

16th Annual International Symposium on Online Journalism

Day 1, April 17, 2015: Morning Session - 8:45-9:30 a.m. ***Publishers and the Moments That Matter***

Keynote Speaker: Bonita Stewart, Vice President, Americas, Partner Business Solutions at **Google**

Bonita Stewart: OK, great. All right. Good morning, everyone, and thank you, Owen. And last evening, I had the opportunity to meet Rosental for the first time. And the way he was described was as a rock star, and so when he walked in today and I heard the round of applause, you know, I certainly know why, because he has such an infectious attitude around digital, which is quite exciting for us.

So, I'm pleased to be here today, Bonita Stewart, as they mentioned, from Google. But I'm excited because of the change that's happening that's being driven by consumer behavior. And it's not an incremental change. It really is a sea change. And I think it will be a wakeup call for all of us. And this change... Do I have my slides? [inaudible response] OK, great, thank you.

All right. Here we go. So, this change has actually been driven by mobile. And we don't go online today. We actually live online. And we live in moments across all of our devices that we're utilizing. And this journey that we're taking online is digital moments that are occurring because there's considerations, there's questions that we have, you know, as part of this. An example, Mary Meeker, for those of you who probably know her, but she says that we look at our mobile device at least 150 times per day. So, that is a significant amount of time when we think about mobile and the impact that it has on our lives. It's also driving for us this instant gratification. There's a level of immediacy that we're requiring.

And I thought, I don't know, for those of you, it was April Fool's, and people thought that this was not true, but Amazon actually announced that day the Amazon Dash, and it's a button. So if you are running low, you can actually hit the button to reorder. But we're also seeing that even within journalism. You know, we're all relying, you know, as consumers, on breaking alerts. It could be video. It could be shared through social. But there are so many different aspects in terms of how moments are changing. And what we're going to talk about are really the moments that matter.

So to kick this off, I thought it would be helpful to just – let's take a look at how the moments are changing in our lives today. If we could run the video, please. So, I think we've all had just a number of moments and our own journey. For me, I think what's interesting is the fact that I'm from New York. And for those of you that have visited New York, you know the traffic is everything. And so, you need something that is actually personalized, that is relevant. And so, there's a company that we just acquired. It's the Ways App.

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And so it tells me everything I need to know about the travel. It's actually crowd sourced, so I can actually put in my journey and people will tell me if there's an accident ahead, in terms of providing that level of relevancy that is important. So, we know that you all have your own personal journeys, and these are the moments that really matter for us as individuals.

So when we think about mobile, first and foremost, mobile is driving everything. When we look at mobile across the world, 78% of the smartphones in the world, as well as 62% of the tablets, are run on mobile. Over 50% of smartphones have search. And so within the mobile environment, it's making quite a bit of difference. And you've probably heard that there's mobile web and then there's mobile app. So, 75% of us use around four apps, is what they said, and then we've downloaded probably about 25-26 apps on our phone.

So when we start to look at the example here, [it] is, what are we doing with these particular apps that we're using? And so, the apps, over 90% of what we're doing on mobile are within apps, and that's how we're engaged. But if you actually start to unbundle this, you'll see that 68% of these are actually – or 68% of the time is actually spent on entertainment and gaming.

I was just taking a plane ride coming down here. What were people doing on the plane? The majority of them.... Some of us, like myself, were doing work, but then there were others, you know, actually playing games. And so, but if you look at the mobile app and then compare that to the mobile web and the reason why we are just working across the spectrum, in terms of making sure that across mobile that all the mobile websites are friendly and easily accessible, is because it's that 14% in the mobile web. And so, you may think that all of the time is actually being spent in apps, but the commercial intent is actually taking place in the mobile web.

And so when we did a survey with episodes, we found that 94% of this commercial intent is taking place on the mobile web. And so whether it's auto users, 75% of auto users are actually using the mobile web, 71% of retail and tech users are using mobile web, and it goes on. They are primarily vertically focused. And in fact, if we take a look at the news category, 72% of users use the mobile web for news.

So when we think about mobile web versus mobile app, an app, usually there's app technology. It could be geo. It could be the companion content that is a part of it in terms of the app. It's something that you use frequently. But when we think about mobile web, while it seems as though it is a smaller portion, it actually has the scale. You can share, and there's a certain amount of activity, particularly commercial activity, that's taking place on the mobile web. So, I thought I would share just a few examples with you.

Because the examples, as we start to look at engagement, engagement is the online journey that the consumer is taking. And this is probably a really

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good example of a media company, in terms of ESPN, because they are connecting with people wherever they are. Technology is actually the core of their platform. So whether it's across their print magazine [or] they are on TV, they have their app [and] they have content that is scalable, highly targeted to this very specific audience. And they like to think of themselves as offering premium content, but you can see that they are actually engaging at every single moment along the consumer's journey in terms of engaging the audience.

Another example is *The New York Times*. I love to travel, and so this is just one of my favorites is the "36 Hours." So, "36 Hours" is usually pretty static in terms of how you think about it, but you're dreaming of these destinations. And in fact, this past Sunday, the latest "36 Hours" was around the Left Bank at Paris. So, we actually teamed up with *The New York Times*. So, we thought, what if we could actually take a look at this and look at the journey through the lens of technology? So, we were able to deploy Google Maps so that you could have access to the destinations. We also brought in street views, so that you can actually see the destinations as well. But this particular program that was set up with the "36 Hours" generated over 77-million social impressions. So, that was just a different way of taking content and engaging with an audience in a way that's quite relevant.

Another example is the fact that I'm a little bit of a news junkie. I always have been. And then, of course, now I'm on a completely digital platform, but I do have all these hard copies. I don't know if you're like me, but there are certain moments that you want to remember, and you keep them. And so, the Rolling Stone actually came to us, and they said, "We have all of these amazing back issues. We have our readers that are interested in this particular content." And so, they worked with the [Google] Play Newsstand, and they have taken all of their content. So, it's not just, you know, a pdf. They could have just done a pdf file, but they actually made it, you know, much more engaging on the Newsstand, and readers have been able to go back. And in fact, a million of them, since this launched in January, have engaged with the Rolling Stone content. So again, this is a great example of how you can engage in the moment that matters with your users.

The other area that is most important is finding the right audience at the right time. And so, this is not just about your content distribution, but finding the right audience even for monetization. How are you going to maximize every single impression in terms of monetization, as well as, you know, distributing your content at scale at the right moment that matters? And I'm bringing up this example because I think it's interesting. We all sometimes lump all of our consumers into the same bucket, and that's where we were finding, if you're looking for the true moments that matter, the intersections and the consumers are different.

So if you look at on the Y-axis, you know, looking at engagement [and] the X-axis looking at monetization, you can actually see in the bottom left

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quadrant there are some that are engaged, but they are not necessarily monetizing. But you go all the way to the top right and you start to see that nice grouping of really more of your VIP classification, in terms of those are the users that are highly monetizable, and at the same time, they are highly engaged.

So, I thought I would share with you an example of gaming, because this is one that we've actually been sharing with many of our news publishers, is how gaming goes about monetization. And it is pretty fascinating, because it is a premium model for the most part, but what they do is only 2-to-6% of their users make up 95% of all of their in-app purchase. So, they call them the whales. And so these whales, you know, generate the majority of revenue. But you can see as you go all the way down and look at some of the non-payers, in this particular example, [they] represent 37%. You can start to see the continuum of opportunity as you start to segment your users. So understanding consumer segmentation along the journey, particularly with mobile and across the plethora of devices, is quite important.

So, these moments in terms of the decisions. Why is this so important? It is important, because seemingly you may think that these moments are just pretty generic, but in fact they are all personalized. These are moments that vary by individual. And understanding, you know, these particular moments will lead to the types of decisions that you will make [to] offer the content that you will provide in terms of engaging the user, and also at the same time, how you are thinking about your business model and some new approaches that you may be taking.

So, the beauty of the web—and you've known this for quite a long time—is, the world is yours. You now have this opportunity, particularly with the penetration of mobile, to have access to the world. And we see many publishers now using and taking a much more global approach to their content, because people are living everywhere. And it's nice to see such a large contingent from the Latin American community, you know, here today. But there's many within the U.S. that are actually accessing this content across the world, so you can start to see that your content and your monetization models can be distributed widely. They are scalable. And you also have, in many cases, the distribution and the efficiency of this particular model to your business plan.

The other area that I particularly want to highlight is understanding your audience, because we believe that this is the new currency. It is the opportunity and it is the talent, quite frankly, that all publishers need to have, you know, within their organizations. Also, when we think about the business model, millennials—we hear a lot of talk about millennials—they do think about, you know, whether it's they're [using] content differently, how they use apps, when they're using apps, when they're using mobile web, but they also think about their ads differently. And so, this is causing us to really rethink some of the formats that we're using to engage the millennials. And

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they prefer something that's more relevant. We've already talked about immediacy, but the relevancy is quite important.

So this is just a sampling of two formats, but they like the feed format, you know, more promotional content, sponsored content, so that they can actually engage. The other thing that we've done is we find that they also are willing to engage, and they are actually funding the web. So this is just an example of our consumer surveys. And this is if you have a paywall or you have a meter and you want to provide access to your content as more of a quid pro quo, where in fact you can ask someone to answer a question from a consumer survey. And then if they answer this particular question, then they have access to the content. And so, we now have, you know, over 800 sites that are now utilizing the consumer survey model, where they might have a paywall or a meter. And this is available now in over nine countries within the consumer surveys.

So lastly, I'll leave you with the notion of, it's up to you. You have the opportunity to actually seize the moment. And the first thing I would say is, you have to identify your micro-moments. And the only way that you can do this is to actually understand the insights, understand the journey and the behavior of the consumers. How can you engage and ensure that you are providing the right content at the right time on the right device? And that includes also making sure that the ads are relevant and delivered at the same time, so you have continuity within your business model. And secondly, you must deliver.

So, there is a very high bar with the consumer. There is an expectation, and we've seen it from a technology perspective. If you do not have a mobile friendly site, they will come in and then they will leave very quickly if it's not loading. So, [there is] the expectation from a content perspective, "Is this relevant content for me?" The consumer actually expects you to understand them. And that's where we spend a lot of time at Google – trying to make sure that our technology is proactive and has an understanding all of the consumers.

And lastly, and probably I would say this is the most important difference that we're seeing is, you must analyze every single moment. And with the gaming example, you can see that all consumers are not created equal. And when you have a multitude of devices, whether it's across a smartphone, it's across a tablet, it's across a laptop, it's across desktop, and consumers are on the go, it's very important that you actually segment your consumers and analyze the consumers so that you can best seize the opportunity and deliver the most memorable moment for these consumers.

We, at Google, we've been working with publishers for a very long time, since actually the beginning of the company in terms of working with publishers. And last year, we turned over \$10-billion to publishers globally. For app developers globally, we've turned over \$7-billion. So, the good news

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about this journey that continues to accelerate is the fact that we are with you every step of the way. So whether it's looking at native, looking at video, looking at mobile, looking at the whole programmatic space, which is driving the opportunity to use data insights to connect the buyers of advertising to the sellers of the inventory that is available, is another trend that we're working very closely with publishers.

But we do believe and sometimes you will hear that, you know, despite some of the concern about the industry, that it is potentially in its demise, we actually do not believe that at all. We think the publisher moments are limitless. You have this ubiquitous opportunity, you know, across all multitude of platforms and devices, and now we have the internet of things coming. You know, it's more exciting than ever. So, I would just leave you with the fact, as journalists, you have the opportunity to create millions and millions of special moments. Thank you.

[Applause.]