



Gemma Puglisi-David Chavern Podcast

Mon, 6/28 4:20PM 20:31

SUMMARY KEYWORDS

news, publishers, people, nationalization, industry, stories, digital, community, journalism, happening, national press club, news media, local, role, pandemic, association, papers, new york times, distribution, david

SPEAKERS

Outro, Intro, David Chavern, Gemma Puglisi

- I** Intro 00:10
This is Update-1, the podcast of the National Press Club in Washington DC. Update-1 provides a forum for listeners to learn about national and international stories focusing on journalism and communication issues news and politics. Now the latest edition of Update-1.
- G** Gemma Puglisi 00:34
Welcome to the National Press Club's Update-1 podcast. I'm Gemma Puglisi, with the club's Broadcast Committee, and today the topic is the media, specifically newspapers and the ever changing landscape of print journalism. With us today is David Chavern, the President and CEO of News Media Alliance, the news industry's largest trade organization. Before it was the MMA the organization was the Newspaper Association of America. It represents 2000 or so news publishers around the United States. This includes everything from the largest national outlets to the smallest community publishers. Says Sharon, "We really are the voice of the news industry."
- G** Gemma Puglisi 01:20
David Chavern joined the Alliance in October 2015. He has been called an activist for the news industry, and has built a career spanning 30 years in executive strategic and

operational roles, most recently completing a decade long tenure at the U.S. Chamber of Commerce. There he held many roles including executive vice president and COO. He is a 1987 graduate of Villanova University's School of Law and received his MBA from Georgetown University. He holds a BA from the University of Pittsburgh, where he sits on the Board of Trustees. Welcome, David.

D David Chavern 01:59

Oh, great. Thank you very much for having me. thrilled to be here.

G Gemma Puglisi 02:02

Well, thank you for joining us. And obviously, before we chat about the industry, I first want you to share with me why the association started the mission of the News Media Alliance.

D David Chavern 02:14

Many people would remember the newspaper Association of America whose history goes back 120 years or so. I came into the role again, about five, little over five years ago. And we really the goal was to reorient the VA association to talk about the future of this business, particularly local news. And to both embrace all the positives about the industry, and there are a lot which I can talk about, but also really help it find a stable financial true trajectory going in into the future. So that involves a lot of different rethinking -- rethinking about our programs, what we were what we care about what we fight fight about. But also things like our name and brand and, and focus. And we really are about the digital future of the news business, particularly what that means locally and how we're going to sustain that locally.

G Gemma Puglisi 03:18

Terrific. Thank you. I know that you mentioned and I want to go back, of course. And you touched on this right now. So of course we know that many years ago, of course, when the internet kind of exploded many papers were beginning to struggle, right? We saw a lot of that happening, especially early 2000s and beyond. And we saw a lot of dailies and weeklies and many community papers, having a very difficult time in closing. And so you have a fifth set, and you've mentioned it that you are now focusing on the digital future of local news. And particularly you want to talk about in 2020, which was really a big year for journalism, especially if you will digital media. You said where in 2020, the industry had absolutely record historically high readership, and also the worst economics in a

generation. So 2020, of course, bought the pandemic, right. And it was also an election year. Share how we saw how local news, and the industry really had record a record year, if you will.

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David Chavern 04:22

Two things. I mean there are a lot of things about how the internet has impacted the news media. But two key things to keep in mind is the advertising dollars moved from essentially, reach strategies -- reach the most number of people possible -- to targeting strategies -- getting to using data to target people -- and that favors the companies with the most data so Google, Facebook and the rest. So a lot of advertising dollars moved to these to these new platforms. But also you had this matter, what I called nationalization of news attention, meaning somebody in Anchorage wanted to talk to somebody in Atlanta about what was happening, right. And that tended to make the national focus be common. So national became much more prominent than, say, in our parents generation and their news consumption. Interesting way in 2020, what you saw was the telescope on that really spinning around 180. All of a sudden, what was happening in your community - - where there were COVID cases? Where's the testing? Where do I get vaccines? What are the shelter in place orders? What's happening in racial justice in my community? All were intensely important. You know, all sudden, people cared about what their mayor had to say about shelter in place, where a lot of people had no idea who there mayor was, right?

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David Chavern 05:48

We, we already had record readership, but a really spiked up in 2020. And it accentuated this dichotomy we have, which is the industry as a whole does not have a demand problem, we have more readers than ever by a multiple. What we have is a monetization and distribution problem. Because, in particular, because a couple of companies control our distribution. We can talk that about that in more detail. But, you know, 2020, was a case study about how local news is critical to sustain communities and the public responded to that.

G

Gemma Puglisi 06:24

That's great. You know, it's interesting that you talk about the nationalization of, if you will, of news, because I just saw an interview with Anderson Cooper and former President Obama, and he touched on that exactly, of how we saw more of a nationalization of media, and it took away from the local communities, who, you know, the media and the news organizations always had. Like the local paper where people could, you know, look at what's happening in their community and how important that was. And he touched on

that, and I'm so glad you touched on the fact is that what, you know, the pandemic brought so much about such, you know, tragedy and hardship, but at the same time at united communities. And it did bring back right, the, you know, what, what are the COVID cases in my community? Where do I go? Where do I go to get my, my vaccine? So, yeah, we did see a shift right?

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David Chavern 07:22

Absolutely, and, you know, there are, again, I can talk about sort of nationalization of news attention for a while. One of the, one of the challenges is also, by the way, national, particularly national political stories tend to frame everything in highly partisan ways.

G

Gemma Puglisi 07:40

Right, right.

D

David Chavern 07:41

When a lot of what's happening in communities, local stuff really isn't particularly partisan at all. And is really a place where we should be able to go to break out of these partisan frames. But I'd be happy to talk about that as long as you'd like to. Again, if you look back at a traditional print model, the industry had the most direct relationship you can have with a customer. You know, we've manufactured a physical product and walked it up your driveway and handed it to you while you're in your bathroom.

G

Gemma Puglisi 07:54

Yeah, but you're absolutely right. That's a very valid point. So so um, do you want to talk about since we're on the topic of Google and Facebook, right? You have also often said, you know, you, your organization, is your effort is to get a better deal for news content online, notably by arguing for the ability of news publishers to collectively negotiate with Google and Facebook, and then we can talk about the tech antitrust. And I, I do want to bring that in, OK, because with digital comes challenges, right? And you have, and the org association is a very vocal about this. I sure you read and saw that just this month in the Wall Street Journal, Sam Schechner wrote a piece and it said, and it is Alphabet Inc., Google agreed to pay French regulators, a fine of nearly \$270 million, settling one of the first antitrust cases globally, that alleged the tech company abused its leading role in the digital advertising sector. So let's talk a little bit about that.

G Gemma Puglisi 09:10
Right, right.

D David Chavern 09:11
There's actually relatively few industries that do that right? If you buy tires they're not rolling them up your driveway. So, and but in the digital space, well, the readership is, is off the charts. The there are now particularly two companies that stand between us and our readers and really control everything about where our news gets distributed and how and whether it's seen. So our distribution has been disrupted. And there are analogies historically. A 100 years ago, recording devices disrupted the the sheet music, business and music licensing was developed in response to that. And in the 1990s you had cable companies take over the distribution of local broadcast and you had the whole retransmission system developed form that.

D David Chavern 10:00
What we're saying is, there are a couple of companies that control our, the distribution of our product. And we need. and they're dominant and massive. And we as this publishers need to be allowed to fight for ourselves. And it is a strange quirk of the antitrust laws that they, antitrust laws protect Google and Facebook from us, you know, we're not allowed to collectively negotiate without. So we have been supporting a bill in Congress, I'm happy to talk about the details of it.

G Gemma Puglisi 10:14
Sure, go ahead.

D David Chavern 10:21
That would, that would allow these publishers to collectively negotiate and provide essentially a structured negotiation system, which has now similarly been developed in Australia and France and other places. So we're, we're hopeful to move that legislation this year. And we're, you know, we think that is how we get at fixing the marketplace in the system, rather than just short term fixes.

G Gemma Puglisi 11:03
But this is good news, right? When you read the story that came out of the Wall Street

Journal that French regulators were able, for the first time right to, to win this first global case. So that is, that is good news.

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David Chavern 11:18

I'm sort of tagged as an opponent that I am an opponent a lot of times. You know, I kind of just look at them, factually. You know, they provide a lot of good value to people. But they're also provided a huge amount of antitrust problems and issues, particularly in digital advertising, by the way. So you, there's a lot of antitrust cases that have been filed in the U.S. They've in filed in a lot of places. Certainly there's a ton of activity of examination and sits in Europe. And we're going to have a different future for these companies in terms of their role in the marketplace. And that is an absolute good thing. In that we also need to make sure that these publishers are allowed to assert their value against dominant players in the marketplace.

G

Gemma Puglisi 12:07

Right, right. I now want to talk about traditional newspapers, right? We talked about how everything's gone digital, and the major traditional papers, the top newspapers are still, you know, are still doing well, or people are still interested. And, you know, companies still want to be seen, let's, you know, in the New York Times or The Washington Post, right, or The Wall Street Journal. They still do have an impact, do they not?

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David Chavern 12:36

Oh, hugely. And by the way, the, you know, in terms of the national news publishers, you know, they're actually been doing, doing well. A lot of that, by the way, is driving digital subscriptions and being able to get subscribers for their products outside their geographies, right? The New York Times has a huge number of subscribers in California, by the way. And they they also benefit from this nationalization of attention. Now, that being said, even the biggest of them, and the most successful them are nothing compared to the market dominant power of Google and Facebook. Right?. So people get into this framework of somehow equivocating bigger players and media with big tech, and it's not even.

G

Gemma Puglisi 13:44

You know, thank you for sharing that. It has been though a solid year for newspapers and I just want to share something. For example, several great stories won Pulitzers -- Dominic Gates, Steve Miletich Mike Baker and Lewis Kamb of the Seattle Times broke the story the

Boeing 737 design flaws that led to two deadly crashes and revealed the failures and the government oversight. And then, of course, the staff of the New York Times for their enthralling stories exposing Vladimir Putin's regime. So we're always seeing these great investigative stories, right, David from the, I mean, I, you know, grew up outside of Washington, DC. And my dad was a barber, Italian immigrant. And every day he would come home with the Wall Street, excuse me, but the Washington Post under his arm, as well as the evening news, which by the way, the building still exists in DC. And, you know, I grew up right around the time of Watergate, and I, you know, I was reading about, you know, I was like, Dad, I understand this, this paper is saying that the president is a crook, or the president is doing things that are illegal. And I, you know, and I watched network news that night, and they had nothing on about Nixon or anything about what was happening that I had read, and then I understood what it all meant, right? So the impact that newspapers have had, on all fronts, investigative journalism is so vital.

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David Chavern 16:15

Journalism that's being done is amazing and astounding. There's so many great examples. I think, at some levels, it's almost a golden age for for journalism. And also, digital distribution allows you to reach more readers, more audience, than you could ever have imagined, you know.

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Gemma Puglisi 16:34

Right, right.

D

David Chavern 16:35

I don't, you know, if you're looking at something like the Washington Post, or New York Times, I don't know what their peak print circulation is, was. But, you know, they they routinely have something like 100 million unique visitors a month to their websites, right? So their, whatever their peak print, it wasn't anywhere close to that.

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Gemma Puglisi 16:58

Right, exactly.

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David Chavern 16:59

That's true above also a lot of local publishers where their overall audience is multiples of whatever was dreamed of in the peak print day. The question is, how do you get economic

return to sustain that.

G

Gemma Puglisi 17:13

To sustain that to stay in business, to stay in business, right? It's like a catch 22? What is the association see ahead? What do you think in terms of journalism, and what you do, David, what are you seeing and if you can in your crystal ball ahead of not only what the Alliance plans to do, but where you think, you know, the digital age with, with brought with, excuse me, of print journalism, or digital journalism? Where do you think it's headed in the next few years in your opinion?

D

David Chavern 17:46

Going back to somebody I just talked about. Let's start with the good news, which is, we don't have a demand side problem, right? We have, people want and need our journalism more than ever. So you have you have a public out there that wants great journalism. And, you know, in times past, people have made all these horrible analogies to like buggy whip industries and the rest. Those are industries for which, you know, photographic film, those are industries for which the demand died off. The demand for our product is higher than ever. So that's something you can build around. The future is a digital future for the product. I loved the print product. Myself, I think, there is a lot of actual reasons it's a really great product. But at some level, it's not where people are, it's not how they like to consume. And that's, that's fine. So we have great audience, we have the potential for high distribution. The problem we have is we that have a marketplace in which most of the value goes to other people, and notably, the digital intermediaries have drained away from the publishers, and more that value has to go back to the publishers. But I, you know, I'm quite optimistic because I think as long as people want what you're making, you can build around that affection.

G

Gemma Puglisi 19:10

Right. The news was our lifeline. I mean, people could not go anywhere during the pandemic, and they were following the pandemic and the election and reading everywhere they could what was happening and the value of it. So thank you, David. I really appreciate it. It's been so good to talk to you. Again, David, Chevron, the President and CEO of the News Media Alliance. And I want to thank you and your colleagues for the work that you all do each day, David.

D

David Chavern 19:38



Thank you so much for having me, Gemma. I really enjoyed it.



Gemma Puglisi 19:41

Thank you. And my thanks to my colleagues, Mike Hempen and Mark Hamrick with the Broadcast Committee here at the National Press Club. For the Update-1 podcast. I'm Gemma Puglisi. Thank you for listening.



Outro 20:05

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