

Future of News: What's the Story? Presented by TIME

[video playing]

Male Speaker:

Welcome to Chicago Ideas Week. Chicago is known for having great ideas. From the oldest features in options exchange and the first of the atomic reaction, did we mention the cell phone? And now, Chicago Ideas Week is inspiring, nurturing, and giving flight to the next generation of game-changing ideas. That's probably why we have over 1,400 words that mean an idea. Like a brainstorm, a clue, a notion, a scheme, a wrinkle, a theory, a bolt, a vision. And we all know the impact of an idea, the energy it has to attract other ideas. That's why we're here in Chicago this week, to instigate, to create a place for dialogue, to launch a new platform for the exchange of innovative thinking. And you are the innovators, the thinkers, the leaders. Share your insights and your passion with the people sitting next to you and across the city in sessions and events just like this one. Participate in the talks; talk to someone new. If you're an artist, find a technologist. If you're an engineer, talk to a designer. Network with other thinkers and have new thoughts. Peek behind the curtain and figure out how to launch the next big thing. And then share your idea, change the game. Start a new company, shape the future. Pablo Picasso said, "An idea is a point of departure." This week is about transformational ideas. And this is only the beginning. Join the community online, in person, at events all year round and become the change that you want to see in the world. Welcome to Chicago Ideas Week.

[end video playing]

[applause]

Brad Keywell:

Good afternoon, everyone. It's great to have everybody here to welcome you to a conversation as interesting as the future of news. It's a topic, I think, that is worthy of great contemplation, because we all need news, yet the delivery mechanisms are being challenged by virtue of their business models, and at the same time, our need for an understanding of what's happening in our world, and how it's developing so rapidly, is greater than ever. So, this is really an exceptional panel to discuss that very topic. Before we get into the business of news and the future of news, I'd like to say some thank yous, which are important when you're trying to create an event as large and expansive as Chicago Ideas Week. We've got incredible sponsors, and without them we wouldn't be able to present ideas week, let alone make it as affordable and accessible as it is. So, if I could acknowledge them. Our founding partners, TIME Magazine, Chase and J.P. Morgan, our integrated marketing partners Starcom MediaVest, Leo Burnett, and MSL, for their great work in helping us develop the brand. Our cornerstone partners, the University of Illinois, Microsoft, United Airlines, and Hyatt, and so many other partners that have helped make CIW possible. When a community comes together anything is possible, and there's no question that ideas week is evidence of that.

And, by the way, we're now at day two and a half of seven days of Ideas Week, and what's happened already has been phenomenal, not only the quality of the content, but I think the resonance of this creation in the broader community, the understanding, the word of mouth passing to friends, what you might've seen or what you're going to, and to me that's about what this is, is growing through quality word of mouth about the quality of programming and the provocative topics that we are so privileged to present.

And so it is with that sense of privilege that I want to present today's panel, a remarkable set of people, to talk about the future of news. It's going to be headed up by a friend of mine and a partner, both to Chicago Ideas Week and to Chicago in general, the managing editor of TIME Magazine, who himself is a constitutional scholar and a real thinker, but also is leading up a magazine that delivers us the news and helps us understand what's happening today and where it all goes. Please welcome to the Chicago Ideas Week stage, Rick Stengel.

[applause]

Richard Stengel:

Thank you. Hi. I think I'm sitting over here. So, the future of news. Anybody look up the word news lately? I did this morning in Webster's, and it said, "something that's newsworthy."

[laughter]

What about that? In philosophy they call that a tautology. So, we all have, not me in the media, but you all sitting out there have this very quaint notion that the news somehow corresponds to reality, that the news in effect is what's going on out there, is reality. In fact, as you'll see from our fabulous panel, who are coming out here today, news is an artificial thing. It's created by people like us to be consumed by people like you, and that is both the challenge and the opportunity, and the news -- I mean, I think Brad called me a constitutional scholar, which is a lie, but the First Amendment, "Congress shall make no law abridging the freedom of speech or of the press." The press is the only industry that is actually protected in the Constitution, and the reason it's protected by the Framers is because as Jefferson said, "A nation cannot be free and ignorant." They understood early on in the 18th century that the thing that preserves our freedoms is actually a free press. So we're going to talk about that right now.

So, guys come on out. I'm going to introduce you after you get out here. Come. Panelists. Okay.

[applause]

Here they are. Sit down. So, okay, I'm going to introduce them. We have a certain order. So, Chris Hughes, who's right there in the center, is a very, very brave man. I'll tell you why. He just -- how old is the New Republic?

Chris Hughes:

Ninety-eight years.

Richard Stengel:

He just bought a 98-year-old print publication called The New Republic, which is a fantastic publication that I used to write for. He's also the founder of something called -- co-founder of something called Facebook, which actually has something to do with news, too, because Facebook has created this news speed environment, which is changing everything.

Akshay Kothari, who is right here to my left, created a beautiful product, news product, a fair thing to call it, called Pulse, which I -- beforehand I was called it a news aggregator, and Akshay informed me it's a news organizer. So he's going to talk a little bit about that. Jonah Peretti is -- in this very new industry that we're in, is the one of the wise men, one of the old wise men of the digital space. He was the secret behind something called The Huffington Post. I remember coming to see you when you were pitching me on it back in the early days with Ken Lerer, and he recently started something called BuzzFeed, which is a fantastic success, which is changing really perceptions of what news is and news information is.

And Lara Setrakian right there. She described herself behind stage, I'm not -- I said I wouldn't do it, but I'm doing it right now, as a news girl. What she actually is, she's based in Abu Dhabi, and has covered the Middle East for Bloomberg and for ABC risking life and limb many times, and now is on to something new, which she will talk about this morning, so this is a rocking panel. You guys are so privileged to be here. I'm excited to hear from these folks. So, let's get started.

So, Chris, let's start with you. Is print dead or what?

Chris Hughes:

Print is probably dying, but it's got long life still to live, and any print publisher who's not thinking about how that content is being consumed is really making an enormous error. For our part, you know, I bought a 98-year-old print magazine. Print is very strong. It's a beautiful product and we're going to continue to invest in print for the foreseeable future. That said, strategically we're focused on one thing: a mobile phone. We believe that the mobile phone, despite the connotation of it only being something that's interesting on Twitter or for Facebook, for short little snippets, is actually increasing the amount of serious reading that is happening, and is only going to continue to do so in the future. We're going to stay an institution that's about serious journalism, thought-provoking writing, you know, things that intelligent people, I think, really crave, but we're going to run as quickly as possible to where intelligent people are spending the vast majority of their time, and that's on their iPhone, their Android device, their BlackBerry and, to some extent, to their iPads.

Richard Stengel:

So what -- I'm just going to keep with you for a sec. What's the difference between news in print and news on a mobile device? On an iPhone?

Chris Hughes:

I think the biggest difference is that print is -- and the iPad, too, is an experience. We call it an experiential product. When you open a magazine you're -- you've made a decision to commit a certain amount of time. You're going to go through an opener section. You're going to be led

into longer pieces, and then you'll finish with the back of the book. It's a structure that everyone from New Yorker to TIME to the New Republic has had for a very long time. That works. A lot of people still crave that experience. I spend hours on the weekend taking magazines and reading them cover to cover; it's fantastic. But it's more similar to reading a book than necessarily diving into a single piece of news.

I think, being realistic about where the world is headed, we spend more time in front of screens than we have before, and that experience is much more about dipping in to find a piece of great writing, or a beautiful image, or a video that's compelling. For our -- and I think for any media organization that's out there, we got to invest in both of these things. A web-based product, which is about giving people what they want, often on the go and very quickly; but also making sure that the experience is really, really high quality, so that people are willing to pay for that, even if it's something that they're more likely to read in bed in the evenings or over the weekend, than it is at 9:00 a.m. on a Monday morning.

Richard Stengel:

So, actually, Chris and I, even though he has more money than I do, pay people to -- this is another phrase that always gets me -- to "report the news," whatever that means. But that is -- that's somebody like Lara going out there, interviewing people, going someplace, thinking, writing; then it gets edited and somebody like me says, "Send your lead," and, you know, "We have to come up with a better headline for that." But, basically, you're taking the stuff that we produce and pay for, and then organizing it. How does that work?

Akshay Kothari:

Pulse was started two and a half years ago, and it kind of started from a personal pain where we -- where I thought, I was a student at Stanford and there wasn't a good experience reading your news on mobile phones back then; and everybody I saw around me at Stanford was on their phones. I mean, they were doing emails, they were reading, they were watching videos; everything was being done on the phone. This was just a couple months before the iPad had even come out.

And so, we took an approach where, you know, instead of going to different websites and actually, like, having this poor experience of reading news, we took a much more technology and design approach to this space; and, at the end of the day, content is what makes Pulse. I mean, the great content that journalists write, like Lara writes, is what makes Pulse shine because that's what people are engaging with. But we took -- we partnered with all the publishers in the U.S., and internationally now, and are working towards bringing that content and actually making it really easy for people to consume on these --

Male Speaker:

What is the revenue model for that content? Something -- a story, a TIME.com story on Pulse that you have an ad next to, who gets that revenue?

Akshay Kothari:

So, the partnerships are done on -- there are two tiers. Either there's a content syndication partnership, where TIME, for example, is a partner, where they've given their content in return

for syndication back to their website or back to their app. And then there are partners like the Associated Press, or other publishers, where if there's an ad put into those feeds, then there's a revenue sharing with the publisher. And it is, typically, the publisher or Pulse, whoever sells the ad, gets the majority of those ad revenues.

Richard Stengel:

So you don't steal the money, like the Huffington Post? That Jonah started, basically.

[laughter]

So, Jonah, you really have changed the landscape, I would say, and not just Huffington Post, but as people have said about BuzzFeed, you know, BuzzFeed is like the Huffington Post without the meat course. You know, it's like all dessert, and it caters to the most fun stuff that people are interested in reading, I would say. It also aggregates news and information; you also hire in your folks. But what is the -- I mean, if -- to go back to my opening remarks about news being the one part of our republic that's protected by the constitution, what would the Framers say about BuzzFeed?

Jonah Peretti:

Framers, I don't know if I know enough about the Framers to say what they would say. I kind of think of BuzzFeed as the site that would be the number one source for news in a science fiction novel. You know, in the sense that we're all, like, kind of living in science fiction in the world now, anyway, that it makes sense that you would go to a site that has cute kittens, internet memes, the best political reporters, people at the RNC and the DNC on Romney's plan, 7,000 word long-form pieces mixed together with fun videos and things that people want to share.

Richard Stengel:

And how do people -- I mean, I have your app on my iPhone -- I mean, how do people use BuzzFeed, I mean, is it -- is it the main source of news information for some people? Is it a side dish for people? How do people use it?

Jonah Peretti:

So I think, the biggest surprise for me was -- so I got my start making things for people to share. So doing projects and experiments, sometimes with my sister as a stand-up comic, and watching them and then a friend would share with someone else and then they would share with someone else and we end up doing things that would reach millions of people. And that seemed fundamentally new, at the time, that if you make something interesting it can reach millions of people without any broadcaster or publication or anyone, any gatekeeper saying, "Yes, this is something that everyone should see." And it was still pretty broken with things like email forwards and early stage of blogs, it was very messy.

And so when we built Huffington Post, there wasn't a way to build a big site based on social and sharing because there wasn't the architecture yet. With the rise of Facebook and Twitter and StumbleUpon and Pinterest, and Reddit, and these new social platforms, it all of a sudden became possible to build a big site with the premise that the way contents should spread is through people thinking it was interesting enough to share with their friends. And that's a much

higher bar than making content for Googlebot, which is a robot that can't tell the difference between a scoop and a rewrite, it can't tell the difference between a brilliant long-form piece and a bunch of, you know, key-word dense long-form piece.

And so social has allowed new opportunities for good journalism to thrive, and good reporting to thrive, and better quality content for humans to share with other people. And that's really BuzzFeed's premise is start with social as the -- social as the new starting point. And you've accepted social as the new starting point, why not make a publisher that makes content for the social web, and seize that as the way of distribution. And just one other point, at Huffington Post we made the front page of Huffington Post for an individual person, like it was a one-stop shop, there were links, you could find all these things everywhere. At BuzzFeed, someone sent an email a couple years ago saying, "I didn't find anything good to share on BuzzFeed today." And I said, "Oh, people aren't coming on to BuzzFeed for themselves, they're coming to BuzzFeed to find something to share with someone else in their life." That the people now, the networks that distributed these early projects I did, when I did those, wasn't self-aware. Now the network is self-aware. We know that we are all publishing ourselves and we're sharing ourselves. And people come to a site like BuzzFeed to find something that they can give to someone else in their life so they can share on Facebook, share on Twitter. You know, we even find guys who say, "I don't really love the cute animal stuff. My girlfriend loves it. I come to BuzzFeed, find a cute animal thing, and share it, and I want that stuff on there. I don't want some personalized news experience just for me. I want stuff that is for other people in my news experience because social has become such a big point of the news."

Richard Stengel:

So Lara, how do you react to that? And how does social influence traditional reporting? Which is something that you've done and continue to do, but I know you have feelings of how people consume international news?

Lara Setrakian:

I do. To take it back in 2007, ABC sent me out with a camera and backpack to cover news on the Republic of Iran, and that turned into that five-year stint in the Gulf covering the Middle East. So social has become not just, really, the consumption thought in my mind, but it is integral to my reporting, it's key to how we cover Iran, it's become key to how we understand this Arab generation. And a lot of my work out there has been documenting this generational shift in that respect, social, political, economic. So it seems for me kind of an end-to-end phenomenon that I have to factor in to how we traditionally report the news.

It's been an amazing run, it's been vital, it's allowed us to create conversation that couldn't exist before. But that kind of pivot that you mention in the open is basically we found that after four, five years of covering the Middle East, the user experience of consuming that news from the Middle East kind of sucks. The news about the world kind of sucks, it's just so hard to understand. You have a super complex world of a few reporters abroad, and you take an issue like the Syria crisis, it's impossible to keep up with what's happening. And it just assumes a certain context and background that people don't have, partially because we weren't there giving it to them.

Richard Stengel:

So what's the remedy for that?

Lara Setrakian:

Well basically we are embarking on massive R&D around a single story. So I was leading a group of journalists and technologists, take something like the Syria story, particularly the Syria story, and redesign it. Just play with the content architecture, put up a web and mobile platform, we're calling it Syria Deeply [spelled phonetically] and then also taking all that content and turning it into a classroom experience where social studies teachers create an open curriculum, to start getting feedback on how do you take an issue that complex and start to break it down, and use the latest digital tools of the day to make it much easier to understand?

And as we kept doing that and I was reflecting on this panel in the future of news, it just kind of comes down to a basic philosophy as a practitioner about the future of news, which kind of for me boils down to three things. That you respect the user, that that's fundamental to how you do your reporting, how is a user going to be able to digest and assimilate the information; you respect design the way they do at Pulse, and you make design integral for the experience; and that you make the news about people and not just about -- with Syria, not just covering the guys with the guns and the money, but focusing on the civilian stories, realizing that when I'm in Tahrir Square, my followers on Twitter include awesome people in Minnesota and awesome people in Marrakech who could be having an awesome conversation if they only knew each other. How do you factor that in now? It's like a fundamental redesign and if someone -- I was super inspired by what you said at the open, we can't afford not to understand what's happening in the world. I think we thought we could, but we can't. And the only way to go quantum in how we explain it is to take everything that's happened in digital in the past 10 years and everything I've learned covering the Middle East, and just mix it up and just try new recipes. So we're hunkering down to do that kind of R&D and see what works.

Richard Stengel:

I don't know if you all had this experience, but was it 2009? The almost green revolution in Iran when -- and I guess I had not been a big user of Twitter before that, and suddenly there were these Twitter hashtags green revolution, Iran, all of these other things, and you were having in real time hundreds and thousands of tweets from people who were, you know, in the square or dodging bombs, or shooting guns, and it was this kind of amazing experience, because you felt like you were there. You were there in a sense, and obviously if you had -- if Twitter had existed, you know, during the American Revolution, you know, we'd know a lot more about it.

We probably wouldn't need so many journalists to cover it, because we would've been, you know, getting Paul Revere's tweets right there and we would know what was going on.

[laughter]

Lara Setrakian:

That story would've been dead if not for Twitter. All of us in the mainstream had moved on. It was the Twitter alarm that set us off, and that meme. The Iran election meme. The [unintelligible] meme. It was the memes that kept that story alive. And if you knew people on the ground in Iran it wasn't so hard. You were like okay, that guy I know in Mashhad is

tweeting. Not, is that guy really in Mashhad or is he in Michigan? So, it was that intersection of the traditional and the [unintelligible].

Richard Stengel:

So how does that -- Jonah I'll ask you. I mean, you know, when I was talking before about news being kind of an artificial thing the way it's mostly done now. When you have tweets it is the closest thing to a kind of primary source of something that's really going on. How does that affect the way people consume news and perceive news as compared to, you know, laugh-out-loud verticals and cat videos?

Jonah Peretti:

I mean, Twitter is an amazing service. What's interesting about social platforms is that people find their little niche within Twitter, so you follow people that you respect or that you're interested in, and then you start thinking of Twitter and Twitter's brand as being about serious news, for example, if you follow only people who do only serious news. Meanwhile, there's, you know, 14-year-old kids who are following Justin Bieber or, you know, Rihanna, or stars. They think of Twitter as this awesome way of connecting directly with celebrities. And, you know, then there's tech people who just follow the VCs and entrepreneurs and tech people. So there's these totally different universes within Twitter. Everyone's like Twitter's awesome. I love Twitter.

You shift to media, the businesses that we're in, and the problem that you see in media is that, you know, we have -- right now we're ranked 5th on memorandum, you know, for politics. So, there's Politico, the New York Times, The Hill, Washington Post, and BuzzFeed. And -- those are the top five in terms of breaking scoops in politics. So, you know, and a lot of amazing brands that are on, you know, on that list below us, but because we have a cute cat video, you know, you can look at that cute cat video, because the BuzzFeed is about cute kittens, or because we have, you know, a meme or web culture, that think people look at that and say oh, you know, this is about internet culture or humor. And people don't say that to Twitter or to Facebook, because they're in their own bubble within these services.

But with media sites, you know, you publish one thing that someone doesn't think or thinks it has a skew to the left or skews to the right or whatever, and people say this whole site is biased and this whole things is, you know, so I think one thing we have to get passed is what are the disadvantages that we have in media businesses that media companies love to -- media publications love to point fingers at other publications and say they have this article therefore they're a bad publication, and then they embrace Twitter and love Twitter, even though it has all kinds of things on it and it's totally diverse.

And the truth is we talk about this like -- like BuzzFeed is like a Paris cafe. You go to the cafe, you have your copy of Sartre, you have Le Monde, you're reading about the news of the day, you're reading the philosophy, and then invariably there's a cute dog at the table next to you and you bend over and you pet the cute dog. When you turn away from the philosophy and pet the dog you don't become stupid, you just become human, you know?

[laughter]

Like when you flirt with someone at the next table or when you gossip about some trivial thing, you know, that doesn't mean that you don't -- aren't high-minded and you don't care about the news and you don't care about what's happening in Syria.

So, I think we in -- on the web, which is much more network-centric and it's more about lines and less about like one single place that has everything carefully constructed, you know, people like the Paris cafe better, and even if you're -- even if you don't like this idea, you don't have a choice, because the TIME Magazine article is going to be next to the cute kitten and someone getting drunk in the Facebook news feed, and you're going to be next to that content anywhere -- anyway. So, people don't want to go to a library and read their philosophy. They want to be in a place where there's all these different things that make us human, and BuzzFeed's view is that you should do that at the source, as a publisher, instead of just having all of the tech companies do it for you and mash them together in a newsroom. Why don't we make content for the whole person and for all the different things that make us human?

Richard Stengel:

But Chris, what does that do to brands like yours or mine where we're creating content ourselves. We're spending money on it. You could argue that TIME itself when it was created in 1923 was the original aggregated news site. It had those different verticals, you know, show business, foreign policy, sports. I mean, it was aggregating information in 1923. There were 26 daily newspapers in New York City in 1923. It was partially started because Luce thought there was an overabundance of information and that he needed to simplify it for people like any of these aggregation sites. So, the economic model where we have to pay for our own stuff and yet other people are making money from aggregating it, what does that do to primary source brands like ours?

Chris Hughes:

I think -- well, I think the part where I definitely agree with Jonah is not only that looking at what's considered more fun or superficial content is not -- doesn't take up time that might be spent on serious content, but I might even go a step further and say that, you know, all of these august media institutions that existed before the Internet, almost all of them had some dimension that was the candy. You know, you could think of the cartoons in The New Yorker, or you could think of the modern day New York Magazine, which has fantastic political journalism, but will put, you know, burgers on its cover, and have a cheap eats issue. I think that there's been a relationship between content that, you know, might be considered fluffier or more fun, and serious content for a very long time. And it's in fact then what has often powered the business models of a lot of the media institutions that are out there.

Now that said, I do think that in the media world for -- when we talk about the media world that is serving a particularly curious group of politically engaged or intellectually engaged citizens, which is a smaller set than perhaps the entire population, I do think in that sphere brand matters more now than it ever has historically. And I think that people want to be a part of something larger than them, and that we use signals, including media brands, to say who we are. We turn to these brands as -- I won't say bumper stickers, but at least ways to express our political sensibility, our intellectual sensibility, and what we care about. And so for my part I think that

investing in a brand that really says something very clear and very aspirational about who you want to be is what any media company needs to do moving forward, and that's going to include providing some probably physical print product at least for the next few years, but it's also going to include things like events. It's going to include things like a premium way to experience the content, whether it's on the go or -- and in a variety of different contexts.

Richard Stengel:  
But if I

[talking simultaneously]

Richard Stengel:  
-- Chris. I have Pulse on my iPad, and that's -- and there's a -- and I can get New Republic stories New Republic stories on Pulse in the -- you know, if I click on "politics." How does that affect your brand hypothesis, in the sense that, "Well, I don't -- do I really need to subscribe to TNR if I can get it on Pulse or get it on BuzzFeed or get it on --

Jonah Peretti:  
You can't get it on BuzzFeed.

Richard Stengel:  
What?

Jonah Peretti:  
You can't get it on BuzzFeed, we don't aggregate other sites.

Richard Stengel:  
But I think -- I think your point is -- well, there's the question of the revenue model but then there's the question of the brand --

Male Speaker:  
[unintelligible]

Chris Hughes:  
Right. So, the brand name, I mean, we can wade into a Twitter stream, news organizer like Pulse, at any point, and get access to content. That doesn't necessarily mean that it's the type of news reading experience than an intentional news reader might want. These things are not a zero sum game. I think smart people use Twitter to understand what's happening in the world, but we also tend to go to, you know, [newyorktimes.com](http://newyorktimes.com) or [TIME.com](http://TIME.com) or whatever media brand, to understand what's happening outside of the conversations that are happening.

On the question of the business model, I think that does illustrate the point that if it's just about getting access to the content, perhaps in a few cases where we're seeing metered paywalls work,

for daily news sites, that might work; but for things that are doing, sort of, larger long-form journalism, I'm skeptical that's that a really sustainable model in the future. So the model --

Richard Stengel:

So for all of us, and people both bigger and smaller, I mean, the way that news business has always worked is, there are two revenue streams. There's -- you pay for it, you're a subscriber to a newspaper or a magazine or whatever it is; and then, the content has advertising next to it. So the advertising actually subsidizes the cost of what it cost to create that product. So everybody has this illusion that the news is less expensive than it is. I mean, someday, you know, you're going to tell your children or grandchildren that, you know, "Here's what people used to do: they used to go into forests, and they used to chop down trees, and they used to turn them into paper and put ink on it, and send foreign correspondents all around the world, put ink on paper that had words on it, and then hand deliver it to your door." Right? I mean, thing about it, is there anything that you have hand delivered to your house that you don't prize? And yet, we throw out the newspaper, we wrap fish in it; we have it -- we use it as kitty litter, and it's brought to your door, right? I mean, someday that's going to seem like the greatest luxury that ever existed, but now, it's kind of going away. I mean -- so I'd ask you -- it's a little bit of an editorial --

[laughter]

-- but, so -- so you are in the new model of these things, right? So, if we all weren't creating original content, you'd have nothing to organize.

Akshay Kothari:

Yeah, I think, I mean -- to your previous question, I think Pulse and publishers can actually coexists, and I think the way I see Pulse is, in some ways, it's a discovery platform. Like, to give you a great example, one of the partners Pulse has had right from the very beginning has been the Wall Street Journal. And we've kind of aligned ourselves with them; so, right now, you can actually get a snippet of Wall Street Journal articles within Pulse, which you can read and actually can go to the website. But we did a very smart partnership about six months ago, where we said -- hey, so the fourth time the Wall Street Journal did this, but any other organizer or any other kind of publisher, where we came together and we thought, "We have to rethink a lot of how we can actually sell, how people can pay for content, right?" And, right now, you could be presubscriber and read a little bit, a few articles, maybe on Wall Street Journal or you can pay at least \$35, \$40 a month to get the full subscription.

Well, Wall Street Journal and Pulse came in and said, like, "Can we simplify this? Can we, basically, like, make it into small chunks that is easy for people to understand and easy for people to pay for it?" And so, today, in Pulse you can actually buy just the technology section of Wall Street Journal for \$4 a month. You can buy just the politics sections of Wall Street Journal for \$4 a month. You can buy the latest stories that are being published in Wall Street Journal for \$1 a month. And so we've taken an approach, a very interesting approach, where we've seen there's a lot of people who will read for free, and there's a very small portion of people who will pay \$40 a month; and so, the approach we have taken is, like, "Can we take these millions of people who read for free, get a smaller section of people who pay for something?"

It's like when you get an iPhone and you buy your first app; that's a big jump, right? Like where you put in your credit card and you buy that \$1 app and then you buy that \$5 app, you buy \$20 subscriptions, it's very easy. So we get to that stage, and then we're seeing these people who are buying \$1 a month to actually buying full subscription to Wall Street Journal.

Male Speaker:

You know, that's -- it's interesting, because you can have, for all of us, great content. You can disaggregate your content and -- but if you can disaggregate your content and -- but if you can disaggregate the payment for it and get payment through those other avenues that would be great. So, Lara, let me ask you -- I'm sure you're thinking, in your project, you're thinking about what do people really need to know and, you know, I mean, who are these Alawites in Syria and where does that come from, but what is your economic model? Is that, you know, are wise citizens going to pay for that? Are you going to try to have advertisers or sponsors?

Lara Setrakian:

We don't expect people to pay for knowledge. Our whole premise is let's craft knowledge better and solve the problem just like Pulse solved the problem of having to go to 20 different websites. We're going to help solve the problem of the people just don't get it and that will add value to their experience of issues. So how do we make the sustainable?

We are approaching this, first of all, with super lean ops, so we're kind of hunkered down and accept that, okay, by being a start up in this space, we are testing at least 15 hypotheses at the same time and our business model is doing the same thing. I have nine ideas of where the revenue is going to come from. Everything from syndication because we have incredible Syrian contributors who have incredible visibility into social media and what's relevant. If we have a scatter plot knowledge, what you're creating, is going to be much more valuable. So I'm doing our darndest to take it, in a sense, out of the news business and into the insight industry, which is thriving. The CountryReports model, the services, the briefings, the multimedia content for executive programs on foreign affairs. We're just thinking of this in a bigger sense.

I've watched this as a reporter as we, as in the news media, by and large recede from insight throughout the world and foreign coverage in general. You have the Eurasia groups and the Austro-business groups and the council on Foreign Relations creating more of that substance for the knowledge pool.

Well let's get back in that game. Let's get back in the knowledge game and then maybe part of our revenue comes from partnering with the right -- you know, our dream is what we learned for Syria, we could use to do a similar platform on Iran or North Korea, or the Congo or global health or the drug war. So is it that you partner with a think tank to produce it in a joint production just like Steve Bar [spelled phonetically] has done with Backgrounders? Or do you approach it in terms of, "Hey, we have five people who know this region incredibly well and deliver incredible insight. So where can we deliver that?" I've been covering at Bloomberg, what I've loved about being on Bloomberg television is that when I'm on, I'm giving information that's good enough to trade on that's free for the masses. There's value in information that's good enough to trade on, so we're going to harness that and see which one of those revenue drivers of

our nine ideas and just sticking and making it possible. And we're applying for foundation grants. And we're going to Indiegogo.

Richard Stengel:

So I have some advice for you. Hire a business manager. I think that's what you should do. But, I'm joking, but we're talking about pay versus free, and advertising supported versus people paying. I mean, one of the things that we're seeing on the advertiser side is that in industries that are changing and/or threatened the traditional balance between the advertiser and the institution, it skews in favor of the advertiser. So you have advertisers coming to you and saying, you know, "Wow, I really like your magazine and, you know, can I run this ad? Right on the cover where you're, you know, endorsing my product. Or I'm going to run an ad which is, you know, I'm selling napkins and I'd like a story about, you know, how great napkins are and everybody should use a thousand of them a day." Jonah, you are -- I mean, you are, I mean at BuzzFeed is doing this thing, I don't know what people call it, native advertising or brand hugging advertising, whatever it's called, we're basically the advertiser and the news institution are coming up with content together.

Jonah Peretti:

That's not exactly right. So we have the same church and state separation, that you have it at TIME, or I assume you have at TIME. The -- I don't know --

Richard Stengel:

I've never understood whether I'm in church or state, but I notice that.

Jonah Peretti:

Well, there's only, there's one person who's both, you know, and that's the cross that we have to bear, I guess. But so our approach is to try to get out of an adversarial relationship between edit and advertising. I find that in business when you're tiptoeing on a line and you're trying to not go this way or that way, it's hard to make good things happen. And so we give brands their own channel on BuzzFeed and they publish content on BuzzFeed and the idea it they should work -- and we have a creative services team which is completely separate from editorial, which can work with them to help them tell interesting stories, figure out what is it that is exciting or interesting or different or novel about their brand, and then they create content that they launch on BuzzFeed. And we promote in these native units that are in-stream, that are colored that Google yellow, that have a thumbnail, a headline and description just like our other content. So, it uses the same platform, the same --

Richard Stengel:

And how do you -- what do you find -- how do people use that? Do they click on those stories as much as regular stories? How does that -- is there a ratio that you're looking for?

Jonah Peretti:

I mean, they get 10, 10x to 20x higher clicker rates than banner ads, and I think that there's a lot of banner blindness and people have gotten sick of ads, and that's why advertising is so bad right now where you go to a site and it pushes stuff down and takes over your screen and interrupts you. It's because nobody's looking at the banner ads and they're ignoring them and they're not

interesting, and there's nothing -- no interesting content there. So people make more and more invasive advertising. We have taken a different approach, which is make the quality of the advertising better and better. We look back to the '50s, '60s, '70s, the heyday of advertising where there were great ad, you know, mostly ad men making, you know, but Mary Wells and some other amazing women as well, making some incredible advertising that people actually were inspired by and would share and would talk about with great buzz.

And I think that social is giving us the opportunity to have another golden age of advertising, and you've got to give the brand their own space and let them tell their own story, they get to use your same platform, so that the technology investment in the core platform at BuzzFeed benefits advertisers as well. But you need to make clear what the -- that this is content published by a brand and you need to, you know, have them pay for the promotion that they're getting to get the initial group of people to see their content, but the sharing and people passing their advertising, you know, passing the content on, you don't -- we don't charge them for. So they're buying for promotion, but they have to make great content so that it will actually work on the social web and get shared, and that upside is it's free to them.

Richard Stengel:

Right. And I mean advertisers have to get smarter about their own creative, I think in this environment than they were before. I mean, one of the things when the -- how many of you folks read either newspapers or magazines on your iPad? Raise your hand. Wow. Excellent. So, when we --

Jonah Peretti:

How many people were lying?

[laughter]

Richard Stengel:

So, when TIME launched on the iPad, we were actually the first magazine to be on the iPad, in part because Steve Jobs loves TIME. But one of the things that I was very excited about is that ads were -- could be fantastic. I remember -- I shouldn't probably mention a particular advertiser, right, but there were -- there was some fantastic video that like I remember watching and thinking, "Wow this is fun. This is great." And what I think advertisers are sort of missing the trick of something on all of these new platforms is that they can do advertising that is as interesting, as fun, as the content, and people won't do that thing of like "Oh, let me turn that page to finish my story and move over those ads." But I have to say I feel like advertisers haven't really taken that up. See, I'm going to the dark side right here.

Jonah Peretti:

No, but I couldn't agree more. I'm constantly surprised at how much the advertising conversation still is about, you know, the content that can go in a square box, whether that's a page in a print magazine or a display ad. It seems like the real opportunity, and a lot of advertisers are quickly warming up to this idea, but the opportunity is to provide something that's experiential and that actually gets a person to pause and understand what a brand is about or what products it's offering. Video is clearly powerful. Events like this are powerful in the social dimension, I

mean, whether it's on BuzzFeed or what's happening on Facebook, I think has a real -- it's qualitatively different. It's an interaction with the brand, which is not only mediated by friends, but shared in a social context, which focuses attention in such a different way than something that's taking over your screen or trying to --

Richard Stengel:  
Right.

Jonah Peretti:  
-- you know, elbow in between the content that you actually want to get.

Richard Stengel:  
Akshay, do you see that? I mean, is that -- are people creating ads for Pulse?

Akshay Kothari:  
Yeah. Yeah, we booked about 12-15 brands. We've learned a lot from, you know, what Jonah's doing at BuzzFeed and Facebook and Twitter. It seems like, you know, at Pulse what we're doing is also would be called sponsored stories. And so instead of considering it as an ad platform you need to consider it as a storytelling platform. And so we've had some really big brands who started off as pilot projects in the first quarter of this year, but are spending, you know, six figure-plus amounts, which is basically taking these beautiful videos they're making already, these beautiful creative -- the beautiful photos they already have, and really crafting it in an interesting story that consumers like to actually read. And in case of one of the brands, the sharing rate for that particular brand was 25 percent higher than organic articles sometimes, which is fascinating, because people are engaging with these stories, and they're actually not minding them in their reading.

Richard Stengel:  
So I want to talk a little bit about this revenue model, and you mentioned Bloomberg, Lara. What I think we're seeing in the media space is that there are non-economic competitors now. Bloomberg -- every traditional news thing that Bloomberg does loses money, but the terminals make so much money, billions and billions of dollars, that they can subsidize the traditional stuff. And the traditional stuff are sort of ornaments on the tree and make the tree look lovely, but the tree is the thing that's bringing in that revenue. All -- like a lot of traditional news institutions, have to make money on their news product and they can't be subsidized like Bloomberg is, or even Chris, I mean, you're buying The New Republic, and you're basically personally subsidizing the creation of great and worthy content.

Chris Hughes:  
But I think that the real --

Richard Stengel:  
Is that the future of news?

Chris Hughes:  
-- possibility. I mean, I think there's a real route to profitability for these media institutions. It

may not be the same level of profitability that existed in this, what I would posit was a historical anomaly for the post-World War II environment until about the year 2000, when there was this confluence of megabrands. They were consumer-facing and needed to buy advertising, and there were just a handful of print magazines or print newspapers where they had to go. It was a great time to be in media and there were lots of profits to be had.

Now I still think that profits absolutely can be had, even if they're not actually at that size, but it's got to -- it has to work in a different model than just paying for access to the content in general and particularly to a print publication. It's got to either really emphasize in the advertising dimensions and some of the new advertising products that are getting put out there, or I think it, again, has to come back to joining a brand that says something about who you are. The Economist is a great example, as are some of the other magazines out there. People pay \$127 a year for that brand, that's whether it's digital or whether it's in print. Perhaps some of that is to get access to the content, but by and large The Economist is curating a lot of content that you could get elsewhere on the web for free. I think the big value proposition there is that being a subscriber of The Economist says something about who you are. So I think it's that type of model that we have to cope with, but there is a future there. I mean, things like The Economist and other media titles are doing quite well, even if it's not quite as well, you know --

Lara Setrakian:  
And if you --

Chris Hughes:  
-- may have 30 years before.

Lara Setrakian:  
-- if you look at The Economist, everyone's in the same game of looking for new revenue drivers, whether it's live events, services, EIU, which is squarely in the knowledge space. Needless to say I love the Bloomberg terminals for many reasons for the virtuous cycle it creates, which is both yes, a question of the future of news, something will have to subsidize the reporting. But the virtuous cycle that it created at Bloomberg is that our reporting on TV was a reflection of that terminal and not just in terms of --

Chris Hughes:  
Explain that to me.

Lara Setrakian:  
Well, I mean clearly I was always teasing out. I was covering oil markets, the economic and market implication of what's happening in news cycles. Let's put that aside for a second. But because you're -- your brand, first of all, is tied to that quality and that caliber of data. It creates no room for exaggeration, for fluff, for inaccuracy. I was very, very proud of everything we put on Bloomberg television and I won't -- I'm never a hater, but like looking at the competition in the business news space, there's so much more hysteria on other channels, because you're not optimizing for that core thing. And you're allowed to, in a sense, or you must, because you represent that terminal. So this question of what are you optimizing for and for me it cuts straight to the First Amendment, like we're meant to optimize for quality information for vital

information for that story mix, and obviously we decry the closing of foreign bureaus and how now we just don't understand the way other countries understand.

Richard Stengel:

So are you saying that these poor news organizations that actually have to pay for themselves -- they have to do sensational content so people tune in, but you don't have to, because you don't have to pay for it?

Lara Setrakian:

Well, that's been the case. I mean, our ratings matter at Bloomberg and how TV does matters. I can't speak, of course, for Bloomberg itself, but there's this feeling of okay, there's something else to it. And, you know, the future of news you have to be much more inventive about your revenue drivers, and for us, we have a luxury at News Deeply of starting super lean, so we can say, "Okay, we're going to see this." And then see which one of these things picks up. And you see with ProPublica, as well, this return to knowledge, this flight to quality, that I'm sure the New Republic is going to benefit from tremendously. We're so tired of being confused that now there's a space, and we don't know we're going to monetize it, but we're now going to have to be super creative, and whether it's live events or branded content, the experiential dimension.

What are people come to you for? Is just the content or is it the experience? Like, one thing that we're playing with is, how do you craft an end to end experience, where you can come into a site and have the background and the context on the Alawites and the Kurds and why they matter; and why it matters to you in Chicago; and then take it all the way through how you engage the story, without getting too much into the advocacy stage? That's another space we haven't really talked about, but places like Awad [spelled phonetically] and change.org, which are pure advocacy, even Human Rights Watch, look at the news arc, look at the acupuncture of the Syria story and where it's really spiked. Save The Children does its release to so many organizations, so many news organizations, of content stories about kids in these camps and what life is like for them. And that's becoming a huge spike in the news cycle; purely advocacy.

So where does that fit in? And are we going to discount them? We're plucking videos off of YouTube and putting them on TV, so we can't say that -- is that any more or less valid than what Human Rights Watch or Save the Children create as content? How do you marry it and then give people a way to engage the story and have an experience of that issue that dials it up?

Richard Stengel:

I couldn't agree more, but what you're also saying puts me in mind of the idea that the future of news may be in the non-profit world, right? I mean, should news organizations, mainstream news organizations, actually be non-profits and have a -- you know, have a foundation that supports them or their own? So that they're not actually out there having to, you know --

Lara Setrakian:

Maybe that's the lesson. Sure works for BBC. When I look at Foreign and what I strive to recreate, everything that we're picking up right now is BBC, Guardian, Jazeera, and as an American, I won't just let that be, like the Brits and the --

Richard Stengel:

I don't know if you heard, but Mitt Romney wants to bring the BBC here.

[laughter]

Jonah, you were trying to get in there.

Jonah Peretti:

Oh, I was just going to tag on -- NPR is -- you know, 10 million people give money to NPR each year. And that's not -- it's not a for-profit model, but it's also not a non-profit, in the sense that all -- 100 percent of its budget isn't being propped up by foundations. Ten million people say, "Even though I don't have to pay for this, I want to pay to be part of it," which I think is and instructive example of, sort of, a hybrid.

Richard Stengel:

Right. And one of -- I mean, to me, one of the great myths of the digital age is the saying that you're all heard that information wants to be free. Actually, people want free information. And they want free information because we've given them free information. And, you know, as my uncle used to say, "If it's free, you get what you pay for." You know, is that -- have we -- I mean, basically, when -- Jonah, when you started the Huffington Post, I mean, it was based partially on -- I remember, you know, actually, your partner Ken Lerer, asked me, he said "When you go on television, do they pay you?" I said, "No." He said, "Huh."

So, part of it was, all of these people contributing to the Huffington Post contribute for free, right? And so, that's an interesting model, right? Instead of paying for those pesky reporters who argue with you and all of that, I can get all of these other people to create content for free, which is one side of the site. What is the -- what do you see as that economic model going forward, for both traditional news organizations and for non-traditional ones?

Jonah Peretti:

I mean, I think there's always been a lot of bundling in media, and people sometimes think of that as a negative term. But I think, actually, it creates a lot of opportunity to do good work. So, you know, it might be that this newspaper that launches an auto section because there's a lot of auto advertising or a style section because there's lifestyle brands that want to advertise on it; or it might be some new media site that also do a lot of events and they generate a lot of revenue from events, or it might be Bloomberg that has terminals and, you know, also does a lot of news and reporting that hires a lot of great journalists. I think the thing that is interesting about bundles is that people usually talk about it from the perspective of, like, "Well, this is where the real business is and then this is just marketing and PR."

You know, like, it's the Christmas tree without the Christmas ornaments. But the most awesome thing about the Christmas tree is the ornaments, you know. I mean, the tree is important but the ornaments are cool, too, you know, that completes it. And you look at a company like Goldman Sachs and also the finance company that makes a lot of money. They have a lot more problems because they're not hiring great journalists and does the public good as well as doing something makes a lot of money. And I think that different parts of a business helps you understand and

learn from other parts. So you think it's a bundle where it's one thing is for one thing and one thing is for the other and then you realize like, "Oh."

The ad:tech industry is brilliant with data and optimization because the content is so terrible they've had to develop machine learning and special stuff. What if you took some of that and deliver editorial content to people on a more efficient and a better way. So what you thought was just the money-making bundle over here, all of a sudden starts making your editorial business, you know, better and making things the consumers like more. Or you look at what you're doing on an editorial side and you're saying, "Wow, we're making really compelling content." On the ad side, why don't they make more compelling content? That would be better for consumers and better for the brand until something moves over there.

They have these bundles where there are lots of things and you think you know what, where the value is all of them and then it starts bleeding together and you don't really know, you know, where the important things is sometimes and which thing is incidental that it is getting bundled in and which thing is actually essential. And so I think finding a few things that are related that can work together and make these bundles is a good way to run a business.

Richard Stengel:

Now I know, I'm going to disrupt things a little bit. But I think we're not supposed to take questions, is that right? Does anybody out there know? But part of the problem with the news media is that we tend to all talk amongst ourselves and not actually talk to people who are consuming, even of course, we have metrics for all that. So does anybody have a question, come up here and whisper it or say it out loud. I don't want -- I don't to get everybody, you know, [unintelligible].

Jonah Peretti:

And I think the panelists aren't supposed to stand up.

[laughter]

I want to just stand up for a second.

[laughter]

What if we just --

Richard Stengel:

If we had the whole panel standing up, it would take about 20 minutes.

Jonah Peretti:

No, I know.

Richard Stengel:

So here's the -- is there a question? Seriously, come on up or just raise your hand. Okay. Oh. So what -- so you really have a microphone, that's really fantastic

Male Speaker:

So I hear you guys talking about Twitter and how it's a part of your companies and stuff. How are you guys preparing for the different stuff that Twitter's doing with the developers and with the problems that they be having with Twitter that a lot of developers are leaning towards [unintelligible]. Because they're changing the way and the way that Twitter-- only documents a certain number of your tweets and then they get deleted. So you're not really documenting your releases, it's because after a certain limit everything's getting deleted off of Twitter. So how are you guy preparing for that?

Jonah Peretti:

Yeah, so Twitter's made some pages in their API that said, have really been a challenge for certain companies that are very reliant on Twitter to pull data and from the APIs. API for those of you who are more or less techy, it's just a way that you can write code that automatically can pull things from Twitter so instead of a user going in and searching Twitter and tweeting, you actually can write software that will pull content from Twitter.

And some services depend on that and they do things like pull a bunch of tweets and display them differently or let you use Twitter in different or novel ways. For BuzzFeed there hasn't been that much of a challenge because of the way BuzzFeed interacts with Twitter is people tweeting our stories and Twitter wants that. They want more content in Twitter's news feed. So we're very complimentary to people, you know, I just spent a fair amount of time with Twitter. They're -- we're very complimentary in the sense that they want people to create great content that can show up in the Twitter news feed.

For companies that are pulling data from Twitter and that's a primary business, they are kind of struggling to figure out, you know, should we not build them on top of Twitter? Should we switch and build more on Facebook, should we make more of a stand-alone service and not be dependent? But there definitely are challenges when you are dependent on a big service for your business. And some people are comfortable with that, or people, you know, stay completely away from it.

Chris Hughes:

I think Twitter and Facebook have to solve this problem if anyone is going to trust them to build atop them. I mean everyone uses these platforms, there's, you know, staying power there. But you can't have an economy that is billions and billions of dollars of apps that are built on top of Facebook and Twitter and, you know, have these API changes that just happen at least to a lot of people in the public in a pretty casual manner. So, I think that there's a real responsibility on the underlying platforms to be very forthright with how people can use their data, and every single step that they make that enrages those people is just a huge blow to the brand because it means that why would you build something based off of what they say today if you can't trust them to honor that tomorrow? So, I feel like it's just got to stabilize pretty soon.

Richard Stengel:

So that brings up something, Chris, that you mentioned earlier that I wanted to circle back to, and again, if people have questions, raise your hand. So, and I don't think it's any secret -- it's certainly not a secret, that mobile phones are the medium of the present, not just the medium of the future. In the developing world there are more mobile phones than toilets now, and obviously nobody's building landlines anymore. The, you know, whatever the statistics about, you know, you have more computing power in your mobile phone, your smartphone now than, you know, you had in a gigantic desktop, you know, 25 years ago. So the question is, but what is the content that you want on your phone and how is that different than the content that you either want in print or on your tablet or on your desktop? Because, again, and I'll just jump in, you know, I don't want to read a 10,000 word New Yorker story on my iPhone. What is it that -- what do we need to create for smart phones that -- and I would argue to ratchet it up even more, that people would actually pay for?

Akshay Kothari:

So we have pretty good data that shows us pretty interesting kind of, you know, how consumption is changing and how consumption is different for different devices, but so every session that kind of people turn on Pulse on their phones is about, you know, somewhere between four to six minutes, but they do that, you know, much more frequently than their tablet versions. When the tablet version of the Pulse comes up it's about somewhere between 10-15 minutes. It's a lot more laid back reading. With the phones it's definitely like, as you said, it's like what you call snackable content. It's like you want to -- you're in Starbucks for five minutes and you want to take it out. You want to quickly see what's happening in the world, and then the longest form article that you did discover in that time you can save it so that you do read it either -- we see people emailing themselves the article so that they can read it later or them reading it on the tablet.

On the phone it's a lot more like, you know, average Pulse reader comes back three times a day and it's just like open the app, see what's going on, quickly snack on some content that they want to read, and then quickly snap out of it, which is much different from, let's say, 10 years ago when we would just read maybe the newspaper and that was it. And I guess today we're every few hours you're coming back to reading what's going on and Twitter what's going on in other places to find out what's, you know, what's new right now.

Richard Stengel:

So, Chris, I would say that The New Republic is not in the news business. You're in the insight business. You're in the context business. You're in the business of taking the commodity that is news and explaining why it's important. You know, I would say we're in the business of converting information into knowledge, right? So, what is that on your smartphone? Because it takes, you know, I don't know. Do you want to read a Leon [unintelligible] piece on your smartphone? I'd like to have the insight that he has, but how do I get that in a form that is valuable to me in that medium?

Chris Hughes:

I think you and I may disagree a little bit on this point, because I think that we're entering a golden age of reading because of the mobile phone, and also the tablet as well. I think that -- you

said you don't want to read a 10,000 word piece. A 10,000 word piece requires an incredible commitment, but you are able to read more easily and more often given that you have all of this content available to you on your phone. And if publishers, even if they're long form publishers do a good job, then they can make it easy for you to start a piece, continue to read a piece, even if it's only for four to six minutes, and then empower you to pick it up later, whether it's on your iPad, your desktop, or even in print, and continue that experience. I for one, and I have a ton of my peers who are reading books on the Kindle app on their iPhone all the time. And I am -- I have been reading a very long book over the past couple of months and I spend an incredible amount of time reading in a line, at an airport, or something like that on a phone, and then I'll move to the Kindle -- to the actual larger Kindle unit if I'm at home or if I have, you know, more time, but it's opened up an incredible opportunity for me to go deep on serious content. So I would agree with you that, you know, brands like ours are more in the insight and contextual business, but the idea that people don't want to linger when they're mobile or on a smaller device, I think they do.

Richard Stengel:

I'd love everybody to chime in on this idea. I mean, what is it -- what do you want on your smartphone?

Lara Setrakian:

Well, what we're doing, frankly, is trying to draw simplicity from complexity with what we're doing with Syria Deeply and News Deeply in general, so this question for us is integral to the whole exercise. Because okay, if you have some complex issue, Iran or anything else, what's vital? Okay, well we're already highlighting that and we're trying to really present people with, in terms of our original content, writing about the thing about the thing. Like, how do you really get to the derivative of that day's news? So okay, if that's what you're doing for people already, put that face forward on mobile, because they're checking and if they want to have, like, a quick think about it, put that one sentence, so we're boiling down every day's news on Syria. One feature is going to be okay, what's happening now? That one sentence. You can do it if you have a proper scatter plot, you know, if you're watching what's happening all the time. You can pick out what's super relevant and make it most prominent, and then put that on mobile and see if that's what they respond to. We're not going to put our video on mobile, because for people chiming in from the Middle East it's -- they don't always have the connectivity to watch those videos. Those podcasts might not do as well, but the basic knowledge that we're generating from watching one story is really easy to kind of nuggetize. What are the nuggets of the day on this? Okay, put your nuggets forward so people can digest it, and then they can always click in for more.

Jonah Peretti:

So I used to hate mobile, largely because I think a lot about how people share content with each other, and you know, there was a period in the dark ages where you couldn't even text someone who had a different carrier. And then more recently there was a period where, you know, you'd send something to someone who had, you know, a Blackberry with a bad web browser, they couldn't actually see the images or see video, and now what I've seen shifting more rapidly than most shifts that you see is that to make something highly sharable and social, make something go viral or to use a kind of crass term, you actually need it work on mobile.

And a huge amount, over a third of BuzzFeed's traffic is now mobile, and a huge amount of that is coming from people who are opening not the BuzzFeed app, but the Facebook app or the Twitter app, and going -- seeing in their news feed a BuzzFeed story, clicking that, going to our mobile web version, and then in mobile web if they can't share that story, we lose over a third of the people who might share the story, and that's the difference between making something that, you know, grows exponentially, and something that decays quickly, having over a third of people not be able to share the story. And so mobile and social have become -- have converged to the point of social apps being the most popular mobile apps so far.

The only people who will download the BuzzFeed app or a publisher app are people who love the brand and who really want to get everything from that one brand, but the majority -- that's going to be a minority. That's like the people who come to your front page every day, but the majority are going to go to mobile web and they're going to discover your content through social -- through a social app or social platform. They're going to land in mobile web, and if the page doesn't work in mobile web, you're losing, you know, more than a third of your audience. If you can't share it easily from the mobile web, you're losing, you know, more than a third of your distribution, and so mobile has become hugely important.

In terms of long form or short form, I think that there is a lot of snacking on mobile when you're in line and you have a short amount of time, so the majority of the mobile sessions people are snacking, but when you find yourself with a longer wait or in, you know, between -- an hour between meetings or on a long commute, there's a lot of people reading long form on mobile, but you find yourself in that situation much less frequently.

So, I think there needs to be good tools for snacking and then seeing something that's more of a meal and being able to save it for later and read it later, and there's a lot of apps that are working on trying to follow that problem.

Lara Setrakian:  
It sounds delicious.

[laughter]

Chris Hughes:  
There's a convergence happening, too, between the iPhone and the tablet, which I think is only going to -- well, it depends on what happens with some of the news announcements over the next few months, but you know, there's a term like phablet, which is one of those terms I still can't -- phone and tablet converging into a single device is, I think, a very real phenomenon, and as the two approach each other I think snacking obviously is going to continue to be probably the dominant usage, but it's going to be easier to interface with more contextual elements.

Akshay Kothari:  
I think the Kindle example is a really good one. I didn't think of it that way, but I mean, we're all reading books in like these five to 10 minute bursts, and we're reading like 1,000 page books. And so maybe, like, when I knew that -- maybe just the experience is just not good enough for

you to, like, actually save the article and continue reading, just like the Kindle would. If you save it, if you read 567 pages when you go home and pick up the Kindle device, it automatically goes there. And so, maybe one experience that we could ask for the long New Yorker or the big New Republic article, is that it allows you to, like, continue your sessions on those big articles.

Richard Stengel:

Yeah, that would be great. Other questions out there? How about this gentleman right here in the sleeveless Rick Santorum sweater?

[laughter]

Jonah Peretti:

Wait, is that Rick Santorum?

Male Speaker:

A question for the panel on the future of media, as it relates to some things we've already touched on, specifically micropayments. A couple other things, like OLED [spelled phonetically] panels, that are being talked about more, making it more affordable for people to be able to digest some of the news that we're talking about. And then, also, Mayor Emanuel put out a challenge to the broadband community last week, with regard to increasing the speed in the city in affordable gigabit broadband here in Chicago, which obviously would only help being able to consume news on your mobile devices a lot faster. So, maybe some random comments about that.

Male Speaker:

So, I'm going to jump on the micropayments part of the question. I have to say, I don't know if this was, it was obviously poor prognostication, but I would've said 10 years ago that micropayments would be the way that digital news space would actually make money. In fact, we ran a cover story about five years ago by Walter Isaacson basically, you know, I think the headline was, you know, "Newspapers are Dying," but the -- it was making an argument that micropayments would be the way to save everybody. Well, that turned out not to be true. Why is that? I mean, and why can't -- I mean, I would still opt for micropayments if you could have the back end and the technology that would actually work. Or is that just a harebrained idea?

Lara Setrakian:

I don't think there's one way to save everybody. Everybody keeps looking for that one way, and then they are crestfallen. It's going to be a product mix, a revenue mix. Portfolio theory of the future of news, not that one thing that restores the one thing we lost.

Male Speaker:

You see, I don't know, everyone always says there's no silver bullet. I think there is a silver bullet.

Lara Setrakian:

[inaudible]

Male Speaker:

[laughs] I've been wrong about that.

Male Speaker:

What is it? Tell me.

[laughter]

Male Speaker:

I'm not telling.

Male Speaker:

[unintelligible] figuring out what a silver bullet is.

Male Speaker:

But what -- micropayments, did you ever look at that, Jonah, as a way to go?

Jonah Peretti:

No, I've never been so into that, just because I like open information and, you know, I mean, we've even had situations where we've done a story, Michael Hastings did a piece on hostile conditions in Afghanistan that got a lot of attention, it spread everywhere, and then some people pointed out, "Well, the Wall Street Journal already did a story on that," which Hastings knew.

But, it was behind a paywall, so nobody saw it, and so it didn't have the effect that breaking a big news story would normally have.

And so, I prefer to have -- I feel like, you know, having to make a choice between making more money and serving the public interest and having information out there is just like no decision.

Like you should find a better business model than locking stuff up. Micropayments have worked in some -- you know, iTunes, 99 cent songs is micropayments, and I think that with growing economic inequality there's probably people at the -- you know, wealthier people who are -- who probably would say, "Oh, if I can just look at anything and there's no paywalls exist for me anywhere on the web, and it only costs, you know, \$1,000 a month, that'd be great." You know, if they're wealthy enough. So there may be some business models that take advantage of the growing income inequality in the country, which is, sort of -- you know, that could be promising.

And it's partly why The Economist does well, right? People who read The Economist are wealthier and, you know, whatever, with \$200 a month -- or a year or something -- isn't material to the average Economist reader, so there might be some paid media models, or a Bloomberg terminal, I mean, that's thousands of dollars a month that isn't material to a hedge fund manager.

So there may be some models that make sense, but the long tail of few people don't have a lot of disposable income, and if they don't know if the article is going to be interesting or not, it's hard to pay up in advance. You'll buy your Rihanna song in advance because you heard it on the radio and you know it's an awesome song.

Richard Stengel:

Yes. Now I call in favors, okay.

Male Speaker:

[inaudible]

Jonah Peretti:

Billions of dollars right?

Male Speaker:

It depends on what you're --

Male Speaker:

[inaudible]

Male Speaker:

But Tim is it -- cash in on access to your readers that whatever that club is to people that Facebook or --

Male Speaker:

It would seem that -- it would seem that the people who have the value, in other words, the people with the information would be paid for it. I mean, instead of the middle man, that is what is fueling the new economy is the access to individual information, the fights that are going on with regard to that are all about mining information. This is where the new money is. It seems to me that there should be some discussion about how we access and that seems to me to be -- there has to be a way to go directly to the people.

Chris Hughes:

And another way, I think to reformulate what you're saying is that if you have the information and the insights first, it enhances your reputation. And so there's a whole economy if you will of people searching out for -- to be the person who gets to share something that's an interesting tidbit, and as a result, you know, get social capital as a process. Which I definitely agree with, I think that's very much -- you know, it's not altogether different than before any of these networks existed, if you were in on the news or the gossip, and you had it before everybody else then everyone wanted to talk to you. So I definitely see that. The question is, is that monetizable for either media publishers or for the networks themselves and on that, I think it's a different question, I haven't seen any models that would suggest that it is, but I think someone else has better ideas.

Richard Stengel:

I think we'll see all -- there is no silver bullet. We'll see all different models of people trying to monetize both their content, their audience, you know what I mean? You mentioned the Economist. The Economist that is modeled in a way that it's a club, like a really big club of people and they pay for membership and they get some feeling of satisfaction for being a member of that club. By the way, do you know how much it costs to subscribe to People Magazine per year?

Male Speaker:  
Hundred and 10, I think.

Richard Stengel:  
Wow, you've been doing your homework.

Male Speaker:  
Three million subscribers, too. It's very successful.

Richard Stengel:  
One more question. How about that gentleman right there. Do you want to wait until you get a microphone? Oh, okay, sorry. A newspaper reader.

Male Speaker:  
I may have misunderstood this because I am a newspaper reader. I've never read Buzzword. But I am concerned about --

[laughter]

I am concerned about the objectivity of having advertisers write their own story. I mean, how are you going to -- it's just one long ad. How are you going to trust whether that is really accurate information? I mean, isn't that what news is?

Jonah Peretti:  
So advertisers write their own stories all the time. They're called television ads, or, you know, you'll see in the New York Times full page ads written by, you know, written by BP or created by Morgan Stanley or created by whoever buys that advertising. And they have agencies that they work with to tell their story. And part of the role of the press is to make sure that companies are in government and are held accountable for things that are doing in the world and things that are news-worthy. But it really is -- what we're doing is really the same as advertorial content that publishers have been doing for, you know, 100 years. The main difference is that they're doing it on the web and the consumer has a lot more power to decide whether or not they're going to share something or not share something. So in some ways I would think advertisers are more -- held more accountable in this model than in the traditional models, because the consumer is seeing the content. They can comment on it. They can write on Twitter. They can say, "This is bullshit. This advertiser is lying," and that is something that brands are very concerned about. They don't want the web, which is policing brands in a way that we haven't really seen before, they don't want them to have a backlash and attack them, so they actually have a lot of accountability to make content that is credible.

Richard Stengel:  
So, I want to thank our fantastic panel. It really was a privilege for me and really for all of us to be with you. These are the folks that are really on the front lines of creating what the new model is for news and information, and we will get there, even without a silver bullet. So, thank you so much.

[applause]

And I believe there's a reception going on right now out in the lobby where we can continue the conversation if folks want. Thanks for coming. Hope you really enjoy Chicago Ideas Week. Thank you.

[applause]

[end of transcript]