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S1 00:11 Hello and welcome to the Moxie podcast, episode 13. This is the companion web show to the Moxie Sessions. The Moxie Sessions is an infinite economy discussion group held once a month in Auckland, New Zealand. It's purpose is to bring together a group of interesting technophiles from across the economy to talk about how New Zealand can take advantage of this thing called the Internet and improve New Zealand's economic performance.

S1 00:35 My name is Glenn Williams here in London - pushing the buttons, connecting the guests. Our guests are in Auckland today. Today, we're going to be talking about media and the Internet. I know that sounds like a massive topic and one that's been chewed over for the past 25 years. Actually, it's the anniversary this week of the World Wide Web, so there you go. We're talking about the media and the engineered. What better people to have on, to chat about it with us than my two guests. Russell Brown, who is a media commentator, also a TV presenter, a blogger extraordinaire as well at Publicaddress.net. Russell Brown, welcome to the show.

S2 01:17 Hello.

S1 01:18 Hello. Editor of Idealog magazine, amongst many other things as well, Hazel Phillips with us. Hey there Hazel.

S3 01:26 Hello. How are you doing?

S1 01:27 Hello. Both of you were discussing this topic, at the Moxie Sessions earlier on this week. First of all, Russell I'll go to you. What was your point of view? What were you talking about, at the session?

S2 01:39 I think both Hazel and I were a little bit bleak on it. It's how journalism and more particularly, journalists, are going to get through at challenging times. The internet has been an absolute mixed blessing to journalism. In some ways it's been an absolute boon, and otherwise, it's what you've seen in England with the stipulation of advertising, everything from editorial - which I think newspaper is regarded as a birthright for about a century - has really raised questions of having newspapers sustain themselves.

S2 02:19 And one of the things I pointed, out that the big thing happening this year in newspapers and across media as a whole, is that the two big New Zealand newspaper websites are going paywall. And I don't know so much about the Fairfax one, but I do know that the New Zealand Herald one will be at very porous paywall, because they realized that newspapers need the currency that openness offers them. You want to be read, and you want to be talked about, so you don't want to have to big a paywall. And also I think that the Herald have acknowledged that they can't just start charging and expect for the same thing

they've always been providing. They actually need to provide extra content, so that's going to be really interesting to watch.

S1 03:05 Talking about the paywall, that's been a long time coming hasn't it? We've heard of this idea of the paywall for New Zealand newspapers for a number of years. Do you reckon they're actually definitely going to do it this time, Russell?

S2 03:17 Yeah, they're definitely going to do it. I think at both places the work has been in progress for the last six months. There's a sense that they're watching each other because one going and the other not might cause some interesting situations. Certainly what the Herald found when it had its earlier, and rather awfully failed attempt to the paywall, called Premium Content, if you're not careful you can just stir traffic and not actually make any money. I think now we've seen the New York Times has provided they've [gone?] with a model, the metered paywall. You can get 30 stories a month for free, and then you'll have to sign up. The other thing the New York Times has done is given free access to the website, the paywall part of the website to print subscribers. There's a pretty good model now, and I suspect that's what they are both pursuing. In terms of whether it's going to happen - yeah, they're both doing the work now.

S1 04:28 And I guess that's what this is all about. It's about trying to find a model that works in order to pay for the content, pay the journalist, pay the people that put together the content that people actually want. Hazel, I mean you've got a sort-of a foot in both camps here, really. At Idealog you've got this great magazine that's been going for a number of years now - it's really really good - It's also got a good web-presence as well. How are you guys finding the balance?

S3 04:54 The money is still coming in on print much more heavily than what it is for on-line. I was really interested, I think last year it was, Tyler Brule from Monocle Magazine came to New Zealand, and he said that he was not going to do a tablet version for Monocle because it just didn't-- the numbers weren't there. It didn't make financial sense. We've looked at that for tablets and something that, at the moment, we haven't chosen to do. We're focusing heavily on print, a little bit more on-line, but perhaps looking a bit more at things more like events rather than rushing to get everything on-line, when the money isn't coming in there.

S2 05:35 Plus one on events actually, Glenn. They've always worked well for Public Address too. Those great, grand events have been one of the things out of the website that's made me money, because mostly it's been a very time consuming hobby, but getting people out in the real world does actually work. It works for your sponsor and it works in a financial sense.

S1 05:58 That's really interesting because there's the daily grind of putting out a publication whether it be on-line or offline and then you're saying that these 'one-off' things are in some ways supporting the rest of your activities.

S2 06:13 Yeah, I guess because it's concrete. I still think that the advertising industry still hasn't got its head around what to do with on-line advertising, and certainly the direction they've gone in, it's become basically media buying. Most of the business therefore goes to Google and Facebook, whereas small independent publishers like ourselves and Tangible Media who publish Idealog, you almost fall through the cracks. But if you can do something different in the real world, that seems to work still.

- S1 06:45 Hazel what were your thoughts there?
- S3 06:47 Just on events I think its something that we're looking at. It's great for revenue but also just for building community. But the thing that astounds me with media buyers is that here you have this audience that Russell's built, for example, that to me would be really valuable to media buyers and then they get largely ignored. I don't quite understand that. I think that maybe there's a bit of a mind set problem amongst media buyers, if I can be so bold to assert that. Because you're often seeing a bit of a disconnect between the revenue decline and the readership or circulation decline - especially for print - so you might seeing a 4% circulation decline, but you'll see a 20% revenue decline along with that and that money isn't then shifting over to on-line, so that tells me that this people in media agencies who imported to that whole print-as-did thing, so we'll just forget about those.
- S1 07:45 I know, coming from a radio background, the sales teams were more interested in bulk buying across a certain demographic, but basically buying in numbers - for a particular big radio stations - rather than looking at the qualitative side of things saying, 'Hey, here's these little niche audiences. They're into these very specific things.' Are you finding that's also the case in the print world as well?
- S2 08:17 Yes, absolutely Glenn. That is precisely our issue. That didn't used to be the case, say, in magazines. Right through the 90s and most of the 2000. The New Zealand magazine industry was actually booming. It was full of independent publishers. It was a very diverse environment. Quite good, high value niche audiences. That hasn't been recognized on the Internet. If we had Public Address's audience, with it's degree of engagement and all the demographic advantages that it has, and we're publishing a print magazine, I would be driving a much better car.
- S2 09:01 But it seems there's an inability or an unwillingness to apply that approach on-line, and as you say, it's much more at buying demographics across radio, or in this case, across Facebook. We've had success. Often, it's not worth advertising at the agencies, as such, but with communications companies, PR companies, who I think get it a bit more. They recognize that you're speaking to an audience, and that audience is a function of who's speaking, what the publication is. We've had much more success in a commercial dimension with columns companies.
- S1 09:46 Hazel, at the top of the show we didn't give you an opportunity to read over your notes from the session, tell us what you've talked about.
- S3 09:53 I think one of the things that actually came out of that session that was really interesting is that it's a great time for journalism, but it's not a great time to be a journalist. It's a great time for journalism in the sense that you can get a story much more easily than ever before. If you want to look at something on the company's office, it's on a website and you don't have to go to the office and actually look it up, for example. Or just the wealth of information that the documents-- the ease of research, it makes it incredible. But, to be a journalist in this climate, the resources are shrinking, the expectations are soaring, and the models of journalism are changing.
- S3 10:29 Once upon a time as a journalist, you got wind of a story, you went and did an interview, or maybe even more than one interview, and perhaps you produced a piece of publication worth lots of time for research, fact checking, and sensible

thought. Now the journalist does all of that, but does a video maybe as well and does a story for on-line, one story for print. Maybe takes a couple of photos, maybe does a pod-cast. That expectation of the work load and the different skills across the board, I think has increased.

- S3 10:59 At the same time, the revenue isn't there to support those-- we don't have those resources to do all of that. I've seen journalists actually bringing their own laptops into work because their work laptops are so bad at some workplaces for example. And so the ad revenue is going down. We want more stories than ever, according to the New Zealand research on what readers expect and eyeballs are all shifting to on-line - but the revenue isn't following there. So it's a huge cauldron of all kinds of problems.
- S3 11:31 I actually think that once we've cracked the revenue issue - and we'll crack that at some point, I guess - the next big problem for the media is going to be a lack of senior journalists. So people have actually had a substantial career in journalism and you understand the political, economic or historical context to an issue. So something happens and they go, 'Ah! Well, ten years ago this happened and that's why this is important,' or just be able to get that context around things and understand things in a wider way and you're seeing a lot of those journalists going off to other occupations because they're a little bit sick of the lack of resources, so I think you're going to see newsrooms populated with interns and graduates who end their sentences in prepositions.
- S1 12:12 That sounds really bad, that sounds like the end of journalism.
- S3 12:15 Yeah. I have a really negative perspective on it, I'm afraid. I really do.
- S1 12:20 It's interesting because a lot of those things you talk about from an end-user point of view sound amazing. 'Oh look, I can hold this magazine, read the in-depth article, oh look it tells me to go on-line and watch the video, listen to the pod-cast,' as you say, 'See the images, interact with the journalists, through Twitter or Facebook or other social media.' These sound like amazing things but what you're saying is that this just isn't being resourced correctly. Is there a solution?
- S3 12:48 I don't know what it is and if I knew what it was I think I'd be very rich, and I'd be driving a rich car alongside Russell. We'd be drag-racing at the lights [chuckle]. I don't know what it is but I think at the moment we're in a very strange bubble because those resources are dropping away, while the expectations are increasing about what journalists can and will produce. You've still got some journalists in the air, from the old school, who are excited about all these new opportunities. So, they're sitting there being underpaid, being under-resourced, they're still doing it for the love of it. This is my bold prediction, they're going to drop off and then that kind of richness of content, you're not going to get it. Then, someone's going to have to have a "come to Jesus" moment about the future of journalism.
- S1 13:33 What if the user expectations are changing and all they want is Buzz Feed and up worthy headlines? "Man gets amputated but you wouldn't believe what he did next!" type stuff. Maybe the users are getting brain dead as the content.
- S2 13:53 Yes. If you look at who's hiring in the US media, it's Buzz Feed. They're adding people every week. They've stumbled on to the formula of what the people want. And maybe that's okay. I like looking at pictures of kittens sometimes too,

but I think there's still a market for actual journalism and reporting. And oddly enough the night after the Moxie Session, I interviewed David Fisher, the Canon Media Awards Reporter of the Year, who, I think, stands out in his ability to get his head around the Internet and actually engage on social media, because a lot of senior journalists don't. He was actually surprisingly optimistic. He thought it was going to work out. But even he was concerned over that issue that Hazel highlighted there of experience and institutional knowledge being stripped out of journalism. When you see it - particularly in political journalism - gallery reporters are going to become ministerial press secretaries and they know all the tricks and they know how it works. And you almost can't blame them because they've doubled their salaries, but you're left with a much, much younger journalism workforce that maybe lacks experience and we've got to stop that happening.

S1 15:16 Staying with the Buzz Feed-y sort of thing, companies like Buzz Feed that are attracting all the funding as well from the venture capitalists. In fact, I'm just reading here that Buzz Feed rapidly expanding with \$46 million in funding. Another one called Vox Media, which I think has a number of properties under them, has raked in another \$80 million in venture capital. So, those are the growing ones. And there is another concern here in the U.K. that the traditional media outlets, like The Telegraph and The Independent and what not, are being Buzz Feed-ified - if that's the word. Catchy headlines, click bait and that kind of stuff. Is that a worry in New Zealand as well? Do you see that happening to The Herald and to the Stuff properties?

S3 16:02 There's a graphic designer called James [Windelborn?] who did some analysis of the front page of the Herald everyday - I think it was in 2012 - and he's done something called Selling the N.Z. at Tumblr, and you can look at his results. Now he concluded, I think it was entertainment - I need to take a look at this - Entertainment was one of the biggest categories for the front page, then Sport, then Lifestyle. So you had things like TV stars, movie stars, musicians, then lots of Rugby stars and then lots of stuff about property, travel, food, wine, sex, nudity kind of thing. I actually thought there would be lots of sharks in the front page of the Herald but as it turns out, I was wrong. I don't know if he did the analysis on the sharks, actually. And then main characters that you saw on the front page, it was Richie McCaw, Dan Carter, Kim Dotcom but then the political leaders didn't get a look in. And I think you're definitely seeing a dumbing down of content on NZ Herald and stuff. It simply is because they need to go where the eyeballs are. If their stats are telling them that people are reading stories about a skateboarding kitten then that's probably what they're going to serve up more of.

S1 17:18 A lot of problems. What about solutions? Is there a leading light somewhere in the world? Is there someone doing it right? Because there's no need to reinvent the wheel if someone else somewhere in the world is doing it right, and that model can be transported to New Zealand. Does it exist anywhere? Either of you? Russell, do you know?

S2 17:37 We're just going to have to find out. In terms of doing it right on an editorial level, The Guardian newspaper is an absolute success story. It's reinvented journalism for the Internet age.

S1 17:49 But it's losing money hand over fist.

- S2 17:51 It's losing £30, £40 million a year, but they seem to feel-- they've expanded it, there's now a Guardian Australia. And, I wonder whether that will be able to hold out against the paywall model. I've always been surprised that they don't go for the voluntary paywall. This is my big thing and I'm going to institute something of that kind on Public Address relatively soon - although that's been difficult because there's no platform for it - I would give The Guardian money to keep on being The Guardian because I wanted to still read it. I don't feel I need exclusive of access. I wonder maybe that's one way forward.
- S2 18:32 But if you look at the New York Times, it's stabilized. The Times, maybe three years ago, it seemed to be in free fall, but this paywall has worked for them. I was at doubt about paywalls for a long time, but I think the short of the advertising industry finding something that actually works for publishers - and I do think the advertising industry has to start thinking about publishers if they want places to advertise - I think we'll just carry on doing journalism. What you are seeing, locally, is things like web video is starting to become commercially viable. That's for across the media, that's for TV, for radio - I think radio live does quite a lot of weekly web videos - and for newspapers, and in no case it replacing the original core revenue. But at least it's becoming more relevant.
- S1 19:31 Radio in itself is and always have been in a very healthy state. The owners of the radio stations may not be but the radio stations themselves, the big commercial ones, are making a lot of money. In fact, on the MediaWorks side of things, subsidising the TV business. So it doesn't seem to be too many worries there. You see a lot of them making that. As you said, that jump to the Internet with web video or adding layers of context on top of the radio that already exist. So, that doesn't seem to be such an issue.
- S1 20:04 What about entrepreneurs, people going it alone, people who had been part of traditional media whether the magazines, radio, TV, or newspapers but then saying, 'Maybe I could do it myself. Maybe, I could get people to crowd-fund me and pay for the content that I will produce.' Are there examples of that?
- S2 20:28 On Public Address in the past two years, I've made more money from asking from asking our readers for money than from advertising, I'll put it that way. Yes, and like I said, I'm about to give that another push and hope for a rather more sustainable basis. What we've been missing - and I have actually tried to talk to people about this and try and develop this for everyone's use - a very simple [open?] platform for voluntary subscriptions where you can get to manage the website that you want to support. That doesn't exist at the moment - [crosstalk].
- S1 21:02 It does. Russel? Russel, it does. Patreon.com, sounds like an ad, Patreon.com, have you ever looked?
- S2 21:09 I looked at Patreon, they just didn't work for us because you ended up having to - It wasn't relevant uploading your content there. It's more complicated than--
- S1 21:24 Yeah, that's not entirely the model. You don't have to upload the content to the website and people only view it through the website, is just that the donation model is through their site. But I can see what you mean how it would be hard for text-based content, because I think this is more centred around video content and episodic content, where people can say, 'Well, I will give you a buck a month to produce whatever you're going to produce or a buck an episode,

however many episodes you release or however much you want to donate.' So yeah, I can see that it might not be the--

- S2 22:01 Yeah, it was generally in the spirit of what I was looking for, but it didn't quite do what I needed it. It kind of did too much.
- S1 22:09 Hazel, what about you? Do you know any examples of people perhaps going in alone? I know that certainly in the area public broadcasting or public good broadcasting there is something that some people have certainly tried to do in the past because they're not being funded but through traditional means whether it be the government.
- S3 22:28 I still think that maybe people are looking for a one-size-fits-all, cure-all panacea kind of model and I don't know that that necessarily exists. I think different things will work for different people. For example, N.B.R. has a partial paywall and supposedly it works for them. Stoppress.co.nz which is one of our tangible media properties, covers the advertising and marketing industry, huge leadership and it makes money and that's on a sponsorship and advertising model. Nobody pays to look at Stop Press and you get a newsletter a couple of times a week.
- S3 23:05 So those are successful but they're very different types of products and very different audiences. And then there's probably other examples of independent operators making money somehow. But to take that, say that Stop Press model, and try to translate that to, maybe Idealog's audience for example, I don't necessarily think that works because the advertising and marketing industry is heavily engaged. They're really interested in what everybody is doing, so you do get that really high readership and they don't mind being advertised to. So that works there and maybe NBR's paywall works because you've got business people whose companies' are paying rather than individuals paying. So maybe that works for them. I'm not sure that you can just take one of those models and whack it on either NZ Herald or stuff and expect it to work.
- S1 23:53 So there's no one-size-fits-all, there's going to be many different types and as you say many different models and schemes in order to make this work. But can we do some crystal ball gazing in 10 years time, that's a long time on the Internet and long time in media. What's the landscape going to look like in New Zealand?
- S3 24:11 Cats [laughter].
- S2 24:13 I don't know. Making 10-year predictions on the Internet is a--
- S1 24:17 I know, but should we say five? [crosstalk] [laughter].
- S2 24:21 Maybe five, even that's kind of crazy--
- S1 24:23 Go Cats.
- S2 24:24 But we would hope that things would have settled out, that there would be-- I don't know, maybe we'll still get influx but you would hope that there are still a space for independent publishers because if there isn't, I think that's quite alarming. And if there is only a corporate media and hobbies that would be alarming. I think we'll get through it. I was actually quite cheered, as I said, by talking to David Fisher early on this week. His view was that we'll muddle through because newspapers would survive.

- S1 25:01 Actually, I think it would be important to touch on before we go is the public good type broadcasting. So let's say five years time, we lost the TV stations. We still got Radio New Zealand but that's just one format. What part will the Internet play in disseminating public good information, do you think, first of all Hazel?
- S3 25:24 I think it could actually play quite an amazing role, in terms of a public service journalism offering. If you look at something like the Pantograph Punch, I really like the stories that they do. And as I understand they get some New Zealand on air or Creative New Zealand funding - must be Creative New Zealand, I guess - so if you had more offerings like that, producing quality content - that would be brilliant. Maybe we can look at a publicly funded news room and producing articles that can get anywhere; that can go to any platform that wants them - maybe that might work. But I think we definitely need something to be able to live in an informed democracy.
- S2 26:05 I would think that some future government will surely merge a television and radio operation into something like the BBC model, because it's increasingly unclear to me why the publicown T.V.N.Z, because it's instructed to make a profit and there's no obligation on it to fulfil that public good role, so--
- S1 26:31 That's if the B.B.C's still around Russell.
- S2 26:34 Well, exactly. B.B.C has it's problem as well. I think one thing that's worth noting, is that if you look in the US, the Internet has revolutionized public good radio and talk radio. There's things like PRX, Public Radio Exchange, which is a huge content hub used by hundreds of small independent talk radio stations, and they are very firm about the non-profit thing as well. It's pretty hard for anyone else to get into. I think that's an example of where the Internet has contributed to a real blossoming out of that kind of thing.
- S2 27:14 I would hate to think-- journalism is not the only trade that's going through this - that's asking these questions - I write quite a lot about the music industry and, in a way they're further through it than we are, but it's still not clear whether the music becomes more than a hobby. But I think music has shown something, particularly in the dimension of additional revenue streams. I think music has shown what can be done because there are so many different revenue streams in music now that it's not quite replacing what used to be a licence to print money by selling CDs, but things are surviving.
- S1 27:59 And it's a nice full circle to finish on because I think it's where we started with revenue and that being the crux of the problem but also the opportunity that the Internet provides media in New Zealand. We are out of time but all that's left to do is tell everyone where people can find you on the net and find what you're doing and help support what you do. First of all, Russell?
- S2 28:20 At Publicaddress.net, come along and see our website.
- S1 28:23 Publicaddress.net and Hazel where is your home on the net?
- S3 28:26 We're at Idealog.co.nz and on Twitter Idealogmag.
- S1 28:30 Idealogmag. Brilliant. Once again, thanks so much for being part of this and I know there's so much more to talk about this massive topic. Hopefully, we'll get together again and do it either at the Moxie Session or here on the podcast.

TranscribeMe!

Head along to the website <http://themoxiesessions.co.nz>. You'll find all the archives of the older-- the rest of the audio that we've done there as well as the transcripts and find out how to join up on the next Moxie Session. Thanks very much. I'm Glenn Williams, right here in London till next time. See you.