

## Confronting Media Contempt: Opportunities in the News Business

### Speakers:

Kevin Delaney, Editor-in-Chief and Co-President, Quartz

Jessi Hempel, Head of Editorial, Backchannel

Charles Ferguson, Founder and President, Representational Pictures

### Moderator:

Michael J. Wolf, Cofounder and CEO, Activate

(Transcription by [RA Fisher Ink](#))

**Michael Wolf:** David asked us to talk about the state of discord between America and the media. When people think about the new challenges for media, they always come back to the Trump White House, but there's really a lot more going on, and that's what I'd like to talk about with our panel. What's really going on is there's a total, unbridled contempt for the media from a large segment of America. And make no mistake about it, the news business is booming. Website traffic is way up, TV ratings are doing well, newspapers that everybody thought were wheezing before are now adding digital subscribers and paper subscribers. Paper subscribers—*The Washington Post* is adding paper subscribers. And so, what we want to do is look at what can we do to confront this contempt. What's technology's role in dealing with it?

So, I'd like to introduce my panel. Directly to my left is Jessi Hempel. I don't know how much people talked about it, but as an editor at both *Wired* and *Fortune*, she wrote cover stories about some of the people that are the most important in influencing today's news environment, which is companies like Facebook, Google, and Twitter, and others.

Kevin Delaney is managing editor and co-founder of Quartz, which, if you're not a regular reader, you must be, because it's some of the smartest analysis out there.

And Charles Ferguson is one of the great documentary filmmakers of our time. He was the director and producer of *No End in Sight* which is about the American occupation of Iraq. An amazing film, it was nominated for an Academy Award. And he won the Academy Award for the film *Inside Job*. And he can talk about it, but he's now doing a film about the Nixon era, which is mildly relevant for today.

[LAUGHTER]

So let me start off with a couple of questions for our panel. Kevin, I want to start with you. You could argue today that people are going to online news for different reasons than they did in the past. In the past, it was about being informed. Today it's really about being outraged and being

# TECHONOMYNYC

opposed. What are your users' expectations for what they're going to get when they go to Quartz?

**Kevin Delaney:** That's a good point about outrage, and I think it is a journalistic and a business model decision to pander to outrage, and you don't have to do that. And so, the promise we offer our users is to help them be up to date and smart on the global economy, basically with the real global view. And so, in the wake of Brexit and the U.S. presidential election, it's taken some adjustment by newsrooms like our own to figure out how we actually deliver on that. And so, your instinct as a journalist is, when the President tweets something, or when the Brexit camp says something outrageous about something, that that's news and you follow up on it. But the reality of the last year has been, if you were to do only that it would consume you, and actually it's sort of a zero-sum. You can either report on everything, fact-check every single tweet and other development in the political story, or you can watch those but try and serve your reader with analysis and information that actually helps them figure out what's in their best interest and where things are heading. And what we didn't realize at the beginning of this was that those two, in this moment in history, are more in tension and more in conflict than we're used to them being. Partly just because of the volume of the fact-checking and tweet-watching that you could be doing.

**Wolf:** So are you being held to a higher standard? Your readers always expect that you're going to do well-researched factual journalism. Are you being held to a higher standard?

**Delaney:** Yes, I think that the place that we're trying to find, which is what a lot of news organizations are, is that the news developments—and Quartz covers politics as one part of the thing, but actually it's a relatively small part. We have 130 full-time journalists around the world, and a bunch in India, and Africa, and Hong Kong, so the coverage of the White House is limited to a very small subset, and coverage of the Brexit and UK situation is a small subset of our overall staff. But the news is like kind of unrelenting and really kind of big and feels cosmic. And so what you're being held to is delivering analysis probably at a pace that's much more accelerated from what it has been. And what that means is that you need to have journalists who have a certain amount of expertise in what they're writing about so they can actually say smart things with a timeframe that is compressed. Because if you wait a week to write that article about something like North Korea, the situation in North Korea, the facts have changed a lot over that time.

**Wolf:** And people aren't waiting for the research?

**Delaney:** I think they are. I mean, we're finding an audience for people reading these things, but I guess our own expectation is we're not going to sit around and take our time and create amazing, artisanal sentences, whereas there's greater urgency—we love artisanal sentences, for the record.

[LAUGHTER]

# TECHONOMY NYC

**Hempel:** We love artisanal sentences.

**Delaney:** But there is greater urgency just because of the magnitude of what it feels like we're going through.

**Wolf:** So, Jessi, as editor of Backchannel, which, many people don't know, is part of Condé Nast now, you're covering a lot of what's happening not just in the technology business today but what its impacts are more broadly. There is a belief that there's a large segment of the population that's been left behind by technology and that's one of the things that we're seeing today in terms of the credibility, not just of news but of other forms of media and technology. What do you think about the set of people. Are we really seeing people that are left behind by technology?

**Hempel:** There's no question that we're seeing people left behind by technology and I'll—so, Backchannel is a small magazine that was started atop Medium, and then Condé Nast bought it last year and put it under the Wired Media Group. So on our good days, we like to call ourselves “Wired's R&D outfit for the future of longform digital journalism”. And we're thinking a lot about how to tell technology stories for audiences of people that we have largely ignored in the past. And as I listen to you, Kevin, it strikes me that one of our challenges—so, you nailed it when you said, “Outrage and disgust, it's a business model problem, it is an editorial decision-making problem.” But then you have to come up with the new business models, and you have to come up with the backbone to make the editorial decisions to do something else.

And that is what we are trying to do at Backchannel. And so we are trying to think less about page views and more about reach, and more about cementing our relationship with our audience and engendering trust from our audience to tell those longer stories. And, Kevin, I'd be so interested in what your experience is. Post-election, it is tricky to be true to a technology beat when the entire world wants to read about Trump's tweet. You see your audience, even for your best work, just go like that, and stay depressed for a long period of time. And how then you figure out how to monetize your product is—I mean, we are an experiment at Condé Nast. We can tell you nothing for certain, I can only tell you what we're playing with.

And I can speak more to that if you're curious, but one thing we're trying to do is keep costs way down, double down on quality, double down on the relationship between the individual writer and the audience, on the bet that an individual writer with an audience of 100 people who look for that writer and read everything that writer works—maybe not 100, that's not quite scalable—but small audience. Accruing a number of those is more useful than providing something where the relationship between the writer and the audience member isn't as distinguishable.

And then we're also looking for different ways to make money than simply ad-based page views. So we're doing a lot of events, and sponsorships, and speaking, and we're finding right now that we can make our costs and put out great, quality journalism to an audience of dedicated enthusiasts without having to rely on page views.

# TECHONOMY NYC

**Wolf:** So the business model of news is safe. Let's talk about filmmaking, though. Charles, one of the common themes throughout your films has been the idea that you're able to take apart something that impacts the world and tell, sort of, the story behind the story. You create a narrative around what's really happened. What is really happening today? Do you feel that you're going to be in a position to provide a narrative around today, or is it going to be referred from other periods that you're looking at?

**Ferguson:** Well, that's a nice small question.

[LAUGHTER]

I think we are living in an extremely complicated, confusing, paradoxical, unstable time. And what I see in the work that I'm doing, I'm trying to do three things now: I'm making a four-and-a-half-hour-long film about the Nixon era, particularly though not exclusively Watergate. I had that idea, by the way, before Mr. Trump was a gleam in anybody's eye, so I can't claim that I was prescient, I was just lucky in that case. But it is, of course, utterly extraordinary to go through that material now, it's amazing. The second thing that I'm doing is getting ready to do something on Mr. Trump. And the third is involved in a startup in exactly this area. So we're going to try and do very serious stuff, including documentary filmmaking as a viable, for-profit startup. And OTT video thing. And the OTT video world and its relationship to documentary film

**Hempel:** What is OTT?

**Ferguson:** Over the top, sorry. Internet-only, so, no reliance on the incumbent, legacy cable system, broadcast system, et cetera. And confronting this universe—there was just an article by, I think, Susan Crawford in *Backchannel*. Susan Crawford, who I know, makes the absolutely correct point that we are now in a dangerous universe where a dangerously small number of people control internet access in the United States, and they are moving into content as well. And so, you see very scary things about the level of industrial concentration and the nature of the ownership of those industries, and their relationship to political power. And at the same time, we see enormous opportunity, just huge opportunity. Very simplistically speaking, there are two remaining reasons why people haven't yet cut the cord. One of them is sports, and the other is news. So if you can provide people with a very high-quality source of news, then potentially you have a vast audience. Will those people watch documentary films? Well, we'll see [LAUGHS].

**Wolf:** But in your films, in *Inside Job*, for example, you took something that was extremely complex, and you made it understandable. And all three people who are sitting on the stage deal with rather sophisticated audiences. You deal with people who are readers, people who are intelligent and recognize themselves as being sophisticated. Do you feel that media is ignoring a broader public that today are getting their news not just from online, but are getting it in different places, from different outlets?

**Ferguson:** I'm not sure I understand your question.

# TECHONOMY NYC

**Wolf:** So if we look at today, the people who are reading and watching your films, they're not the same people who are the majority of America. I mean, are we really serving through news what some people might call the real America, and I'll get to the next America in a second. But how—

**Hempel:** Think of how fragmented the media system is. Can any outlet or any group of people really serve all America?

**Wolf:** Well, this brings us to the point about a filter bubble, but the idea of are we just creating news and information for the people who want to hear it? In other words, are we giving them precisely what they want to hear, and is that because we're dealing with a sophisticated audience?

**Ferguson:** If I can make a point there, I think that the filter bubble phenomenon has been in some ways overstated. On the one hand, it is true in the obvious ways, obviously. On the other hand, if you look even just six inches below the surface, you see an enormously high level of industrial concentration in the media system, and if you aggregate how many minutes per person on average, et cetera, actually ownership and control and distribution are all enormously concentrated in the United States. Sinclair just purchased Tribune, and with that they have access to 75% of the homes in the United States, I think. And if you add up Sinclair and Fox, then you get a very significant fraction of the United States that doesn't have a four-year college degree. So I think you have to be cautious about the filter bubble phenomenon.

**Wolf:** Yes, but—my team at Activate calls the people who control access the discovery oligopoly, because one way or the other, news gets filtered through Facebook, Google, Twitter, and a couple of other places. Are you concerned about your news, your information, how people are discovering it?

**Delaney:** I think it's a really good question, and one of the reasons is that a filter bubble—the idea is that you see, on Facebook in particular, you search out information that confirms your world view, I think is how I would describe it. The thing that's super, super, super challenging is that we are biologically wired to like things that confirm our world view. There are experts at Oxford and elsewhere who have done studies, and seeing something, reading something that confirms how you feel about the world activates similar activities in your brain to when you eat a Snickers bar that has lots of sugar in it or something like that. And so the fact is that we're just drawn, we like that, and the fact is that Facebook is an incredible platform for optimizing to human behaviors, things we don't even know about ourselves. Human cliques, I guess, is concretely what it's about.

You know, Mark Zuckerberg as of this fall was saying, "It's absurd that Facebook in any way influenced the election. We're just, like, showing people what they want to see," and that's a very precise articulation of what's going on. I think that we can't change Facebook, but we can endeavor to write analysis and do reporting and real journalism that actually transcends filter bubbles. I think that's an ongoing project and admittedly an idealistic one. I read about the

# TECHONOMYNYC

approach in the 1930s to a sort of similar political extremism, basically, and some of the danger of radical populism, and there are groups of earnest academics who started creating these museums about humanity, basically. You see, like, the “Museum of Man” in Paris and these other cities, and they date from that era, because they felt like the only way to transcend the filter bubbles of the time was to evoke in individuals a recognition that we have a shared humanity that transcends our religion, our political party, these other attributes about ourselves. I think that would be a really interesting project right now. What’s the equivalent? It may be that documentary films and photographs and visual media actually have the potential to elicit responses around a shared humanity that, quite possibly, articles on Quartz and Backchannel have a harder time accessing. So, I just told you that I don’t know the answer to your question, but I think it’s a vital one and maybe we should look at history, even, for more creative ways to think about it.

**Wolf:** Jessi, you look at the world with the people who are in fact providing the filter and serving up—

**Hempel:** That would be the tech titans of the Valley.

**Wolf:** Exactly.

**Hempel:** You know, I think it actually was at Techonomy that Mark Zuckerberg spoke, maybe a little bit too quickly after the election, and he took back some of what he said about how, you know, “We’re just a platform,” and that too often is paired with, from my perspective, a lack of responsibility about how that platform is used in a democracy. And truthfully, it becomes dangerous when we expect any of those filters, when we ask any of those filters to lean too heavily on editorial tools to shape the stories. We actually don’t want that, either, I believe.

**Wolf:** Do we want them focused on AI? I mean, do we want them to use some other algorithm to surface?

**Hempel:** If it is possible to use AI to optimize for news that is true, when there is a binary truth, I would counter that we want that. But I mean, that is coming regardless. But in some ways, the distrust—we are a symptom of that distrust, we are maybe the product of that distrust, but I do think that it’s wrong to say that the media is the source of the distrust or that something we could do would necessarily erase the contempt. Would you say that that is fair?

**Delaney:** You know, it just makes me think of the White House Correspondents’ Dinner, which a lot of you probably saw. Hasan Minhaj did this great monologue, and in part of it, he said, “You, the media, you’re a minority. Get used to it. One of you is going to do something wrong and you’re all going to be blamed for it just like minorities are.”

[LAUGHTER]

**Delaney:** And so, I think that there’s a higher awareness that we can’t make sloppy mistakes, and that we all need to be on our best behavior and be as serious or more serious than ever in

# TECHONOMYNYC

the civic journalistic project. Which, as you raised before, Michael, is at odds with the commercial survival, at moments, of the media industry.

**Wolf:** Well, can we ever go back? I mean, are we going to be in a world where everything has to be sensationalist, where everything has to be reality TV, so it's really not the serious New York Times, it's American Idol or The Bachelor? Are those the analogies for where we expect news media to go, and how we get past this sort of conflict with most people in the news media?

**Delaney:** I think it's wearying to be told how you should feel. And that's effectively what these commercial and journalistic models are. "This is outrageous, you should feel outraged, this is all about outrage." But when you do that hour after hour, and day after day, and week after week, my own guess is that that's unsustainable and that the consumers are either going to shut you off or they're going to look for something else.

**Wolf:** Charles, does it have to be entertaining for people to be interested?

**Ferguson:** Well, yes, and I don't think that making things entertaining is necessarily bad. You know, I like good cinematography, I like that some of my stuff looks cool, I like catching bad guys with their pants down every now and then. It's fun, I have to say. But it is also important that things be correct, of course, but what might even be more important is that they're insightful.

To take the subjects of my first two films, if you look at the supposedly best conventional media coverage of the occupation of Iraq—if you collect the usual suspects and look at what the Washington Post and the New York Times wrote between 2004 and 2006, say, or 2003 and 2006, you're not impressed. You're really not impressed. This would be an understatement. And we're not talking about small things. We're talking about dissolving the Iraqi army. We're talking about Paul Bremer flying \$12 billion in hundred-dollar bills and distributing bricks of hundred-dollar bills to privates who would go out and do random stuff. Almost \$1 billion of which was stolen by one person, the first defense minister of Iraq. And then we get to the financial crisis.

And the *New York Times* still has not totally learned its lesson in this regard. There was just an op-ed—what was his name, he's a professor of law at Harvard. And he published an op-ed in the Times, like a week ago, and it was about how you needed to deregulate small banks in order to get more economic growth. I know this guy, and he has taken money from just about every financial services organization on the planet, a fact not mentioned. When you see that that kind of thing still happens on a very regular basis—now that's not to say that these publications don't do good stuff, they do great stuff. I love the New York Times. There's lots of very good journalism in it, there's lots of very good journalists who work for it, but you would think that with something like a financial crisis, with something like the occupation of Iraq, that at some point, they would say, "Hey, you 20 people, go figure this out." And they don't do that.

**Wolf:** Do people want to believe fake news? So we keep talking about fake news, it's not clear, it's everything from "The Pope endorses Trump" to—Kevin and I were just looking at CNN and

# TECHONOMY NYC

there's an article there that it was fake news that Orin Hatch was going to become the next president. It took us a while, I'm still not sure, we think we have to reread that one. But the question comes down to, "Do people know it's fake and do they want it to be true so that they're willing to believe it?"

**Hempel:** I think you're giving people too much credit for even thinking about that question at all. They just absorb ambiently and keep going, and that's even more challenging when it comes to fake news. It's not the stuff that you and Kevin read, and take a moment and pause, and say, "Is that true or not?" I mean, that is such a win that you asked that question. It's more the stuff that flies at you and surrounds you and you don't question. And I would say that people don't want it any more than they want the Snickers bar. But the fact is that biologically we're conditioned to allow for it, make room for it, and seek it. And so then the challenge becomes that we have to collectively as some sort of an authoritative whole take a step back and say, "Are we going to stand for it, and if not, how are we going to build the tools that will allow for something else to emerge?"

And I would totally agree with Kevin that people are going to get bored with the reality TV, the kind of media that we have now, and I am optimistic in thinking that it will change to become entertaining in different ways, but I don't necessarily believe those ways will be better unless we're thinking about these larger questions in tandem with the development.

**Wolf:** We're running out of time. I'd just like to ask each of my panelists to give us—is there something we should take away, is there something we should be thinking about over the next weeks and months as we look at what the media, and the media in the context of technology are doing? Charles, let's start with you, please.

**Ferguson:** Well, I think it's very possible that one of the most dangerous things about the Trump administration is what it's likely to do to antitrust policy and telecommunications regulation. Not that it begins with them. They are the continuation of something that started 20 years ago, at least, but I do think that we're in a dangerous place with regard to those questions.

**Wolf:** Kevin?

**Delaney:** I think that you're asking the right questions, and if you take away anything, it's that media as we know it is in many ways a product of twentieth-century manufacturing practices around newspapers. So articles are a certain length because that's how you laid out the newspapers, and television shows and films are certain lengths—all of this is constrained by technologies that are actually not the constraining technologies of our moment in history. Which is kind of strange. And I lived this because I worked at the Wall Street Journal for a long time, a place that, when I was there, was still defined by manufacturing technology that was no longer relevant. And so—we're going to take a few questions.

[LAUGHTER]

# TECHONOMYNYC

**Delaney:** And so, I think that we're at an interesting moment where we assume that the media is a 700-word article, and a 24-minute television show, and these sorts of things. There's really not a lot of reason that those formats exist or that they're produced in the same way that they were produced in 1909, which is still the case in many ways. And so, part of my answer to all these questions is "Let's move beyond the constraints and actually figure out how to serve readers better," and hopefully we'll find our way out by doing that.

**Hempel:** And I would add, succinctly, that if you are a reader and you have found a source that is giving you accurate news that you need, pay for it. Pay up, even if they're not asking you. Because I think that we need to make that a cultural expectation around information we trust.

**Kofinas:** Hi, Demetri Kofinas. I'm sorry if I missed this, because I came in late. My question is for Kevin because, in general, I feel like one of the great challenges for good content is the advertising model. But you guys are unique. You actually do exceptionally good content. And so I'd rather ask a question about the future of editorial and the future of educational technologies such as data visualization, because you guys also do a great job with some of that stuff. So I'm curious what you see the future of news being in terms of the content and how to innovate, in terms of pulling together all the different modes of information and experience, for the process of education and educating the public.

**Delaney:** Thank you for that question. So, I think that one thing that's sort of very trite to say is that, whether it's called media or not, the experience of the majority of people around the world of media is on their phones. And I think that the ways in which we're serving them content on their phones is still actually pretty traditional. A lot of it is the 700-word articles that were defined based on newspaper printing and distribution technology. And so, to answer your question, I think there are places to look. I think China's actually a really interesting market to look at, with WeChat and Weixin, and there's a much more dynamic market where consumers are, amazingly, paying—China's known as the place where intellectual property goes to get ripped off.

And the fact is, as I understand it, as experts on this tell me, there is actually a very thriving content ecosystem, where content producers are actually succeeding in charging, partly because it's on mobile and because the micropayment infrastructure is actually so good and frictionless. And so, I think the answer at a high level to your question is that education and information need to be rethought and reinvented in the context of mobile devices. And sure, we all say, "mobile, social, whatever," but the fact is we haven't actually delivered on that anywhere near its potential. And the second thing is that we should be a bit more humble and look at places like China to understand alternative interactions and actually business models that are working there.

**Wolf:** There's another question here.

**Glorioso:** Thank you, Andrea Glorioso from the European Union delegation. This was an extremely rich panel, and it's possible that I missed this in the overload of information that you

# TECHONOMY NYC

shared, so apologies in advance in that case. The debate on fake news is of course very present in Europe as well. By the way, we are accustomed to information, operational propaganda from both the East and the Western blocs for many decades, so what's supposed to be happening in this country is not a surprise to us. But around 50% of Italians are functionally illiterate. That means they can read, but they cannot actually understand what they're reading, they cannot parse what they're reading. Don't you think that, as an industry, the media industry has an interest to push for much more investment into media literacy education at a very early age, because by the time you're 18, the way in which you process the world around you and the way in which you ask yourself, "Am I actually believing this? What are the bases on which I am to believe this or not?" is already set. You need to intervene much earlier. I don't see a lot of that debate here in the US, to be very honest. So I was curious to know your thoughts about that.

**Hempel:** If that didn't come up, it might be because I take it as a given that, of course, we desperately need to be teaching our youngest people better skills around how to decode what they're seeing. And I think that AI is going to make that even more prevalent. I referenced this in my last conversation, but I was just at Microsoft, they had their Build Conference, and one of the things that I thought was really cool was that they had this PowerPoint presentation, and they'd infused AI so that a student putting together a PowerPoint could, you know, just type in, "I'm interested in hawks," and up would come information about hawks. And you then therefore from third grade begin thinking that the information about hawks comes from Microsoft PowerPoint. It actually comes from Wikipedia behind that, but do you even know what Wikipedia is? And is it fair to even pull from one source? And so, it is an understatement to say that we need to be taking a step back and doing a better job at educating our youth about that.

**Wolf:** We have time for one more question. Right here, on the first table?

**Audience 1:** Hi. I would like to talk about how the news and how the media seems to reinforce polarization. One thing, Jessi, that you were saying is that media should have responsibility, and then, Kevin, you were talking about how after World War II that museums were created to show that there was a common humanity, and I thought that was really brilliant. Is there a way to do that with media, with the news, so that people can hear different voices, so we're not always having the same echo chamber? And I know it has to be entertaining in some way, but there's so many different voices, there's not one voice, there's not, like, always the one correct answer.

**Delaney:** Yes. I would just quickly respond that one thing that we've tried to do at Quartz, which is four years old, is hire a staff that's really global. So our journalists speak 40 different languages, have reported from 115 different countries, and are based around the world today. So, part of understanding the nuance of points of view—it's actually really powerful if you've grown up in a different place, or lived in a different country, or been part of another culture. You start with a just basic understanding that there are other ways of seeing things, that it's sometimes hard to break through that, but there are rewards for doing so and finding a common ground with people who are not like you. So that's among the things that we're doing. It's

# TECHONOMY NYC

possibly not as relevant to the political coverage of the US, but I think it's really important for how you go about a journalistic endeavor.

And what's interesting is that I think Facebook has taken this, what you've just said. Among the things that they're doing is starting to experiment with ways to show you different views, which Mark I think was unwilling to confront as recently as this fall. So with the French elections, when you're looking at an article about one candidate's view or one candidate, when you click back to Facebook, they would show you, "Here are the views of all the candidates on this position." Facebook now has said publicly that they're experimenting with something they call, like, "Discover" or "Explore," and the idea is it's not optimized for the things that you click on, it's actually designed to show you new sources that are different from the ones that you traditionally go to. And so, I think your question is the right one and we'll see if Facebook actually follows through on this, but the most powerful news platform of today is engaging, at least, in thinking about that question.

**Hempel:** And I don't mean to get defensive of the media, but I also think that that question really needs to be taken in a broader context as well, and that we need to keep in mind that we're developing products and services that keep us from having to deal with human beings in any tangible way. So to expect the media to sort of overcompensate for that and help us to understand each other better at the same time as we actually have to deal with each other less is too broad.

**Wolf:** Thank you very much.