is that we've sort of come about it slowly over the years at protecting our own products. So we started with an allocation. Every liner ad that went online, we charged a buck extra, and we sent it to the internet, and we gave the internet a buck. And so that's why you see this going up until 2000. And then there's the bubble bust, and so we come down a little bit. Then newspaper companies began finally to realize that they've got to drive value proposition to these products, and now you're beginning to see online only revenues really driving that curve of that line. And I think that's really an important point as we go forward.

This is an actual chart. I took the numbers off, because it came from the paper I worked at until July. But the point here is simply that we also recognized this was going. So the blue line is the online up sale. Everything was tied to the print process. The print process, that's like, you know, it's a little bit dangerous right now, because you can see here that it's flattened out, but it's even beginning to fall. So our strategy was, how do we drive that online only up sale -- online only number? And you can see that over the last couple of years or so the lines finally crossed. And this is all internet revenues, but some of it is -- the dark blue line is actually based on up sales, and so the idea is we've got to cut the umbilical cord [and] really drive value. I'm not saying we shouldn't take advantage of all of the infrastructure and opportunity that's in the print newspaper relationships in the advertising department, but we've got to build this business by itself.

Finally, I'm going to talk a little bit about the opportunity that's out there. These are pretty amazing numbers. 2004. There was 2007. 2000-- I'm sorry. $2.7-billion in local money available. In 2007, there's going to be 7.6. That's, I don't know, 181% growth in the marketplace, and yet, newspapers have lost, what, 18% of that pie. We've really got to get back in it. The other thing to take note of here is that the peer play piece only three years ago was 15%. The peer play piece today is 50% of that money. We've got to be in that space, and we've got to do it quickly. Just another quick illustrative slide to show the growth of online only in that.

And then here, this is part of a Belden piece that just came out, I think, a couple of weeks ago. But as proud as we are of our growth of online audience, we're still not reaching half the market in our marketplaces. And so I guess I would say two things about this, and they contradict one another. The opportunity is huge, and our challenge is huge. Thanks.

[Audience applause.]

**Neal Burns:** Okay. Let me mention…[inaudible] I'm going to try to get through all our speakers as quick as I can. At ten minutes, I'm going to give them a two-minute signal, and hopefully they'll adhere, or else I stand up, and I won't do that.

[Man laughs.]

**Richard Anderson:** [Getting Mr. Anderson set up to speak with his visual presentation.] Okay. Okay, thank you. VillageSoup is an eleven-year experiment that started in 1997 as a pure play and was pure play for seven years, and then three years, four years ago now in 2003, we introduced a weekly paper, and in 2004, a second weekly paper. And basically it's an experiment to create a place where neighbors grow together learning, sharing, and shopping in their community. And this is really hyper-local. This is the 30,000 where I asked Jim where he -- when he got to his Neighbors in some of his markets, what was he shooting for? And he's down where I'm trying to shoot to. And so they are trying to attack that same market that we're trying to attack.

And so what I want to talk today about is three ideas I think you should take away from here. One is that community newspaper organizations will become extinct. And that we're talking about radical change here, not incremental change. We're talking about not getting a shared consortium with Yahoo to get ads from national things. We're talking about changing the business-to-business model. And I say it's a community host organization will be the new species that's going to replace or move on from the community news organization and that community hosting works. Those are the three points, the three ideas I'm trying to get across today.

The reason for the radical change is, as we've just heard, that media uses are changing. And you can look back at the…[inaudible]. And I think it's important to think about, why was the internet invented in the first place? In the 1950's it was invented. DARPA, Department of Defense, to try and get around the bureaucracy of the Department of Defense. So let scientists talk to each other without going up the food -- up the chain and seek information and learn from each other. That's the reason the internet was invented – to get around bureaucracy, to get around control, to be able to work with each other, and to learn and seek information. So as we think about new business models and you're going to base it on the internet, think about why the internet exists. Very important to learn, to understand.

The legacy monopolies, you know, have to be aware of all of this rush of McClatchy and all the others who are buying up hundreds of products. They're able to think they're going to -- they're going strip out the cost and cut down on what they are doing and then reap 30% benefits or invest in returns. It just isn't working. It's not working really and it's not going to work. And so these guys have to be aware that something is going to change. Somebody is going to come in and disrupt them. And so we think that… Coming back to that one, it really is, you think about, it's web browsing, not web printing is what it's all about.

And so what we're talking about is creating a model, and the community host model is one where you've heard this term before. You're an aggregator of content. So you're hosting aggregated content, not supplying controlled content. And you've got pros in the old model who are the only players on that screen, and now you're going to talk about pros and amateurs, non-profits and for-profits, in that place. You have the idea that… And this term has been used before, where it was entertainment. And you think about that your reporters are your entertainers. And you put your reporters up there, and audiences come to look and read. And now today, remember DARPA, they are seekers. They are looking for answers and for solutions.

I like to use the analogy that, and again you think about performers, that what you're really becoming, what you need to think about becoming now is not a producer of an event, a hockey game or a rock concert, where you bring audiences in, you have your performances up there, and then you sell space around center field, center ice, backstop, to be displayed with your fancy slogans. That's what the old model was all about. That's what you do in a newspaper. You get your pros, that your audience has come to read your newspaper. Then you put great big double trucks and all up for people to sort of see and scan when they're in there being entertained by these pros.

The new model is one of hosting or organizing tradeshows. And think about what you do when you go to a tradeshow. Yeah, you like to come here and listen to pros, but then you want to go out in the hall and sort of talk with peers, go to cocktail parties, hosted events by big advertisers, and talk. "Well, what do you think about that Jim guy or that Rich guy or whoever, who said that? Do you think that's on target?" And then the third thing you do when you go to a tradeshow is you go to the exhibit hall. And when you go to the exhibit hall, what do you do? You go and you seek, what is this new Adobe product? How does it work? How is it different from the old one? You're seeking information from those exhibiters down there. And so what you have to think about in the community hosting business is that you're becoming a tradeshow producer, rather than a performance producer.

So we have the community hosting model. The business is sort of you look at these three ingredients here, where you give unfiltered access to your site. You give stakeholders… They become a stakeholder, because it's their content that is on that site. And then your advertisers, they'd be advertising through serving. And they get unfiltered access to your site, too, so that they can serve and they can be there when you're seeking. You know, what are you hours? What's your luncheon special today? What are your dinner specials tonight? And so there's where you're going. And the idea here is that the community host sort of consumes and goes beyond the community news business. The community news component is still an important component of your business, but you've gone beyond that business and transformed yourself into a bigger business. You're a community host now.

The idea of neighbors growing together, learning, sharing, shopping, two-thirds of our site is consumed by amateurs. It doesn't mean that two-thirds of the time spent on our site is by our amateurs' products, but two-thirds of our site is consumed by amateurs. There's our front page. The first column you have where we learn, the second column is where you share, and the third column is where you shop.

Coming down the page, right now, our current version is a scrollable, big scrollable page. New version will be with Web 2.0 where you don't scroll all the way down the page. You have components where you can -- that you can -- portals that you can put through. But you come and you look down and you have our pros here on the left. There you have businesses posting their press releases. Now these are their briefs. Over in the right-hand column now you see you have businesses presenting their offers. There, they are selling you a product. And so, and they post these unfiltered, unfettered by us. And it's sort of a word of honor system here. We have a little reminder when they put their post up, "Is this soliciting business or is this not soliciting business?" You click whether it's an offer or brief.

Keep going down the page. You see we have churches posting their briefs. You have a photo gallery you can go to from our pros. You have offers from organizations as well as dining places. You have our regional NBC affiliate in Portland and Bangor. They post to our site every day, their bureau reporter in Midcoast Maine. And then you have, we have our bloggers, Emma Y. Crow there, "Why I like prostitutes." Emma's name is right there. Everybody knows who he is. He's in the community. He'll be saying these things out on the town's green or down on the street corners, and so he should say it right up here, too. As long as he's willing to say this. It really isn't what you think, but it's a provocative title.

Then you have our -- those announcements that are given to us, over the wire to us, and not posted by people directly. So it goes in our pros column. You have member comments. You have member forums, auctions, ClickTix, classifieds, community happenings. You have social events. You have forums. These are topics that are not related to our newscasts. And then classifieds throughout there.

Now it's, how do you make money? Okay. We make money. It's this whole, you know, we were just talking about millions of markets with thousands of participants in each. And so what we have here is for $19.95 a week, $1,000 a year, you little restaurant, you little organization, you little non-profit, can post unfettered, unfiltered, on our site, as many times as you want, briefs, offers. You can… We have ways we have an auction where you can post your, if you're a small retailer, you can post an item for auction. And then we have the ability to -- we collect the money. We keep the money. We apply it as a credit to your purchases of advertising on the site. Okay?

And so we have at Bricks, for example, here is one of their posts. They've paid us $19.95 a week to be able to put this day luncheon special up. Three weeks later after they started posting, one of our people walked through the door. "These guys saved my business, tripled my luncheon service." So it's traffic over the transom, not clicks through ads. That's what we're selling. We bring traffic over your transom. In addition to their ability to post, they get an enhanced listing in our business directory. They manage, they update, they maintain that page that's on our site.

Photos. Our reporters put their photos in here, whether it's events or sort of other things that we do, and they get a commission on every photo that's sold out of this site.

We have real estate. Realtors, they pay us $25 a year to buy one slot in the database. So an individual broker can buy slots or the brokerage can buy 200 slots. They manage and maintain on their own that database all year long. Exclusively local. That's all that's in there is listing that they post from our area.

The community hosting market we're talking about are 30,000 people, 120,000 population centers, and they have these features, where I think the main thing here is look at the revenue from non-print participants. We have docs and lawyers posting briefs and offers. A local doctor's office posted a brief the other day talking about how their average time in our office is only five minutes waiting. "If you come to our office, you're only going to wait five minutes." So they are making themselves… They are out there marketing now.

So the idea of going from… I mean, it works. We have only 5% of our current 6,000 businesses participating, but we're generating $450,000 revenue in our little 80,000 population market. Now remember, we're at 80,000. Some of you big dailies, 450,000 looks like peanuts. But in an 80,000 population market, $450,000 is pretty good. And 75% of our users come ten-plus times per month. 33% of our users come 200 or plus times. Go to Google Analyst with your site and see how many come 200 times or more per month to your site. Okay? So it's loyalty. That's the new metric that Google's and they are all starting to realize, it's loyalty. That's what they are rewarding. Google is starting rewarding. Do you have loyalty on your site? Then you get a higher ranking, not how many page views do you have.

We are a destructor. We are currently, when we brought this newspaper out, we are now first in circulation in one of our markets. We're second in the other. And we have 54% of those surveyed visit the Soup at least once daily. Only 5% visit the Legacy newspapers news, online newspaper daily. So it's working.

Who are the destructors going to be? Anybody who's not constrained by brand protection. They don't mind their journalists being up there with advertisers and bloggers like Emma Y. Crow, who says something like, "Why I like prostitutes." Okay? Right next to somebody who just posted a major breaking news.

And so regional dailies, what Jim is doing, watch out. Those dailies are suffering the most. They are the ones that are going to be the most likely to come down and threaten you if you're in the weekly market. Because they are hurting worse than all the weeklies, but watch out for them. All they have to do is put feet on the ground. Jim talked about one-and-a-half reporters at his neighborhood level, or not his -- one-up level. We have six reporters in that market. So Jim's got to bite the bullet a little bit more. While he's betting on verticals, well, we're betting on horizontals. We have the whole community. And maybe there's a role for both to play. Maybe that big daily, those regional dailies are going to have their verticals, and we have our horizontals, and together we're going to play this market.

So we have, what we've got is we're a beta site. We've had a grant, $885,000 grant from the Knight Foundation last year, and we're developing new -- deploying a new version of our software. We're having… We're going to create a VillageSoup Common, where locally owned, independent newspapers join the Common. We'll host the platform. You don't have to hire software people. We will give you access to our branding and you can share best practices with us, all of us, in webinars and regional conferences. And so you can be a player while still being little.

So here's the idea that I hope you come away with: that we are doing this. That's where, that's one of your questions about, what's likely to happen?

[Audience applause.]

**Neal Burns:** The next speaker is Michael Smith from Northwestern University.

**Michael Smith:** I'm going to shift gears a bit and talk very quickly about the results of some research we've done at the Media Management Center looking at global best practices and growing revenues and growing audiences. The agenda is this: I'm going to use three companies I admire, two of which I've worked with, conclude with five strategies that are dictated from the research that we've conducted over the last year-and-a-half, all in 12 minutes, because that's what Rosental allows. And if I go too fast, this information is available in a book that is downloadable for free from our website, called "Running While the Earth Shakes."

My first example is one that you're probably very familiar with. It's major league baseball alternative media. I decided to look at three traditional media companies that have done something remarkable and decided to grow. You might be familiar with their websites if you're a baseball fan, but you may not be familiar with how successful they've become in just two short years. The way that they are successful is by thinking about how they can enhance the consumer's experience around baseball. And so move the baseball experience not only from the field and the stadium to the laptop and to the cell phone. And Bob Bowman, who's driven this, is very articulate about how media companies of the future need to be built around the consumer's experience.

The idea for major league baseball alternative media came from the frustration of major league baseball owners with their own websites. Back a couple of years ago, each major league baseball team owned its own website and produced all the content for the website. A group of people said, "You know, this internet thing is driving us crazy. We have to get ahead of it." And so they launched major league baseball alternative media and launched it as a consortium of the 30 major leagues. Each team was required to contribute startup money. And in the last two years, they've doubled their revenues and are looking at an IPO which would make major league baseball alternative media $3-billion business probably by next year. As you look at this slide, you can see where their sources of revenues come from: from subscribers, through merchandising, through a syndication of content, through streaming and offering of live events. They have a promise to their consumer that they will offer the same content twelve different ways.

So what are the twelve ways that they offer content?

Well, number one, of course, is the old-fashioned way–you have to go to the game.

Number two and three are radio broadcasts and television broadcasts.

Number four is an extra innings package, where you can get the highlights of the day around the teams that you are interested in or the events that you are interested in for a specific price.

Number five is satellite radio. They've signed a deal with XM that provides services to fans anywhere. So no longer if you're living in Chicago and a fan of the Boston Red Sox are you eliminated from hearing the Red Sox. You can subscribe to XM and get all of the broadcasts.

Number six is game day audio on MLB.com. So you probably noticed a lot of guys in your offices last Monday on opening day quickly closing the screens on their computers, because they were probably watching live broadcasts of teams from around the country. You can get this by a package of a month or a year.

Number seven is through the TV broadcast that is streamed over the internet and is customizable, so you could listen to out of town announcers, or you prefer the baseball announcers over the TV announcers, you can choose to listen to them, or if you would prefer to listen in Japanese, you can listen in Japanese, or in Spanish, you can listen in Spanish. So it's all customizable as part of the package.

Number eight is the mash up option, customization of the broadcast. Baseball is such a wonderful sport. It's the perfect digital sport for the modern age. And it's surprising that it's that way, but it's because baseball has its own language. Each pitch, each swing, each strike, each throw as a language. And those of us who grew up playing baseball or watching baseball, knew how, learned how to keep score, and so we know how to write and speak that language. And so every actual move of baseball can be digitized. And so if I want to do a mash up of all of the hits last night by left-handed cleanup hitters and have that shown to me, I can do that, because you're able to search that through the technology today.

Number nine is over your cell phone. They have signed alliances with cell phone companies. You can get a package deal. And now you can also customize the cell phone delivery, so you can get live game action with the announcer of your choice.

Number ten is through text, so you can get results by plays, by games, by individual players, etc. And so it's really created an opportunity for major league baseball to reach all kinds of audiences in all kinds of ways. When think about baseball, you think of an old sport, but today it's a sport for the young technophobe and young people everywhere. And it's given a whole new life to the world of fantasy baseball and fantasy leagues, because every amateur fantasy fan can become an expert, because they have all the data and all the information available to them.

Number twelve is through fan chatrooms. I'm going to show you a slide from the Chicago White Sox last Monday. There was a call in the seventh inning with the bases loaded that was real controversial. The announcers went ballistic, and the fans who were live chatting during the game went ballistic. So pardon the expressions here, but it's just part of being a part of the game experience when you can chat live with fans. And the team specific chatrooms are successful because the fans say they like to talk with like-fans who are like-minded or fans who know the pain of being a fan, for example, the White Sox.

My number two example is Meredith Media. You may be familiar with Meredith Magazines. They are not necessarily always associated in people's minds with cutting-edge digital companies, because their primary title is *Better Homes & Gardens.* They are based in Des Moines, not New York or L.A., but this is a company that has transformed them-self into a modern digital media company by taking its titles and using all of the platforms available. One of the things that they do is look at the consumer to make sure that they are enhancing the brands across the consumer's lifespan. And they do that in a variety of ways. Here's an example of *Better Homes & Gardens*. You might think of this as a sleepy title, your mother's title, but it has really made itself much younger and much more vital by reaching out to a whole variety of ways to connect with customers. And so two years ago it was named the Magazine of the Year by the Magazine Association of America.

And here, you see that they have licensed products, they have television products, they have mobile products, they have communities, and then they have specialty publications. They have a variety of interactive techniques across all their titles, but primarily with *Better Homes & Gardens* and last year's nominee for Magazine of the Year, *More*. And the idea behind this is to use interactive techniques. Techniques developed by the gaming industry to get consumers engaged with the product. And so here, you see a variety of ways they do that. They do podcasts and video, they do RSS feeds, and they do mobile video. They have blogs. They do wikis. They do desktop alerts. They allow for personalization of content. They do photo sharing. They allow for user-generated content. And they have online TV. *More* has used the same approach by creating an entire architecture of participation and has made *More* the nominee for General Excellence as Magazine of the Year 2007.

My final example is a newspaper of about 90,000 circulation, the 2006 World Association of Newspapers' Newspaper of the Year. It's from Vorarlberg, Austria, and they have created themselves around becoming a multimedia company. Their offices are in a glass building. One of their strategies is to be a totally transparent company. They measure themselves by the number of times people within their community are mentioned in one of their publications, either print or online. In 2007, more than 100,000 citizens appeared in one of their publications. So these are user-generated magazines that start with the website and are reverse published into print. They allow for customization of their websites by the consumer. And they have a three-minute publishing rule. Using the internet as their publishing engine, their publishing rule is that within three minutes of something happening in the community, it has to be online. And that drives their whole operations of the internet. They have many verticals for both advertising and editorial content that look very familiar to the jobs and real estate verticals.

They have a public service component that allows citizens to go to their website and download in PDF form any public document or any former licensing form that somebody would have to have in order to get something done in their community. They have 97 hyper-local neighborhood sites and 16 motorized journalists who are out, who never go into the office, who are always in the community reporting for the hyper-local sites and the community sites. When YouTube and Friends and MySpace came into their marketplace, they decided that, "We have to compete with them head on.

We're not going to allow them to take our customers." So they have their own video posting vertical and their own MySpace/Friends type vertical. This has allowed this company to become the newspaper in all of Europe that has the highest penetration among young people. 97% of 18- to 24-year-olds use their product in one way or another on a weekly basis.

So that brings us to the summary. This research is all published in various case studies throughout our website, and it's been the focus of our center for the last year-and-a-half; that is, documenting global best practices, so that we can help media companies transform themselves. And so we summarize what we've done in basically five strategies for media companies to be successful in the future.

So number one is focus the organization on the consumer's experiences.

Number two is to practices continuous innovation. Don't make innovation a project, but make it the way that you do business.

Number three is to invest in the workforce of tomorrow, so that you have people who are capable of competing with the YouTube's and the Friends and all of the other competitors who'll come into the marketplace.

Number four is to enhance, seed, and nurture communities. Our Rich Gordon, who is our Director of Digital Communities at the Media Management Center, has just published with the newspaper a book [inaudible] of America, our community's handbook. And it's a handbook on how you can grow community websites and nurture communities.

And then number five is growth through partnerships and collaboration. If you look at the new media companies, that's how they are growing. They are forming partnerships and they are collaborating with people who might have been their competitors.

[Audience applause.]

**Neal Burns:** Our final speaker this session is Staci Kramer, the Co-Editor of ContentNext, who graciously agreed and wanted to go last. I hope you hang with us for the next twelve minutes. Thank you.

**Staci Kramer:** Believe it or not, this is a rapidly put together slide. I'll admit it. But I really wanted to give everyone an impression of what we're talking about today. And in my case, it's businesses that didn't exist before the year 2000. And this is just a small fraction of media outlets or outlets that in some way, shape, or form influence the way people get information and news today. And I'm not going to go through them all, but I think, you know, probably, there may not be many of you here who recognize all of the names. Some of them are blogs. Some of them started as blogs. Some of them started as multiplatform media companies. Some evolved from a variety of things. One in the corner, PolitickerNJ is meant to be a template for something that's going to go across the United States, state by state. So it's, these are all examples of things that not only didn't exist in the year 2000, but I'm not sure that any of us could have imagined the way in which they would come to exist.

I'm going to use our company as a bit of an example. Just because I'm curious, how many of you have heard of ContentNext Media or PaidContent.org? How many of you have heard of MocoNews? Okay. We are… PaidContent.org in the center there actually was founded June 12, 2002 in a diner in New York, the Tic Toc Diner, by Rafat Ali, who needed a place to work [and] needed a place to show his work. And it was suggested, "Well, why don't you start a blog? You can write about things." He started covering the subscription media industry [inaudible] being PaidContent. It's called PaidContent.org, not because we are a not-for-profit, but because PaidContent.com was taken when Rafat wanted to use it. And he just went with .org. MocoNews.net came down the line, covers mobile content, the news about mobile content industry.

In 2004, late 2004, I came on for a particular reason. Rafat was getting married, was going to go offline for about six to eight weeks for an international wedding tour, and he needed a way to keep the sites running. Because in between that time in the diner and late 2004, what he was doing became a must read. And when it became a must read, advertisers wanted in. They wanted to know that they had a place to reach the people who were reading it. And you can't just walk off and shut down something like that for six weeks. Advertisers pay; they want their space. They want to be up in front of their eyes. So I came in to help out for a couple of months. And yes, I'm still there. What we did was literally take a one-person company, a one-person idea, grow it into a small company with a couple of employees, [and then] grow it into a bigger company that had more sites, more employees. We have four sites now.

The reason I asked you about ContentSutra, ContentSutra covers digital media and entertainment in India. We have PaidContentUK which covers the same sort of territory in the UK that just launched last year. When I wake up in the morning, I'm dealing with a staff that's in India and New York and the UK [and] Seattle. We are a 24/7 news service that started as a blog. And our motto, one of our unofficial mottos is, "We don't sleep so you can." Basically, we're constantly working. We're constantly looking for things. And at the same time, we're evolving from that two-person -- one-person to two-person group into a business that supports a couple of dozen people. That just last week we announced we have a CEO and a Chief Sales Officer. And I have to tell you, it's a little unnerving when you make that decision that you're going to hire the people who are going to be the management of your company. And one of the big reasons that companies survive is because they make that choice, when they are coming from the emerging area and they decide, "Look, there's a time when you don't have to do everything. There are people who know more. There are people who can do what you do better."

And by example, I'll tell you, when Rafat left, his computer transformer blew out as soon as he got overseas. And all of a sudden, I, who was used to being a reporter whose information went into other people's computers, into other editors, went into print without my worrying how it got there, suddenly had to stay up all night to deal with servers that crashed, with ads that needed to be in the site, with information that had to be there. Our early readers were so incredibly patient, because the newsletter every day would come out, oh, around one in the afternoon instead of 6:30 in the morning until we quite figured -- until I figured out how to do it all.

Today, we reach tens of thousands of people every day around the world through a mix of newsletters that go out every day. It's basically what we have on the site the day before. It's the breaking news. And when I say "the day before," last night at about 12 o'clock, I was still writing a story that broke last night. And we wanted to get it in this morning's newsletter, but we had it on the site last night as well. People who are subscribed to us through RSS and were still awake got that information right away. So we have multiple ways of reaching people, including mobile now, not just through RSS, but through mobile applications.

I mention all this not to brag about our company. I wondered for a long time if we had a model that really worked. But if imitation is the greatest sense of flattery, we know it works. We have watched other people come in and look at our model and translate it into having multiple network, multiple sites that come off of a network, ads across the network. We didn't invent that. What we did was take it to a niche audience, and in our particular niche, and showed other people how you could do that. We added a jobs board that's thriving across our sites. We do events. We do conferences, seminars. And just again to sort of bring it back to the sense of having to think about how you're growing, if you have the luxury of that, I'd have to say that when people say, "How do you…? What do you do?" Well, 50% of the time I write, 50% of the time I edit, and 50% of the time I was programming conferences. We're hiring people to do some of that for us now, and that's going to make a big difference, but it's knowing when you step back and when you can do what you do best.

Some of you in this room may be thinking about starting your own company, your own news outlet. I'll tell you there are really three ways it comes about. It's either planned to be an online version of a traditional media outlet, or it's planned to be the anti-online version of a traditional media. So you want to explode the model and do things differently and be a bad boy. You might look at Gawker as an example of that. Two, it can be evolved from something that already exists and pops out as an obvious, you know, just something, "Wow, this is a niche that we can fill, and let's try it." And three, it can be absolutely accidental, and when it's accidental, you need to know how to take it and move with it and use it.

Now, I didn't do a lot of fancy charts and graphs. This is about as visual as I'm getting. But I do want to show you one other thing. And this is a list of slides. Actually, how do I make that…? Here we go. I said that was the last fancy slide. I really wanted to think about what it takes to take these emerging models. For one thing, one of the words I don't have up there and I should have is patience. You have to be patient about what you're doing and how you're going to accomplish it. And as a good example, I want to offer funding. A lot of people think that in order to start a company these days you have to start, just as a lot of people thought in 2000, that you have to start with a lot of money in the bank. And for some companies, that is true. You have to start with a lot of money. In our case, you have to know when to say no to money. You have to know when the money is going to take you down. There's going to be too much for you. And you have to decide, "What do I need? And when do I really, really need it? And how am I going to use it effectively?" And so anytime I see someone who launches with, say, $10-million in funding, I worry, because I'm not sure, you know, how long -- I know that it's going to take a long time before that money comes back to them in the way of profit or can be plowed back into the business in certain ways. And you watch that very carefully.

We spend every day writing about business models, and how people approach it, and what people do with their money, and how they fail, and how they succeed. And so we're looking constantly at that. The trick for us is to apply it to ourselves sometimes. And that's not always easy when it's a moving target. But I would say that in terms of supporting a business [inaudible] bootstrapping until we were profitable. Adding… I'm sorry, bootstrapping may be a phrase that's not familiar to everybody. That basically means that you don't take money for a long time. Everything you get goes into the business. Everything you can do goes into the business. And in my case, it means that somebody else was paying the mortgage luckily, and that helped a great deal. Eventually, you're profitable, you hope. You're self-supporting. You have cash flow that brings in enough money to support growth. And you [take] the next step. And you decide whether or not you're going to take money from an investor or you're going to keep doing it your way. You're on your own. When you take money from an investor, you try and do it the right way, and then you go through the cycle all over again.

I'm not sure if I've hit the points that you all want, but I'm sure you will tell us quite quickly what else it is that you want to hear. But just very [quickly] going through this, you have to be nimble. And we've already heard how hard it is to turn a ship around in water. You really have to think that what you are running is like a little model boat that's in a sink, and you can just keep twisting it whenever you need to twist it.

Responsive. You've got to be able to be responsive. That's not capitalized on purpose, but it might as well be. You have to know when to respond to your readers, your users, your audience, your clients, the atmosphere, the news, whatever is going on.

You have to be secure in your identity. You can't try to be everything to all people. Once you do, you fail. And you've really got to find a way to be secure about who you are and what it is that you do best.

You have to be keenly aware. And I started to put 'audience,' and I have to say, unfortunately, audience is still a good word a lot of the time. Because a lot of people don't want to be two-way. They don't want to be interactive. They want to get the information. They don't want to come and have long conversations on the site. They just want to get the news and they want to move on. They want us to put it in a format that they can read and get something out right away. But we have the others, too, and we love them.

Willing to experiment. You've got to be able to experiment. You've got to be able to afford it. You have to… And sometimes you have to be able to experiment when you can't afford it.

You have to be able to gain and keep trust. And that sort of goes with knowing your identity. If you don't know what… If people can't trust you, if you aren't transparent, then you're going to fail.

And you have to be able to find or create a niche and fill it.

Thanks.

[Audience applause.]

**Neal Burns:** Thank you.

**Michael Smith:** Grab a mike.

**Neal Burns:** Yes. No, I'm sitting down to do that. I'm assuming this works. Wonderful. Just one comment. I'm taking the prerogative of a facilitator to ask a question. One of the things that I really was delighted in was our keynote speaker had a chart which is virtually identical to a chart that I used recently with one of our center's clients. And I believe very strongly in the combination of differentiation and of relevance is delivering value. And I loved the idea of the kind of hyper-segmentation that gets down to these, whatever it was, 16 or 53, and I loved the comparable notions that were directed out of VillageSoup. I want to ask you guys and the audience as well, there is value in certain communities. There are organizations, as you know, through nine code zip code analysis that will tell you how many vehicles they own, how many years of college education, [and] how often [they] go to restaurants. And so the issue in terms of making value and revenue is in some of your communities you're delivering a higher value customer that has an interest. And have you experimented with alternative media costs as ways of developing the kind of revenue you're entitled to for having developed this ultra segmentation? Anyone want to comment on that?

**Richard Anderson:** I'm not sure. Are you saying the alternative medium? Going like with TV and radio?

**Neal Burns:** I'm saying that there are certain audiences that you have and that he has in Dallas that have higher value to me if I've got an upscale restaurant where the average cover is a hundred bucks than others. And if you can deliver that audience to me, that's worth something to me, because it's in fact relevant. It is what relevance essentially means for a financial model for this industry.

**Richard Anderson:** Well, the fun thing about it, in fact, one of our little dilemmas is we have a fewer upscale restaurants who say, "Well, wait, I don't want to be in there next to Bricks and their five-dollar luncheon specials." But yet, one of our very regulars, Heartstone, who is the most expensive restaurant in town, that he participates regularly. And you think of the analogy here. We've created the community online. And on downtown, I mean, Heartstone is just a block or next-door to Rite Aid, which his next door to a little funky Tai restaurant. And so in real space, Heartstone exists right next to the Tai restaurant. And so, why not exist online as well?

**Neal Burns:** James, do you have…? We can hear you.

**James Moroney:** We have not done what you said. We have created content. We have a monthly magazine called F Deluxe, Fashion Deluxe, and it's printed on high-glass stock, and it is only distributed to 100,000 homes in key zips, and we price that at a CPM much greater than what we price the newspaper at. And the customers that we draw to that are very high-end customers. In fact, they don't even want some of the traditional department stores to advertise in there, because they believe their brands are in a different place. We have category priced some things. Somebody talked about at a lower end, like, bringing in single restaurants and giving them a lower price even if they are in the same distribution as in the paper with a higher priced advertiser. But I think it's an interesting idea. I don't think our sales departments know how to do it.

**Audience Member:** [Inaudible.]

[Some audience laughter.]

**Staci Kramer:** I would add to that. One of the things that we see a great drive towards right now is hyper-targeted advertising and in online that comes to you in a variety of ways. In fact, the story I was working on last night was about Fox Interactive Media, which has just shaken up its sales organization in an effort to emphasize in part hyper-targeting, so that if I go onto MySpace and I like a particular band, I may see ads that match what I like. And so that's like letting the user in a way drive the targeting.

**Neal Burns:** We have time for questions.

**Rosental Calmon Alves:** One only.

**Neal Burns:** Just one question.

**Rosental Calmon Alves:** Yes.

**Man from Audience:** I'm honored, thank you.

**Neal Burns:** You speak for the whole audience.

**Man from Audience:** Well, I'm very interested in the community based stuff and their input, but also advertising perspective. What happens when your community input perhaps offends your advertisers? I mean, instead of the five-star restaurant, some guy writes in and goes, "I found a fly in my soup." I mean, do you worry about losing advertisers because your public input says bad things about them?

**Neal Burns:** Do we have a response to that?

**Ken Riddick:** Can you hear this?

**Neal Burns:** Sure.

**Ken Riddick:** You're going to get some of that. It happens in real life too. And if you're treating a community like a community, it'll take care of itself, especially if you get a lot of people commenting, because it won't come down to one comment that's going to drive an advertiser crazy. Eventually, if you're doing this right, you're building up enough of that stuff that there's -- it sort of comes with credibility just by its sheer girth.

**Richard Anderson:** Yeah. And I think that just to add to that the anonymity factor here. That we don't allow posters to participate anonymously. And so, again, it's real life. If somebody wants to under their name say that that restaurant is doing a lousy job, that's fine, because they can say it in real life, too.

**Neal Burns:** Just as an addition, the Jarvis, the famous Jarvis blog with regard to Dell should be the metaphor and the educational tool for all of us in the room in the error that Dell made in its response and how they had to correct it. It is a transparent world. In the School of Journalism, my guess is we have 300 to 500 brilliant students who want nothing more than to be Woodward and Bernstein. Don't screw around. Don't cheat. Don't lie. They'll find you.

**Richard Anderson:** Yeah. And I think, again, that's where you come with you're hosting the community, the concept. If you think about you're being a host to the community, this isn't your website that people are using, your newspaper that people use. I mean, that gets… That's a whole part of this whole concept.

**Ken Riddick:** And if there was a fly in his soup, I'd quite frankly like to know about it.

**Neal Burns:** Right. Yeah.

**Richard Anderson:** It'll never happen again.

**Rosental Calmon Alves:** All right.

[Audience applause.]