

Arthur Sulzberger Jr.
Keynote Address at WebbyConnect
October 22, 2008

ASJ: Thank you David-Michael for that very kind introduction. So it is my pleasure to be here to keynote this week's summit as we gather to consider still another cycle in the internet's evolution. I want to thank you for asking an old newspaper man to come to such an impressive group of digerati. I choose to believe that my invitation today is a testament to the fact that the New York Times Company has as you've just heard become a major presence in the online space with some 50 million readers worldwide regularly coming to our site, our award winning site. Thank you again for all those Webbies. Thank you. Thank you. Thank you. That's three. Thank you.

[LAUGHTER]

ASJ: Anyway, as we know from everything we read and see and hear, this is just an extraordinary moment to talk about the future of technology or so much else for that matter. The news cycle with its round the clock stories of serious downturns in the global economy, banking collapses and the 700 billion dollar rescue package has certainly caught all of our attention. It is tempting to hope that what we are witnessing is just a temporary readjustment and that some massive reboot of the financial system will

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eventually resolve all of our problems. If so I have a bridge to sell you. While this is a comforting thought, there is undoubtedly something more profound afoot. There is a lot of bad debt out there. There already have been significant layoffs and some well known companies have evaporated overnight. There's also a great deal of uncertainty as to what to do next about ensuring the free flow of credit. Suddenly, LIBOR, the rate at which banks lend money to other banks, has become a much discussed topic. Now everyone has an opinion as to what we should do next. And I'll add my two cents. And admittedly I will not offer any grand macroeconomic theory. That's the job of the *New York Times'* just-named Nobel Prize Winner Paul Krugman.

[APPLAUSE]

ASJ: Thank you. What I can hopefully do is provide some insight and maybe a little optimism. So today I will present seven observations as to how we can use our increasingly powerful digital prowess to operate more effectively in this most uncertain of times. My initial observation comes from spending 15 years grappling with all of the twists and turns of the modern information revolution. What we have learned is that we will have

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a far better chance of making it through this confusing period if we view all prevailing wisdom with a fair amount of skepticism. After all, who saw this financial crisis coming? Well, okay Paul did. And maybe Gretchen Morgenson. And oh the editorial page of the *New York Times*, but who else?

[LAUGHTER]

ASJ: What was the prevailing wisdom about the economy a year ago? Or even six months ago? And who would have imagined that one of the most conservative administrations in American history would actually take a lead in this semi nationalization of the banks? Now that everyone is in their end-of-the-world mode, we should make a conscious effort to reject the increasingly frenzied apocalypse now, tomorrow and forever talk. At the New York Times Company we understand the importance of challenging conventional opinion since we've been doing it for a very long time. Once the Mosaic browser was launched in 1993 and broad use of the web followed, there were endless predictions that mainstream media would simply disappear. A long list of so-called experts—and we have that list in a secret vault in our new building on Times Square—proclaimed

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that the new digital powerhouses would sooner, rather than later, take over everything including the media markets. And that the venerable newspaper enterprises would truly have to contend with the revenge of the nerds. And we saw some of that to be sure. But contrary to expectations, some of the mainstream media players, including the *New York Times*, joined the revolution. To be honest and a bit psychologically insightful, nerdiness came to us more naturally than we would have liked to have thought. I mean not so much as all of you...

[LAUGHTER]t

ASJ: ...but you get my point.

So at the Times we donned our metaphorical thick black glasses and shirt pocket protectors and became relatively early adopters. By the fall of 1995 we had created a special site to cover the visit of Pope John Paul II to New York City. And then in January of 1996 we formally launched NYTimes.com, today as you heard the largest newspaper-run website in the world.

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Throughout the 1990s we became more adept at competing over the web first with our traditional newspaper organization and then increasingly with digital startups with no traditional media presence. In 2008 we competed against companies that did not even create. We now compete against companies that do not even create original content primarily but rather aggregate it ranging from small start-ups to the biggest of portals. As our competitive set now includes technology service companies we much constantly expand our vision of ourselves and our skill sets. This is one very good reason why conferences such as this are so important to us. And since we've maintained the courage of our convictions, which is more important than ever during this period, the New York Times Company, which as you heard in addition to NYTimes.com includes Boston.com and other sites, is now the 11th most visited parent company on the web in the United States, and—have I said this before?—with 50 million page views in September. Sorry, 50 million unique visitors in September. Our reach represents more than 30% of the online audience in this country.

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Now getting to this point was challenging, it was frustrating, it was ultimately incredibly rewarding, and we moved forward because we closely adhered to our core purpose which is to enhance society by creating, collecting, and distributing high quality news and information. Which brings me to my second observation: quality content matters. Enormously.

Since the world seems to be in full crisis mode, trustworthy voices are now more important than they have ever been. One of the main reasons why I accepted this invitation was so that I might continue to proselytize about the growing value of world class journalism by explaining how it drives our understanding of this increasingly complex world, and enables us to make the decisions necessary to keep democracy alive.

As we at the New York Times Company have known from long experience—the Civil War, World Wars 1 and 2, September 11th and its aftermath—there is an inevitable flight to quality journalism. And a

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heightened search for knowledge and truth around the globe when major economic or political or social institutions go off the rails.

Not surprisingly, this incredible array of manmade and natural catastrophes we've been seeing of late is triggering a primal reaction to protect what is important to each of us. We care more about what is happening because we want to keep ourselves and our loved ones and our communities secure from harm. The knowledge, truth and security are all major themes of the ensuing United States presidential race which while exciting is mercifully coming to an end. The last days will be a rather titanic clash of values and emotions and visions of the future; an absolutely frenzied exploration of what Joe, the unlicensed plumber, really thinks.

[LAUGHTER]

ASJ: The internet certainly played a much larger role in energizing the narrative of this presidential election. Sometimes it just feels like a free-for-all. As countless websites and blogs and micro blogs compete to alert, sorry to alter and influence our national political conversation as they comment on

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everything from who won the last debate to the validity of the so-called Bradley Effect to whether anyone is actually getting a tax cut next year. Wherever they are on the ideological spectrum, millions of online readers throughout the country have become addicted to the web's incredible abundance of information. They love the polling numbers. The commentary of experts and fellow citizens. The intricacies of the Electoral College, and the videos of campaign stops. Huge numbers of readers may suffer serious withdrawal when Election Day comes and goes.

All of this activity enriches our democracy. But critical to that public debate is the quality, the trustworthiness, the truth of that information.

The famed journalist Edward R. Murrow noted in the 1950s, "The speed of communication is wondrous to behold. It is also true that speed can multiply the distribution of information we know to be untrue." Ask Steve Jobs.

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My third observation is about the need to maintain perspective as the tendency to either become agitated by the tidal wave of news or to ignore critically important stories because you can no longer process what is happening. Our 21st century news cycle with its trials and tribulations feels even more immediate because of our access to the vast array of new digital tools. As the internet, mobile phones and cable television become ubiquitous, every new political development, natural disaster, military conflict, is transmitted instantaneously. It is reasonable to ask, do we need all this news and information? Do we want all this news and information? Can we tolerate all this news and information?

The editor of Newsweek International, Fareed Zakaria, suggests in his book *The Post-American World* that because we know so much about what is happening throughout our planet, we may have lost some perspective along the way. As he notes, the immediacy of the images and the intensity of the 24 hour news cycle combine to produce constant hyperbole. Every weather disturbance is the Storm of the Century. Every bomb that explodes is breaking news. It is difficult to put all this in context

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because the information revolution is so new. Yes there's a lot of journalistic hyperbole and we have to become more practiced at not overreacting to the latest piece of news or information. Quick; anyone here know what the market has done in the last 20 minutes? See, minus 300. There's the problem.

[LAUGHTER]

ASJ: Thank you for playing. It is not good for the nervous system and it tends to lead often to ill-considered actions. At the same moment we must be wary of taking substantial world events for granted. To do so would be a major mistake because we would fail to respond appropriately to our challenges. Sometimes when we read about what is happening in The Congo or Darfur or Zimbabwe we become desensitized to the real human suffering that plagues these countries by virtue of the sheer volume of news and information we receive. We must remember this need for balance and maintaining that critically important sense of perspective on our world and its developments to keep from either sensationalizing or trivializing local, national, or international reports.

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One very good way of maintaining this balance is by bringing more people and more perspectives into the conversation. This leads to my fourth thought. The internet is democratizing... sorry. Just kidding. The light behind me is making it harder to read. Democratizing the narrative by fundamentally altering how information is disseminated. Thank you. The web 2.0 phenomenon which is inevitably evolving to new grand theories about how the internet operates is in part rooted in the idea that readers, by voting en mass on which stories and events are most interesting or important, have become a kind of collective editorial force. Mass use of information has a dramatic and lasting effect on all news media as millions of readers are helping to decide how journalism will be produced, organized and disseminated. This fundamentally changes one's view of media distribution and audience aggregation. We've moved from a mindset that is mostly centered on people coming to a media destination to one that seizes the opportunities of the global distributed network that is the internet. You heard people talking about that a little while ago. This was critical for us to understand because fewer than 60% of the inbound links to NYTimes.com come from users who type our URL into a browser

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or link from a bookmark. The rest come from the distributed internet, and a third of those from Google alone. To state the obvious, Google has become a vast content distribution system; a massive editorial filter.

Traditional news organizations can tap into the wisdom of crowds by creating new ways for news content to surface on their home pages. At the *Times* one of the most popular forms of authority is our most emailed list. So the story: back in June of 2006 the *New York Times* published a story by Amy Sutherland entitled “What Shamu Taught Me about a Happy Marriage.” The story was buried somewhere deep in the paper. Certainly nowhere near page one or on our home page. In brief, the story was about a woman’s attempt to change unpleasant aspects of her husband’s behavior using animal training techniques.

[LAUGHTER]

ASJ: I think about the gay dog? I’m not sure. Within hours the story quickly shot to the top of the most emailed list and stayed there for weeks. This fun story based solely on the fact that thousands of our readers were emailing it around began appearing on our home page day after day,

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attaining a long tail that would have been impossible just a few short years earlier. But the story doesn't end there. On January 10, 2007, the *Times* published a list of most emailed articles for the year. And right at the top of the list, 2007, was the Shamu piece. Yet again it was catapulted into the most emailed article list, given a new lease on life based on its popularity six months earlier. The day before the list was published the article generated 511 page views. Two days after it was published, that article generated 95,000 page views. And that week Shamu generated over 600,000 page views; a testament to how alternate taxonomies and an understanding of the wisdom of crowds can drive enormous interest in even the most obscure news story.

More recently Tara Parker-Pope's health blog posts about anorexia and eating disorders received an avalanche of visits and comments. Her articles about health and food have been propelled around the web by our most emailed list, as have the columns of many of our op-ed page writers, columnists, and lead stories about the economy and the presidential campaign. And now we will be syndicating our content even further by

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making the code for our most emailed list available to developers via an API. In this way, our journalism spreads across the internet and therefore around the world.

We've long been early innovators. We have pioneered, as you heard, an RSS allowing users from across the web to remix our content for their own needs. As a result the *Times* was the most blogged news source in the world last year, with countless bloggers using our content as fodder for conversations and millions of readers coming to us that way. This is the inherent paradox of the hyperlinked news organization. It can get much larger and have much more impact through its disintegration.

And my fifth observation is that the web by transforming the narrative is providing a new mechanism for harnessing the collective intelligence, ability, and spirit of the smartest and most talented people on our planet. When this happens we all benefit because this creates the necessary condition for scientific breakthrough, economic development, and a general rise in the standard of living. This happened throughout the

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industrial revolution when relatively high paying jobs lured people into cities across Western Europe and the United States later. This fueled creativity and innovation which in turn generated a massive increase in wealth. This is a timeless phenomenon. It even happened to ancient Samaria. As Alec Wright, a *Times* staff writer, wrote —“Mastering information throughout the ages, in 5,000 BC”—and now I’m quoting—“the people of Ernuk”—that’s how you pronounce URUK—I had to learn that—“Having mastered a few basic agricultural techniques had started to settle in a growing population center with a flourishing trade and increasingly specialized classes of workers, farmers, merchants, builders, and ruling class of the elite citizens. It was the world’s first boom town. The sheer concentration of people created a cauldron of technological innovations. During this period, ancient Samaritans invented the wheel, sailing ships, molded bricks, and architectural breakthroughs like vaults and domes. And with far greater access to information and the emergence of new modes of cooperation and collaboration, the inventors and innovators of the 21st century will be even more productive and we will all benefit accordingly.”

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All this interconnectedness begets more interconnectedness, and this requires developing a far more organic relationship with our readers, which is my sixth observation. We are quickly seeing the emergence of a wide variety of internet enabled content delivery devices including Kindles, smart phones, net books, IPTVs, and of course garden variety PCs and mobile phones, all of which are networked together.

In the old days—say the 20th century—people talked about convergence as if we would have one multi purpose device on which we did everything. Read news, watch videos, check email. Now we have a more complex view of convergence. One that puts the person at the center of the experience. We imagine a world where someone is reading a story on NYTimes.com and gets up to go. Their phone knows that they've left their desk and they immediately receive a text message linking them to the story that they were just reading. When they get into their car, the story is automatically read to them. And when they get home they continue with the story in multimedia format on the flat screen TV in their living room.

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We call this intelligent content delivery, and we're retooling our newsroom, our content creation factory if you will, so that we can deliver on that vision. One in which content converges around the individual.

We actually brought this vision of the future to life when individuals from our research and development department, which we created in 2006—by the way a first in our industry—developed a new application called ShifD, a Hack Day award winner. It provides users with the capability to seamlessly shift content between their computers and mobile devices. ShifD eliminates the need to separately save certain information on both the computer and a mobile device. Users can update information from any web browser by text message from a mobile phone through a mobile web browser or by using a downloadable application on Adobe AIR. As everyone here knows, having exponentially enhanced access to everything is providing an opportunity to become engaged and empowered in all parts of our lives and this is why the internet and emerging media will carve an even more central place for themselves in our lives in the years to come. This is also why it's important for traditional

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companies to adopt strategies that enable us to be *of* the internet, not merely *on* the internet. This requires us to find business models that work online and to address audiences in ways that are fundamentally different than analogue media. This is a useful abstraction, but not so easy to implement. The internet in anything resembling real time is still a relatively new industry and most of us are still trying to determine how we create a business model that will provide sustainable growth.

The online marketplace is a particularly intriguing challenge because there's such substantial dispute about the underlying economic and market principles that should guide us. What increases the degree of difficulty is that the web consumers have grown accustomed to getting much of what they want for free. At the New York Times Company we have a three part financial strategy to attract more users, to deepen their engagement, and to earn additional revenue from their usage. Again, relatively straightforward, and we have an array of innovative tactics to make it work. Our most successful tactic is creating sustainable leadership positions in verticals. Those sections where advertisers

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believe they have the best opportunity to speak to their prime customers. Our focus on verticals is a very important way in which we are differentiating ourselves from many of our traditional newspaper players. And we've been working on the development and implementation of that vertical strategy over the past decade, and that continues. Emphasizing integration of content and tools in our news operation such as we've done in our verticals is critical. So too is integration of mediums and most important of all, full integration of readers into our dialogue. We must not only engage our audiences with our own work, structuring a two-way conversation, but in the lives and interest of each other, thereby assembling a forum. This thinking is certainly integral to the development of such online products as Times People, Times Machine, and Times Open. Each speaks to our desire to entice our readers to come to us for more than our great news and information. We want them to create and join communities that care deeply about the range of topics from the practical to the esoteric to the entertaining.

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Most recently we've been working on Times Extra, a new service for NYTimes.com's home page complementing *Times*' content with news headlines from all over the web. Generating headlines from other news organizations and blogs and pairing them with relevant front page Times articles. The headlines are aggregated using Blogrunner, a tool we acquired several years ago, which generates feeds that are then improved using human judgment. From Blogrunner's automated feed, *New York Times* writers and editors select the best sources for Times Extra. In turn, Blogrunner learns from this expert input. Reverencing relevant content to these respected sources, our readers can use NYTimes.com as a gateway to news and information guided by the editorial authority of the *Times*. As *Times* reporter Brian Stetler recently noted in an article earlier this month, "Thou shalt not link to outside sites." A long-held commandment of many news rooms is eroding. Embracing the hyperlink ethos of the web to a degree not seen before, news organizations are becoming more comfortable linking to competitors acting in effect like aggregators. Fundamentally we are addressing a common desire for comprehensiveness. The desire of people to find the news and

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information that they want from their most trusted sources. The era of the walled garden is over.

Initiatives such as Times Extra and our other news products will enable the *New York Times* to do an even better job of responding to our audience's demands for interactivity, community, multimedia, and news and information in an increasingly wide range of topics. In these initiatives we remain dedicated to disseminated high quality content, but in such projects the *New York Times* is also forging a new dynamic and most exciting future for itself. But this introduces my final observation.

Constant self-evaluation and adaptation are absolute givens as we enter a new decade. There must be an institutional commitment to engage in reinvention, especially as the information revolution picks up steam and online consumers become more sophisticated and more demanding.

There are plenty of business books that have detailed exhaustively how companies have responded or failed to respond to the fundamental challenges posed by change. The authors of these treatises have concluded that many companies have failed for lack of the institutional

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ability to move beyond their basic value proposition. In some cases the senior management didn't recognize the degree of change necessary to survive or to thrive. And this brings me to one of my favorite quotes from Bran Ferren, the former executive vice president of creative technology and R&D for Walt Disney Imagineering. Now a number of years ago he explained why it's so difficult to get your footing in an era that has been buffeted by one technological breakthrough after another. Here's what he said. "Trying to assess the true importance of the net now is like asking the Wright Brothers at Kitty Hawk if they were aware of the potential of American Airline advantage miles." We're always very bad at predicting how a given technology will be used and for what reasons. Society evolves like the species. It's not smooth and linear. You'll have something like the industrial revolution. It comes like a jolt and then you kind of dick around for the next 50 years getting used to it. That was a quote.

All this said, the New York Times Company spends a lot of time thinking about 2010 and 2015 and anticipating future developments. And that's

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become an incredibly important function for all of us. Our R&D group helps us to anticipate consumer preferences, devise ways of satisfying them and develop products across the company. It now includes 16 people with such positions as creative technologist, data miner, business catalyst and director of emerging platforms; we even have a futurist. One particular initiative within our R&D group that is encouraging individual innovation is our tech challenge. We are providing developers and product managers with an opportunity to turn their particular visions into something very tangible and hopefully profitable. Last year's winners produced Times Widgets, a tool that allows our readers to create their own widgets and gadgets from the numerous RSS feeds on NYTimes.com, and A Night on the Town, a great new way to check on what is happening around New York City, and then create a personalized itinerary. Both will be rolled out in the coming months. Building on this success, this year's tech challenge has resulted in some very interesting submissions that should generate another round of useful online products. Two other good examples of this kind of innovation and collaboration are our new relationships with Facebook and LinkedIn; important alliances which

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bolster our presence within two very popular social networking sites and are bringing to us new readers.

When you gather together all these observations into one continuous narrative, I hope you can see that survival, and dare I say prosperity in this period will require that organizations, whether they're private, public, not for profit, that they be committed to regularly enhancing their ability to deal effectively with uncertainty. Constant contingency planning and crisis management have become the norm. One of the ways that we will effectively cope with all this craziness is by becoming even more proficient in how we utilize information. With increasing frequency, success and achievement is being measured by how well an organization makes use of its online tools.

So how do we achieve sustained success on the internet? Future success on the internet is about dedicating ourselves to fundamental values while freeing ourselves to innovate and grow through constant rethinking and reformulation of practices and products. Future success on

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the internet is about leveraging the wisdom of crowds by shaping a more meaningful community oriented experience, and by continuing to learn from the information revolution. And future success on the internet is about overcoming conventional thinking and maintaining thoughtful perspectives on our world, its events, and its possibilities. By doing all this and much, much more, we endure, we adapt, we innovate, and we advance into the 21st century with a renewed sense of purpose and of mission. Thank you.

[APPLAUSE]

MODERATED Q&A AND AUDIENCE Q&A WITH ARTHUR SULZBERGER, JR.

M: Arthur's been kind enough to stick around and answer questions so I'm going to ask him a few and then Emily and some of the Webby team are going to take questions from you. So get them ready. I think I know something that's probably of great interest to a lot of our attendees here—and you touched on it quite a bit—is that struggle between integrating and disintegrating which was so well put. To go back a couple years, there

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was the... people call it the pay wall. I think the official was Times Select...

ASJ: Right.

M: ... where the *Times* had a... there was a certain amount of content that was accessible and the rest you had to pay for or be subscribed to. And then at one point, totally changed courses, took it down, it went away. Which I think people were obviously thrilled by but at the same time I think everybody sort of understood why you were doing that in the first place in some senses. What was the change that happened that made you do that?

ASJ: Great. That's a good question. Okay, so we began Times Select in 2004, and that put all of our Op Ed page columnists behind the paid wall. Many of our other columnists in the newspaper, as well as other elements of the paper such as our archives. I remember calling the Op Ed columnists and telling them we were going to do this and... not always easy conversations. Tom Freidman was interesting; he said, "Arthur, I hate it. But you've got to try it." And so we did, and in 2007 we took it down. And in those three years the internet changed so dramatically and we had to

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adapt to those changes. Online news and information became unambiguously commoditized. Search became a titanic influence, as we all know today. And by keeping our most distinguished voices, such as those of Tom Friedman or Maureen Dowd or Frank Rich, behind that wall we were hiding that part of our information, of our offerings that was the least commoditizable. We made 10 million dollars a year off of this by the way. It wasn't as though we lost money during that period of time.

M: It wasn't unsuccessful.

ASJ: It was not unsuccessful. The problem became that the growth rate stalled very quickly. Everyone who was going to sign up did sign up, but there was little growth. Had the wall remained we would not be seeing the growth that we see today in our numbers. We're up 40% so far year to year, month to month. So it's part of this new philosophy of ours which is yours, all of you: test and learn. Test and adapt.

M: So ultimately it was a little bit of a leap of faith, but successful. Financially even.

ASJ: Financially successful, but we knew we could do better by freeing that content up and then monetizing that. And the same was true with our

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archives. That was a great example of... but the search with our archives now free out there, no paid wall, search has become a critical part of our growth.

M: I think it's also a huge service honestly of how many decades of excellent reporting was done by the *Times* that's now actually on the internet and available to people as opposed to not in the past. So the overall quality of information on the internet went up just because of that which is...

ASJ: Well that's very kind and you're obviously ignoring our story in the 1920s where we announced that in fact the canals on Mars were being built faster than we thought.

[LAUGHTER]

ASJ: True. It may have been in the 19 teens but we did announce that canals were being built on Mars.

M: Which maybe gets us to another challenge for you and for many; how has the proliferation of less researched news—what some people would say lesser quality news—how has that affected the *Times*? How do you compete with that?

ASJ: Well, we compete by keeping our brand promise.

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M: Right. I mean obviously if the quality is better, which is a huge... but it takes so much more work and investment.

ASJ: It does take more work and it does take more investment but let's not pretend, or let's acknowledge that some of the work that we are seeing done by bloggers and by digital news organizations is really excellent. Some of it is horrifying, but some of it is superb. The coverage of Virginia Tech that came out of the blogosphere was absolutely remarkable. But we have to recognize that all news institutions are human enterprises. We will all make mistakes. Our challenge is not to pretend that's not true; it's to acknowledge the mistakes when we make them; to own up to them and then to move past them with better journalism. And that's really at the heart of what a journalist is. Not infallible, but someone who recognizes that when a mistake is made you have to own that mistake, you have to correct that mistake, and you have to get that correction out to people as quickly as you can.

M: Which I think touches on this also is how are you... is the way that you're evaluating the journalists in doing things well, doing things not as well, has that changed? A number of media companies now online are actually

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paying their bloggers, reporters, journalists based on how many people read their stories, which in some sense is basically saying if a lot of people read it you did a good job.

ASJ: Right. And that is not the way we're going to be going. At About.com, page views and unique users are part of the compensation for our guides. Not the whole compensation but it's part of it. At the *Times* that's not going to be the case, because quite frankly a Supreme Court reporter isn't worse than a restaurant reviewer. And a restaurant reviewer is going to get more page views. More unique users. That's just the way it is in the world. And we don't want to set our journalists in that mode. Having said that, are we finding ways of compensating those journalists who are helping us build verticals, and deep verticals, in different ways? Something tied not to any single measure—for example not to advertising dollars, we don't want to do that—but say to the kinds of measures of usage that we're talking about, about engagement. Sure we are looking at how to do that in such things as DealBook. And that may be something that comes from that, but that's really about creating a site, not just being a writer.

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M: What do you think about other organizations that are doing that?

ASJ: I'm not going to judge other organizations on that.

[LAUGHTER]

ASJ: We'll let everyone decide how to run their business themselves.

M: Fair enough. I have one more question before we should take some audience questions. What is the *New York Times* going to look like in ten years? Am I still going to be able to get it delivered to my door? Is it still going to be on a piece of paper that readers...

ASJ: Well first of all do you get it delivered to your door now?

M: On the weekends.

ASJ: On the weekends? We should talk.

[LAUGHTER]

ASJ: I'll take that. Okay will there be a print *New York Times* in another decade. Let's start with the fact that the heart of the answer must be we can't care. We do care; I care very much. But we must be where people want us for our information. It's the thought of cannibalizing yourself before somebody else cannibalizes you. So that's one answer. But in truth, we have a rule, after years of studies, that if you are a home delivery

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subscriber to the *New York Times* for two years or more, there are two reasons you give it up. The first is you move to someplace we can't serve, and the second is you move to someplace we can't serve. If you get that. Three years ago that number was 650,000. Two years or more home delivery subscribers. Today that number is 820,000. Those are print. So print is going to be here, I believe, for a very long time. There was a wonderful story; in the 1850s a New York publisher wrote in his own paper that he'd just witnessed the death of newspapers. He wrote that literature would survive, but newspapers must fade away. 1850s. He had just met the telegraph. Okay, so television was going to kill newspapers, radio was going to kill newspapers, telegraph was going to kill newspapers. People adapt and people like it in different ways. So I believe print will still be here and we'll move you to seven days a week home delivery.

[LAUGHTER]

M: You know what it is, it's the great campaign that you guys do on the weekends. You're sitting there and they come on and they say, "Don't you want to get the *Times* on the weekend?" and I was like, yeah, I guess I do.

[LAUGHTER]

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M: Let's take some questions. I think (Alex there?) has a question. Go ahead.

Q: My name is Ian Lamont. I'm from the Industry Standard, and I love reading the *New York Times* online, but one thing that I noticed is probably half the time that I go there on a page there will be a house advertisement or something that's from a remnant advertising network. And this is not just a *New York Times* issue. You see this whenever you go to a media website; *Los Angeles Times* or Boston.com. Is this an issue that publishers have to really pay attention to more in terms of creating programs and technologies that not only serve readers but also advertisers better, or do advertisers really need to come over to the online world? Why are advertisers willing to spend thousands of dollars on a TV or print advertising campaign, but only cents on the dollar for putting something online?

ASJ: I'm trying to figure out whether this should be a softball question or not. Because print works. And they've discovered that there's a flight back to print. That's not true, but I thought I'd say it. Makes me feel good.

[LAUGHTER]

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ASJ: And the answer is yes. I think all of us are aware that the advertising industry is doing much better at understanding internet advertising usage, but we're still not there. It's going to take time. There are some ad campaigns that we've run on our home page—the Apple ad campaign which I hope you've enjoyed which is very exciting and done very well—but there's going to be more work. I don't think anybody has really yet for example figured out how to make ads work on video on the web. Not really. Prerolls don't do it. So there's going to be more to come on this. But in the meantime, yes, we're in a downturn. An advertising downturn. We all know that. I assume that all of you who work at... are rethinking what your '09 internet advertising revenue is going to look like. Certainly we are. I'm not going to get into numbers because as I mentioned earlier on Thursday we do our third quarter earnings release and if I said anything I'd go to jail.

Q: Actually I have a little follow-up to that too.

M: Oh, I'm sorry. Just because there's so... you know, let's grab another one I think would be great. I can't actually see. Right here in the front.

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Q: You seem to suggest that it's at least possibly bad for society that we have too much information and that we've placed too high a value on how rapidly this information comes to us. But does the fact that you're rolling out this sort of mobile version of the *Times* that follow you wherever you are is that just sort of accepting this...

ASJ: Well, that's a really great question and I think the answer... are we feeding our own beasts, right? And the answer to a certain degree is yes. We do as a journalistic organization have a responsibility to make sure that if you want that news, you can go to the *New York Times* and find out what's happened to the Dow today. At this moment. Right now. We have that responsibility. I also feel you have a responsibility as readers, as consumers of news and information to try to gauge what you take in and when you take it in. But at the end of the day, I think the more important issue is the quality of that information, because the flow of false information on the web is an increasingly powerful force and we all know that. The idea of trusted information I think is the more critical thought. And knowing that you're going to a place that checks its work. That checks its work. That doesn't just say oh I heard this, but that says okay, I

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heard this, I've checked it out, I now believe this is true. I'm not again saying that that makes everything a newspaper like the *New York Times* or the *Washington Post* or a news organization like Salon or the Huffington Post makes everything they do right, but it does mean there's an organization behind it that's going to say look if we get this wrong we will own that we got it wrong. And I think that's critical.

M: Another question over here.

Q: Dana Harris from Variety.com. One of the things that you talked about was creating proficiency in terms of your work on the web and trying to get the content to the people. In creating that proficiency and creating those widgets and tools and what have you to do that, does that mean increasing or decreasing the number of editorial staff that you use to create the content?

ASJ: Okay, a great question. Over the last two or three years we've integrated our digital and print news staffs and our digital and print advertising staffs. We did move to a new headquarters building in the last 18 months and quite frankly if we had not we would not have been able to make that critical move. So we are still hiring. Yes is the answer. We've added to

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our news—and I'll focus on news now because I think that's where your question was—we have added to our news staff in the digital arena dramatically over the last few years because we've had to. We've had to hire web producers and technologists. I'm talking now for the news room. These are journalists, web journalists. I think over the last year or two we've probably got five times the number of web technology people that we had in our newsroom over the last couple of years. Five times. So I think it's gone from roughly 20 to 100. No, I mean we're not Google, we're not Yahoo. I don't mean to suggest that that's the case, but we are creating a new group of digital journalists in our newsroom to give us the firepower we need to do these things. Is that responsive?

Q: Quickly about the rapid fire news cycle, on that note, do you have any update on the anthrax scare that came at the *New York Times* about two hours ago?

M: Tough questions here, huh?

ASJ: That's very sweet of you to ask.

[LAUGHTER]

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ASJ: I mean that honestly. It scared the sh... I was just sitting in my... my friends in the back will know this. Yes, a letter came to our editorial page editor Andy Rosenthal this morning. We do have protocol for this. The letter did not have a return address and it should not have been opened. It was by Maureen Munster who is Andy's secretary and we had to bring in the hazmat units and we shut down the 13th floor. I just talked to Maureen before I came on stage and she's fine, and I've ordered her to never open Andy's mail again.

[LAUGHTER]

ASJ: But she's fine. White powder by the way is what came out of course of the envelope. White powder.

M: That's good to hear. The result's good to hear. I think we have a question here in the back.c

Q: In a world where an innovation of technologies happen so quickly, in particular in news dissemination, news filtering, news bloggers coming out and lots of people risking their entrepreneurial spirit and money going out to new technologies which may or may not work but are proven in a very short period of time, you've proven very successfully in buying About.com.

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Is your plan to innovate internally and take the risk on yourselves, or do you have a plan of buying verses build?

ASJ: And the answer is yes. I mean we are looking at both ends. We are looking at investing within ourselves into the quality of our verticals in particular—that's where our focus is right now—as well as potential acquisitions also to strengthen those elements. Especially at a time like now where valuations have dropped rather dramatically from where they were a year ago. That's something that all of us have to keep an eye on. So yes we do both. We are investing internally and we are looking externally.

M: Do you find it's more difficult to experiment? The *New York Times* has such a great brand. Sometimes experimenting doesn't go well. Do you find it's difficult to experiment with the *New York Times* brand because of that?

ASJ: That's a really good question. The answer is we had to get a mindset change. The mindset change was of course if we're going to produce a new section and put it in our paper and give it to our readers, we'd better get that section right on day one. And we'd better have quality journalism

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with a great look to it, an understanding of the financials and the advertising to support that, and we want it right on the first day. It took us a little while to get past that on the web, but we are now increasingly comfortable with launching things in data and increasingly comfortable in internal betas, external betas, and just recognizing test and learn. Put it out there, get the feedback, change it, adapt it. You can change overnight. Well not always overnight as we know. It takes sometimes longer. But the thought is we have to get past the thought that it must be perfect. And I think quite frankly we have gotten past it.

M: I think it's something a lot of people struggle with is how to experiment...

ASJ: Yeah, but if you're not prepared to occasionally fail, you're not trying hard enough.

M: That's a great place to end it. I want to thank you so much.

ASJ: Well good. Well thank you.

M: It's been an honor to have you.

ASJ: It's a pleasure. Thank you all.

[APPLAUSE]

[END TAPE]

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