THE NEW YORK OBSERVER

"Nothing Sacred But the Truth"

Man Bites Blog: Hey, You Media Wimps! If You Want to Save Newspapers, Learn to Love Your iPhones, Then Go Join Facebook

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A democracy cannot function without a free press.

O.K., we know that, and you probably can't see another word about it. The point of what follows is practical. We're in this unbelievable business morass, an indescribable battlefield. How do we get out of it?

Contributing to this catastrophe has been newspapers' stubborn refusal to consider any news-

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gathering and -analysis model other than the one that they were used to, one that, most crucially, relegated consumers to the role of passive readers instead of engaged users. It's a mistake that happens all over the Big Media Debate: misinterpreting the limitations of our print past as prescriptions for our media future.

The media of the 21st century is one that is blogged—not a negative thing, see later in the piece!—and merged with the users' own experiences and viewpoints synthesized with the original. If postmodernism came to literature in the '80s, it's got to come to journalism now.

The new engaged media should use professional journalism as the starting point for a more engaged consumer—but the professionalization of journalism that took place in the white-collar-college-kid 20th century should not get thrown out the window.

To see that axiom in action, just look at the case of Chauncey Bailey, the Oakland, Calif., reporter who was killed in 2007 for his reporting about the shady goings-on at Your Black Muslim Bakery.

As Tim Arango reported in *The New York Times*, a team of journalists—all of whom had been in some way downsized from their previous places of employment in traditional media outlets—working out of the nonprofit Center for Investigative Reporting at Berkeley advanced the story in a way that has led to the resignation of the city's chief of police and the uncovering of a much more vast conspiracy than even Mr. Bailey was thought to have uncovered.

Which, of course, raises the question of how this brave new journalistic world will be funded.

For too long, the focus has been on modifying the model that print media grew accustomed to: subscriptions plus newsstand sales plus advertising would, in the math of print media, equal profits. In **his *Time* cover story on the death of newspapers**, Walter Isaacson argued that online journalism had devalued its product by focusing too much on advertising; Mr. Isaacson wrote that this "makes for a wobbly stool even when the one leg is strong."

>>READ MATT HABER ON HOW IT ALL CAME TO THIS.

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His solution—charging users in micropayments for content—is not a new one, and merely attempts to impose an old solution on a new problem. But just look at ***Time*'s 25 Best Blogs of 2009**—a list that included such "blogs" as the Huffington Post, Talking Points Memo, and Mashable. Not only is it a list that could have been written almost anytime in the last five years, but it also continues this canard that media outlets that started online should be called "blogs"—a word that is now so broad as to be almost meaningless.

The most sane and possibly most workable proposal came from the Boston University professor Marshall W. Van Alstyne, **who gave a three-pronged plan to Freakonomics' Stephen Dubner a couple weeks ago**:

(1) Media platforms should be bundled into technology platforms;

(2) Premium access—one better than the failed TimesSelect project—will bring in revenue;

(3) Publishers should work more on matching advertisers with users, which is a suggestion that might finally help break the growing, pernicious primacy of Google in raking in Internet ad dollars.

It's also a holistic point of view that does not raise the phony dichotomies publishers have been beating their heads against for more than a decade: paid content versus advertising; print versus digital; professional journalism versus "user-generated content"; blogging versus reporting.

The cover of *Time* promoting Mr. Isaacson's article was conceptually frustrating in several ways. It asked how to save print newspapers while never seeming to distinguish them from magazines, and it asked variously whether print can survive and whether journalism can survive.

"I think a lot of the conversation these days is myopic," said Marcus Brauchli, the executive editor of *The Washington Post*. "The problem is how to monetize all content, which is not simply how to solve newspapers problems. Our problems are ultimately the same as the movie industry's, the book industry's, the magazine industry's, the music industry's. We all meet on a vast, flat digital plane, which is a sort of Hobbesian, anarchic, unordered place."

Solitary, nasty, brutish and short. That is unless the news media takes some control of this narrative.

NETWORKING

About two years after *The New York Times* and *The Washington Post* debuted their own independent Web sites (that wasn't until 1996!), two Stanford students, Sergey Brin and Larry Page, launched a search engine called Google. Their motto— first uttered by engineer in 2001 and reiterated in the company's IPO filing in 2004— would eventually become "Don't Be Evil."

It would be a few years before Google graduated from being America's favorite search engine to arguably the single most powerful force in online journalism.

It began with the debut of **Google News**, launched in September 2002. The threat, that a news site bringing together content from across the web would break loyalties to hometown homepages, was obvious. Google News algorithms crawl the Web, aggregate headlines from more than 4,500 English-language news sources and then display several articles in clusters, based on topic and date. Articles are chosen based on how often and on what sites a story appears online. Google News claims that no human editors are handpicking stories or deciding which ones deserve top placement. "Traditionally, news readers first pick a publication and then look for headlines that interest them," **according to Google News' "about" page**. "We do things a little differently, with the goal of offering our readers more personalized options and a wider variety of perspectives from which to choose."

But it was a revolution in online advertising a year later, with the advent of **AdSense** in 2003, that a less public but more serious threat to the revenue models that were widely thought would soon support journalism online began to grow.

Advertisers and Web sites signed up for AdSense because it made advertising easy and cheap. Google's program matches text, picture and video ads to the particular site's content and users. Publishers earned money from clicks or "impressions," or loads of an ad on the site. But Google essentially cut the revenue of newspapers by adding themselves in as middle men.

Robert Thomson, the managing editor of *The Wall Street Journal*, one of the few newspapers that charges successfully for its news site, recently described how Google eats away at everyone's profits **on *The Charlie Rose Show***. "I mean, the harsh way of just defining it, Google devalues everything it touches," he said. "Google is great for Google, but it's terrible for content providers, because it divides that content quantitatively rather than qualitatively. And if you are going to get people to pay for content, you have to encourage them to make qualitative decisions about that content."

The serving of these lower-cost remnant ads decelerated a process that journalism had come to depend upon, according to Jean-Philippe Maheu, chief digital officer at **Ogilvy**, the advertising firm.

"Right now if you look at newspaper and publishing houses, they do make money with digital advertising," he told *The Observer*. "The challenge is that revenue decline on the print side is moving faster than the growth of online revenue. That leaves a gap. A sizable gap. That's what you see for the major newspapers."

"Until the very end of last year we were growing dramatically in terms of our display advertising online," Denise Warren, general manager of NYTimes.com and senior vice president and chief advertising officer for the New York Times Media Group, told *The Observer*. "And our forecast—until the recession and its impact really became clear—was significant online advertising growth. What is difficult right now is to determine what the impact of the recession will be and how long that'll last versus were there true business prospects for Internet advertising."

Meanwhile the advertising dollars are going largely into higher-margin businesses that do not have to pay to maintain foreign bureaus, television studios, production departments or journalists' salaries.

"It's our judgment that we significantly outperformed the marketplace last year in terms of our revenue performance," Ms. Warren said. But it's a small marketplace for newspapers. "There's a pie of display advertising. Google, Yahoo do take 60 percent, 70 percent—I don't know what the numbers are—of the revenue off the table in terms of percentage of the pie that goes to search advertising; and there's a percentage for everyone else."

"Everybody loves to hate Google and I think that's quite frankly an excuse," Ms. Warren said. "You have to figure out how to generate revenue from your readers and/or from your advertisers. And you have to be focused to get that done. To blame Google? Or anyone else? To me, it's kind of a waste of energy. We don't do that."

So perhaps instead of fighting Google for that 60 percent of the pie, news media ought to make themselves first on the next wave of advertising revenue possibilities. That means that The News must make itself a player in the larger online business.

They are already falling behind.

"There has been so much investment put into technology for online advertising, but I don't think we have the same investment to make the online branding better," Mr. Maheu said. "The amount of investments right now are all focused on direct response; it's much, much more than the amount of investment for online branding. And that's for simple reasons. I think Google has shown the online medium is effective with direct response. That doesn't mean it won't be effective for branding. I think the industry as a whole, marketers, ad agencies, publishers, need to work together to improve what we can do with the Internet to create great brands or enhance the brands online."

And branding is where newspapers, with their traditionally more attractive consumer demographic, might have a jump.

Yet at the highest demographics even, it appears the energy isn't focused here.

"We haven't figured out brand advertising, we are just beginning to," said Drew Schutte, the chief revenue officer for Condé Nast Digital.

He called his company's products "passion reads" that are therefore protected from competition from "information" on the Web: Anyone can write about fashion, but only *Vogue* is *Vogue*.

"We also do agree that it's something we have to figure out," Mr. Schutte said. "It's gotten pigeonholed in a direct-response mode. That's lazy. The Internet helps in transactions and it's a tremendous place for branding. We haven't done any significant branding to date. If you ask somebody what was the last great Internet ad you saw, they're hard-pressed to remember. And we're all at fault at that a bit."

FlipGloss, a California-based ad start-up that just launched their beta site last week, is one company offering a model for high-end publishers and brands. Their interactive Web advertising translates the visual experience of flipping through a magazine on the computer screen.

"We think about a woman sitting on a park bench flipping through a 600-page *Vogue* that she likely bought just as much for the advertising as she did for the content," said co-founder and chief executive Kerry Trainor. "Those types of experiences point to something very powerful in a way that ads and content are commingled in those experiences."

Users can hover on particular products on models and click them for more information and links to share on social networking sites like Facebook and Digg.

"Share anything that you want, just like tearing the ad out of the magazine and putting it in a purse," Mr. Trainor said. "It's really just allowing people to continue that natural path toward discovery."

THE MEDIA IS ... DYING

What any publisher of online journalism will have to do to bring in the ad dollars of the future, besides mastering the kind of brand advertising that start-ups like FlipGloss are developing, and making themselves the right environments for those kinds of advertisements, is to take another lesson from the start-ups: The Web is a social medium.

"There's a new theme in the online space," Mr. Maheu of Ogilvy said. "Brand marketing is no longer one-way communication, which is what it's like for print. You know: This is my story, take it or leave it. But digital? It's so interactive. It lets you engage with consumers."

Here's where the editors who have read a few too many "comments" on their site about gold investing and spam farming start to groan.

But if interactivity is the future of advertising, then the online news space must become interactive in order to get support from the advertisers.

Facebook is so popular because it connects people to their friends' experiences—all of their photos, videos, postings and personal preferences displayed in a pretty, "news feed" interface. Twitter caught on by creating a service that answered a simple question: What are my friends doing right now, with updates in real time.

Everyone in the new world has a status. Newspapers can take a lesson from "status culture" by integrating it into their sites. What are readers reading *right now*? How many people have their eyes on one story? Who are they emailing it to? Where are they blogging it? How are their friends using the site?

"I think *The New York Times*, you've done a great job of learning what are the users paying attention to, but you're not really reflecting that back to them in a reflected status," said Tim O'Reilly, chief executive officer of O'Reilly Media, Inc., a top computer book publishing company **during his keynote speech at *The New York Times*' Times Open event on Feb. 20**. He suggested that the *The Times* provide users with an opt-in sharing feature that would give the digital staff permission to publicly promote what their users are reading, and with whom they are sharing it.

Sites like **Techmeme** and **Digg** feed into bloggers' competitive nature—displaying who specifically tipped them off to a news item and which blog has the best or most-read entry covering a news article, according to Mr. O'Reilly. Newspapers can do the same thing.

It's all about giving users attention, because that's mostly what people are looking for when they're online these days.

Mike Germano, president and creative director of **>carrot creative**, a marketing agency that specializes in social networking and new media for brands like MLB.com and JCPenney, said newspapers can engage readers in the comments section. Although many newspapers have been weary of validating commentors in the past, drowning in a sea of "anonymous" trolls, Mr. Germano predicts that newspapers will start to see more and more commentors using their real names to participate in the conversation by using services like OpenID and Facebook Connect.

"On Facebook you were forced to be who you really are," he said, noting the early days of Facebook when users needed a college email address to sign up. "When I see a comment now and it's got that little [Facebook symbol] F, I know that is a real person," he continued. "People take value in their Facebook profile, they're not going to do something that could risk that."

Once newspapers start validating their commentors, they will have more detailed data for their advertisers, according to Mr. Germano.

Newspapers can also learn something from Facebook's preference toolbar by making their user experiences more personalized. How about customizable home pages for users? So when they go to NYTimes.com, it will display, say, only international news and science headlines, and eliminate maybe sports- and style-related articles. Users could set preferences to display more new podcasts or video posts and drag and drop any reporters' column into a specific space on their home page. And if they want their Twitter feed or del.icio.us links integrated into their home page, so they can see what their friends are reading, let them set that preference as well.

Unless newspaper sites can become facilitators of the new status culture, they will be left outside of it. And they will no longer be the places where advertisers want to meet customers.

"I think that basically marketers need to go where their customers are," said Jim Brady, until recently of washingtonpost.com. "And if their customers are spending significant time on the Web, then they need to be there. They need to figure out a way to engage with their customers in meaningful ways. Whether that's the Web, or mobile, or something that hasn't even been invented yet."

MOBILE MENTALITY

Josh Quittner, a San Francisco-based editor-at-large for *Time,* is pushing what he somewhat awkwardly calls appgazines—a hybrid of a magazine and interactive software served to mobile devices. (This, of course, should not be confused with early experiments in HyperCard Stacks and CD-ROM magazines that were cutting edge circa 1994.) Mr. Quittner is planning to make a presentation about appagazines at Time Inc.'s quarterly management meeting in June.

It sounds like what Mr. O'Reilly was demonstrating on Feb. 20 when he gave an example the future of mobile by saying the word "Pizza" into his iPhone for an audience. **Google's Mobile iPhone App** found places to grab a slice within walking distance of his current location.

"This is going to happen with news," he said. "It's really quite remarkable how much our future is going to be driven by information exhaust from the devices we carry around with us," Mr. O'Reilly said. "We have to think about that future."

Savvy technologists like Mr. O'Reilly have been predicting a revolution in online news that most publishers seem to stumble right over. Forget the print edition. And even if *Times* masters their Web-based news portal, with all the open-source features and applications they want, their readers might not want to be getting their content from their desktop computer or their laptop.

The idea is this: The news must go mobile.

And if the news is to attract rather than follow advertisers, it must do so right now.

"Brand advertising hasn't transferred to mobile because no one has figured out how best to make that work," Ms. Warren, of *The Times*, said. "You have that issue in the background. Most of the customers who haven't really embraced it, at least for us anyway, are the luxury and goods manufacturers. They have web sites, of course, and they're obviously all online, but they've been more hesitant to move online because they're so fiercely protective of their brand. Brand advertising online, for many, has been elusive."

Lots of publishers acknowledge the importance of mobile but are playing a game of chicken with advertisers: We build some infrastructure, you pay some money, we build more, you pay more.

That at least was the approach outlined by Chuck Cordray, the general manager of

Hearst Magazines Digital Media.

"We are likely to continue to invest in the platform that we have on mobile," he said. "But I'm not doubling down in 2009. We have enough presence and we'll let advertising up to what we've built up now and then we'll invest in at the next chance available."

It may be a question of whether the chances aren't already going to other kinds of businesses besides magazines. Some of us are already firing up our iPhones to read *The Times*' headlines while we're in bed or stirring some scrambled eggs for breakfast. But what if we could download a news application (for a reasonable fee) and get real-time news on our mobile phones as we walk to work? (There is already a *New York Times* download for the Amazon Kindle, priced at $13.99). And for those who don't want to actually read the news on those teeny tiny devices—what about listening to *The New York Times* through podcasts and audio recordings? Maybe Times reporters should file mp3s of their articles, reciting their reporting, along with their print stories, so people riding on the subway, and listening in their cars can participate. There's already a slew of podcasts on the NYTimes.com site, but there are none based on the newest of the new information—like a radio station. Users could comment on the article, by calling into the Times and record a comment, which will be automatically transcribed and posted on the website.

Microblogging services, similar to Twitter, would also add a real-time element to mobile news. Reporters would blog up-to-the-minute "tweets" on where they are and what they are working on.

News won't be a once a day update or even once an hour, like on blogs. It will be continuous and ambient—all around us through our handheld devices, according to Bill Spencer, an evangelist for mobile technology and co-founder of **viaPlace**, a location-based data service for mobile users.

"As events occur they'll stream right to the individual," he said. "You're going to become entwined with information. Information is no longer a thing that you go to. It's threaded into the technology."

So how will all of this get monetized? Well, if Apple's iPhone 3G has shown us anything, it's that people will pay for convenience. To date, there have been more than 300 million downloads from Apple's App Store. Thousands of applications cater to users' every whim, from an iFart application that is good for a laugh, to games like Texas Hold'Em to pass the time and users are willing to pay for them. According to **a new consumer report conducted by ABI Research**, more than 16 percent of U.S. smartphone users who installed mobile applications in 2008 spent between $100 and $499 on premium apps.

The Times already has an application that is free for download on various devices including the iPhone and the BlackBerry—with simple headlines and easy reading. But applications with added data, personalized content and social media would be more valuable. An initial fee of, say, $1 for a newspaper application might be reasonable, along with a monthly updated version of the application at .50 cents a month. With paid subscriptions, users will get tons of news, data, syndicated content from other sites and services at their fingertips.

Ads on the application could be displayed in a traditional format, like on Web browsers with text-based ads or display ads at the top or bottom of the screen.

But publishers can also partner with advertisers to create innovative, interactive applications. For example, on Feb. 2, *Lucky* magazine released their **Lucky At Your Service iPhone application**. Designed to supplement their March issue, Lucky app users can browse through more than 70 shoes listed in their shoe guide, including ones chosen by editors and advertisers.

Greg Sterling, senior analyst for **Local Mobile Search**, a service that tracks the evolution of the mobile Internet, said these types of ad-infused applications are the perfect bait for major brands. "Publishers can say, 'Hey we're this really effective vehicle for you because of our demographics, so on and so forth, but we can also extend that into this really cutting edge iPhone application," he explained. "Suddenly it transforms that magazine into this interesting, multi-platform vehicle where the advertisers or the content can reach those loyal magazine readers as they're out in the world."

GOING HYPERLOCAL

Many of the smartphones in development now are being built with voice as an afterthought and search, email, Twitter and Facebook-ing at the center of their functionality. But will long-form newspaper articles, ones that are a bit longer and more in-depth than 140 characters, be readable on these tiny handheld screens?

E-Ink, the company that built the technology used for electronic paper displays like the Amazon Kindle, has been developing technology to create more reader-friendly displays since 1993. "You want to read a bunch of magazines or you want to read a combination of books and magazines when you travel today," said Sriram Peruvemba, E-Ink's vice president of marketing. "You can put all those things on your device—literally thousands of documents, a small mini library that you can put in your briefcase."

Perhaps more newspapers should be meeting with mobile device manufacturers and designers to make sure they are catering to consuming news on the go. Can you imagine the next Google/New York Times Android-powered portable reading device?

Google "wants to have as much control of the development of mobile web advertising as they can," according to Mr. Sterling. "Google's advantage is that it has a lot of advertisers. If it says, 'Hey publishers, we've got all these advertisers! We can make it really easy for you to advertise once you launch your mobile Web site.'" Newspapers might want to pay close attention to how Google is utilizing their mobile ad network.

Luckily, newspapers have some time to get into the mobile business. Only 12 to 13 percent of phone users have smartphones like an iPhone or BlackBerry, according to Mr. Sterling. So it's time for newspapers to start thinking about how their users can get their news on their feet—before it's too late.

The irony of news that follows you wherever you go is that it is intensely local—just the kind of stuff news sites are jettisoning these days.

Consider **Patch**, the New York–based start-up co-founded by Tim Armstrong, Google's vice president of advertising sales. Funded by Polar Capital Group, Mr. Armstrong's private investment company, Patch launched three hyperlocal news sites in three New Jersey towns on Feb. 5: Maplewood, Millburn and South Orange. Each individual site combines hard-nosed journalism from professional reporters, information from local government on everything from health department services to volunteer opportunities and various platforms for user participation with pictures, stories and blogs. Patch's sites don't just dispatch news articles—they are information portals.

Likewise, *The New York Times* Metro desk right now is in the process of creating a series of "microblogs" that would cover the same area of New Jersey, and potentially other outposts in the metropolitan area as well.

"It's the year 2009 and the way people are getting community-news specific information is largely through corkboards and bagel stores and kiosks in town squares," Jon Brod, Patch's chief executive officer and co-founder, told *The Observer* over coffee earlier this month. "There's a huge opportunity there to really include people's local lives and strengthen communities through information and that's really what we're trying to do."

"It was a problem everytown, everycommunity U.S.A. was experiencing," he continued. "Community level news and information was really sparse, fragmented, disorganized and in a bunch of level, archaic."

That's going to change--through the moble phone future. Taking a pit stop at the coffee shop? Your hand-held device will find restaurant reviews from the newspaper, along with syndicated content from user-generated review sites like **Yelp** to get suggestions on the best espresso flavor from your friends.

As you climb out of the subway at 23rd and Broadway, you'll get a **Wikipedia** entry on the Flatiron building, with historical facts and figures, along with recent articles reporting on the latest news—including office space opening up, crimes in Madison Square Park, and the redesign of **Shake Shack's Web site** for those already thinking about getting a hamburger fix from chef Danny Meyer's version of a fast food joint.

After work, local happy hours and drink specials will be pinged to your phone as soon as you step back outside. This kind of feature is already being developed by small New York-based startup **Coovents**. In fact, most of these features are already available in various iPhone applications, but perhaps newspapers should start partnering with the start-ups making these new applications so they can add the data sets to their Web and mobile libraries.

A combination of local news and location-based technology has the capacity to be the foundation of this kind of distribution system. It hasn't worked that well on the Web, but on the mobile Web, the first to become a local essential "app" on a phone is the first to unlock whatever ad dollars are out there.

THE PAY-MODEL DILEMMA

And if Patch came to this town—if it were the new business model for *The New York Times*, aggressively social, hyperlocal and therefore geo-targeted for advertisers and a better overall service for readers—but on a larger scale, with top-flight reporting and seriously breaking news at every zoom level, would people pay to read the "paper?"

One of the most boring disputes over the future of the media is whether a pay model or an advertising model will ultimately work. Even very hidebound print people forget that they "serve" ads in print only to readers who have already paid. The argument is that readers won't pay to read content; therefore no eyeballs; therefore no advertisers.

But if news sites entered these other areas—became social, hyperlocal, mobile—perhaps they could retake the center stage and bring paid readers and advertisers to the same place?

If it seems to require an infinite reorganization of the priorities of the media business to make paying readers and advertisers come together, perhaps it will require an infinite reorganization of the news media for journalism to survive?

"The really vital question is how we preserve good journalism and how to we ensure communities ... are being served by good journalism," said Mr. Brauchli of the *Post*. "Preserving good journalism is vital. That requires economic modes that'll support journalism."

"But I don't think it's just about newspapers. I happen to be a great fan of newspapers and I also think newspapers like typewriters are useful to journalism, but aren't essential to journalism."

"I would argue that the people who are obsessing right now with the pay model are overthinking a basic part of our business," said Russ Stanton, editor of *The Los Angeles Times*.

He pointed out that subscriptions and newsstand sales have never been able to support print journalism without serious advertising revenue. So how can any pay model be expected to cover the costs of journalism online?

"Our industry, historically, has never charged full freight of what that costs. We cover our costs, but we don't make any money delivering it. We charge for the delivery; it doesn't come close to what it costs to produce it."

"I'm not a big fan of the pay model," Mr. Stanton said. "That horse left the barn. ... We tried with what we think is our highest value content, which is our entertainment report, and we put Calendar behind a paywall several years ago for the relatively nominal price of less than 10 dollars a month, and readers rejected it."

"If we had life to do over again, go back 12 or 15 years, that's what we should have done. Clearly that would have been a strategy we would have taken a second look at. I would argue it's too late now considering how far along this is and the cost of entry on that would be higher than anybody in our industry can afford to do right now."

"Let me start by talking about a little bit of history," *The New York Times*' Ms. Warren said. "This isn't new to us. We've been experimenting with and will continue to experiment with how to generate revenue from our end-users until the game is over—which of course it'll never be. I'm sure you know this, but it's helpful to remind folks. "When we first launched—I wasn't involved then—we charged international users for access. I think you know about TimesSelect. I think that's been fairly reported. We also have a lot of smaller revenue streams with charging users whether it's for Kindle, or whether it's from generating revenue from crossword puzzle usage, and we have a successful news service that sells our content to other news organizations. I think it's important everyone understands we generate a pretty decent amount of revenue, and I'm talking just digital, not even print subscription revenue, which is enormous. We obviously have the experience here with charging our users."

"What we need to be mindful how [a pay model] impacts our advertising stream. We believe we'll have a successful advertising business.

"Again, we're trying to remove the impact of the economy. So the conversation can't be a binary one. 'That's the answer to all your problems and you'll generate x millions of dollars.' O.K., maybe! Does that charging, and the way we do that, impact the way we generate advertising revenue? We really have to analyze that extremely carefully.

"We're studying the issue and if you're going to look at history, that might lead us to conclude that advertising will be the lion's share," she said. "But don't forget from our own experience is that we have a very, very sizeable amount of [paid circulation revenue] from print. There's an enormous amount of money for subscriptions to *The New York Times*."

So, this promised land, on the other side of the print/advertising divide, with news organizations acting as social networking sites and offering interactive advertising opportunities that work for advertisers, hyperlocal service content delivered to mobile devices and the devices that are yet to come: how do media organizations interested in preserving the future of a free press operating at the highest level of quality?

Is there any way but for news organizations, like search engines, telephone-line service providers, software developers, etc., who preceded them to make themselves the big players in the online development space? In other words, for the old media to take over the new?

"We do not view the competencies to be an [overall internet service provider] as our unique competitive advantage," *The Times*' Ms. Warren wrote in an email to *The Observer*. "But because our content/brand and the audience it serves is our unique advantage we do see ourselves as a platform. This explains the thinking behind several innovative things we've done recently: API's, developer day, Times People, Times Extra, etc."

"That's totally counterproductive," Mr. Brauchli said of the suggestion. "The history of business innovation is littered with examples of companies that have attempted to have unique company specific platforms that are ultimately not probably accessible."

Pace, Mr. Isaacson.

"There are examples of companies where it's worked to a certain extent—like Apple—but there are plenty more examples where it does not work like the Beta versus VHS fight, or you know, even the Kindle. It's a great product but it's not a universally accepted product because there I think there aren't standard or norms."

"It requires innovation, not simply by newspaper companies, but by media companies in general working in close collaboration with the companies that dominate the internet and who have figured out ways of monetizing content over the internet, which is to say Google and Microsoft," he said. "I do think there will be collaboration with the big technology companies.

So when the next Kindle, the next iPhone, are in development, should he and his publisher Katharine Weymouth be trying to get in the room to get a piece of the development pie for themselves?

"At a simple level, yeah," Mr. Brauchli said. "At a simple level we all have to be talking. I do think there's a lot of conversation going on."

And so the Googles and Microsofts of the world, it seems, will continue to drive development of the digital media, and leave the old-fashioned media to sort out what's left among themselves.

Unless all of the old media, the ones who are paying for the news but not getting paid in turn, got together to bargain with the captains of the digital media. What might happen then?

"I think that can happen," the *L.A. Times*' Mr. Stanton said. "I think the odds of that happening increase as the economy continues to deteriorate. ... It's certainly not news that we've talked to [*The Washington Post*] over the last year to do something beyond our combined newswire operation."

They haven't yielded anything, yet.