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The Debate Over Online News: It's the Consumer, Stupid



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The discussion about the aggregation and distribution of content on the web heated up this week when the Associated Press announced plans to "launch an industry initiative" designed "to protect news content" online.

The announcement -- characterized by the *New York Times*' Saul Hansell as a "war on search engines and aggregators" -- drew considerable fire, including blasts from Google, BusinessWeek, the Online Journalism Review, TechCrunch, and this classic broadside from Danny Sullivan at Search Engine Land.

The conversation continued last night when Charlie Rose invited me to discuss the issue with Tom Curley, AP's president and CEO. The video of the segment is below.

As you'll see, for me the key question is whether those of us working in the media (old and new) embrace and adapt to the radical changes brought about by the Internet or pretend that we can somehow hop into a journalistic Way Back Machine and return to a past that no longer exists and can't be resurrected.

As my compatriot Heraclites put it nearly 2,500 years ago: "You cannot step into the same river twice."

Towards the end of the segment, Charlie summed up what I was saying: "We have seen the future and it is here. It is a linked economy. It is search engines. It is online advertising. That's where the future is. And if you can't find your way to that, then you can't find your way." Precisely.

The great upheaval the news industry is going through is the result of a perfect storm of transformative technology, the advent of Craigslist, generational shifts in the way people find and consume news, and the dire impact the economic crisis has had on advertising. And there is no question that, as the industry moves forward and we figure out the new rules of the road, there will be -- and needs to be -- a great deal of experimentation with new revenue models.

But what won't work -- what can't work -- is to act like the last 15 years never happened, that we are still operating in the old content economy as opposed to the new link economy, and that the survival of the industry will be found by "protecting" content behind walled gardens.

We've seen that movie (and its many sequels, including TimesSelect). News consumers didn't like them, and they closed in a hurry.

And the answer can't be content creators huffing and puffing and trying to blow down Google and other news aggregators. That one falls under Be Careful What You Wish For. As Jeff Jarvis points out, doing that is a one-way ticket to oblivion -- and a 50 percent drop in traffic.

HuffPost has a good working relationship with AP -- we pay a monthly fee to license AP stories and photos. But I was really surprised to hear Tom Curley describe what he called "the Internet experience" as "a bomb. Unlimited competition, unlimited inventory, a bad customer experience."

A bomb? Really? Tell that to the consumer. And since when does "unlimited competition" and "unlimited inventory" (i.e., lots of options and choices and freedom) add up to "a bad customer experience"?

Indeed, it's just the opposite.

Can anyone seriously argue that this isn't a magnificent time for news consumers who can surf the net, use search engines, and go to news aggregators to access the best stories from countless sources around the world -- stories that are up-to-the-minute, not rolled out once a day? (That's one of the things we try to do at HuffPost: guide our readers to the most interesting and timely news and opinion from places they know and from places that we introduce them to, as well as offering them original reporting, 200 original blog posts a day, citizen journalism, and our new investigative fund). Online news also allows users to immediately comment on stories, as well as interact and form communities with other commenters.

Consumer habits have changed dramatically. People have gotten used to getting the news they want, when they want it, how they want it, and where they want it. And this change is here to stay.

In many ways, the news industry has appropriately adapted to these changes.

Take online video. Not that long ago, content providers were committed to the idea of requiring viewers to come to their site to view their content -- and railed against anyone who dared show even a short clip.

But content hoarding -- the walled garden -- didn't work. And instead of sticking their finger in the dike, trying to hold back the flow of innovation, smart companies began providing embeddable players that allowed their best stuff to be posted all over the web, accompanied by links and ads that helped generate additional traffic and revenue.

When I hear the heads of media companies talking about "restricting" content (as Curley did) or describing news aggregators as "parasites or tech tapeworms in the intestines of the Internet" (as the editor of the *Wall Street Journal* recently did), I can't help feeling the same way I did in 2001, when I was one of the cofounders of The Detroit Project, and watched as the heads of the auto industry decided that instead of embracing the future they would rather spend considerable energy and money lobbying the government for tax loopholes for gas-guzzling behemoths, fighting back fuel efficiency standards, and trying to convince consumers through billions in advertising that SUVs were the cars that would lead America into the 21st century.

Instead of trying to hold back the future, I suggest that media execs read *The Innovator's Dilemma* by Clayton Christensen (since I keep mentioning the book and giving copies to friends, I'm thrilled that Christensen is now blogging for HuffPost), and see what he has to say about "disruptive innovation" and how, instead of resisting it, you can seize the opportunities it provides.

Or go to any college, as I often do, and ask a group of students how many of them, during the campaign, saw Tina Fey doing Sarah Palin. It's usually 100 percent. Then ask how many saw it on *Saturday Night Live*. It's usually no more than one or two. Yes, *SNL* could have said tune in to NBC Saturday Night at 11:30 or don't see it at all. But Lorne Michaels and Jeff Zucker obviously don't want to go the way of Rick Wagoner and his Detroit buddies.

Delivering the keynote address at the Newspaper Association of America's annual conference on Tuesday, Google CEO Eric Schmidt cut right to the chase, telling the assembled newspaper men and women: "Try to figure out what your consumer wants. If you piss off enough of them, you will not have any of them."

After we posted the Charlie Rose segment, HuffPost commenter osage weighed in: "EVOLVE OR PERISH. If AP refuses to adapt to the demands of the internet marketplace, it will disappear just as surely as 5 1/4" floppy disks and public pay telephones have disappeared. Resistance is futile."

I'd love to hear your take. Fire away in the comments section.

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