

Audio Transcript

Episode 226 of <u>"E&P Reports"</u> Vodcast Series with Mike Blinder

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A frank discussion about public media with industry expert Tom Davidson

In this episode of "E&P Reports," we go one-on-one with well-known digital media consultant, Knight fellow, professor of journalism, Gannett's past director of new product development and past senior director of public broadcasting, Tom Davidson, who "pulls no punches" during this frank discussion on the challenges that public media faces today and how it can continue to be a viable, self-sustaining part of local journalism.



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0:00:03.9 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.

0:00:19.9 Mike Blinder: And greetings once again, Mike Blinder, publisher, E&P magazine. If you are listening to this program on a vodcast platform that you prefer, God, I love alliteration, please follow us watching on YouTube. There is a subscribe button below bell to the right. Do something with those puppies. Hit them, smash them, click them, and you'll get an update each and every time we upload a new episode of this weekly vodcast series dedicated to the broadcasting and news publishing and print, and all the various media out there that makes news industry E&P reports. Tom, how was that for an opening?

0:00:55.3 Tom Davidson: You know, it was brilliant, Mike. I have to remind everybody, when I first moved out of newsrooms and onto the business side, your work that you were doing with Peter at the time was required reading my bosses made me do it. So if this is repaying you in even a tiny fraction for what I owe from all those years ago, happy to do it.

0:01:13.1 MB: I just have to do that opening every time. So I always just try to mix it up a little. Tom Davidson is a very interesting person. We should have interviewed you years ago in this program. 'Cause you started with ink in your vegans at the Quad City Times. I've been stalking you in 1984. You don't look that old. So started as a reporter?

0:01:30.0 TD: I earned all this grey.

0:01:33.9 MB: I mean, you're from, and you're from Iowa, the Midwest, right?

0:01:38.7 TD: Yep.

0:01:38.8 MB: Okay, there you go. So you, you're like, you're America in one guy, but then you, like me, were a nerd. I mean, it doesn't say this in your LinkedIn profile, but remember, I have my Toshiba laptop with the floppy drives in my office. I was carrying around as president of the main broadcast association when the Portland Press Herald said, Hey, you're a nerd. Help us start a newspaper online. Was this you? Were you always kind of digital in your background, sir?

0:02:01.6 TD: I remember building my first spreadsheet for campaign, contributions, when I was a State House reporter for Lee for the Quad City Times, and their sister papers in Iowa, remember building that spreadsheet on a Radio Shack trash 80, sitting in the press room in the basement of the Iowa Capitol, which used to be the horse stables at the Iowa Capitol. There's a message in there somewhere. So, Yeah, I've always been fascinated by what technology can do. Really my transition to the digital side of things happened in earnest when I lucked into a night fellowship in the late



'90s.

0:02:37.6 MB: That's right. 1998. You were a night fellow. Yeah. Then you spent, then you spent some time at Tribune.

0:02:44.2 TD: I worked 22 years at Tribune Company, first as a reporter, and then city editor for their Sun Sentinel down in Florida. Did my night fellowship. And then in, I think my fellowship pitch was something along the lines of, you know, I wanna figure out how these, this digital technology affects us in the newsroom so we can be better at, producing and distributing news in a year in Silicon Valley, especially at the height of the internet bubble. It's like, oh, screw going back to the newsroom. Get me in the ballgame coach. And was lucky enough to have bosses like Tim Landon, who let me move on to the business side.

0:03:19.2 MB: How good I worked for Tim at the Chicago Sun Times for a while, as one of my, as what as my...

0:03:23.2 TD: Smart guy.

0:03:24.2 Announcer: It was fun. No, that was that era there. But also now here, Gannett Director of New Product Development back in 2016 to 2020. So you there in the real interesting years where all the new stuff was starting to emerge and everybody's watching Burrell reports and, and shifting every other month into the next, am I right? I mean...

0:03:45.7 TD: Yeah. Yeah. You know, it, it was a fascinating time. We built some cool things, some of which saw the light of day, some of which didn't. That's the nature of new product development. You know, even in my time in public media where I spent seven years, in the early teens. It's just fascinating to watch legacy industries try to adapt to these rapidly changing circumstances, to the utter upending of their business models and watch independent sites non-profit and for-profit alike, saying, you know, there's, there's no barrier to entry anymore. We don't need a \$200 million printing plan to do local news. We don't need God in the FCC to give us a broadcast license. We can just set up a website and go. It's been a wonderful ride, you know, being a storyteller, a journalist, but also a business leader at this time of incredible change in our industries.

0:04:41.0 MB: Boy, you just said a cotton picking mouthful. We're gonna unpack all of that on the backside of this message.

0:04:48.6 Announcer: This episode of E&P Reports is exclusively sponsored by Blocks Digital formerly Town News. Even though the name has changed, their commitment to the media industry is as strong as ever. Blocks 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 Blocks Digital serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust Blocks Digital to empower you, to connect you at scale with the community you need to reach Blocks. Digital, formerly Town News now reimagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at blocksdigital.com.



0:05:54.9 MB: Alright, so, Tom, I had a show, you may have seen it, you may Not, where this organization came outta nowhere called the Alliance for Sustainable Local News. Basically it was, it was 6 guys who are like, I called them disruptors. You know them, don't you? Larry Rickman of the Colorado Sun. Eric Barnes, Dely Menthian, David Summers, publish of the Long Beach Poach, my good friend Ken Doctor and an Imtiaz Patel. Then he was with the Baltimore Banner, now he's gone to the Dark Side, back to Gannett. And these guys formed an organization for pretty much everything you said in the top segment of this program that they basically said on the show. And I wanna get your opinion of this as nonprofit is just a word you use to do your bookkeeping.

0:06:43.1 TD: Yes, my friend Mark Pots has always said, nonprofit ain't nothing but a tax status. And he's Right.

0:06:49.1 MB: Exactly. And it was David Summers who, and he didn't make this up, but he said the pull quote, no margin, no mission. Do you agree? I mean, that's.

0:06:58.7 TD: Oh oh oh. Absolutely. I think what's interesting about all those organizations that you cited is in a big picture sense. They are pursuing the same model that nonprofit digital startups are pursuing. They're pursuing the same model that public media organizations have pursued successfully for more than 50 years. And the notion is, we're gonna get most of our revenue from the audience. I think what's interesting about that subgroup, the Baltimore banner, the me and Colorado Sun, although they just switched to nonprofit status, is they were saying, we're gonna do this through subscriptions, classic subscriptions versus more of the public media nonprofit model of what I like to call grandmotherly guilt.

0:07:41.9 MB: Exactly.

0:07:43.3 TD: Build a big audience and then a couple times a year, whip out grandma and, and wag fingers and nag people to give money. Fundamentally, while there's a different approach there, subscription versus donation, it's still the same business, which is pour an audience into the top of an acquisition funnel and then one way or another get that audience to give you money.

0:08:06.7 MB: Could not agree more. I was a DJ before I got into sales 'cause I wasn't that talented, but I went to Maine as a morning man program director for a group of radio stations in Portland. And I had a popular morning show. Sub public television used to bring me in on the Peter Paul and Mary Knights. Do you know what I mean?

0:08:25.1 TD: Yep, yep.

0:08:26.2 MB: Remember this era and I was a salesman. I wrote a book about sales in 2008. Sales is nothing more than fear of loss. That's it. That's why we call it the solution based sales, process based sales process. And I would, I made this an experiment. I could look at the camera phones behind me, right? And just guilt the hell outta that audience. To make the phones. What would your world be like without Sesame Street? We don't get \$1 from that cable company. We're here to serve you. Phones are ringing off the hook out of guilt. Why didn't the newspaper industry do that for 200 years and remind people of this Madisonian dictated necessity in our constitution. Why did we get



so fat and lazy that we didn't do what public television does, which is brand it better? Do you agree?

0:09:08.0 TD: Yeah. Well, yes and no for a long time we did. When you look back at the economics of legacy print daily newspapers in the '30s and '40s, 3-4-5 newspapers in any given town. And the money was split roughly half and half between subscription and circulation revenue and advertising revenue. But...

0:09:30.6 MB: Which was mostly classified, but go ahead. Yes.

0:09:33.7 TD: Yeah, yeah. And as the industry shrunk and consolidated with the rise of television in the '50s, more traffic, making it just harder to get evening newspapers in particular out to people in time. And all of a sudden you had the rise of this one newspaper town maybe too. The revenue mix started shifting and all of the sudden it became much more compelling to say, we've got every car dealer in town who has to advertise with us on Sunday or on Saturday rather. And we've got every department store who's advertising with a Saturday and Sunday and all of the, and help wanted on Sunday. All of these basically monopolies of certain ad businesses. And it became much more compelling for a newspaper to say, let's keep circulation costs low to drive up circulation, drive up our rate base so we can charge more for the advertisers who have no choice.

0:10:32.7 TD: It was a monopoly in scarcity play. So really you saw the revenues '60s, '70s, all through the '80s shift to the point where when I was working in South Florida, hyper competitive market with the Sun Sentinel, the Miami Herald, the Palm Beach Post, all just bashing each other editorially. And it was fun and it was great. But economically, all of them were like, we wanna get as much circulation as we can to drive up the rate base. So we'll give the paper away \$1 for 13 weeks. And there were all these readers who would switch papers every 13 weeks, right. To get this ridiculously low price. We literally could not afford to print and distribute the Sun Sentinel for the amount of money that was coming in the door on circulation. And we didn't care. 'Cause we were making 400 bucks a year off of every new subscriber we got in ad revenue.

0:11:26.5 MB: Let's talk about you. You have this amazingly interesting intertwined background. I don't think there's anyone else.

0:11:34.5 TD: I can't hold the job. In other words.

0:11:36.3 MB: I don't know if there's anyone else, like you see, I've been exploring the nonprofit, excuse me, the public broadcasting world lately, because my goal at E&P I have this 142-year-old brand is to just appeal to three bullets. It's on my desk and we live for it. Someone who publishes journalism some way, shape, form, or size. Someone who has to build an audience for that journalism and someone who has to monetize it. And when you go beyond the online only news sites and the legacy print, you know, partners out there, the one of the few broadcast spaces left for local news is public radio. And, I've been exploring it more and more and chatting with some of the leaders in that industry. And I'm finding that there is two different types of people, some living in the past, and then some that are coming from, God forbid, the business side to change that culture. You have both sides. See, you came from Legacy media and now you are an advocate, consultant leader in the public broadcasting world. What is this all about and why are you there? Or is this all one kind of media now? Gimme your opinion of that...



0:12:49.2 TD: You know, I was attracted to public media in particular, after Tribune went through its troubles and its bankruptcies. I left there in 2009, landed at, at first at PBS in 2010. And PBS is president then and now, is the absolutely brilliant, an American treasure Paula A. Kerger. And as part of Paula's standard stump speech, anytime she's out talking to the public, she'll probably use some variation of this line. When you work from Main Street rather than Wall Street, you get to make different choices. And the first time I heard that, sitting in some staff meeting, it was like clouds partying because especially after Tribune, when it was going through financial collapse of the Great Recession, you know, carrying \$13 billion worth of debt, everything was about grinding out as much money every quarter as you could to just try to hold the wolves at bay.

0:13:44.2 TD: Being in an environment where it's like, we have a different business model, we get to approach this differently. That was utterly refreshing. You're right. There are two distinct camps in the broad world of public media right now. The reality is most journalism is produced by public radio stations, not public television stations.

0:14:03.7 MB: For now.

0:14:04.4 TD: So we'll talk specifically about, for now we'll talk specifically about radio. Right. There are people who just, as we saw in the commercial world, who love radio, who just have this intimate relationship with that box sitting on their nightstand or sitting in the center console of their car. And they think of it primarily as linear, real time audio above all things. Much like you and I worked with plenty of people who just, you'd see them, they'd run down to the press room and they'd get the first copies off the press and they'd smell the ink. They were in love...

0:14:41.1 MB: With the rumble of the floor.

0:14:44.1 TD: Yeah. Versus people who are like, I really like serving my community. I like telling stories, I like distributing information. Radio is a wonderful way to do that. But we have lots of other ways to do that too.

0:14:56.9 MB: Exactly.

0:14:58.4 TD: You Know, the reality of public broadcasting right now, and this is causing a lot of fretting among friends and colleagues of mine is, the dirty secret of, of public television is its audiences age 65 plus. And they're white women and wealthy.

0:15:13.6 MB: And live in Suburbs.

0:15:15.1 TD: It's a wonderful audience. If you wanna sell them a DVD of that Peter Paul and Mary Special, and that's how you're making your money. But it's a difficult, it's a tough put to look out 10 years and say, where are we with that audience? Radio is a little younger, but not much. So that audience challenge, how do we serve our communities beyond just the five to 10% of the people who were white, wealthy and suburban and old? That's the real rub of public media right now.



0:15:45.4 MB: Well, let's analyze that. We had Juana Summers on this program. And she was completely, totally candid about why she got the job and what her mission was. I mean, she didn't, it was amazing. She said, we are changing our culture. It's, and it's a hard shift. You see, now I look at things, who else did we have on this program? One of my favorite stories that we uncovered here at E&P is we had Jennifer Kho on this program when she was hired by the Chicago Sun Times. Then she reappeared nine months later when she was working for public media. Do you see when public brought, see this is fascinating, in Chicago, they didn't pick up the stodgy tabloid, I mean the stodgy broadsheet. They picked up the tabloid beer drinking, maybe we have a woman inside with a bikini brand and brought them together.

0:16:36.0 TD: Well, and in fact that was very intentional. I know some of the folks who were involved in some of the behind the scenes discussion, they certainly didn't violate their NDAs. But the appeal of the sun time to BEZ was sometimes, there's always been the paper that covered the city of Chicago.

0:16:48.8 MB: And the sports.

0:16:49.6 TD: The Tribune, even when I worked for a company covered the North Shore, it covered the suburbs. But the Sun Times was about the city and all of its grittiness. And that BEZ really sees and continues to see an opportunity. We, have the white suburbanites already, let's do a better job of serving the central community, the city of Chicago.

0:17:07.3 MB: But when I chatted with some of these leaders on a local level, in the broad, the public broadcasting world, and I'm not gonna mention their names, although some of them wouldn't mind, I'm assuming some say when they have that old stodgy white suburban woman brand on their back, they say that's more of a hindrance when they're trying to re rebrand themselves locally.

0:17:29.9 TD: It can be. And what's been fascinating is, you know, public media, just like us in the old days of print of the 20th century, there's a certain herd mentality. And there are certain leaders, there are certain people who are dipping their toe in the water, doing some things that some of their peers think are crazy. And then once it works, everybody sort of hops in. As a, an old business school professor of mine used to say, you never wanna be the first seal in the water. 'Cause there might be a shark down there, but you wanna be the second seal in the water 'Cause you're gonna get more fish. It's interesting to watch experiments like when, the public radio stations in New York, Washington and Los Angeles bought the assets of the, Gothamist DCSLAST brands and in different ways tried to take more of that digital edgier brand into their organization.

0:18:19.5 TD: One of my favorite experiments is down in Jacksonville where David McGowan. Longtime public media executive. But he, he was named, general manager and CEO of, WJCT. He went out and raised more than a million dollars to expand his newsroom. And he didn't do it by hiring radio reporters. He set up a separate brand. Jax today packed it with a bunch of old newspaper folks, produced sort of the classic digital startup newsroom, and then reverse fed the best of that stuff onto radio. But his point was, if we do this as a radio first approach, maybe we grow our audience from reaching 5% of the people in the Jacksonville Metro area to 7%. Woo-hoo. His attitude was let's go out and, and, and try to reach 20-30-50% through this digital endpoint while still serving our classic radio audience. It's a mind shift. That's gonna be fascinating to watch, play



out because lots of places are, are looking at that and thinking about it the most thinking boards, because most of these are, community licensees owned by a community nonprofit. They're starting to look at this and saying, why is it that a site like VT Digger in Vermont is the largest newsroom in the state? Why aren't we as a public media organization, the largest newsroom in our community?

0:19:41.7 MB: Well, you know, it's brands. I mean, what I have had more people give me advice on, my biggest challenge at E&P is what it stands for. Editor and publisher. I'm not editor and I'm editor, publisher, ad director, digital manager, audience development manager. So, I mean, I could go on and on. I mean, I'm like, I feel like I'm KFC where I've gotta bury the word fried. Right?

0:20:06.2 TD: Yeah, yeah.

0:20:11.1 MB: But, you can polish old brands. That's the speech. I'm doing it all outta state associations now where you put it in the center, you see you're proud of your legacy, but then you like the Disney ears still exist. [laughter] Right. But it's just, yeah. Surrounded with really cool interest book can go on and on. I wanna get to one other topic, and this is important. You wrote an op-ed that got a lot of play and you, you published it in the current, it was just a few months ago in the fall, right? Yeah. Where you kind of lectured the public television industry that they weren't in the right space to get to the philanthropic money. By the way, I had a hell of a time getting to it. 'cause the paywall was kind of wonky. You might wanna mention it to them. But I finally got the text of that, that thing, and I was fascinated. And then a few months later on your own blog, right, you got your own little site, you started talking about how some of that's resonating now Talk to me about why you felt compelled to tell an industry that they're behind the times when it comes to go for filling. I mean, you're the one that just said it's all about guilt and getting money, right?

0:21:09.5 TD: Some of that is because many public media organizations are quite good at getting those small dollar memberships.

0:21:19.2 MB: Of course.

0:21:20.9 TD: Nag people on the air play grandmotherly guilt. Get them to give you 5 bucks a month, 10 bucks a month, 15 bucks a month. But that's a different form of fundraising than the money that's really pouring into local journalism right now, which is philanthropic. Especially foundation money. Institutional foundations, Knight, MacArthur, Lumina, Joyce, the list goes on. They can't be guilted. They're very sophisticated in how they spend their money. Whereas the membership fundraising model is built on reach or in a big audience at the top, get 10% of that audience to give you money. The foundation fundraising model is built on relevance and results. Foundations want to change the world. They wanna fix a problem. And you have to show how your work helps them fix that problem.

0:22:11.2 MB: Why?

0:22:11.3 TD: Folks like Jim Brady at Knight Foundation, Kayce Ataiyero at, Joyce in Chicago, they used to do my job. They were reporters, they were editors, they were business leaders. They can't be bamboozled. And they know that classic public media organizations serve 5% of the audience that's wealthy, old, white, and suburban. And they're like, why would I want to



dramatically increase funding if my job is to fix the local news desert in place X? That public media organization has to convince me that they can do that in a meaningful way. I had, I talked to one public radio general manager, I think I had a line in one of my first op-eds that say, these foundation leaders, they're saying polite things in public, but behind those things they're saying, don't bring me a proposal that goes like, well, I have 5 radio reporters now when we produce 12 packages a week with your help and a million dollars, I can grow that to 9 reporters producing 20 packages a week. That served 5 to 10% of my market.

0:23:19.2 MB: There you go.

0:23:19.6 TD: That's a non-starter. And I had a radio general manager argue with me, but my work is important. It's like you're still me reaching just the tiniest single digit fraction of your market. The Knight Foundation, Joyce they're not interested in that. They're in, and especially when they look at nonprofits like VT Digger and some of the other stars that have been at it for a while that are literally reaching half of their market every month. Who do you fund? 5% or 50%? It's pretty straightforward.

0:23:53.4 MB: So you're pretty much the fly in the soup.

0:24:00.6 TD: Oh, in all my favorite characters of mythology, I love Cassandra the most. 'Cause you know, just screaming truth to power.

0:24:09.5 MB: Well, and maybe that's what public broadcasting needs is a little, Cassandra in their life right now. 'cause I don't see it coming from anywhere else.

0:24:19.9 TD: Well, there are folks like there out there. I mean, I cited, David McGowan and at Jacksonville, Rich Hamburg, at Detroit, Deanna Mackey and her predecessor Tom Carlo at KPBS, in San Diego who built this multimedia, local journalism powerhouse. What's interesting to me is seeing is, you know, there's a wave of retirements every year in public media at the end of the calendar year, as people try to set up their predecessor to start at the beginning of the fiscal year in July and watching some of the job postings for some of these positions. It's interesting to see more and more of them talking about entrepreneurial attitude publishing on platforms other than just radio and/or television. So there's a shift that's beginning to happen. There are still enormously conservative change averse organizations out there, just as there were in, you know, in our days of print and just as you see in legacy broadcast journalism. But it's starting to change.

0:25:25.7 MB: Well, I've said this on the program a few times. One of my favorite, my quotes, if I may not from mythology, how many psychiatrists does it take to change a light bulb?

0:25:36.3 TD: Only one. But the light bulb has to wanna change. Yeah. I've stolen that line.

0:25:41.9 MB: Well, Tom Davidson, you have many ways people could connect with you, but my favorite is your blog and that's at what you own Tom Davidson...

0:25:51.2 TD: Tgdavidson.com.



0:25:51.8 MB: You were like me, I got Mike Blinder and Mike Lawrence, my stage name way back in the old days. I got the, if you go to mikelawrence.com, which was my stage 'cause I'm Michael Lawrence Blinder. You will see all my radio and TV stuff in my past when I had a state when I used that as my name. But anyway, it's an honor to have you on the program. We're gonna tap you more and more, you don't know this yet, my editorial team on what the heck's going on and get your view at 30,000 feet of what's going on with that transformation, which is so essential in maintaining local journalism. Tom, thanks so much for being on the program.

0:26:26.1 TD: It's a pleasure. These are fascinating times in local journalism. I feel privileged to have a chance to influence it even in a tiny way. Thanks, Mike.

[music]