

The New Challenges Faced by Media Business Models. An interview with Michael Greenspon

by João Neves

JOCIS interviewed Michael Greenspon, the general manager of NYT Licensing and print innovation for The New York Times at WAN-IFRA conference.

Do the main sources of revenue of *The New York Times's* business come from a traditional, digital or a mixed model?

Michael Greenspon: It's a mixed model. Right now I would say we're roughly 60% print, probably 35% pure digital and 5% other. The other way we cut it is subscription, plus advertising, and we're probably 2/3 subscription.

What are you currently investing in the most: in the traditional, digital or in a mixed model?

We are investing more in digital.

What are the sources of revenue of your business?

Our biggest source of revenue is from subscriptions. The second largest source is advertising, and then we have a mix of other revenue streams, including licensing, affiliate revenue and rent.

Has the impact of the digital changed your sources of revenue?

Absolutely. We now have digital sources of revenue. The print sources have declined.

How important are potential partners for the success of your business model?

We need strong relationships with the platforms for a level of success. They are also competitors of ours, so it becomes an interesting relationship.

What kind of partners do you consider the most important to your business (technological partners or industry/traditional partners)?

To the overall company, I would say the technological partners.

What is your value proposition?

It's high quality journalism worth paying for.

Is your value proposition mostly based on your relationship with consumers, with technological distribution channels or with the rest of the media industry?

I would say consumer. We're a consumer-first business, so that relationship is far and away the most important.

Michael Greenspon is the general manager of NYT Licensing and print innovation for The New York Times. Michael has over 20 years of media business experience.



Are there any intentions to integrate contributions from the academic world into your business decisions in terms of R&D?

We're certainly knowledgeable and aware of the research that's going on, so it's a factor in the decision-making.

How do you integrate the academic contributions into your company in terms of R&D and decision-making?

It's building the knowledge base, so it's rare that it will be the tipping point in the decision. But it's helpful to see what direction people are moving or what direction people are thinking about.

Within your strategy to engage with your media consumers, what do you value the most: communication, product or easy access to the service?

We are the service, so it's that relationship.

Has the new General Data Protection Regulation (GDPR) caused any difficulties for the knowledge and creation of the profile of your consumer?

It's unclear at this point because it's brand new. It certainly has created a lot of work, but it's unclear what the actual impact will be.

Has the new advertisement alignment had an impact on the way the NYT buys or sells advertising space?

Absolutely. We are selling a lot less directly, so again, historically, we're a relationship business and that was true when it came to the consumer and the advertising side, where we had very personal relationships with the owners of the companies that were advertising. Now, a lot of it is programmatic, a lot of it is through Google and others. It is changing completely.

Are distribution networks or models that you use for distributing your product/service suited to these changes in advertising?

I think so. For us, again, putting the licensing aside, the core business is about attracting people to our site, and it's less about distributing to other sites.

Are these distribution networks suited to your target audiences? Do you think something needs to be changed at this level?

I think so. I think that the relationship between media companies and the platforms has to evolve. I'm not quite sure in the face of GDPR how that evolves, but it needs to be a more symbiotic relationship.

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How have your funding and income sources changed in the past two years?

Increasing subscribers and decreasing advertising.

Are these changes in line with the market or not?

We're outperforming the market.

What are the main challenges faced by your media company's business development? Are they technological, regulatory or commercial?

Commercial. We are a traditional print business. We are moving to a digital business and we're succeeding far more than everybody else, but we also have a fifteen-hundred-person newsroom. Right now our digital revenue is not sufficient to support that, so we need to grow it exponentially for the eventual day, hopefully very far into the future, when print is not there.

When do you think that will happen?

I say, back in the early 2000s, the chairman of our company famously said print would be gone in five years. Probably five years ago, we said print would be gone in ten years. I think I'll go to fifteen years, pushing it further out - five, ten, fifteen.

What is the importance and challenges posed by Artificial Intelligence and robotics technologies to your media business?

I have no idea. I think it will be more opportunity than challenge. It will help us with research, perhaps reducing costs.

What are the most important characteristics of the success of your business model? We've got a few options for you to choose from: technological innovation; relationship with the consumer; brand value; open innovation and co-creation, and others (please specify).

I'd say it's a couple of those. It's the relationship with the consumer but, at the end of the day, that is based on our brand value.

Does your business model require funding? If so, where will you find such funding?

We're self-funded.

In your opinion, what is currently changing in terms of management, marketing and administration of media companies?

It's less so in our company, but I think the primary place is a change in our marketing as they all switch from an advertiser supported model to a subscriber one. We did that ten years ago, so we're ahead, currently.

In your opinion, what is currently changing in terms of the work of journalists and content producers?

We're asking our journalists to fundamentally do the same thing, but in more ways. For the last 150 years, we have asked our journalists to protect democracy, to uncover hidden truths. We're still asking them to do that; we just now want them not only to write about it, but also to tweet about it, to go on TV and talk about it, and take out their camera and take a picture of it.