

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

### Day 1, April 1, 2011: Keynote Address: *Reasons to be Cheerful: An Optimist's View on the State of Digital Journalism*

- **Vivian Schiller**, former President and CEO of NPR and former General Manager of NYTimes.com

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**Rosental Calmon Alves:** Okay. So I'm going to ask Glenn Frankel to come back and make the introduction of Vivian Schiller, whom I am so grateful for keeping her commitment of coming here and inaugurate this symposium for us. So Glenn, please.

**Glenn Frankel:** So we've got a keynote speaker today who knows a lot about news and a lot about the business of news and a lot about new technology. And lately, she's also learned about making news. Vivian Schiller has had a truly distinguished career as a news executive at CNN, the Discovery Times Channel, *The New York Times*, and most recently as CEO and President of National Public Radio. Her very impressive credentials are in the printed program. She's won more awards than I could possibly take the time to name. But there's also no avoiding the elephant in the room this morning. Vivian was forced out of her job at NPR recently after an NPR fundraiser was entrapped in a hidden camera sting that produced a selectively and deceptively edited video. And frankly, it's a bit of a -- it's a disgrace that NPR's board caved in the face of that kind of shenanigans from an ideological thug. And it's even worse that this guy, this kind of new hero for our times, has tried to present himself as a journalist. That's the real fake out and the true fraud. Well, he's the phony all right, but we're lucky today to have someone to address us who's the real thing.

It's very appropriate that the title of her talk today is *Reasons to be Cheerful: An Optimist's View of the State of Digital Journalism*, because Vivian is nobody's victim. She'll be back soon in a leadership position in news and media and new technology—very soon, I trust. She came to Austin a year or so ago to help break ground for our new -- our school's new building. She promised Rosental then, as he said, to try to attend this year's symposium. And she's kept her promise, because that's the kind of person she is. She's sort of fresh off the frontlines of the journalism wars. And it's a genuine honor for me to present to you Vivian Schiller.

[Applause.]

**Vivian Schiller:** Wow. Thank you. Thank you, Glenn. That was... Thank you very much for that introduction. And thank you, Rosental, and thank you, Amy. And I'm thrilled to be here. I never even thought for a second I wouldn't come. In fact, now I actually have more time to be here. [laughter]

And I'm also just incredibly over... This is my first time at ISOJ, and I just

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think it's outstanding, and I'm so impressed with the idea of bringing these academics and researchers together with practitioners, because that is the nexus of theory in practice and academia, and both the reality of the world that we live in today and the high values that we hold so dear about what journalism is and isn't, is exactly the kinds of things we should be talking about. I'm really, I'm daunted by the talent here and by all the intellectual firepower. So my view is more from a sort of dilettante's point of view, so I hope you will indulge me in that.

In an annual right of passage, the Pew State of the Media Report was released about a week ago. Maybe it's two weeks ago now. And as usual, it is a spectacularly comprehensive and incisive look the size of a telephone book—to use the Luddite vernacular—about how journalism has fared in the past twelve months. I would imagine that everybody in this room has taken a look at it. In recent years, and this year again, it has largely been an exercise in getting really, really depressed. There are the usual horrors such as the annual tally of lost reporting and editing jobs: 1,000 to 1,500 in the past year. That's a 30% decline over ten years. Evidence of an increasingly polarized media serving an increasingly polarized public. And of course every year there's some new fresh hell. This year's bad news is that creators of quality content are losing the battle to control their own destiny, as aggregators and gatekeepers like Apple and Google and others assert ever greater control over the audience experience and charge a toll along the way. There are, of course, a few bright spots. For instance, newspaper revenue declines are accelerating at a slower rate. [laughter] Just want to let that sink in for a second. That's the good news. Yay! And there's plenty of more bad news where all that came from. And of course over your two days together here, there will be plenty more hand wringing; although, based on Rosental's enthusiasm, probably less than there might be at other conferences. But yet, I've titled these remarks, and I hope to partly set a tone for your days together, *Reasons to be Cheerful*. Because while everything I've just said is true and then some, there are so many reasons to be helpful and even excited about the future of quality journalism.

I want to share with you today seven observations that give me tremendous hope. Now this is not some grand unifying vision of media today; it's just a handful of stuff, and undoubtedly, half of it will turn out to be wrong. But to paraphrase John Wannamaker, who coined the famous phrase about effective advertising, "We just don't know which half." So with those disclaimers, here goes.

Number one, the conditions are finally right to give newspaper paywalls a fair shake. This is the first time I've felt this way and possibly, I think this may be the first time I've ever said this publicly. Back in 2007, which was a generation ago in Internet time, I was at NYTimes.com and I was a free content absolutist. That was the year my colleagues and I led the effort to end Times Select. For those of you that maybe don't recall, Times Select at the time was a paywall scheme that completely locked out New York Times

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columnists and all of the archive older than seven days to all but paying subscribers. It was not the metered model that the Times has just launched. So with Times Select, you were a home deliverer subscriber, you were a paying digital subscriber, or no Tom Freedman for you. Back then, as I said, I was an anti-paywall zealot and for good reasons, based on the conditions of that time so many [years] ago. But times have changed. So here are the conditions I think have changed that make paywalls viable.

One, what mattered to advertisers way back then in 2007 when we made that decision, was scale. The race was to smash through... the race was on to smash through thresholds based on unique visitor counts in order to break through to the next tier where a new set of advertisers became viable. Sort of like a video game, reaching the next level opened up new rewards, not just obviously more money, but new sets of advertisers. And in fact, when we ended Times Select, our unique visitor counts, which was the coin of the realm, then jumped from 12-million to 20-million fast. That mattered a great deal. Now, scale still matters, of course, but brand is back, baby. It never really went away, but for marketers it's the new, new thing. In the cacophony of choices, users more and more look to brand and advertisers have come back to basics.

The other thing that's changed that I think makes paywalls viable is that human behavior. People are trainable. And iTunes has trained us all to pay for something even though there are ways to get it for free. It's no longer an anathema to pay small amounts of money. That's why the debate--I think, that's raging in the media right now about the porousness of *The New York Times* new paywall--is frankly a red herring. I think it's silly. Of course there are ways to get around it, but I'm not sure that that really matters. In the same way that you can pirate music, the price is low enough, people care enough. There will be people that breach the wall, but I don't think that's going to undermine the business model.

The third thing that's changed that makes paywalls viable, in my view, is of course tablets. It is a game changer for print. And tablets are smashing records for new platform adoption. According to the Pew Study, tablet penetration was 4% of the U.S. population in September, 7% in January, and Tom Rosenstiel—I heard him speak last week—said they have reason to believe now that it is 10%. That is unbelievable growth. So the New York Times paywall obviously launched a little bit earlier this week. We'll see, but I have my fingers crossed that it will succeed.

So, hopeful observation number two: Local is still up for grabs. Again, according to the Pew Study, which I'm going to be quoting a lot, efforts of media companies to own local are not working. To be sure, everything from, you know, the now ancient Back Fence to TBD.com have failed to take off. Actually, in honor of Jim Brady who is here somewhere, TBD.com would have been successful had they given him a chance, but that's for another speech. I'm underwhelmed right now by Patch's potential to be true quality

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journalism, I think, as community information potential. I know the head of Patch is going to be here tomorrow. I don't know if he's here now. It's great, but it is not journalism in the sense that those of us in this room believe. And even things like Adrian Holovaty's re-launched EveryBlock with community. Again, it looks great, but at the end it's still a utility, not a news provider. But yet the ad market for local is not only there, it is growing. Online ad spending is up. The percentage of total ad spending that is local is up from 30% of the market last year to 40% this year. So there is opportunity for those who succeed.

So who will win this holy grail? I'm going to put my bet here on legacy media companies at the local level if they do the right thing and if they move now. Local public radio stations, local newspapers have the tools. They have the bricks and mortar. They have the people. They have the brands. They have the relationships with the communities. The question is, do they have the will? Will they take the risks? Will they make an investment as they must in a down market? Will they disrupt their core businesses? Will they partner with new not-for-profit startups who have so much potential, though difficult business models? Partners such as Lisa Frazier is here, so I'll mention Bay Citizen in the Bay Area. I see lots of signs of hope, and in fact, I would look at a prototype of what a successful online local media enterprise can be right here in Austin, where NPR member station, public radio station KUT is attracting record audiences on the radio, expanding its journalism, doing the right thing by partnering with the local not-for-profit *Texas Tribune*, all while expanding aggressively on digital platforms and raising money in the process. Austin, I think, is a test bed. We should all watch carefully, and we should all support [it], because everything that is happening in Austin right now is exactly right.

Observation number three has to do with Twitter. Now, I don't need to tell the people in this group that Twitter is a great breaking news delivery vehicle and news aggregator. This is not news to any of you. But what has me most excited is the emerging power of Twitter as a news gathering vehicle. This has been building in recent years with the election coverage, uprisings in Iran, disasters in Haiti and elsewhere, but it really is only in recent weeks that it has reached critical mass as a news gathering and verification engine. The verification part which so often gets lost in the dialogue about social media. Look no further than NPR's Andy Carvin, who I like to call the first human news platform. According to this week's *Time*, to quote a legacy media operation, quote, "His curated feed provides an unequalled content stream of analysis and on-the-ground reports." Working 18-hour days—Andy, if you're listening, you really need to slow down—he has curated the most vibrant news feed on the planet, I believe, on the uprisings in Northern Africa on the web. While this discourse does not take the place of sending journalists into the field, it is an extraordinary and powerful complement to a news organization's ability to keep their audiences informed. And most exciting of all, we are just to honor the opening of baseball season in the first inning of its potential. So go Andy and all of you Andy's out there.

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Next, the twin goals of all publishers of original branded content when it comes to audience are and always have been engagement and scale. Everybody in this room knows that. How do we simultaneously super serve our loyal audiences so they spend more time with us, while bringing new audiences into the tent to try our goods? This is a challenge that has been around for generations. It is not new to the digital age, but it is only very recently that a winning strategy seems to be emerging.

And that gets me to my next two observations. Apps, to start with, are the holy grail of engagement. First some statistics, courtesy again of the recent Pew Study. 80% of Americans have cell phones. Two-thirds of them use it for something other than making calls. This [is] just to set the baseline. Nearly half of all American adults report that they get at least some local news and information on their cell phone or tablet computer. More and more they are getting that news from apps. 24% of mobile local news consumers report having an app that helps them get information or news about their local community. And all of these trends are rapidly accelerating.

So the critical mass is clearly there. Now let's look at the behavior of mobile users with regard to apps, the apps they download, by looking at NPR. Sorry. It's the area I know the best, so I'm going to use it as many examples of things. We recently at NPR did a very deep study on audience behavior and came up with a startling set of statistics. The study was about duplication.

And I think that this—based on my conversations with other media organizations—I think this is not unique to NPR. The duplication among those that download NPR's apps on either their mobile devices or their tablets and those that listen to NPR on the radio is massive—as high as 83% on the Android. 83% of people that use the Android app are NPR listeners. It is serving the loyal audience. And the engagement with those apps is incredibly deep, especially if they are, in this case, listening and reading at the same time. So for instance, within the NPR iPhone app, those who listen to audio consume ten times as many text pages as those who simply read. These app users are NPR loyalists to the hilt. They seek out the app. They sought it out. They downloaded the app. It was a purposeful event. And they engage with it intensely. The app is an NPR IV right into the bloodstream. And while NPR can't and won't charge for this content, this kind of intense loyalty bodes well for those brands that seek paying subscribers.

But apps are not necessarily the way to bring in new users. So let's now flip the coin and look not at engagement, but at audience acquisition. And it is my number five. With apologies to Chris Anderson, the web is not dead. In fact, the browser may be the single most powerful app on your Smartphone, not to mention every other screen you own. And it is still far and away the best way to acquire new audiences. So let's go back to that very same NPR study that I mentioned. So you remember I said there was an 83% duplication between NPR radio listeners and Android app users. On the web,

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it is almost the perfect inverse. Only 22% of NPR.org users listen to NPR. That means NPR is bringing in... Excuse me. NPR.org on the web, oldfashioned web, (I can't believe I'm saying that), is bringing in new audiences.

They come through all the ways you know—through search, through blogs, through links on Twitter. Sure many of them are drive-bys, I understand, possibly most, but that's okay, because some will convert and many will think about, in this case, NPR in a different way, a new way than they had imagined. So I would urge all of you do not give up on the web. It is the audience acquisition device.

Okay, moving on. Reason to be hopeful number six: Legacy news organizations finally seem willing to be their own disrupters. Legacy news organizations have finally abandoned the highly misguided notion of being platform agnostic for a much more deliberate approach to serving the audiences, their audiences. And I will always use audiences in the plural, based on the unique characteristics of each form factor and every platform. The notion of being platform agnostic is nonsense. It makes sense in the sense of, of course you want to be everywhere, but the notion that you are the same everywhere makes no sense. You carry with you your core values [and] what your users come to expect from your brand. Other than that, every single device, every opportunity, we should start from scratch. Even a year ago when the iPad came out, such venerable news organizations as CNN—again, one year ago being sort of seven years in Internet time—chose to simply stick with their iPhone app, only bigger. Now while they've recovered and then some, CNN now—and I say this with Meredith Artley in the room, who's going to be speaking later, who has brought some extraordinary energy and vitality and innovation along with K.C. Estenson to CNN—is doing some of the most exciting and innovative work out there. You'll hear more about that from Meredith later.

So we're seeing everywhere that delivering on a consistent set of brand values is not the same as offering the same experience. But even more encouraging is the fact that legacy news organizations—newspapers interestingly in particular are experimenting with very disruptive products under different brand names. This is good. *The Washington Post* is getting ready to launch Trove, which ties into Facebook and lets readers build their own news site based on the topics they choose. *New York Times* is playing with News.me, an app that creates for users a personalized feed of articles based on what the people they follow on Twitter are sharing and reading. *The Wall Street Journal* has launched The Daily, a very promising, new startup with a completely different brand. All of these are under different brands. And I commend these organizations for not being afraid of disrupting their core business. And of course, they're all working -- I think all three of those newspaper organizations are working together on Ongo.

Number seven, my last one, and to me the most promising trend of all is that

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digital natives have come of age, and they care about journalism, the kind of journalism defined in the way that Glenn was describing. Journalism in the way that all of us in the room care about. J-school enrollment is soaring, although, that's, of course, not the only path in. It wasn't for me. But this speaks volumes to the idealism and the commitment to public service of the next generation. These kids think like developers. Many of them are software developers. And they will not only invent new ways of gathering and distributing the news, they will reinvent the business model, and that's what's desperately needed. My generation won't. We can't. It's just not in our DNA. No matter how much we educate ourselves, no matter how smart we think we are, we will always just be visitors on the planet that the digital natives inhabit, own and will ultimately rule. This is good.

This is really good...with a big if. The digital native generation, because of the abundance and ubiquity of information that they have grown up with that comes at them especially through social media, may not have the grounding and the understanding to discern reliable, fact-based information, independent information from assertion, gossip and downright lies. This is why teaching news literacy in high schools and colleges is a must. This is not just for journalism school students--they have already drunk the Kool-Aid-- but for everyone. We must teach kids the critical thinking skills to tell fact from fiction. This is the civics of the new era. The work that Howie Schneider is doing at Stony Brook at the university level and Alan Miller's News Literacy Project at the high school level must be embraced, supported and expanded. So in conclusion, I am really, really hopeful. Never more so than in recent weeks as we faced earth-shattering news from the Middle East, North Africa, and Japan. News consumers had access like never before to the [richness] of American media, foreign media, an army of bloggers and Twitterers sorting, fact checking, correcting, to bring and together delivering an understanding of events like never before.

I'll close with a Clay Shirky quote, because those of you that know me know I cannot speak publicly without quoting Shirky at least once. In his book *Cognitive Surplus*, he says, "The opportunities before us individually and collectively is enormous. What we do with it will be determined largely by how well we are able to imagine and reward public creativity, participation, and sharing." I hope that in your time together you will imagine a public good and expand your creativity on inventing the future as participating in this most democratic of ventures and sharing it with the world. Thank you very much.

[Applause.]

**Rosental Calmon Alves:** I wonder if you have a question to go to the mike with? No questions.

**Vivian Schiller:** Wow. Okay.

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**Rosental Calmon Alves:** So I have a question.

**Vivian Schiller:** Okay. [laughs]

**Rosental Calmon Alves:** What is the difference between now and the Time Select time that you had the experience? What makes you so optimistic about the possibility of the paywall to work now?

**Vivian Schiller:** Yeah. Well, I think, like I said it's three things. Again, people are used to paying now even when they can pirate. Two, scale is no longer king. Of course it's always important, but I'm telling you in 1997—we started in 1996—it was the race to tremendous scale. And if you did not reach certain thresholds, over 20 million, the concern was you would be lost. And so Times Select succeeded in doing that. Third, tablets is a game changer. I mean, the interesting thing is that... Can you hear me, by the way, on this mike?

**Rosental Calmon Alves:** Yes.

**Vivian Schiller:** It's that *The New York Times* created... Oh, gosh, what was it called? Somebody help me out. Meredith? Created a product for tablets which name is just slipping my mind right now. Times Reader. Excuse me.

**Man:** Times Reader.

**Vivian Schiller:** Times Reader. Thank you. Times Reader. And it was a fabulous product ahead of its time, because there were no tablets. It was perfect for the tablet, and yet there were no tablets. So, I mean, it's very interesting that now tablets have created the means to be able to have, as everybody in this room knows, the reading experience. The fourth thing that's different is it's a very different model. This is the fact that we're not cutting off. Every place I've ever worked, by the way, I still say "we" just so that you all know. CNN is we, *New York Times* is we, NPR is we. So the fact that... [audio noise] Is that me?

**Man:** [Inaudible.]

**Vivian Schiller:** Okay. So the fact that *The New York Times* is not cutting off first visit, the first page view, as Times Select was. Times Select you could not access the columns. You couldn't access the archives, which has, you know, completely undermined search rankings, frankly, for so much. But this is open. As you know, I think it's based on 20 page views. Not 20 page views. Excuse me. 20 articles or items a month, and of course you can get in through Twitter and blogs. So I think that's absolutely the right way to go. So, will it succeed? I have no earthly idea. I mean, anybody that thinks they know, you know, is making it up. But I think the conditions... I think the conditions are now right to give it a go.



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**Rosental Calmon Alves:** But do you think, is there anything wrong about the free model? I mean, broadcast has been free for decades –

**Vivian Schiller:** No!

**Rosental Calmon Alves:** -- and made a lot of money. So, you know, why [do] they have to charge if broadcast worked so well for so long?

**Vivian Schiller:** Oh, well, there's no question that free is always going to attract more audiences, and there are plenty of news providers including NPR and public radio that will always be free and many others who will remain free. So this should be concerning. But on the other hand, look, we must continue to be in a relentless state of constant experimentation and to test and learn [and] to not be afraid to fail. Fail fast. Learn from your failings. You know, again, I always--we can get the Clay Shirky drinking game going right now on how many times people mention him during the conference. You know, Clay Shirky, again, in his famous column a couple of years ago said, "You know, in the end, what will replace the business model for newspapers?" Said "Nothing will replace it, but everything might." Which is exactly it. We have to try a little bit of everything. And I think if I were at *The New York Times*, I would be supporting this model still as well.

**Rosental Calmon Alves:** Now we have a bunch of questions.

**Vivian Schiller:** Oh, good, okay.

**Paula Poindexter:** Good morning. Am I working or not working here?

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

**Paula Poindexter:** I'm Paula Poindexter here at the UT School of Journalism. And one of the things for your final trend had to do with the importance of embracing news literacy and making sure that the young people who are coming up, that they understand the difference between, you know, what is fact and what is opinion and so forth and so on. You can't leave all of that responsibility to the schools and parents. So my question is, what do you think? Because they have not done a very good job. What do you think legacy media should do to contribute, to help people become more informed, more news literate?

**Vivian Schiller:** Well, I mean, the best thing that news media can do is continue to do, you know, great work that is unassailable journalism. I mean, that's really the only thing that news organizations can do is to be a place for people to turn where they can [do] independent, fact-based, original reporting. I don't know that news organizations are really going to be in a position to teach news literacy. First of all, I don't know what the mechanism would be to do that. Second of all, it would certainly seem self-interested.

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For instance, the News Literacy Project, which is in high schools in Washington, New York, and Chicago, which I work on. Many journalists go into schools with Get Kids to just... it's not about teaching kids, "You should only go to *The New York Times* or NPR or CNN." It's about teaching kids to understand to be skeptical, to understand what it means when somebody sends them something. You know, is it sourced? Where did it come from? What's the providence of this piece of information? It's just critical thinking. And it scares me, frankly. My own son, who of course is a *brilliant* child, was working on a term paper and came to me. You know, he's 14 now. This was maybe a year or two ago. And I asked him where... you know, he showed me his draft and I asked him where he got a piece of information. And he said, "I got it from Google." I go, "Okay, great. Use Google for search. That's great. So you went into Google, you researched it, and then where did you get the information?" "From Google." I mean, he didn't even understand. I mean, look, you know, you guys all get this. He didn't even understand that he was sourcing. He was accessing sources and he didn't even know what the source was. So I don't know, to come back to your question. I think it is schools and parents, frankly. You know, news organizations should be there to support it, but I don't know that news organizations can teach kids to do sourcing.

**Paula Poindexter:** But news organizations have -- like newspapers have a long tradition with newspaper and education programs.

**Vivian Schiller:** Yes.

**Paula Poindexter:** And CNN has programs and so forth. So I just wanted to know what your vision is. But you basically see that news organizations should not be...

**Vivian Schiller:** Should support. Should support these efforts, but can't really lead these efforts.

**Jonathan Groves:** Yes. I was wondering...

**Rosental Calmon Alves:** Can you identify yourself?

**Jonathan Groves:** Oh, I'm sorry. Jonathan Groves from Drury University. What I was interested in, is you've talked about the importance of being on the web and on Twitter. And with NPR, you had Planet Money, which is really one of the first podcast, first formats I've seen with a legacy news organization. How did that idea come about? And how did it evolve? And how did you say, "This is a success. We want to keep it going." Because that's quite an investment of resources that you're putting into that.

**Vivian Schiller:** I'm really glad you asked that question, because it gets to the notion of the way new products and new ideas need to be nurtured and launched. I mean, now, just looking at NPR, for example, there was a time not that long ago where if a new program was going to be created, it would

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be—I'm exaggerating, but not a little bit—a bunch of people would get in a room. There would be a committee. They would brain[storm]. You know, they would think about the idea. They would develop a business plan. You know, they would perhaps do a pilot, hire a new staff of people for a new show. You know, six months of ramping up, setting up, getting it distributed, [and] selling [it] before the first piece of content actually goes to the public. And then after all this work, you find out whether it succeeds or fails. This is a crazy way to develop anything, whether it's on the radio, on television, in print, or online. Planet Money was the first time that we...and in fairness, it started before I got there, so I'm not taking credit for identifying it. It was actually Ellen Weiss. But Planet Money was the first of a new model, at least for NPR, of a way content can be and should be developed, which is from the ground up, not from the committee down. It was two guys, Adam Davidson and Alex Bloomberg, who had a great idea and said, "You know what? Just give us a little space to try it." And that's how it started. It wasn't a lot of money. It wasn't a big investment. It was two guys who were onto something and who happened to launch literally like a day before the market crashed -- the whole market crashed in September of 2009, so their timing was great. And then we expanded it from there. So it comes back to the test and learn, celebrate failure if the failure is based on an idea that was worthy to try it and fail fast. And if not, just sort of nurture, nurture, nurture and give something room. So that's the way that NPR hopefully will continue to develop content going forward and all media companies should.

**Nikki Usher:** Hi. Nikki Usher with USC. I had a question. I wanted to push you a little bit on your comment about local news being a place for innovation. As we can see from a lot of our local newspapers, they are really shedding a lot of jobs, and a lot of their content is turning away from the deep-hearted, political reporting that is so crucial to serving as a watchdog for the public. And one of the things I was curious about is how you see local newspapers, because as you mentioned, a lot of NPR stations are growing. How do local newspapers fit into your vision as a place for growth?

**Vivian Schiller:** You know, local newspapers, they have a tremendous place if they move and invest and finally move away from the notion about being concerned about disrupting their core business. I mean, it feels like these are ideas that, you know, we were talking about a number of years ago, and yet some organizations are still in that mode, and that is the path to ruin. The thing about newspapers is... I don't have the statistics in front of me, but I think, you know, something like, it's not 50%, but something like 40%—somebody maybe in the room has this number—of people in local communities still buy newspapers [and] still read the newspaper. Newspapers still have the largest newsrooms in just about any local [community]. In any given community, newspapers still have the largest newsrooms. Now their cost basis is very high. They are obviously, on the business model side, in decline. Classified is decimated. Display advertising is under assault as we've talked about. There are so many forces that are really challenging the newspaper industry right now. And yet like I said with these

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large newsrooms, with brand recognition, with being in the community, and with still large readership, it is not too late to turn that around and become the dominant online player. You know, it takes fortitude though, and it takes partnership. I am a big believer in partnership on the local level, because there is no way... There is this wonderful new breed of not-for-profit online media that's starting up in so many communities. It's great, but we were just -- Brandt Hughes and I were just talking about this outside a couple of minutes ago. Many of them will fail, because we're in a period now where we're trying to figure out how this is going to work. They need to consolidate. They need to partner. They need to not lose heart. And newspapers can be in the center of that. Again, newspapers and the local public radio stations are the two core legacy media institutions, I think more so than local television, frankly, that have the possibility to still grab this space that nobody has yet to own.

**Nikki Usher:** Thank you.

**Rosental Calmon Alves:** Yes, go ahead, Joey.

**Joey Castillo:** Hi. I'm Joey Castillo. I'm a grad student here at UT. You kind of mentioned earlier gatekeepers and platform owners. And I would love to unpack that a little bit. I mean, *The New York Times*, just to take the example, had access to the iPad and the iPhone as a platform for free, and now with the new subscription model, Apple is trying to take 30% of things.

**Vivian Schiller:** Right.

**Joey Castillo:** You say if the price is low and people care, then there's room for a pay model to work. Is there still room if you've got a platform owner taking...?

**Vivian Schiller:** Well, it's a challenge. I mean, there's no question, because whatever... I mean, take *The New York Times*. Whatever revenue *The New York Times* would gain from their paywall, they are now sharing with, you know, somebody else. So this is... I completely understand from a business model point of view. Apple has created the platform. They can... you know, it's their playground. They can do whatever they want from it. But it creates a new set of challenges for providers of original content. It's not just the cut of the revenue. It's also the relationship with the end user. Obviously those two things are related. But that's perhaps even more concerning is, whose relationship is it? If I'm reading *The New York Times* on the iPad, as a reader, who is my relationship with? And who is going to own that relationship? That battle has--interestingly enough, this is not in the news business, but we're seeing--it's a slightly different set of circumstances, but we're seeing a very interesting situation unfolding just this week in terms of cable channels and the cable operators with streaming cable channels on tablets. And watch this space. Is it the cable operators who were saying, "This is our place. We own this." And of course, there, you've got three players, right? You've got the

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cable operators, you've got the actual producers of the cable channels, and then you've got the devices. So the battle is on. I don't know how it will end.

**Rosental Calmon Alves:** We have two more questions.

**Cecilia Alvear:** I'm Cecilia Alvear, the former president of the National Association of Hispanic Journalists, and I'm on the board of Unity Journalists of Color. My question has to do with building audiences. And given the tremendous changes in the population of the United States, census figures now say that the Hispanic population is growing tremendously. What do you advise in terms of attracting this audience for news providers, for people who are developing new systems and new applications? Should diversity be a core value –

**Vivian Schiller:** Absolutely.

**Cecilia Alvear:** -- for NPR and for everybody else? And is it being properly implemented?

**Vivian Schiller:** Yes and no. [chuckles] Yes, it is... I'm glad you brought this up. This is key for all media organizations. Is it being properly implemented? No. No. Not yet. There is so much work to do in this area. At NPR, again, because it's my closest experience, we set out, when I came in, in 2009, we set out on sort of tackling the diversity issue in four areas. And you can't... and all of them are interrelated. One, who are the people recruiting? Who are the people who are working in your organization? Two... and I could go on at length about each of these, but I won't. Two, what are the opportunities once you're inside the organization? What kind of role are you playing? What are the opportunities for advancement? What is the culture of your organization? And how welcoming is it of diversity in all its manifestations? And again, all of these things are a circle. Three, what is the content that you're creating? Are you creating content that is two sides of the same coin? Content for people of color that is of interest to them, and for white populations, stories so that they understand the true nature of the diversity of this country and the demographic challenges of this country. Who are the voices on your air? What kind of content are you creating? For instance, we did research at NPR. The same audience research we did. We looked very deeply at the diversity issue. And what we heard, one thing from one of the focus groups popped out to me, is somebody, a young Latino woman said, "I feel like when I listen it's a party to which I was not invited." So we have to fix that. And the fourth thing, of course, is audience. And how do you reach those audiences and marketing to those audiences? So I think all four of those corners of the circle... That doesn't make sense. All four of those points along the circle are key for every media organization [and] news organization to tackle in order to properly serve the people of this country. But no news organizations are completely there yet.

**Rosental Calmon Alves:** Last question.

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**Vivian Schiller:** Okay. All right. I'll answer shorter.

**Eduardo Meditsch:** Okay. Last question. I'm Eduardo Meditsch from Universidad de Federal de Santa Catarina in Brazil. I would like to know what you are thinking about the audio as a language, as a type of audience in this process of convergence. In Brazil, we did not implement the digital radio because government and radio stations are waiting to see what happens. And it seems to us that HD radio did not succeed. And how about the digitalization of radio and the use of audio in the process of convergence?

**Vivian Schiller:** Yeah. I actually think radio—audio—let me call it audio, which is kind of too... I don't like that term. It's very clinical, but I'll just use it. Radio, no matter how it's delivered--radio is a better word. Radio, no matter how it's delivered--I think of all of the sort of legacy platforms, in many ways--is the most easily convertible to digital platforms. I completely agree, HD radio was -- I'll put it kindly to say that it was a transitional notion that perhaps was the right thing for a short period of time. I think it is going to be so completely usurped by Internet radio that I fear we will not even remember what HD radio even was ten years from now. First of all, broadcast radio is still incredibly strong — old-fashioned, over-the-air broadcast radio. NPR, the last ratings period that we had which is from fall, hit record ratings for terrestrial radio again. Four quarters in a row. So that is still very strong, at least it is for NPR member stations, but digital Internet radio is where the action is. And starting this year, you will see Internet [radio in cars]. All of the car companies are putting Internet radio in their cars. Pandora is going to be there. Pandora wants to become a platform. This is going to change everything. It's going to change everything. And it will actually present both an opportunity and a huge challenge to the legacy radio organizations. The challenge, of course, is... sorry, I know we need to finish, but I'll just be really quick. The challenge is if you are a local station and I can now listen...if I'm KUT... sorry, sorry, Stuart. If I'm KUT, but I come from Dallas, I could listen to the Dallas station instead of the Austin station, even though I probably won't because the Austin station is so much better. [laughter] Did I recover? [laughter] So that's the challenge. The opportunity is that you can be everywhere, and you can take you favorite station with you everywhere. You can listen to it on your device. It's wonderfully transportable to the digital age. So I'm very bullish on internet radio, not so much on HD radio. I'm done. Thank you. Okay.

[Applause.]