

Audio Transcript
Episode 203 of "[E&P Reports](#)" Vodcast Series
with *Mike Blinder*

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The banner features the E&P Reports Vodcast logo on the left, which includes a Wi-Fi symbol and the text 'E&P REPORTS VODCAST'. To the right of the logo is the URL 'EditorandPublisher.com/Vodcasts'. On the far right, there is an image of a professional microphone and a camera lens. Below this header is a video frame showing two men. On the left is Kenny Katzgrau, CEO of Broadstreet and Publisher of RedBankGreen.com. On the right is Mike Blinder, Publisher of E&P Magazine. The background of the video frame shows bookshelves with various books and a 'BROADSTREET' sign. The E&P logo is also visible in the top right corner of the video frame. At the bottom of the banner, it says 'Episode Sponsor' followed by the BLOX DIGITAL logo.

[A reluctant witness for Google's antitrust defense. One-on-one with ad software provider and local news publisher Kenny Katzgrau](#)

In this episode of "E&P Reports," we explore the recent Google Antitrust suit filed by the DOJ through one of the witnesses for the defense, news media industry digital ad software provider Kenny Katzgrau, CEO of [Broadstreet](#). Katzgrau, who wrote an op-ed three years ago offering advice to small news publishers on how they can compete with big-tech local media advertising dollars, now finds that his words will likely become evidence presented by Google that they may be a less-dominant media giant than has been reported. Katzgrau, a local news publisher, discusses how even though he believes that Google is a powerful, dominant, monopolistic player in the local ad space, he may find himself sitting on a stand offering evidence for the defense.



[music]

0:00:03.8 Announcer: This is E&P Reports, a vodcast from Editor and Publisher Magazine. The authoritative voice of news media since 1884, serving newspapers, broadcast, digital and all forms of news publishing.

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0:00:19.9 Mike Blinder: And welcome once again, Mike Blinder, publisher E&P Magazine. As always, we urge you, please, if you're a podcast audio-only person, follow us on whatever flavor of channel you enjoy. If you're watching us on YouTube, there is a subscribe button below me, there is a bell to the right. I've heard the word smash, I've heard the word click, I've heard the word, I don't know, just hit them and you'll get an update each and every time we upload this weekly vodcast series E&P Reports. Kenny Katzgrau, it is an honor to have you on the program, you and I know each other, full disclosure, E&P has been a customer of your company, Broadstreet Ads, or just call it Broadstreet, Kenny is it?

0:01:04.9 Kenny Katzgrau: We just call it Broadstreet internally, but...

0:01:07.3 MB: Alright, Broadstreet.

0:01:08.0 KK: Yeah, it's tacked on a lot.

0:01:09.6 MB: It is an amazing tool, I know I'm giving you some free advertising now but we use it as a quick way to turn our RSS feeds into really cool content, especially when it comes to our verticals, like jobs, where we externalize them. It's a word I made up, Kenny, don't use it in Scrabble tonight with the... But we get an outside of the vertical and on our email pages and on our website pages which is an amazing tool. So we've been a customer of yours and we thank you. You list yourself on LinkedIn as a pretty good software engineer turned SaaS business. Ten years running Broadstreet, but seven years as one of us, you are a news media publisher.

0:01:49.8 KK: So I've been very involved with Red Bank Green, in this case the publication since 2011, and became its publisher earlier in the year.

0:01:58.8 MB: Alright. So you are a publisher of Red Bank Green, which is in Red Bank, New Jersey. An amazing local digital only news web presence, correct?

0:02:11.0 KK: Yeah, we're doing a big redesign right now and it has a way to go, but it is the bleeding heart of Red Bank, New Jersey, it's a true gem. And the old publisher who started it needed to figure out what the future looked like, coming up on retirement and I didn't want some local politician or finance person to buy it and who knows what it would turned into. So I felt like



somebody had to carry the torch.

0:02:37.8 MB: So there you are. But that's not why we are here today, we're here to talk about antitrust, we're here to talk about Google and we're here to talk about the fact that you got a subpoena from Google. And we're going to dive into that and unpack it all and do it all on the backside of this message.

0:02:53.4 Announcer: This episode of E&P Reports is exclusively sponsored by BLOX Digital, formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management and more. Join the over 2000 news publishers worldwide that power their ongoing digital transformation with BLOX Digital, serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust BLOX Digital to empower you, to connect you at scale with the community you need to reach. BLOX Digital formerly TownNews now reimagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at bloxdigital.com.

0:03:57.6 MB: Alright. So, Kenny, it all goes back to the spring of 2018 where you published a manifesto, one of your white papers and I read the whole thing. Thank you for sending me a link. Ten advantages that small publishers have over tech giants in selling ads. And it's basically you're offering some good advice, I think to us, the news publishing industry, that we're not technically inferior. I'm trying to sum this up quickly, give like the elevator pitch. We're not inferior to big tech, we actually have a lot of advantages over them. And can I list the 10? Do you mind if I run them down? You said...

0:04:29.7 KK: Oh, yeah. Absolutely.

0:04:30.9 MB: Community supported affinity that direct relationship, autonomy, flexibility and creativity. Section sponsorship, the ability to tell a compelling story with sponsored content, bingo, that's my favorite because we embed our ads around really cool content. Sustainable and sensible pricing, newsletter sponsorships, optimal placement, transparent reporting, better overall performance. Now this is a very detailed, amazing document, those of you that are on Apple podcast now or Spotify, come back to editorandpublisher.com/vodcast I will give you... It's Okay, Kenny, I can share the link to this right? With anyone.

0:05:11.1 KK: Yeah. It's at tenadvantages.com, it looks like that, I have it up there. It was really well read and became very relevant again once I got that subpoena and this is what it looked like, so.

0:05:24.5 MB: I'm laughing, this is big deal. So then all out of the blue and this was recent, right?

0:05:33.0 KK: Yeah.

0:05:33.2 MB: You say July of 2023 for those of that might be listening to this four years after we record it, you get a FedEx envelope, hold it up once again. This way our Spotify listeners can say I'm going to YouTube isn't that good? And here's what you say, 'cause I read your little diatribe



about it. You open it up and it says that you're part of the federal antitrust case, United States versus Google LLC, and you've been served by Google's defense team. Is this correct?

0:06:01.4 KK: Yep. Yeah, Wilson Sonsini, I think, and whoever else is involved, which... Yeah, so they're very well known and I'd assume very profitable, [laughter] law firm in Silicon Valley.

0:06:15.5 MB: No matter how many millions of dollars Google's paying them, that's nothing more than a rounding error, they can afford.

0:06:20.2 KK: I've heard it's on the order one and half billion, that's from another lawyer, one of the lawyer's on our side, something like that. I don't know how they know, but that's just what I've heard.

0:06:29.7 MB: Alright. And it centers on two sections, which I dived into. Know your enemy part one, this is the at the beginning of it, you say know your enemy. By the way did you steal that from Sun Tzu? Because art of work.

0:06:42.3 KK: Yeah, it's... Yeah. [laughter]

0:06:44.5 MB: Know the lay of the land, I think is what he says, don't go into a battle till you know the other side and I could go on for hours, I believe in that strongly. But you say the key strengths of Google, Facebook and networks know what their strengths are, so you understand what your strengths just opposed. So and you say, once prominent news and magazine publishers, large and small have been dramatically undercut, primarily because they simply cannot compete effectively on fields of data intent and scale. Now, in your opinion, why is that important in an antitrust case that you brought out this? They're gonna bring you up there like an expert, they're gonna show your background as a software engineer, you worked for Yahoo, you got a pedigree, you're... I'm assuming that the jury's gonna say, yeah, this guy knows media and knows digital and knows our world. You run a very successful company, they're gonna have you testify on this topic. Why in your opinion, am I allowed to ask? I don't wanna get you in trouble with them.

0:07:39.3 KK: Oh, yeah. No I was advised to just not speak too much to the subpoena itself in terms of the things that, just speaking about at a high level. But, the fundamental argument is that Google, Facebook and all players of scale, they rely on standardization, they need the advertising to be a commodity, that's why you have like IEB standards. So the argument was that like the small guy's way to fight back against that is to bring creativity into the conversation and creativity is really, I am a believer that standards generally stifle innovation. They're good for the big guys because they can buy and sell ads at scale, but creativity, the ability to be agile to small publishers, that's how you fight back. So, the reason that I think we got, and this is really what the lawyer suggested, is that, it shows that there's a viable way for small guys to fight back, it's pretty, well that I lay it out in a pretty thorough way. And although I want the small publishers to fight back and I ideally at the end of this antitrust case, I would love for Google to be broken up in the way that Bell Labs went. But what's strange is that I think I might end up having to testify on Google's behalf. [laughter]

0:09:14.0 MB: So you are basically saying to us, wake up, stop being at their mercy, use your

strengths and get to work.

0:09:21.9 KK: Right.

0:09:22.0 MB: They're gonna think you understand them, they meaning Google and have you say, "Well, these guys are vulnerable, so let them stay in the playing field. It's not antitrust. Look they suck, they're just like any other business." They're gonna make you testify to that fact.

0:09:39.4 KK: Yeah, of course there's a way to fight back, that's basically what I'm gonna have to say, and I agree, I agree with it, but at the same time, I don't wanna do on the behalf of the one who has really sucked the wind out of the entire industry. And I think the industry doesn't really talk about that a whole lot, especially with GNI and Google News Initiative and like how all the grants and funding that GNI tends to give them, they don't really talk of... [laughter] Like, there's that love hate relationship, but it's really I think, a case of Stockholm syndrome if anything.

0:10:09.5 MB: You actually spoke about this at LMA Fest in Chicago, right?

0:10:12.7 KK: Yeah.

0:10:12.9 MB: And then you put the video of your speech up and please, it didn't get a lot of views, it's almost like you're under the radar. I have not heard a lot of buzz about this. Did you get a lot of feedback in Chicago? Was your session...

0:10:25.1 KK: Oh yeah.

0:10:25.2 MB: A group Session or a general session? How much was it...

0:10:28.1 KK: Oh no, it was a quick few minutes at lunch.

0:10:30.6 MB: That was it?

0:10:31.5 KK: Yeah, that was it. That's kind of what I wanted to do, I thought it was a little ironic that the GNI logo was like, thank you to GNI.

0:10:39.8 MB: This was a paid spot then, you were a sponsor, you bought those three minutes in front of that audience or were you asked to speak? I gotta know.

0:10:47.0 KK: Oh no, no, no. I was a sponsor and then I asked if I could tell the story.

0:10:49.8 MB: And so you used your three minute, rather than sell your product, you used your three minutes to tell this story?

0:10:56.2 KK: Oh, yeah, no, totally, that's what... I don't wanna be up there as a [0:11:00.0] _____.

0:11:00.6 MB: No, no, no. I'm just gonna get...

0:11:01.4 KK: I Just...

0:11:02.5 MB: This is an interview my friend, I'm allowed to ask this question.

0:11:04.6 KK: Yeah. I do, I do what I do because I believe in it and I believe in the small publishers, there are more lucrative paths, [laughter] but I got up...

0:11:12.5 MB: Wait a second, wasn't there a moment you just wanted to say, "I'll take out the old PowerPoint and show these guys why my company rocks so I can pick up a client or two?" You basically used the three minutes to tell your story about Google, at a conference.

0:11:25.2 KK: Well, I wanted them to know who I stand with, that's what's important to me. If they find their way to Broadstreet, that's nice, but I wanted to tell them what's going on and maybe get a little shift in perspective.

0:11:38.5 MB: Yeah, but you were...

0:11:38.8 KK: A little shift in perspective to think about GNI just a little bit differently. So later in the day when they're telling you all about their reader revenue software that they're gonna give to publishers now, 'cause that's what they presented about. So now they have a new payroll or subscription thing that they're giving to publishers, another way I think to separate or remove the relationship between the publisher and their end client. But no, I wanted to use those three minutes to help publishers think a little bit differently about, I was gonna say friends close, enemies closer, when I posted that, it's been described as a diatribe, but it was real. And a lot of... Some people, publishers reached out and they said, "I totally agree with you, but it's a friends close, enemies closer kind of thing." And I had another person who reached out and said, "Holy shit. You said what nobody else will say."

0:12:33.1 MB: Exactly.

0:12:34.3 KK: Everybody... Yeah. Typically, you know, people wanna lay low, you don't want to invoke the ire of Google. In fact and I was hesitant to like bring this up, but there was an association that asked me to sponsor recently and I said, "Can I tell the story of Ten advantages?" And they said, "GNI is gonna be there in attendance and we'd prefer that like..."

0:12:56.6 MB: Now when you published diatribe, I love, I call it 'cause you really amazing article. Here's what you did, you listed publishers, you use Google Analytics, you use Google Ad Manager, you use Google Ad Exchange, you use Google Tag Manager, you look Google Lookout, Looker Studio, Google Search Ads, G Suite, Google AMP. You went through the whole list and then the readers find all the content on Google, no if ands or buts. Basically, then you said this, "But in a strange way, Google needs to keep the publishers alive." That is true without local, isn't one of the top searches on Google local news? Isn't that one of their top... See, that's the... What people go to Google and type in the name of the high school football coach, correct? That's...

0:13:40.7 KK: Yeah.

0:13:40.8 MB: That content usually comes from the most optimized sites, Which are usually local news sites, I mean duh.

0:13:47.3 KK: Yeah.

0:13:47.8 MB: So it's.

0:13:50.1 KK: I did an interview recently with a guy named Eric Schoenfeld NearView Media, where we really focused on like the different business units that push on each other at Google and how Google's control of like Chrome and the Ad manager and Google search and analytics and then they can enforce things like Google AMP. They all push on each other in this giant vice to kind of get what they want out of the industry.

0:14:17.1 MB: Which is the click for our content period, exclamation point, my content.

0:14:20.3 KK: Yeah. No, yeah, they're always kind of squeezing more and more out of it. So although it was kind of a, I guess, in a lot, some opinions a diatribe. Then that place where I posted it is called Livin' on a Prayer, so like it was a blog that I started on Medium that was telling the story of taking Red Bank Green, a hyperlocal. And I published like the starting balance sheet, I published like basically the story of John Ward, about to kick it and say, "I'm done with this." He was about to write a blog to the readers and say, "I'm done, I'm done. I'm tapped out." And I think every publisher, especially small publishers has fantasized about that at some point, they've thought about pulling the plug, but they keep doing what they do. But Livin' on a Prayer is a very New Jersey centric blog where in that case I felt like I had the liberty to kind of step outside of my professional shell, and also say in relatively in New Jersey parlance what I thought about the whole thing.

0:15:18.6 MB: Kenny, I gotta thank you so much for your time. By the way, this is a developing story Kenny has promised us, that you will keep us abreast of this lawsuit as life goes on, correct? And we will get you...

0:15:29.9 KK: Absolutely.

0:15:30.4 MB: The program. But if anyone wants more information about Kenny Katzgrau and the product Broadstreet. What's the website, Kenny?

0:15:39.1 KK: Yeah, there's broadstreetads.com, or if you wanna check out the white paper, it's tenadvantages.com, or you can just google my last name, because it's a pretty unique one and you'll probably find me.

0:15:51.2 MB: Thank you, there.

0:15:52.0 KK: Now, there is that too.

0:15:52.1 MB: K-A-T-Z-G-R-A-U. I'm lucky to Blinder as a last name 'cause I own mikeblinder.com. And Red Bank Green is an amazing site, because it's really not your normal run



of the mill website, but by the way it's going to redesign we just heard what if... Go ahead.

0:16:08.0 KK: The redesign is, I want it to be an example, a shining example of what it can be at the local level. I have, I put so much thought into it, right? But I wanted to break all of the rules, it's really important that Red Bank Green can serve an example of what local news can be. It's very important, I know I'm kind of building it up there, but when it comes out, I do want folks to take a look at it and say, "Maybe that's something we should try."

0:16:34.9 MB: Redbankgreen.com, Kenny.

0:16:37.7 KK: Right now it's got programmatic ads, it's a mess, it's a mess. So it'll be right and done.

0:16:42.8 MB: But go back at many times and look at it. Kenny Katzgrau, thank you so much for your valuable time, we'll have you back on the program. Keep up the good fight, sir.

0:16:50.4 KK: Thank you so much, Mike. It's great to... Being here.

[music]