ISOJ 2010: Opening Sessions
*Rosental Calmon Alves, Tracy Dahlby, Amy Schmitz Weiss*

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- **Rosental Calmon Alves,** Knight Chair in Journalism and UNESCO Chair in Communication, School of Journalism, UT Austin - Symposium Chair
- **Tracy Dahlby,** Director, School of Journalism, Frank A. Bennack, Jr. Chair in Journalism, UT Austin
- **Amy Schmitz Weiss,** San Diego State University - Symposium Research Chair

**Rosental Alves:**  *(inaudible)* a record number of registrants for the symposium, we have a wonderful lineup of speakers, we have people from more than 20 countries coming to the event. So we're very happy about the internationalization of it, we are also very happy about the strength of our research component. This is a very unique conference where you have the industry and the academic research on digital journalism. So I-you know, I couldn't be more delighted, having seen that we had a record number of papers, etc, that we're going to hear about here in a minute. This symposium actually has three audiences. One is you guys who come here, and I'm very happy to have you up here in this new venue that is a little bit expensive, but it's nice, right? The second audience is the webcasting we have had for 10 years, at least we have had every year, an external audience that is hard to count, but which is global, and we want to send our best regards to people who are looking at us. I always say that, I mean, some people never do, we really have no idea. And the third audience is history. You know, it's a very important aspect of this symposium, that we have the 10 previous symposia. We have all the videos of all the present presentations, all the transcripts of every word that was said here, all of that material is online. And it's a unique repository of testimonials of how online journalism has evolved during this last decade, and that's what we intend to keep doing. So you know, I know that one of the speaker's here is Matt Thompson from NPR, who is the co-author of Epic 2014 and then 2015, which is a classic. And Matt, thank you so much for that beautiful piece. I don't know if you saw it, but I'm gonna project it here during lunchtime. So if you miss that, it's an amazing, amazing piece. And because it's a diverse perspective of what happened with the media from the future, and it was done in 2004. So it's very amazing. And I want to have that for good, you know, the testimony. We want to thank many, many people that are helping us. We have a note in the program, but I want especially to thank the Knight Foundation. Most of the finance of this comes from the night chair, which is an endowment that was generously given to the university by a nice foundation. But I also want to send a special thank you to the Dallas Morning News and especially to Jim Morani, who has been a partner in this. He's been so enthusiastic. He came here as a keynote speaker a couple of years ago and was very impressed with us and asked for help. So he's gonna be sponsoring the lunch today and lunch tomorrow is going to be sponsored by the Knight Knight Foundation. I also want to thank the college's upcoming communication, Dean Rod Hart, who cannot be here during the conference because he

has a conference outside but he has also helped me financially with this and my director Tracy who's gonna give you our word of welcoming them in a minute.

I'm not gonna we're gonna talk more about about the program, but I think we try to do every year we have in the in the program we we try to touch in the most important issues of the of the moment so so I think you you have here you started with our keynote speaker was going to talk about the algorithm the power of demand and the new ways of creating content for the web are going to the the iPad and readers etc. Then they see the situation of newspapers and how the news news newspapers are, are strategizing to serve survive so I'm going to pass to my director is Tracy Dahlby, who is going to give a few words you're welcome to you

**Tracy Dahlby:** Thank you so much Rosental on behalf of the School of Journalism and Roderick in the College of Communication. I promised not to call last year- I think I called Rosenthal an empresario and I promised not to call him an empresario this year so I won't, but we're very proud of the efforts that he and his staff put into this program. This is the 11th symposium as Rosental said, it gets bigger and better every year.I'm particularly glad to see the emphasis on research in this year's program. In my view, there's never been a more critical time for researchers to help us map the terra incognita of digital media and the impact that technology is having not only on traditional media, on newspapers and magazines, but also on also on who we are as human beings and who and what we will become, in other words, the issues of digital humanism. When I think back to the concerns that I briefly shared with this group last year, about the debated collapse of journalism, the decline of the traditional business model and the impact on our democracy, those are all serious, serious issues, but they seem a little quaint this year because the conversation has moved on and since then, a wave of books and commentary have entered the entered and broaden the public discussion, not only for the digerati, but particularly for those of us who sometimes feel a little bit on the outside of the conversation and really want to know how digital media is changing our lives. Writing the New York Times recently, Michiko Kakutani said that these new entries, quote, "share a concern with how digital media are reshaping our political and social landscape molding art and entertainment."

Even affecting the methodology and scholarship, the methodology of scholarship and research in Kakutani is a darker view shared to some degree by many people. The digital revolution may be, quote, "rewiring our brains, impairing our ability to think deeply and creatively, even as it improves our ability to multitask." Well, these are serious questions and they're being raised frankly.But in the meantime, and seriously, we're very grateful to Rosenthal and the typically blue ribbon panel of participants that he has gathered here for the conference. So without further ado, let the conversation continue.

**Alves:** Thank you so much. We're going to hear from Amy. Amy graduated here a couple of years ago with a PhD in journalism and went to California to teach at the California State University at sunny San Diego. But we could not let Amy completely out of here. She is still

very generous in helping organize the research component of this symposium. And besides she has helped a lot with the knight center of journalism the Americans that we have here too. So you talk a little bit and all the research.

**Amy Schmitz Weiss:** I will thank you so much everybody for coming this morning. And thank you to Rosenthal and staff for putting on this amazing today. This is such an early time in the morning, but wanted to say welcome and hope you enjoy your time while you're here is the next two days and really get a sense of the changes and transformations that are happening in industry today that we'll get from all the different panel discussions that are ahead of us this morning. In regards to the research component, as Tracy was just mentioning, it really is a special year as it's mentioned in the program. It is a special year for this year, because in many regards, we had a record number of submissions that we have never had before, over the past years since 2004. So that in and of itself is really special submissions coming from all over the world and as a result to the the submissions that came in, of course the quality and caliber of the research that was submitted was excellent as a result, we didn't want to turn people away for their excellent research and scholarship. So we have a record number of presentations this year 24. So there's a powerhouse of presentations to come over the next two days. If you're interested in looking at the papers, in particular, all of the abstracts and papers are available on the website, you just look at the paper section and look at 2010 you'll get to see the list of all the papers that the panelists are presenting the next two days. The scholarship is wonderful. We're covering everything from looking at innovations that are happening in newsrooms right now to the trends and patterns in the consumption of news across different platforms from the mobile to the laptop to even the iPad. Yeah. And also looking at new ways of how to propose business models for the news industry which is also very exciting. Our scholars come from a variety of different places here in the US, Canada, Brazil, France, Egypt, Britain, and many other locations around the world. So it's wonderful to have such a worldwide contribution to the scholarship today and tomorrow online journalism. One last thing is that we have as part of our symposium research program every year a tap graded paper, and this is based on the receiving the highest reading score of all of the papers that have been submitted for that year. Of course, our papers go through an extensive rigorous peer review process. So getting top rated paper is very important and very exceptional to receive. Exactly. We are a pure blind review process. So before we get started with everything we want to just start off with announcing who our top paper rate is a winner was tough. And so we would like to invite Homero Zuniga and Sebastian Valenzuela to come to the stage to receive their

*(applause)*

**Alves:** Okay, so we also have another record, I am usually 15 minutes late and now I'm only three minutes. This is absolutely a record for my tradition of being late, so, what I want to do

now is to invite our keynote speaker Stephen King, Senior Vice Senior Executive Vice President and current content head of Demand Media. Demand Media has been in the news for several months. You love it or you hate it or you are you but you admire it. There is nobody even the most severe critics are confessed to me at least that they admire and what Demand Media is doing in terms of in introducing new concepts in terms of using algorithms to find out what what people want to look for on the on the internet, and I think everybody in the world that is in this business wants to learn from from Demand Media from the the intriguing and extraordinary work that demands studio for *(inaudible)*. For me, it's very special to have Demand Media here as a keynote speech because when the symposium was very small, yet in a very small room, there was a new company in Austin, who approached us and I have never thought about asking for underwriting or anything like that. It was a very small thing that was trying to grow and we had a full pack room and I had this guy from a company called Pluck and tell you don't need some help with this company, this conference etc. So, Pluck is a local company that is now part of Demand Media and who had helped me in the past so I like very, very much the fact that we are all together now here.

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- **Steven Kydd**, executive vice-president & head of content, **Demand Media**

**Steven Kydd**: So we're, we're incredibly excited to be here today. My name is Steven Kydd. I was part of the founding team of a company called Demand Media. And like my thank you and it's funny when Rosenthal reached out to us and said, you know, would you like to be involved and potentially be a speaker at the event? We were a bit bemused, honestly. Because here's a collection of some of the greatest journalistic minds in the world and here is a company who hasn't necessarily been embraced by the leading lights of, of journalism, and of new media. And you can see how well we're embraced right now.

So we actually run a how-to website so if you go to ehow.com and type in how to take down a banner will actually be able to help you with so as I was saying, we haven't necessarily been embraced by the leading lights of new media and journalism. This is some of the nice things that people have said about our company, and especially the group that I run the studio and, and so it's been very interesting over the past six months since the Wired article came out in October, kind of outlining our approach to combining the art of traditional media and the science of the internet. What we found was that if we took the time to sit down with people and actually describe our model in detail, and if people actually took the time to listen to what we had to say, we actually ended up in a very different place from what you find here today. So Rosenthal, I'm really excited that you invited us to speak today, and I want to thank each of you for taking the time to listen today. And I've really, really welcomed the opportunity to speak with you afterwards. I have many members of the team here who would also like to hear from you. Because what we think is really interesting here is the opportunity to build a sustainable media model for the future. So part of the reason why we've generated so much controversy, honestly, is because we're disruptive. Our traffic has grown over 100% year over year and so fast that of the top 20 the only one who comes close is Facebook. We have a network of websites that we own and operate so we're a publisher, we reach over 100 million people a month. And we're in the top 10 in nine different categories. So broad diversified media. We're also the world's largest contributor of video in the world to YouTube. So five times more video on YouTube, then the next biggest company and that company is a small one. You may have heard of it, it's called The Associated Press. And the one after that is CBS. So what's interesting about that is that it gives us five times more data than anyone else in the world about what people are searching on. What videos they're watching. How they monetize, where they go afterwards, etc. Now on the fastest growing site, and in March alone, we created over 150,000 original pieces of content, paid out millions of dollars to freelancers all around the world. And we're in over 210 markets in the US and we recently expanded into Canada in the UK. So these types of eye popping stats, some people find a bit scary. We tend to think of them as disruptive. So here's the real story about the

company. We started it almost four years ago. Our four year anniversary is next month. And what we did is we raised an enormous amount of capital to take on this opportunity that we thought was a unique one at this time in the media business. And so we recruited a variety of folks. I came from Yahoo, some other folks from Amazon. I see MySpace, and this whole idea of building a sustainable scalable media model for the future in both text and video. We have over 500 employees all around the country. We have a large operation here in Austin, Texas with our plug operation as well as another company that we acquired here expertvillage and we have offices in Seattle, London, New York, etc. And there's the way to think about our companies. There are three legs to the stool number one is, as I mentioned, we're a publisher, so we own and operate a variety of different websites. We're actually number 16 In comScore.So, you know that's actually ahead of the New York Times. We're also a leading commercial provider of social media tools that's pluck run by de Panisse, who's a local Austin entrepreneur, and then a large and growing internet content studio, which is the group that I run. And so this gives you an idea of where we are today. So we've created over a million originally produced articles over 180,000 originally produced videos, and we're creating over 5000 new original pieces of content written by qualified individuals every single day.

So we're here to talk about the combination of art and science and how it may help the future of the media business, but first, just a little bit of history to help you understand where we came from and how we got here. So when we started the company, we asked ourselves this fundamental question, which was how do you scale high quality content creation across dozens of different sites and expect them to grow rapidly, right? That's how you can build a sustainable medium. And what we found was we needed to address, you know, five very distinct and unique issues. First, there's this great mismatch right between the cost and the revenue associated with content, honestly, in comparison to pre internet economics. Today's internet economics of content creation, and distribution are just vastly different from where they used to be. So we needed to solve this great mismatch of economics. But we also needed to provide a flexible publishing platform and you'll hear me talk about the platform and the technology that we built over the last few years. But it needed to be flexible, it needed to be able to create text and video, it needed to work for websites and health and fitness websites like live strong calm, which is another site that we own and operate, so it needed to be flexible, to become a diversified media company. We also needed to find a way to minimize risk right. So one of the biggest issues that the media business generally faces is which of the content that they create is actually profitable. Right. And so it goes back to that old adage from I guess it was John Wanamaker. I know that half of my advertising is useful and successful. I just don't know which half. Well, we actually had to use data to actually understand each and every piece of content and understand which ones were useful and which ones were valuable. Because you can't build a sustainable media model. If you don't know the cost and if you don't know the value of the product that you're creating. We also believe that content is marketing. It's a phrase that we use walking the halls all the time. And because we didn't have great brands that everyone knew all around the world. What we needed to do was be successful in what we believe is the way of new media, which is

Google, Facebook and others. We needed to get organic traffic, and we don't spend much money on marketing, right so much to our marketing team's dismay, Dave is like our chief marketing officer zero. So we don't spend money on marketing and so every single piece of content we create needs to earn its own key.And then consistent quality is paramount. So if we did all of those things, but didn't focus on quality, then it was a complete waste of our time. So that what we think is the future is doing all of these things, but doing them all simultaneously. Because if you focused on just one of these boxes, or one of these circles, what you would have done is built an interesting little startup or a nice product feature. But what you wouldn't have done is built something that is unique, scalable and able to actually build a sustainable media model for the future. And probably most importantly, it needed to scale because if you can't scale in the age of the internet, your success is limited. And so we needed to solve all of these issues simultaneously and at scale. So being entrepreneurs, here's where we ended up.

So first, art and science. It was the title of the presentation, and I'll show you examples of this later. This is something that we talk about all day long, which is combining the art of traditional media, something that everyone in this room does but adding to it the science of the internet. And so we started with profitability, so before content is ever created. We ensure using data and algorithms that we've developed over the last four years, that every piece of content has an audience, an advertiser and the ability to execute. And what that does is it's a very interesting thing. We look at all types of data CPCs CTRs search volumes depths of results returned. We analyze terabytes of data that come from our owned and operated network of sites that come from our videos on YouTube and other datasets that are available all around the internet. And we use that to understand where there's economic value and content before we create it. So just as Google uses algorithms to organize the world's information, we use algorithms to help understand what content to create for our owned and operated websites. So what's so great about using this, this process? I'll give you an example here. I'll go back to what we talked about, which is the sustainable media model. When we started the company, we didn't have great brands. We didn't have a legacy business that threw off cash, what we needed to do was survive exclusively on what we did on the internet. So here's some data that gives you an example of how we've been able to improve our business. So the red box here shows revenue per article per month from our freelance content creators, and I'll talk more about them when they suggested things to us that they said they wanted to write or videos that they wanted to create. That was the baseline. We've got members of our editorial team here who we also tracked what they said that we should be creating. And you know, there's a 50% lift there, you would imagine that right? People with editorial training, whose jobs it is to understand what the audience wants, understand where there's a commercial opportunity for the ad sales team. And so you would expect there would be a lift and there was a good 50% left. This is what happens when you use data and algorithms to identify high value topics and then give them to our editors to choose from. Okay, so what you saw is a three to 4x lift in performance over just editors doing their jobs on their own. The unique thing here is people a lot of the discussion about Demand Media has been Oh, it's algorithms. It's robot journalism. It's all of that. What we actually do is we just use data to, in

essence, have the world's largest pitch meeting, where there's not a bad idea. That's really powerful because our editors still play the same role that every editor in this room plays, right. What content is going to be useful for my site, who's the best person to write that piece? What types of formats are interesting, where do I need to fill in my taxonomy to have coverage in formats that are interesting. Where do I need to fill in my taxonomy to have coverage in certain areas? So while the simple story is algorithms, robots, the more complicated and I think more interesting story is using data to then hand it to our editorial team to be able to select from millions of ideas that we know that average everyday people are searching on how to fix a leaky faucet, the benefits of drinking green tea, things of that nature. So this is why we've, I think, garnered so much enthusiasm from the investor community. This is why we're very excited because this points to me to a sustainable media model that again, combines the art of traditional media and the science of the internet. And we have millions and millions of these titles that we have not even published yet. And we put them in what we call our strategic title reserve. And so you'll see later on I'll show you we're partnering with many people outside of our owned and operated site. So I'm going to show you some things today that very few people in the world have seen. But because of your background in the industry, I think you'll be interested to see how we've tried to try to combine art and science. So we achieve quality through what we call collaborative curation. So let me walk you through the steps of how an article is created. So I mentioned those algorithms, we analyze 1000s of data sources, and suggest titles that have an audience advertiser and the ability to execute. So I'll ask each of my team members to stand up so you can actually see these people there are real people here, right? Who are managing these processes, and all of them come from editorial backgrounds. So David runs our algorithm group where we analyze all of this data. Then there's a titling group run by Joey and and what we do there is we use qualified freelancers who we have vetted through testing, and applications, to understand taking the raw data from algorithms and turning it into something that that real humans would actually understand. It actually then goes through a duplication check. It actually then goes to a title selector where again, qualified freelancers have been trained in the voice of our particular sites. And help us select and you can see where all of these have the circle around them. These are actually all consensus driven. So multiple people need to agree on that output in order for it to move to the next step in the process and at any time during that time, somebody can throw the title out and it'll never be made. So this idea of again, harnessing the power of multiple qualified people to help improve quality. Only then does it go to a writer, a qualified writer who's been vetted who's submitted a writing sample and a resume and the like, and I'll talk more about them later. Then it goes to an automatic plagiarism check that is directly built into our platform. It then goes to a copy edit step where an effect check and then every writer is rated by a copy editor on their performance in research and in grammar, and I'll show you screenshots and examples. Of how that works. And only then is it published to the relevant site and so it's something like drinking green tea for weight loss on our site. Live strong, calm, or it's hard to tour Italy on a budget. And this is a new deal that we've done with USA today where we power their travel section with a new section that we've just launched called Travel Tips. And all of

these people on my team and who I'd really encourage you to talk to today. While they're not sitting down and writing articles or shooting videos, or copy editing all day long. We believe that the role of editors in the future is similar to what they do today, right setting editorial agenda, understanding the voice of a site understanding the soul of what it is, but what they actually do is they coach 1000s of people all around the country who are freelancers who choose to work for us every single month. So they're in essence community managers of talented freelancers. And many of you work with freelancers in your businesses today. So do we. So the future we believe in editors is community managers working with really talented people to help grow authentic websites.

So the types of content that we create again, some of the concern that's been raised about us is that we are destroying journalism. We actually don't do investigative journalism. We're not sending people to Haiti. The type of content that we create is service journalism, or you know sidebar content, the type of useful content that's engaging to users, so whether it's healthy foods or fly fishing techniques, this is the type of content that we create. And what we find really liberating about this is that it answers real people's questions because if you're listening to the audience, as we do through search data, you're actually really empowered because you know that you're you're solving real problems for people how to save time, how to save money, how to live a healthier life. But the more interesting story is how we've been able to evolve that over time. So from the beginning, our whole process was guided on how we create content that provides a return on an investment so we knew exactly what we were getting when we laid capital out to create content. So we began with low cost content four years ago, and it was made basically monetized with search ads, so things like you eliminating your slice on our golf site. And then, as we gained access to qualified filmmakers, expert talent and advertising relationships, what we've been able to do is move up the value chain. So again, we focused on high quality, freelancers, professional freelancers, who maybe worked for us for a day or for a week or for a month. And what happens is when you get access to that type of talent, you can ask them to move up the value chain and create high quality content that they do every single day, as long as there's an economic model to support it. And so here's an example of the type of content that we're creating today. This is a new golf series that we've done and if you watch this, it looks very similar to what you'd find on the Golf Channel. And in fact, the Golf Channel actually represents our inventory. On gosling.com. So a traditional media company is so impressed with the quality that we can create so happy with the engaged audiences that they actually then want to sell that content. And we think there's a great great future for creating high quality content for the internet. So great that we actually just hired Bradford who's here in the front row. Joanne came to us from Yahoo. And from Microsoft. So most recently, she was the head of all advertising for Yahoo. And before that, the head of all advertising for MSN. And so what we see here is this great opportunity where you get access to super high quality talent to be able to create amazing high quality content. And there's this massive migration of ad dollars that's moving from traditional broadcast all the way over to the internet. And that ability for us to go from low cost

all the way up to high cost. That flexibility of the platform is what we think is very, very interesting.

So how do we manage all of this talent? And I keep talking about, well, we've built this technological platform and use editors. I think we'd find this really interesting. So here's the person's work desk that they log into every single morning. They get to see what works they have in progress, what titles they've claimed, which ones have been rejected by our process. We also give them rich feedback on their performance. So a lot of professional freelancers told us hey, I you know, I never get feedback from my editor. I've been pitching this thing and it goes into a black hole. And then you know, it gets published and maybe I get paid like 60 days later if I'm lucky. Here we give them ratings on every single piece of content on grammar and research and they get to see how they're doing over time. And of course, we get to see how they're doing over time as well. And there's a support system to help them grow, training camps and things of that nature. So this idea of efficiency, visibility and Performance Insight into every single piece of content and every single creator. I mean, thinking about this is great. Data to add again to the art of traditional media. Many of our editors know exactly who the best person is in our community to write a particular article or shoot a particular video, but now their gut instinct is aided with that of data. And that's, I think, really powerful. It's no different from the type of work you do every single day. In your organization's you know, where you go to person is for this particular assignment. Imagine if you had data to actually improve your gut instincts.And then it's published to the destination site. And that's kind of interesting. But what's more interesting is then the site feedback that informs the process in the community. And so this is where the acquisition of plug comes in, where we believe again, that the future of media is not just publishing content, but then listening to users. And then we take all of that data. How many comments there were, you know, what those star ratings were all that funneled back in or algorithms to understand, here's what we thought was so good about that particular piece of content. But guess what, here's what the users thought too. So again, listening to users, not only on what to create, but then after it's created that curation level to understand how we can improve that piece of content. And we're our own toughest customer. So in essence, we're a diversified media company, and we have multiple different sites and all of them are asking for very different things. And we needed to build a platform to do that. So real quickly, look at our professional Freelancer network. They've worked for some of the leading brands, they've won a bunch of awards. We have four Emmy award winning filmmakers on our staff. They're in over 210 markets all around the country. We actually just yesterday crossed 7000 writers who've worked for us in the last 30 days. We also have 650 copy editors who've worked for us in the last 30 days. And they love working for us. So while many people have said well, how could this possibly work? I don't understand you're not paying people enough. If you ask some of these folks who've been working for 20 plus years in radio, or in traditional publishing, or with places like the AP or NPR, they all have very different reasons why it works for them. And that's what again, what we're doing, we're not trying to replace full time jobs. What we're trying to do is find a great alternative for professional freelancers for them to be able to log in and do work. Anytime

that they want. So real quickly, a look at becoming a copy editor. I talked again about how everybody is vetted. You have to have at least three years of copywriting experience before you can even apply to demand, then only about 10 to 20% even past that, that process then we administer two different copywriting tests. That's all done online. And only about 40% pass those so in all we've got five to 10% of people who apply actually get admitted, and then their work is audited every three to five weeks. The top performers move up the chain and the bottom formers. The bottom performers no longer get to do work for us. And this is the type of place where they worked before. So again, it's this unique opportunity where if you can combine the art of traditional media and the science of the internet, I think you get somewhere very special. So this platform is in action, we've done it in numerous places. So all of these charts high into the right, and this is traffic. So you can see that high quality content that goes through an editorial process aided with the data from algorithms, helps you a mass audience. We also proved it on YouTube where I mentioned where the world's largest contributor we've done over an hour just shy under 1.5 billion streams. And we are the number three most viewed channel in history on YouTube. And we were selected as their first ever case study partner. One thing that was recently in the news I think would be very interesting to you was our relationship with USA Today. So the plug team obviously had great relationships with many of these publishers all around the country. And what they did is we had a partnership with them that we just launched called Travel Tips dot USA today.com Right. And what this was, was a great partnership between the two organizations, where they said we have a great economic opportunity in the travel category, but there's no possible way that we can scale the process to the level that we know we need to be successful. So what we did is by partnering with them to create over 4000 unique articles in the USA Today voice. We did a premium video series with a guy who used to be the host of a trap Travel Channel show. We paid for all the content again because we know the return on investment of it. And then we pay revenue share back to USA Today. And Rosenthal you'd be pretty interested to know that one of your former students were CALS, where are you? Raquel was instrumental in this type of partnership. So part of the reason I brought the team here today is I want you to understand that these are folks with traditional media backgrounds, who are then working with a company like ours, and who are turning right back around and actually taking the best of the internet and partnering with traditional media. And we think that's just the beginning. There'll be many more partnerships coming in ahead. But I think what gets us really excited is we've proved it on our owned and operated network. We've proved it on partners like YouTube, and now we're proving partners like USA Today and that to us is what we think is very interesting about a sustainable media model for the future. So why do we think this model is good? Well, we think it's good for the internet because it's relevant, useful content that you know, meets people's needs, solves problems, answers, questions, etc. And why do we think it's actually good for the media business? Well, I think there's a lot that we can learn. I mean, we spend all day trying to learn from our owned and operated sites as well as our partners. But you know, some of the some of the leading thinkers somebody like Jeff Jarvis says, I remind people not to miss a key insight that underpins demand media's predictive creation. That demand listens to us.

By your search queries, and to the market via ad demand. So while there's been some critical comments about us, I think as we spend more time with people, they start to think, Oh, well, this is actually kind of not so different from what we've done in the past. And so we're engaging many people from traditional media. So what we think we've shown you today is, you know, one step in the next evolution of the media business where we have tons to learn. And so we listen to our critics. But I tell you, who we listen to more is our users and our freelancers and those who provide constructive criticism because in this type of environment, not all types of HDMI are constructive. And one way that we do that is through our editorial advisory board. So we just announced about two months ago. So we have the dean of the USC journalism school, the dean of the UCLA Film School, the president of the Society of Professional Journalists, and the outgoing CEO of lifetime TV. Bring these people in showing them everything about our process, having them coach us and be very critical on what we can do to raise the bar. So, what I hoped we do today is I gave you a glimpse of how we do our work and how we think about the world. And I really, really enjoy the opportunity to hear from you today and also send me an email because we would love to engage with you in a variety of different ways to build a sustainable meeting model for the future. Thank you. Great, yeah. Any questions I would be happy to answer?

**Audience Member:** I'm Christina Diaz of The Wall Street Journal. I have a question. Actually, two questions. First of all, how many items do you put out a day in 5000?Okay, you mentioned you have 5000 writers working for you in the US 7000 7000 in debt, you are the people every three to five weeks, who does the auditing in so what kind of stuff do you actually have to have to have in your newsroom to monitor these people?

**Kydd:** Right. So it's a great question. So we have 1000s of qualified writers. And we built this technological platform that I mentioned, that goes through all of these steps. So what happens is that our editorial team first and foremost, has to approve every single writer so they have to submit a writing sample and a resume. And so this isn't user generated content, yet, we're actually putting lots of barriers in place before someone can even get admitted into our studio. And when they do get admitted they get access to a couple different assignments. And then we have our editorial team spend an awful lot of time understanding how good they actually are. But we also again, unlike many others in the marketplace, we actually have professional copy editors. So they are the very first people who end up seeing that work. And so the Copy Editor gives them constructive feedback on Well, no, this needs to be done differently. And you know, and that's all done within the platform. And so when it goes through each of these steps in the process, the plagiarism check and others, what you find is that you're able to weed out poor performing or poor quality content very, very soon in the process, instead of having it published later and then trying to clean it up. So again, what we tried to do was build a platform that is very representative of what you would find in traditional media. And how we did that was we had our

editors sit right next to our developers or engineers, and say, describe to me in painstaking detail the process of how an article gets written in a newsroom, or how a video moves through a post production house and actually finds its way on air. And when we knew that workflow process, we then actually built that into our technological platform. The difference is instead of having, you know, hundreds or 1000s of full time employees actually being editors or writers, we instead have qualified people all around the country to do that. Does that answer your question?

**Audience Member:** Okay. My name is Bill Hokey, and I'm a freelance writer here in Austin. So my question is, but first I want to say though, this is extremely impressive. I had no idea that there was an organization like this. And as a thank you, Bill, it's fascinating. So what would be my first step as a new freelance writer? I mean, I'm not a new freelance writer, but new to your organization. How would I get started?

**Kydd:** you go to demand studios.com And there's a big button that says apply. Okay. All right. All right. They then ask you for a writing sample resume, and it's a very easy to use process. And the very first thing that will happen is all of that will be on our platform. And one of our full time editorial employees will review your background and given the fact that you seem to be a very bright guy, and they've been doing this for a long time. Your chances are probably better than others.

**Audience Member:** Yes, sir. Hi, I'm Jen Schaffer. I run a J lab at the American University. I have two questions. What's the average length of your story and what are your writers? What do you writers make for it? Is it 600-800 words and what do they make and you're not actually aspirational towards journalism? That sounds like I mean, you're doing a lot of consumer utility kinds of articles. So are you using journalistic benchmarks for editing and are your aspirations eventually to move towards journalism?

**Kydd:** Great questions. Also, let me know if I'm remembering them all. So first and foremost, the average article length of ours is about 400 words. So generally, much shorter, we're not trying to do you know 4000 word treatises. The price points for our content range everywhere from zero in that they're done on a revenue share all the way up to hundreds or 1000s of dollars for a particular assignment and how we price those, again, is based on using that data. So every single piece of content could end up having a very different price point. What we find is most of the freelancers who have been working for us for a period of time, generally tell us that they make anywhere between 20 and $25 an hour, and that's what's really important for us is when you're solving for freelancers what they want, you know, they want a comparable wage that they would make elsewhere on an hourly basis, but they also want flexibility they want to be able to do whenever they want, they want to be able to come for one hour or one day or what have you. So

we just try to find a way to get them to 20 to $25 an hour, our filmmakers actually make closer to $30 an hour. And so it really depends on their interest level and ability to do the amount of work that they want to do. In terms of benchmarks for traditional media. I think what I outlined to you today is that we try to follow a traditional media and a traditional editorial process to the best that we can using art and science. But the only ones who call us journalists are journalists. While we have many people who come from journalists backgrounds, we think we're in the media business, we create text and video and we and it's all ad supported. And so we think of ourselves as being in the media business and growing a variety of different websites. We don't own a news site. We don't do investigative journalism. And what we try to do is focus on the two A's and the three A's audience advertiser ability to execute. What we also focus on is the two R's. We want to create relevant content that answers real world people's questions. And we want to do it in a responsible editorial manner. And so we do that by following a responsible editorial process that many of you do every single day. So if we do the three A's, and we do the two R's, we actually think we're ending up in a good place.

Audience Member: I'm Cecilia Albar, I represent the National Association of Hispanic Journalists. And I wanted to know if you have made efforts to provide information for the growing Hispanic population, do you have sites in Spanish? And do you actively recruit Hispanic collaborators? By the way, the convention of the National Association of Hispanic Journalists is on June 23. To the 26th in Denver, Colorado.

Kydd: All right. So to date, we do not have any of our owned and operated websites that are in Spanish language. Part of the reason we built this platform and what I showed you today, this idea of a technological platform would be not just to do it in English, but obviously to do it in multiple languages. Around the world. We just haven't gotten there yet. We've had our heads down trying to do it. Well here in the US. We have experimented with some Spanish language programming in video. And one interesting thing that you'll find is that we see the Spanish language videos that we have on YouTube actually get more views per video than that of our English language. So I think what we're finding is that when you can create high quality content and put it online and have it discoverable, it can actually do quite well. The monetization of Spanish language content has been lower than English language. And so for us, again, using the return on investment as our thesis, we will focus on that when the return on investment becomes available, but we see it as a massive opportunity. And that's why we built this platform in order to do it.

Audience Member: Hi, my question is about your use of data. Because it's such a high barrier to entry when you don't have any, we always think, oh, it's easy for Google. And it's easy for YouTube because they have the traffic and they have the data. So I'd like to know more about

how you started and how you got how you got going with that when you didn't have any data to start off with. Sure.

Kydd: Can I have your name?

Audience Member: My name is Anita.

Kydd: Hi, Anita. So we started the company, understanding the slides that I showed you in the beginning. We needed to have a very new and unique approach to content creation, because we knew the existing one would not scale and would not be sustainable for the future. And so we believed that the internet is the world's largest and best market research platform. If you just take the time to listen. And the best companies in the world are great at market research. And so we said, well, let's be great at market research. Let's listen to what people are searching for. Let's see how particular pieces of content monetize. Let's see how we can compete in search engines and let's watch where we get traffic from social media. So there is an enormous amount of data out there. If you are willing to listen. Now. Certainly now that we're number 16 In comScore and reach over 100 million people. There's certainly a relatively large barrier there for many other people to try to compete with. But again, we're not doing anything, you know, incredibly unique and getting access to data. I think what we're doing is we're doing something unique with the data that we have. And that's one of the things when we talk with folks in traditional media we say, you know, look at using some of the data that you have to help your editors be great at the job that they already do.

**Audience Member:** Nick Accomplice, Rutgers University Thanks, Steven. This is really interesting from you know, coming from a computer science background myself. My question actually dovetails on the last one a little bit. I'm curious where you're getting this data. And what search logs are you looking at? Well, it's not just search, you had to bootstrap somehow. So who are you getting your data from?

**Kydd**: Yeah, so it's not just search logs. So the first and foremost is we look at all types. of data. So it's search, social media, monetization, what have you. There are billions of signals. I'm sorry, from where were you getting that? Well, first we have to reach over 100 million visitors on our owned and operated network. So there's an enormous amount of data right there. I mentioned we're the largest contributor of content to YouTube in the world. So that means we have enormous amounts of data coming from YouTube that they make available to all of their partners. There's also lots of publicly available information and data sets that you can get on, you know, how people are searching on the internet. What the advertising, CPCs, and CTR czar in different categories. So we get access to tons of data. And then we use an entire r&d team that's

focused on taking raw data and listening to it and massaging it to help us be smarter about the next piece of content we create.

**Audience Member:** So I'm just wondering what that means as far as generating content that you can get data about. So I guess what I'm driving at is if you can only listen to the signal for the content that's already out there. How do you know what the signal is for content that might never get created? If you don't already have something in the network for someone to click on?

**Kydd:** Well, it's pretty simple. If we don't think we can get a return on investment on the piece of content, we won't make it. How would you know that if there was never any data on it to begin with? If we don't have the data? We're not going to guess. I think that's the simplest way to think about it is we will only create things that we know have a return on investment. If we don't have the data to prove that that's a good return on investment. We won't make it and quite honestly, that's part of the reason why we're not doing investigative journalism. Like it's not only are we not set up to do it, but we don't have datasets that help us understand that it's a profitable model. So, you know, while some people like to think, you know, that this data is very useful to help us go into every single market, we're just going to use it to be really good at what we're good at today. And then if there's an economic model to support going into other businesses, we may do that. Okay, thanks. Sure.

**Audience Member:** Hi, Omar Yaga with the Austin American Statesman. Do you think that mainstream media news outlets have not been aggressive enough using analytics to try to increase the revenue and is that a service that demand is considered providing to mainstream media?

**Kydd:** Well, I am addressing mainstream media and the whole is a very difficult thing. I think there were very innovative companies that are in the media business today and some that are less innovative. I would say that, while we're not going to provide that type of service, the service that I mentioned with what we're doing with USA Today, I think is a great example where we can partner because what we did there was we provided them with real depth and breadth of content in the travel category. In a way that they were able to reallocate internal resources to focus on what they're great at, which is investigative journalism, building this amazing brand of USA Today, and allowed us to focus on what we think we're pretty good at which is using a combination of the art of traditional media and the science of the Internet to partner with folks in a new sustainable model. So I think you'll see us using that model in the future. Okay, thank you everybody.