Keynote Speech with Google CEO Eric Schmidt - NAA Annual Convention 2009 / Sponsored by the Donald W. Reynolds Journalism Institute at the Missouri School of Journalism.

12:41 **NAA Community**: Welcome to the Cover It Live discussion for today's Closing Keynote speech at the NAA Annual Convention 2009 in San Diego. We'll be discussing the presentation by Google CEO Eric Schmidt. To hear live streaming audio of Schmidt's speech, visit www.naa.org/annual09audio after 1 p.m. EDT (10 a.m. PDT).

12:41 [Comment From Jeff De Cagna]
Looking forward to it!

12:44 **NAA Community**: Today's discussion will be moderated by NAA staff. PRESSTIME's Rebecca Albers will be providing coverage from San Diego, and other members of NAA staff will join the discussion as well.

12:46 **Randy Bennett**: Welcome.   This is Randy Bennett from NAA and I will be moderating this morning.   Eric Schmidt will be on in about 15 minutes.

12:47 **Lisa Rabasca, PRESSTIME**: Hi, I'm Lisa Rabasca, managing editor of PRESSTIME. I'm looking forward to hearing Eric Schmidt and I'm looking forward to the online conversation that will take place here.

12:56 **NAA Community**:
One quick note if you're planning to listen to our LIVE audio broadcast of Google CEO Eric Schmidt's speech, posted at www.naa.org/annual09audio: Please be sure to use Internet Explorer on a PC, or Safari on a Mac.

1:01 [Comment From Bill Densmore]
Bill Densmore joining from the Reynolds Journalism Institute at Missouri (http://www.infovalet.org)

1:02 **Lisa Rabasca, PRESSTIME**: Bill, thanks for joining us.

1:02 **Beth Lawton, NAA**: Hi, I'm Beth Lawton, manager of digital media for NAA.   I'm looking forward to joining this discussion and hearing your thoughts over the next hour.

1:04 **Randy Bennett**: Getting ready to convene the session.

1:05   **PRESSTIME**: When your company goes form a noun to a verb, you know you've had an impact, Gary Pruitt says.

1:05   **Randy Bennett**: We do have word that Mr. Schmidt will not be taking questions from the Web during the session.   There will be a press conference afteward, so if you want to feed some questions, we can try to get them asked then.

1:05   [Comment From David Sarno - LA Times]

Hi this is David Sarno, new media business reporter for the LA Times

1:06   [Comment From Jeff De Cagna]

This is Jeff De Cagna of Principled Innovation LLC

1:06   [Comment From Jeff De Cagna]

I'm Jeff De Cagna of Principled Innovation LLC. I am a blogger and I work with associations on social technologies.

1:06   [Comment From Norbert Mayer-Wittmann]

Happy to join discussion

1:06   **PRESSTIME**: Eric Schmidt (ES) takes the stage.

1:06   [Comment From John C Abell, wired.com]

John C Abell, wired.com, joining in from Times Square.

1:07   [Comment From nmw]

Hi, nmw = Norbert Mayer-Wittmann here -- looking forwart to following :)

1:07   **PRESSTIME**: Why is America so wonderful? Because of freedom of speech.

1:07   [Comment From J. Edwards]

No questions from the web?

1:08   **Randy Bennett**: Unfortunately not.   That was the request from Google.

1:08   [Comment From J. Edwards]

Information wants to be free, Google just wants to be the gatekeeper.

1:08   **PRESSTIME**: We know things are changing we don't know how long it will take. We do know change comes in hard times, in recessions...not in overall abundance.

1:08   **PRESSTIME**: Bringing sunshine to everything is one thing that will be with us for thousands of years.

1:08   [Comment From Mike Krigel, Kachingle]

Looking forward to listening. However not getting in via my Mac's Safari. Just me or everyone?

1:09   **Lisa Rabasca, PRESSTIME**: I'm on a Mac, too, and I can't get the audio either.

1:09   **PRESSTIME**: Our system financial innovation precedes financial regulation. I think that one is gone for now. How do you create jobs,

happiness. How do you make things better. Answer is thorugh business investment, innovation.

1:09 [Comment From Norbert Mayer-Wittmann]

freedom -- hmmm... there are some things that might be negative (e.g. terrorism?)

1:09 **Beth Lawton, NAA**: Schmidt is making interesting points on how recessions and difficulties can lead to change...

1:09 [Comment From Bill Densmore]

I can't get in with Mac Safari; working fine with PC Internet Explorer

1:09 [Comment From Sasha]

iTunes should work. Or Windows Media Player on Mac.

1:09 [Comment From jerry sullivan]

turn off you microphone..too much background noise of you typing...

1:10 **PRESSTIME**: Investment being made now will create high paying jobs that will define how we go from here. My basic thesis is innovation occurs and business success occurs and societal wealth is created but only in backdrop of free speech.

1:10 [Comment From Norbert Mayer-Wittmann]

technology -- can newspapers excel at technology?

1:10 [Comment From Andrew McGlothlen]

Was able to lock in audio via Safari by updating Flip4Mac ... I'm watching live coverage via Firefox, though

1:10 [Comment From jerry sullivan]

Hey turn off your mic...

1:10 **PRESSTIME**: Stressed again the importance of free speech.

1:11 **Beth Lawton, NAA**:

Regarding the background noise of typing, I believe it's an audio feature of Coverit Live, not someone typing.   I believe under settings you can disable the system sounds.

1:11 **PRESSTIME**: Audiences organize themselves into segments. You reach them through advertising. If building a business with couple billion readers maybe you should use the micropayments. If building business with smaller number use sub services.

1:11 [Comment From Norbert Mayer-Wittmann]

technology... what kinds of algorithms... -- journalistic standards?

1:11 [Comment From Bill Densmore]

Beth is right -- it is CoverItLIve that is adding the keyboard sound. Just figured that out.

1:11 [Comment From J. Edwards]

Schmidt talks about lack of transparency in government, but what about lack of transparency at Google?

1:12 [Comment From Andrew McGlothlen]

Click the speaker in the bottom right and noise goes away

1:12 [Comment From Bill Densmore]

Obvious that micropayments systems are needed, he says?

1:12 **PRESSTIME**: My point is not that these models are wrong but that they globalize and create next opportunity for us. Redefinition of newspaper of record. ITs the one that records what is happening in your life. Your local newspaper that records what is happening in your town. It's a national stage and global stage. wE have to relearn what paper of record means.

1:12 **Beth Lawton, NAA**:

Audiences organize themselves into segments, Schmidt says. And he's saying that different payment models can work with different audiences.

1:12 **PRESSTIME**: What do you need to do to become the newspaper of record. The   answer is all about reporting.

1:12 [Comment From Bents Magazine]

How the new aspects for web and press media Eric Schimdt waiting for next years?

1:12 [Comment From J. Edwards]

Micropayments won't work; Schmidt has said information wants to be free ...

1:13 [Comment From Jeff De Cagna]

Did web audio just go out? i'm hearing muzak?

1:13 [Comment From Diane Hockenberry, NAA]

We have to reinvent and relearn what the paper of record means in a world where so many different formats and things are being consumed.

1:13 **PRESSTIME**: Two models of information, both of whch are important: the paper of record and user generated content of which Wikipedia is a phenomenal example.

1:13 [Comment From Norbert Mayer-Wittmann]

paper + UGC -- fixed vs. malleable?

1:14 [Comment From Sasha]

I am on PC, Windows Media Player - audio is coming.

1:14 [Comment From Jeff De Cagna]

Back on

1:14 [Comment From J. Edwards]

Wikipedia is not the record. Often inaccurate.

1:14 **PRESSTIME**: Innovation occurs-- in Google's case it's 20 percent time. You can't plan it. You can architect a structure for innovation.

1:15 [Comment From Elaine]

Key: Innovation can't be planned (or centralized?)

1:15 [Comment From Norbert Mayer-Wittmann]

	wisdom of crowds is ofter lacking -- better: wisdom of experts / analysts?
1:15	**PRESSTIME**: We're seeing this now with cloud computing. There is a new form of computing coming along where all hard work being done in the servers. Plug them in dont worry about them too much.
1:15	[Comment From Bill Densmore]
	You can't plan innovation, but you can have a structure where it is welcomed.
1:16	[Comment From McCourt]
	Hi Beth, interesting! Good job.
1:16	[Comment From Norbert Mayer-Wittmann]
	what if the red button that launched a missile was controlled by wikipedia?
1:16	[Comment From J. Edwards]
	This is Google's play against Microsoft. Wean people off the smart client so they are more reliant on Google. He just fluffs it up by calling it cloud computing.
1:16	**PRESSTIME**: All of a sudden technology is enabling reliable networks but way information is distributed.
1:16	[Comment From Bill Densmore]
	But doesn't network technology result in authority and trust being most efficiently delivered from a central authority? Who owns that? Google?
1:17	**Beth Lawton, NAA**:
	On cloud computing: "The network is always reliable..." Thoughts on this? Are newspapers ready go to in this direction?
1:17	[Comment From Wendell Wittler]
	Cloud computing still sounds like the return of the terminal-attached-to-mainframe era. PCs were a liberation from that.
1:17	[Comment From Jeff De Cagna]
	@J. Edwards or remove the Microsoft hegemony in favor of a more open architecture...it's all in your point of view.
1:17	[Comment From J. Edwards]
	SKYNET
1:17	**Lisa Rabasca, PRESSTIME**: Anyone with a Mac having problem with audio, once the blank screen comes up, click on the arrow in the lower lefthand corner.
1:17	[Comment From Raphael Prado, Brazil]
	"Randy Bennett: Unfortunately not [questions from the web]. That was the request from Google." 1 minute earlier: "PRESSTIME: Why is America so wonderful? Because of freedom of speech."
1:18	**PRESSTIME**: IT systems, the ones built in last 20 years, are ending up being slow. This new Web system everyone is excited about is the new Web system.
1:18	[Comment From Andrew McGlothlen]

	Cloud computing - don't know if newspapers are ready, but it could certainly reduce overhead with the right execution
1:18	[Comment From Norbert Mayer-Wittmann]
	Network is not necessarily reliable, but when available it may be efficient / fast / easy
1:18	[Comment From Bill Densmore]
	News organizations can go there, but there needs to be a mechanism for making sure there are choices about which cloud provider you connect with and which entity helps you with that access.
1:18	**PRESSTIME**: When you do this it brings up trust issues. When I think of newspapers I think about standing for trust. Their brands represent commitment to accuracy.
1:19	[Comment From J. Edwards]
	@Jeff De Cagna don't disagree with the remove Microsoft hegemony, but I think Google isn't interested in more competition in the cloud, they're interested in controling it, or as they put it, "Oorganizing world's information."
1:19	[Comment From Jim]
	Anyone can create a cloud computing application. Today. Right now. Uncentralized. Learn about it first would be a good idea.
1:19	**Lisa Rabasca**: Several newspapers are already using cloud computing: Landmark Community Newspapers and Community Newspaper Holdings.
1:20	[Comment From Norbert Mayer-Wittmann]
	trust in brands is old-media -- trust in the future will be trust in teams of experts
1:20	**PRESSTIME**: This notion of user empowerment is a nonobvious but fundamental change.
1:20	[Comment From Norbert Mayer-Wittmann]
	... experts in a field of knowledge / topic / information
1:21	**Beth Lawton, NAA**:
	PRESSTIME article on newspapers that are using cloud computing: http://www.naa.org/Resources/Publications/PRESSTIME/PRESSTIME-2009-January/6-TechNews-Hey-You-Get-on-My-Cloud.aspx
1:21	[Comment From Jeff De Cagna]
	@J. Edwards i don't agree Google is interested in controlling, because they understand by definition they cannot control the network. They rely on the network in order to make their business work.
1:21	[Comment From Jim]
	The current leader in cloud computing = Amazon. Again, not science fiction. Happening today. Commonplace.
1:21	[Comment From Andrew McGlothlen]
	Expertise is a matter of perspective - empower the users you trust with greater

	leeway and find a way to denote said users for readers who need guidelines?
1:22	[Comment From Jim]
	Create a cloud computing server yourself this afternoon > http://bit.ly/fBEZq
1:22	**PRESSTIME**: We've never had these kinds of tools before. If you tell me what's going on right now I live in a local context. The goal is to get a billion people to have this kind of power in their hands. Is this achieveable? It's easy. ...mobile phones now and in the future.
1:22	[Comment From Wendell Wittler]
	"Trust in brands is old media" and Google is the biggest "brand" out there right now.
1:22	[Comment From Diane Hockenberry, NAA]
	Those same tools lead to questions of privacy not being addressed.
1:22	[Comment From Norbert Mayer-Wittmann]
	expertise will be cleared by market for keywords (e.g. weather.com)
1:23	**NAA Community**: For those of you who've just joined us, be sure to get the live audio stream of Eric Schmidt's speech: www.naa.org/annual09audio.
1:23	**Beth Lawton, NAA**: Mobile phones are giving the masses the power to report, and there are strong implications for all of us (especially those in the newspaper industry).
1:23	**PRESSTIME**: Rethink the notion of a newspaper story. The story has a life. Papers print them today but they have a start, middle and an end. People are fascinated by the beginning and the end. Makes sense to us that stories will evolve. People feel that when finishing reading the newspapers they're done. WE need to come up with the same experience online.
1:24	[Comment From J. Edwards]
	@ Jeff De Cagna Organizing all the world's information effectively gives Google control of that information. It's about scale. Why go to your local newspaper for information when you know that given Google's scale, you can one-stop shop there.
1:24	**PRESSTIME**: One of the other issues we have with the Web, it is still unpleasant for reading.
1:25	**PRESSTIME**: Today most Web sites use technology that is pretty or slow. Need to reinvent technology so it mimmicks print magazines or newspapers.
1:25	[Comment From Jeff De Cagna]
	@ J. Edwards so the difficulty you have with Google is that they have the capability, resources and thus the scale to organize the world's information and newspapers don't?
1:25	[Comment From Norbert Mayer-Wittmann]

@JEdwards - Google is only for beginners (who don't know where to find expert sources)

1:25 **Beth Lawton, NAA**:

Flash is "pretty, but slow," Schmidt says.

1:26 **PRESSTIME**: Format was one size fits all for good technological reasons. There is no one size fits all on Web. We need a new format for journalism.

1:26 **PRESSTIME**: We have the opportunity to redo the way information is processed.

1:26 [Comment From Andrew McGlothlen]

@Norbert - I'd argue that Gen Y uses Google to find additional expert sources and expand that knowledge base, even if they know where the expert sources exist on the Web.

1:26 [Comment From Norbert Mayer-Wittmann]

oh... (interested ;)

1:27 [Comment From Jim]

What are you even talking about? Here is Google News on Vermont's gay marriage > http://bit.ly/D453 They are links. Excepts and links. What do you dislike about that. Please talk about realities.

1:27 [Comment From JA Ginsburg]

On the web, newspapers offer video and slide shows and news broadcasters have print. Convergence has happened.

1:28 **PRESSTIME**: There's a different relationship to information if you take an aggressive, reportorial position, as opposed to consuming position.

1:28 [Comment From J. Edwards]

@ Jeff De Cagna Difficulty I have is that there's no check on Google, no counterbalance.

1:28 [Comment From Norbert Mayer-Wittmann]

@Andrew Google doesn't KNOW subject experts -- only algorithmic results from poor algorithms (the kind of algorithms that are about half a century outdated)

1:29 **PRESSTIME**: The reality is vast majority of information is being produced user to user. Sometimes free speech starts getting a little pushed. This is the new world. A truly fundamental change is we have given the tools of publication to people who maybe need a better education, let's put it that way.

1:30 [Comment From J. Edwards]

@ Norbert Mayer-Wittmann Google is constantly updating its algorithm ... human hands do that ... not suggesting they are manipulating results today, but how do we know a bad egg there won't one day.

1:30 **PRESSTIME**: Search become fundamentally more personable.

1:30   [Comment From Andrew McGlothlen]

@Norbert - Google doesn't have to know them. That's where discernment comes in. I may not trust Wikipedia every time, but it'll give me an idea of where to start nine times out of ten. Haha. (Or WikiMed for that matter, to bring things in line with the actual speech)

1:30   [Comment From Jim]

The generalities in this commentary are hysterical. I don't think many of you have a clue what Google News is. I see no evidence that you do. Please comment on the Vermont Gay Marriage example without using 90,000 foot view generalities.

1:30   **PRESSTIME**: Why doesn't the newspaper know what I read yesterday?

1:30   **Beth Lawton, NAA**:

NAA released a report on user-generated content opportunities for newspapers last year that's relevant to this discussion.   Our report is at www.naa.org/ugcopportunities.

1:30   [Comment From J. Edwards]

Interesting that he's essentially arguing for the disaggregation of newspapers ... again, Google wants to be the aggregator in chief.

1:30   [Comment From Norbert Mayer-Wittmann]

E. Schmidt is still stuck on wisdom of crowds ... :S

1:31   [Comment From Jeff De Cagna]

@J. Edwards the new responsibility of readers-citizens is to function as the check in a publish then filter society.

1:31   **Beth Lawton, NAA**: Can "knowing you already read this" be accomplished through more robust, personalized registration systems on our newspaper Web sites?

1:32   [Comment From Jeff De Cagna]

will there be a transcript of Schmidt's speech available?

1:32   [Comment From Bill Densmore]

Schmidt: "So the new model of consuming news will be knowing that you already read that." Perfect customization. Who manages the knowledgebase about your interests and preferences?

1:32   **PRESSTIME**: How do we make money?

1:32   **Randy Bennett**: Not sure about transcript, but will try to find out.

1:32   **PRESSTIME**: One of the fundamental problems of the Internet it doesn't respect traditional structures. It's difficult to hold information back.

1:32   [Comment From Norbert Mayer-Wittmann]

@J.Edwards @Andrew weather.com is a reliable source of (commercial) weather information

1:33   [Comment From Bill Densmore]

Beth, yes. I think the user personalization knowledge has to be widely distributed -- not in one place. Newspapers are a logical place for that because of their community trust relationship.

1:33   [Comment From J. Edwards]

@ Jeff De Cagna Agree. I'd love to check the Google algorithm to see how it's ranking and sorting search results.

1:33   **Beth Lawton, NAA**:

Schmidt says advertising is still the best way to reach a very, very large audience...

1:33   **NAA Community**: We will also have an archived video of this speech available later this evening. You'll be able to acces the footage at http://www.naa.org/annual09video.

1:34   [Comment From Norbert Mayer-Wittmann]

@JeffDe you mean like "miserable failure" ;D

1:34   **PRESSTIME**: Advertising works when it adds value to the customer.

1:34   **PRESSTIME**: Advertising that is useful is going to work.

1:34   [Comment From Jeff De Cagna]

@Norbert can you clarify your question?

1:35   **PRESSTIME**: The Kindle is another example of cloud computing for specialists.

1:35   [Comment From J. Edwards]

Finally, Schmidt talks about something he knows about: Advertising. Google is fundamentally an advertising company. He's even talking faster because this clearly excites him.

1:35   [Comment From Bill Densmore]

Those ads, in our view, replaces the traditional advertising model that we all grew up with." Advertising works when it adds value to the customer, when it tells something they consumer doesn't know. . . . advertising that's useful is going to work - we know it works because we can measure it."

1:35   [Comment From Norbert Mayer-Wittmann]

I refer to the model I describe as "the Wisdom of the Language" -- was also described about a decade ago by Esther Dyson

1:36   [Comment From Jeff De Cagna]

@NAA will that be available to everyone or only members of NAA? As I read your posts here, it looks as if you're working off of transcript. I'm just looking for the text.

1:36   **Beth Lawton, NAA**:

Schmidt likes the Kindle model for newspapers... thoughts on this?

1:36   **Randy Bennett**: No, wer'e doing this live.   No transcript available, yet.

1:36 [Comment From Bill Densmore]

He says the Kindle is an example of a subscription-based model and an example of cloud (or did he say crowd) computing for specialits.

1:36 [Comment From Jeff De Cagna]

Thanks for clarifying.

1:36 [Comment From Norbert Mayer-Wittmann]

@JeffDe readers / citizens commonly referred to the previous president as a "miserable failure" - and that was a "check" -- is that what you mean?

1:37 [Comment From Andrew McGlothlen]

@Beth - I suppose it depends on the rate of adoption in your market?

1:37 [Comment From Jim]

Yes, Google is an advertising company ... just like newspapers --- only more successful and ready to serve the next generation. That's the point. That's what newspapers need to learn.

1:37 [Comment From Bill Densmore]

He says what he is talking about is "the notion of being in a shared community."

1:37 **Beth Lawton, NAA**:

@Andrew -- we'll be watching e-reader experiments closely in the next several months.

1:37 **NAA Community**: @Jeff De Cagna. The video will be immediately available to all users, but will be archived for members at a later date.

1:37 **PRESSTIME**: It will be possible soon for you to instant message someone who does not speak your language.

1:37 [Comment From Jeff De Cagna]

@Norbert got it...no, I hope it can be more constructive than that, but we can't rule out those kinds of responses either.

1:38 [Comment From Jeff De Cagna]

@NAA thanks!

1:38 [Comment From Elaine]

This is the year that "real time" gets added to the equation. That, and location-based computing. Two big key things.

1:39 [Comment From Norbert Mayer-Wittmann]

@JeffDe -- AFAIK, Google tries to rule out such "mob" user participation (?)

1:39 **PRESSTIME**: We need those voices. Google is not a content company.

1:40 **PRESSTIME**: We build platforms that can enable distribution of content.

1:40 **PRESSTIME**: Why is everyone so worried? It's a very hard transition.

1:40 **Beth Lawton, NAA**:

Cloud computing, mobile (and other) technologies are real opportunity areas for newspapers.

1:40 [Comment From J. Edwards]

Is anyone else struck by how all over the map he is? What is the big vision for how newspapers fit into a world where Google is the organizer of the world's information?

1:40 [Comment From Norbert Mayer-Wittmann]

Why should the voices click @Google?

1:40 [Comment From Bill Densmore]

Your readers, our consumers, our search customers, have infinitely greater choices … they will decide how successful we are based on the quality of information we produce, the number of voices.

1:40 [Comment From A Newspaper Publisher]

I would be interested to know what he thinks about the "smart paper" technology

1:41 [Comment From J. Edwards]

Google is not a content company, but needs content to attract users so it can target advertisers at those users.

1:41 [Comment From Jim]

It is not Eric Schmidt's job to solve the newspaper industry's decline.

1:41 [Comment From Andrew McGlothlen]

Is it just me, or is he essentially saying that Google can be the online version of an outsourced circulation department, albeit one that pays for itself?

1:41 **Beth Lawton, NAA**:

@A Newspaper Publisher: I'm interested in hearing about that, too.

1:41 [Comment From Bill Densmore]

The fundamental issue is that the internet distribution model does not work on scarcity, it works on ubiquity.

1:41 [Comment From Elaine]

Internet distribution model doesn't work on scarcity, it works on ubiquity.

1:41 [Comment From A Newspaper Publisher]

Well then...let's ask

1:41 **PRESSTIME**: From my perspective, we have to embrace what users want together.

1:42 [Comment From J. Edwards]

@Jim Not saying it's his job. But he was asked to speak at NAA, so he should address it.

1:42 [Comment From David Sarno - LA Times]

Is there a transcript of the speech?

1:43 **Beth Lawton, NAA**:

I'm really looking forward to the Q&A part.

1:43   **Randy Bennett**:

No transcript yet.   Mr. Schmidt was not speaking from a prepared text.   We have to find out if Google will allow us to publish a transcript.

1:43   [Comment From Martin Langeveld]

This is Roger Gaffke?

1:43   [Comment From Elaine]

Woohoo -- questions!

1:44   [Comment From Jim]

@J. Edwards - He did/is addressing it. I'd still like someone to get out of generalities and tell me what is wrong with this > http://bit.ly/pw5q That's Google News on Obama Iraq visit. Enough mumbo jumbo. What's not helppul to newspapers about that?

1:44   **PRESSTIME**: ES: "It's a sewer out there" (referring to quality on Internet)

1:44   [Comment From Bill Densmore]

Micropayments clearly have to be developed by the industry, Schmidt says during Q&A. But he says the vast number of users will only want to deal with the free model. He says "the technology around micropayments is getting to be possible... it looks like the technologies around aggregation will make that possible."

TRANSCRIPT:

ROGER GAFKE: You have mentioned the importance of advertising as the future but in your opening remarks you mentioned a bit about micropayments and subscriptions. Would you elaborate a bit on each of those other potentials?

ERIC SCHMIDT: "I think you are going to end up with all three. An analogy I would offer is television -- there is free over-the-air-television, there's cable television and then there's pay television. And they have smaller markets as you go from free to more highly paid. And that structure looks to use like roughly the structure of all of these businesses. Today there are very effective subscription-based models, but there are not very good micropayment systems, micropayments meaning 1-cent, 3-cent kinds of systems. They clearly need to be developed by the industry. So I think from your perspective you should assume that your information, if there is a category of information that you all produce that you'll want to distribute free – freely – there's a category of information that you'll want to distribute on a per-click basis and then there's some of it you'll want subscription for. The reality [is] that in this new model, the vast majority of people will only deal with the free model and so you'll be forced whether we like it or not, to have a significant advertising component as well as a micropayment and a traditional payment system. The technology around micropayments is getting to be possible now. The transaction costs were so high before that you couldn't do the one cent, three cent kind of a model. It looks like the

	new technologies around aggregation will allow that at the payment level."
1:45	[Comment From Elaine]
	Blinding Glimpse of the Obvious -- payment models don't have to be either/or! Then can be both!
1:45	**PRESSTIME**: The top brands represented in this room would float to the top.
1:46	[Comment From Bill Densmore]
	For general search, Google does not apply any notion of trust themselves, but they do it with Google News, he says. "The top brands in this room, would float to the top in our search rankings (in general search) ....."
1:46	[Comment From Jim]
	My link supporting Schmidt's point - NYT an WaPo at top. Again - SPECIFICS. What is your issue with this, newspapers? Enough harrumphing.
1:46	**PRESSTIME**: How do you feel newspapers have performed digitally? If you become CEO of American newspaper company, what would be top things you would do in the digital space.
1:46	[Comment From Bill Densmore]
	Why doesn't Google work with Newstrust.net to address the trust issue in the discovery and recommendation of news? Newstrust is a non-profit.
1:47	**PRESSTIME**: I was very impressed by how quickly all newspapers I talked with in mid to late 90s embraced the Web.
1:47	**Beth Lawton, NAA**: Schmidt's comments about the general search results and where they come from really underscore the importance of search engine optimization for newspaper companies!
1:47	**PRESSTIME**: Criticism: There wasn't an act after that.
1:47	**PRESSTIME**: The act after that is a much harder question.
1:48	**PRESSTIME**: If I were involved with digital part of a newspaper. Iw ould first and foremost try to understand what my reader wants. Majority of a circulation of a newspaper should be online rather than printed because no distribution costs.
1:48	**PRESSTIME**: How do we get to 10 times more readers online?
1:48	[Comment From Bill Densmore]
	I have been very impressed with now all the newspapers I talked to in the late '90s embraced the web … the criticism is I can offer one is there wasn't an act after that . . . and the act after that is a much harder question ... how do you avoid being dis-intermediated."
1:48	**PRESSTIME**: Sites are slow, they're slower than reading the paper.
1:48	[Comment From J. Edwards]
	@ Jim Notice sponsored links on right side of the Google News link you sent.

	Google is selling ads around news content created by others, but where's the revenue share?
1:48	[Comment From Bill Densmore]
	"I would first and foremost try to understand what my reader wants . . . my diagnosis is how do we get to 10 times more readers online?"
1:49	[Comment From Bill Densmore]
	He acknowledges that reading news on the web is slower than reading the newspaper, in terms of assimilating information. Google wants to work on that, he says.
1:49	**PRESSTIME**: What impact if any does AP stance have on Google? Looking ahead, on intellectual property in general how effective might more aggressive approach be?
1:49	**PRESSTIME**: We have a multimedia contract to distribute and host AP content. I was confused by the news in the last 24 hours.
1:49	[Comment From Elaine]
	Online distribution idea nice for Silicon Valley; what about large areas that have no broadband?
1:50	[Comment From Jim]
	I don't think any of you have a clue what Google News actually is. Not a soul has commented on the actual links and actual pages which actually corroborate what Schmidt is saying. Google News on Binghamton shooting > http://bit.ly/17kYOo Again, what's not great for newspapers about that? Anyone? Bueller?
1:51	[Comment From Bill Densmore]
	"We have a very very successful deal with The AP and hopefully that will continue for many years. "
1:51	**PRESSTIME**: There is always a tension around fair use. But ultimately fair use is a balance in favor of the consumer.
1:51	[Comment From Jim]
	Google has a contract deal with AP. It's up for renegotiation.
1:52	[Comment From Bill Densmore]
	""We have a very very successful deal with The AP and hopefully that will continue for many years."
1:52	**PRESSTIME**: All of these partially thought through legal systems are being challenged by the ubiquity of the Internet.
1:52	[Comment From espiblog]
	is here where i can hear the audio? no live video?
1:53	**Randy Bennett**: Audio at naa.org/annual09audio
1:53	**NAA Community**: We have the audio at www.naa.org/annual09audio. Video to come this evening at www.naa.org/annual09video.
1:53	[Comment From Norbert Mayer-Wittmann]

who is the "consumer" Eric Schmidt talks about?

1:53 [Comment From Bill Densmore]

Schmidt: "There is always a tension around fair use. But ultimately fair use is a balance in favor of the consumer … think in terms of what your reader wants. Try to figure out how to solve their problem. Because ultimately you are a consumer business and if you piss off enough of them, you won't have them anymore."

1:53 **Lisa Rabasca**: Schmidt says try to think about what your consumers want. Sounds very similar to the Clay Christensen's ideas.

1:54 [Comment From J. Edwards]

@Jim Thanks for telling us we don't have a clue how Google News works. Google News disaggregates news. Newspapers care about this because they would prefer to users to come directly to their website. This is about shifting control from individual newspapers to Google as the aggregator in chief.

1:54 **PRESSTIME**: How can the media industry in general partner with Google to help support that professional content when for the consumer the headline and extract is enough?

1:55 [Comment From Martin Langeveld]

Softball questions, really.

1:55 [Comment From J. Edwards]

@ Norbert Mayer-Wittmann Must be the same consumer that wants "more relevant advertising."

1:55 [Comment From Bill Densmore]

QUESTION: Google has conditioned the audience that a headline and extract is enough. That becomes enough news in the Twitter world. So now Google becomes the point in the middle between that audience and consumer supporting the creation of that professional content. So the real question becomes how can the media industry in general to help support that professional content?

1:55 [Comment From Jim]

So disconnected from reality. Such mumbo-jumbo. Does anyone really think this > http://bit.ly/17kYOo is where people will stop and call "good enough." It's embarrassing. People don't know what they are talking about. This is the problem.

1:55 [Comment From Norbert Mayer-Wittmann]

@Lisa Link to Clay Christensen'?

1:56 [Comment From espiblog]

Audio page coming up blank with a "stopped" message in the browser:

1:56 [Comment From espiblog]

http://wm.istreamplanet.com/customers/ap/128_ap_google_090307.asx

1:56 [Comment From Elaine]

I got that one, @Lisa -- www.newspapernext.org!

1:57 **PRESSTIME**: I don't think we're going to fundamentally decrease the

fascination the world has with Britney Spears.

1:57   **Lisa Rabasca**:   @norbert,

For more on Clay, www.innosight.com

1:57   **Beth Lawton, NAA**:

Schmidt reminds publishers that they can opt-out through robots.txt...
But he wants consumers to read the headline, think it's interesting
enough to click on and continue on to the newspaper Web site or other
source.

1:57   [Comment From J. Edwards]

@Jim Google wants to intermediate so it can sell ads. When you go to Google
News, including links you sent, Google sells ads alongside the results it displays. It's
making money off content created by others. It's an IP issue.

1:58   **PRESSTIME**:   We look at clicks. We look at how long people stay on a
page.

1:58   [Comment From Bill Densmore]

The Google CEO says there are teams at Google working on ways to allow
consumers to take the next step from the headline -- to move onto deeply
personalized content located at third-party content provider websites.
TRANSCRIPT: "If you see a headline, what I want you to do is I want you to think,
'Oh, that's interesting, I want to know more.' And then based on that I want you to
click to the newspaper website, or to Wikipedia, or wherever. If we can build
products, and we have teams at Google who are working on this, which roughly
work like that, where there is a one-liner that's interesting and you click there and
you go into layer after layer of information, and by the way not just text but video,
entertainment and so on, that's personalized. We think we can build a business,
again with you guys, with significant advertising resources, where the advertising is
targeted to the content. To me that's the only solution we've come up with to that
problem. I don't think we're fundamentally going to decrease the fascination that the
world has with Brittany Spears. I think it is just fundamentally just going to continue."

1:58   [Comment From Norbert Mayer-Wittmann]

Thx @Lisa :)

1:58   **Randy Bennett**:

He has concluded his speech.

1:59   **Randy Bennett**:   Thanks everyone for participating.

1:59   [Comment From J. Edwards]

@ PRESSTIME Google looks at more than how long you stay. They're looking at
what else you're looking at online, tracking your every move online with cookies it's
has on your PC or Mac.

1:59   [Comment From Jim]

@J. Edwards - of course, search is a business. Do newspapers not want inbound

	links?
2:01	**NAA Community**: We have not heard from Google whether a transcript will be available. We will however, have video footage of the speech available later this evening at www.naa.org/annual09audio.
2:02	**NAA Community**: Sorry about the incorrect link. The video will be posted at www.naa.org/annual09video.
	Thanks!
2:03	[Comment From Elaine]
	Thanks to the NAA team -- this was great!
2:03	[Comment From Jeff De Cagna]
	I actuall meant of this chat right here on Cover It Live
2:03	**NAA Community**: This chat will be available on the PRESSTIME Now! Blog.
2:04	[Comment From Jeff De Cagna]
	Cool, thanks!
2:04	[Comment From Jeff De Cagna]
	This was great!
2:07	**NAA Community**: Thanks to everyone for joining in on the discussion today. You will be able to access the content of this chat on the PRESSTIME Now! Blog. We will also post video of Schmidt's speech later this evening, which will be available at www.naa.org/annual09video.