

What's News —

Robert Thomson

■ **Editor-in-Chief** of Dow Jones and Managing Editor of *The Wall Street Journal* since 2008.

■ **1961** Born in Torrumbarry, Victoria in southern Australia.

■ **1979** Joins *The Herald* in Melbourne as a copyboy.

■ **1983** Hired as a feature writer by *The Sydney Morning Herald*.

■ **At 22**, writes acclaimed series, later turned into a book: *The Judges: A Portrait of the Australian Judiciary*.

■ **1985** Appointed Beijing Correspondent for the *Sydney Morning Herald*.

■ **1989** Joins the *Financial Times* as Tokyo Correspondent.

■ **1994** Named Foreign News Editor for the *Financial Times* in London. Goes on to be Editor of the *Weekend FT*.

■ **1998** Appointed US Editor of the *FT*, based in New York.

■ **2002** Returns to London to become Editor of *The Times*.

■ **December 2007** Joins Dow Jones when it is acquired by Rupert Murdoch's News Corporation.

The WSJ

■ **1874** Dow Jones & Company founded by Charles Dow, Edward Jones and Charles Bergstresser.

■ **1889** *The Wall Street Journal* is first published.

■ **1902** Journalist Clarence Barron purchases Dow Jones.

■ **1928** Clarence Barron dies and leaves estate to the Bancroft family. Hugh Bancroft takes over as President.

■ **1941** Bernard "Barney" Kilgore is named Managing Editor of the *Journal*, creating the modern front-page design and expanding publication in the US.

■ **1963** Dow Jones goes public, three years later naming William Kerby as CEO; *Journal* circulation passes 1m.

■ **1970s-1990s** Asian and European *Journal* editions are launched. Dow Jones expands newswires.

■ **2007** News Corp. buys Dow Jones for \$5bn.

■ **2009** WSJ.com global editions launched, including Japanese language website and revamped Chinese site.

■ **March 31 2011** *The Wall Street Journal* ranked first in circulation in the US.

Renaissance Newsroom

Under Robert Thomson, the Journal is redefining reporting for the digital age



INTERVIEW BY SUSAN GILCHRIST, US MANAGING PARTNER
AND MICHELLE LEE, ASSOCIATE, BRUNSWICK, NEW YORK

Six decades ago, *The Wall Street Journal* was transformed from an esoteric "trade sheet" into what became the largest circulation newspaper in the US, revolutionizing business journalism. Bernard "Barney" Kilgore, the visionary Managing Editor who drove the paper's metamorphosis, once said, "A newspaper has to set a course and create the impression that it knows what it is about before it has much to sell."

Under Robert Thomson, the current Managing Editor of the *Journal*, Kilgore's adage still holds true, though the task of attracting and keeping readers in the digital age has become more complex and considerably more frenetic than it was in Kilgore's time. Unlike previous managing editors of the paper, Thomson also carries the title of Editor-in-Chief of Dow Jones,

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underlining the fact that old distinctions between various media formats have blurred as readers now have at their disposal a huge array of choices over how and when they access media.

After News Corporation acquired Dow Jones in 2007, Thomson set about creating a system in which journalists were expected to think more about the entire news cycle rather than maintain outdated Chinese walls between reporters at “the wire,” who were concerned mainly with fast-breaking news, and writers on the newspaper, who would concentrate more on interpreting the news for a wider audience and on writing pieces aimed at influencing opinion.

As Thomson says in an interview with *Brunswick Review* on the following pages, Dow Jones these days requires its journalists to be “renaissance reporters,” who “need to be able to write different stories at different lengths at different times of the day.” It helps, too, if they are good on television. Perhaps most important, Thomson says, is that people writing for Dow Jones and the *Journal* must think, as their audience does, about the global nature of business these days and especially about the power shift toward the growing economies of the East and elsewhere.

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Susan Gilchrist is Brunswick’s US Managing Partner, based in New York.

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Michelle Lee is an Associate in Brunswick’s New York office. She was previously media spokesperson for the Australian government in the US.

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Content & Value

Dow Jones “puts news in context in the midst of a maelstrom”

What were you trying to achieve with Dow Jones and *The Wall Street Journal* and have you achieved it yet?

We set out really to understand the true value of the journalism at Dow Jones. To understand its value to other people and to ensure that we had editorial empathy with an audience, not just in the US but globally. The broader issue confronting us – and not only us – at the time of the Dow Jones takeover was, “What is the value of content?” Not long after Dow Jones was acquired, Rupert and, to a lesser extent, I tried to begin not only a national but a global debate about the value of content – the hierarchy of content – and whether the web was evolving in a way that suited the needs of distributors at the expense of creators. If creators aren’t rewarded then there is less creation and that’s not good for Dow Jones. I would argue that it’s not good for society, either, if you can’t afford to have correspondents in Japan, or in Libya, or in Latin America. That debate has evolved; so, we now have a much better relationship with Google, for example, than we did previously. There’s more understanding on both sides of the opportunity. We are constantly in discussion with Facebook about content but, dare I say, more on our terms. Now, clearly, it has to be relevant to them but there

also has to be recognition on their part about the relative value of what we do. We still have a lot of work ahead of us. But we have faith in the news as *content*, as people call it these days in that slightly bland way, that what is created here has a value across platforms, across borders, and across languages. The world around the *Journal* and Dow Jones is changing so profoundly that to stand still is to be left behind.

The role of newsgathering has changed and you now can get breaking news from sources such as Twitter. What value can news brands like Dow Jones and the *Journal* add?

People are still very conscious of the provenance of news – it has to be from someone they trust for them to believe it. I think they could be titillated by certain tweets but do they really feel that they’re being informed by tweets? Now, tweets also come from *The Wall Street Journal*, so it’s as though sometimes when people speak in terms of social media they’re really thinking more of the *social* than the *media*. When it comes to the media bit, then trusted media still have a role. And that’s where you leverage the expertise that you have. If you have close to a hundred people in Beijing,



as we do, then you have a remarkable collection of individuals who speak the language, understand the politics, have a feel for the economy and who know these mysterious Chinese companies that are acquiring businesses in Britain or the US. In the end, you will pay for that expertise, particularly if you're accessing it for a professional reason. There's no doubt there's a value to breaking a story first, particularly if it's market-moving and has a high value in, for example, the currency markets or the equity markets. But also there's a value to users around the world – particularly to professionals – because we're *The Wall Street Journal* and Dow Jones and we put news in context at a time when you really are in the midst of a maelstrom.

Some critics say *The Wall Street Journal* is no longer the essential business read it once was. How do you respond to that?

Balderdash! Actually, we've never had more business-relevant coverage. When Dow Jones was acquired there would be days when there were only a couple of international news stories in the "A" section [the first section of the paper]. If you're a businessperson, you must know what's going on in Japan; you must know what's going on in China, India, Eastern Europe, and Latin America. We've increased the number of pages in the "A" section – there are now four more pages than previously – and most of that has gone to international coverage. The *Journal* is now providing a much better service for businesspeople. Because whether you're in Florida or Phoenix, if you're a businessperson you are acutely aware of the importance of a global



Photograph: © patrickmullan.com

Robert Thomson is one of Rupert Murdoch's most trusted executives

consciousness. If you don't have that global awareness, then you're not going to be a successful businessperson.

You've worked all over the world – do you think people in different parts of the world expect different things from the media? Is your Asian consumer somehow different from your European consumer or your US consumer?

In places like Japan and China we are more focused on a business reader who is more prone to pay for content. In that sense, at this stage, it's a more elite audience. In particular, in Chinese companies the executives, whether they work in institutions or in emerging – what we would regard as *independent* – companies, they have simply come to the conclusion that, "I need to better understand the world." So, in helping them professionally, we're also in a good position – and it's not really my job to sell ads – to provide a venue for global advertisers. So, for example, French

luxury brands are now advertising with us in Chinese because the Chinese audience is so important to them. And where do you go for an audience that is globally aware enough to appreciate the value of those brands and has enough money to afford them? The Chinese website of *The Wall Street Journal* is a pretty natural haven for that kind of advertiser ... In China, the website now has more than 3m monthly uniques. In Japan, it's close to 2m. During the period of the earthquake, when the Japanese were looking for reliable, immediate information and analysis about the crisis that had engulfed the country, they turned to the *Journal* in unprecedented numbers and they've stayed with us, having discovered what we do in Japanese. And in Korea, we have only a very modest site but close to 2.9m monthly uniques. So, that gives you a sense of the power of what Dow Jones does, and the aim is really to understand that power.

Business & Strategy

The lines between print and digital have blurred, for journalists as much as for audiences

In terms of digital strategy at the *Journal* and Dow Jones, what have you done and what has worked?

We have a great team of people who have expanded the reach of the website phenomenally. Then suddenly you've had these new devices, particularly the iPad, which have revolutionized the way people read and access content. But however impressive the design, if you don't have the content it's vacuous. So, the combination of form and function in our iPad app was so impressive that Apple itself, in the iPad 2 TV ads, had *The Wall Street Journal* as one of its prime sources. More than 1m people are now paying for online and device-delivered content, whether it's the website, iPad, Samsung Galaxy, and so on ... and mobile. We want to bundle the content across the different devices. The most important thing is that you read the *Journal* and you read Dow Jones, regardless of where you read it.

Is digital profitable and is it becoming dominant at the expense of the print newspaper?

Digital is very profitable, but actually print is very profitable for us, too. Print and digital circulation revenue has risen every quarter since the company was acquired. Our circulation revenue, in an era of falling circulation revenue, was up close to 13 per cent year on year. Advertising revenue was up



The *Journal* By Numbers

■ **The Wall Street Journal** is the largest newspaper in the US with a total paid circulation of 2,117,796.

■ **WSJ.com** has more than 1m subscribers and averages more than 35m visitors per month worldwide, up 43 per cent year-to-date compared to 2010.

■ **Average monthly visitor numbers to WSJ.com** have more than doubled since the News Corporation acquisition.

■ **The WSJ tablet edition** for iPad has been downloaded more than 1m times.

Sources: Audit Bureau of Circulation, Omniture, WSJ, Dow Jones

close to 15 per cent year on year. Digital is increasingly important, but most important is that people have stayed with us, sturdy on principle but very flexible on approach. What would be perfect for us would be if you woke up in the morning and walked to the front step and picked up a copy of the *Journal*, divided up the paper among the family members, read the paper again on the iPad on your way to work, looked at WSJ.com a few times at work, and looked at an updated version on the iPad app on the way home ... and then spent the rest of your night putting comments on *Journal* stories, and ignored your family. Then we can help you with divorce lawyers, too ... But at the moment, people are

Total Average Newspaper Circulation

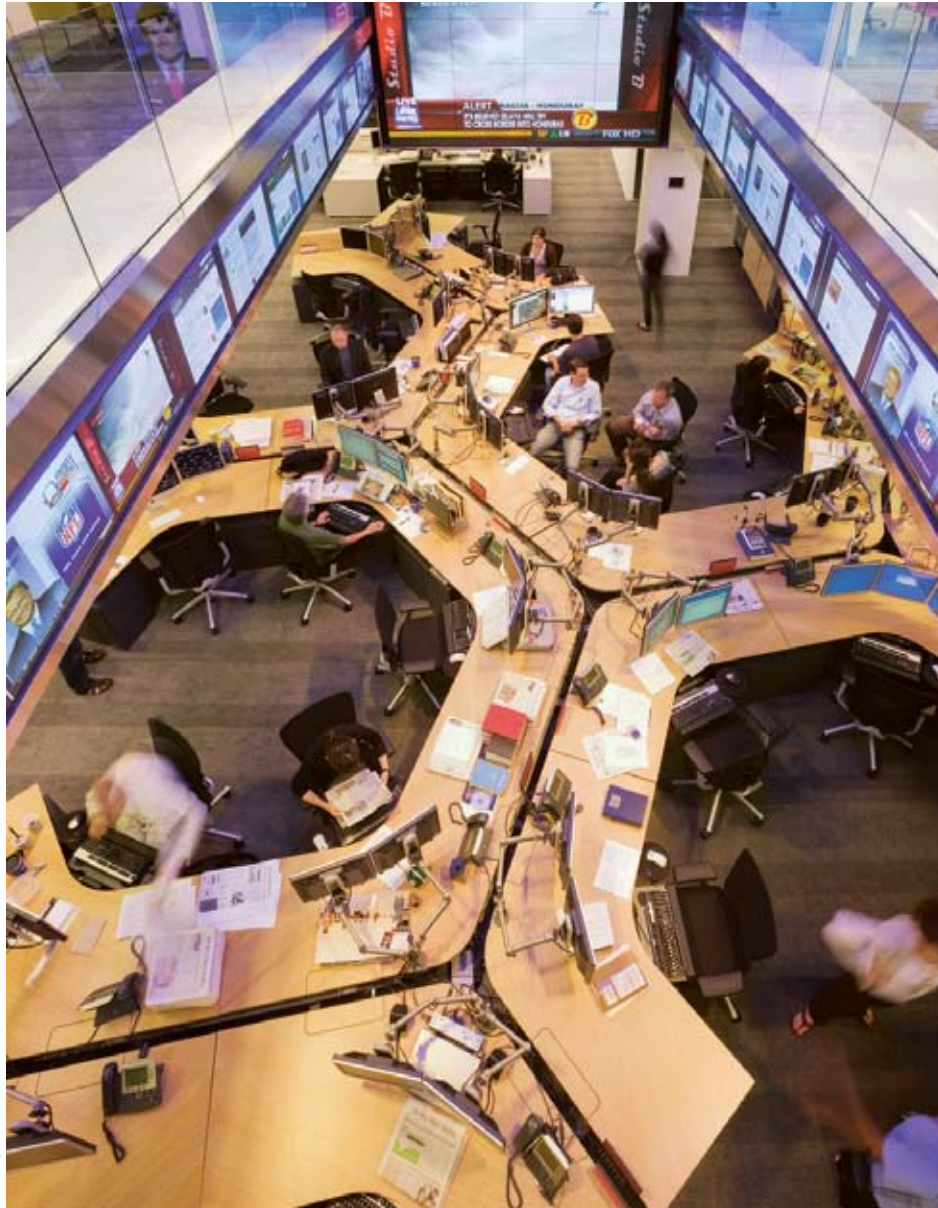
2011	2,117,796
2010	2,092,523
2009	2,082,189
2008	2,069,463
2007	2,062,312
2006	2,049,786

Source: ABC publisher's statements March 2006-2011

making up their minds about how they want to access the *Journal*, so the most important thing for us is not to force a decision on them. I think over the next four or five years people are going to feel their way and the patterns will become more obvious. But we shouldn't pre-judge because there's so much upheaval in media now.

How has your strategy since the acquisition affected the company internally?

Well, if you look out here [at the newsroom at New Corporation's HQ in mid-town Manhattan], you can't tell where Dow Jones ends and *The Wall Street Journal* begins. That's part of the integration that we've tried to introduce, both architecturally and culturally. So the *Journal* journalists understand the value of the content that



Photograph: Dow Jones

The new Dow Jones/*Journal* newsroom reflects more open thinking about the reporter's role

they have to the newswire, for example, and the newswire journalists participate much more actively in the production of WSJ.com and *The Wall Street Journal* in its various print manifestations. In the past there had been something of a class system in the company and that stratification has broken down to the benefit of both. The more time that our

people spend with each other, the more they understand the benefit to the *Journal* of the content from the newswire – a successful newswire – and that you're creating more opportunities for the newswire journalists to express themselves journalistically. The most obvious source of ignorance is a lack of communication and the priority in the

way that we've arranged the office here and around the world is that we want to break down those barriers.

Does the increasing importance of digital and the more flexible way you've organized journalists feed back into business strategy?

I'll give you an example. Whenever I go anywhere I ask people about the paper and the website, which is boring for them but interesting for me. We constantly do research and we get feedback on individual stories. You get generalized feedback and then you get specific feedback about the way that people respond to changes in the paywall – we move the paywall backwards and forwards on WSJ.com quite a lot. In the summer [when traffic usually falls off], you don't necessarily sell your entire ad inventory, so it makes sense to move the paywall on certain stories. This summer, we moved the paywall so there was less available for free and subscriptions went up. You could move it either way, to be honest, but in the end you're hoping to create an environment where the editors are having a very refined debate about what to do with a story and where to put the paywall. If you have a great story the choice is, "Okay, this is a fantastic story. Is it the type of story that will actually generate subscriptions or is it the type of story that will just generate audience?"

Are the journalists involved in making those decisions about the paywall?

It's not quite as commercial as that. We've had discussions, if you can imagine, about an X/Y axis where, if you have a scoop from [Federal Reserve

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Chairman] Ben Bernanke, say, that he is going to raise interest rates – for the first couple of minutes the value of that is astronomical. Then it declines rather rapidly across the time axis. That’s one way of looking at content. Then there are layers to the value of that content. You can’t be absolutely precise but you have to be constantly discussing it.

As the news business has evolved – as the lines between print and digital have blurred – what do you think is the relative importance of the journalist’s brand compared to the newspaper’s franchise?

The two are related. How much does the journalist need the broader brand as a platform and how much does the broader brand need the prominent

journalist? I think we’re still figuring that out. But in the end the prominent journalist doesn’t want to be an administrator. He or she doesn’t want to run accounts receivable. In some senses the “halo effect” of the broader brand is incredibly valuable to even the most prominent of individuals.

Do journalists now have to think about the lifecycle of stories in a different way?

People do need to be *renaissance reporters*. They need to be able to write different stories at different lengths at different times of the day. I think that helps people understand the value because if you’ve done something on an important story for the website at noon, you must ask yourself, what more are you going to add so that

the next day’s paper has a resonance and a relevance? And then on video ... different people have different levels of skills but we are finding there are far more individuals who can do pieces to camera than anyone would have imagined 20 years ago.

Does this mean you measure journalists in a different way in this multi-media environment?

It’s hard to come up with a definitive metric because journalists work in different ways on different types of stories. But if someone breaks a lot of stories, is good on the web, and articulate when forced to explain something in 30 seconds before a camera, clearly that woman or man has a very bright future in journalism.

Review & Outlook

With so much “blog blather,” there is a need for intelligent reporting

How do you communicate internally about editorial and business priorities?

First, you do have to have a great team around you who can casually, informally, explain to people what we’re doing day after day. I am blessed with such a team. Second, I will send out occasional memos – not too many, not too bureaucratic – and I attempt to make them pithy. Too many memos that too many executives write in too many companies are unreadable. I mean they are virtually semi-literate and certainly not engaging. So, however imperfectly, you have to aim to be read. Then, we have a news conference twice

a day that everyone in the company, through heads of department, will tap into. If you want to change a culture in an environment that itself is changing, the strategy has to be obvious to people.

“I AM DIGITALLY DISCURSIVE,
SO I JUMP AROUND
QUITE A BIT”

A sudden, single announcement doesn’t work. Media is so complicated and the environment so fraught with pitfalls that you do have to guide people. They

are looking to the leadership for answers about questions such as, “How much time should we be spending on this or that? What is the hierarchy of content? Has it changed from five years ago, or five months ago?” A single memo will never solve all of those things, so it’s a series of conversations.

What are your own reading habits; do you have a set of media “favorites” you regularly read?

I am digitally discursive, so I jump around quite a bit. If I’m reading someone I like to read rather than someone I have to read, I feel guilty.

Also, what you have to read each day changes because of the news agenda. So, for example, we're looking at a story at the moment about a company trying to change pre-agreed contracts on shipping rates, which may not sound exciting but it excites me. It's a significant story because it raises questions such as whether China is going to honor contracts in the way that we traditionally understand contracts should be honored. So, I try to gain enough of an understanding of that to be able to lead that story as an editor.

A lot of people – especially business people – find that the media has become too “black and white” and that it is rare to find coverage that has texture and nuance. Do you agree?

Yes, it is an issue. Too much of the media has an analog attitude in a digital age. They are monochromatic media and the complexity is neglected for the sake of impact. Now, that's been a problem with journalism through the ages, or with shoddy journalism through the ages. But now there are too many sources ... I mean, there are some brilliant blogs, absolutely brilliant blogs, where people are trying very hard to explain and extend the conversation in an intelligent way. But around those blogs is a lot of blog blather – it's not nuanced, it's nonsense. Yet, a story may launch a thousand blogs – about a country, or a company, or a person. So, you're not only dealing with an ill-informed piece in a certain newspaper, you're dealing with broader consequences in a digital age. And yes, I can understand that people are frustrated when the

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The *Journal's* “live in the know” advertising campaign, launched early in 2010, aims to convey the value that the *Journal's* content has for its readers, giving them “a deeper understanding of the facts and perspectives behind news and events.”

The work, created by advertising agency mcgarrybowen, was the first commissioned since the News Corporation takeover. Jim Richardson, head of the *Journal's* brand marketing, said the aim also was to encourage more women and younger readers to try the paper, in its traditional or various digital formats.

Thomson says the campaign is simply trying to reflect society and will attract readers “only as long as it's relevant to people. You can't fool anyone. In the end, it's the relevance that drives the relationship with content. And we are more relevant – more generally relevant rather than with any specific coverage we've targeted in one direction or another.”

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technological tide overwhelms them. For example, with China it's similar to the rise of Japan [in the 1980s and 1990s], and the almost xenophobic response to that country in some parts of the media in some parts of America. You're seeing similar strains when it comes to China. Then there's the neglect of important nations like Indonesia, which is almost bizarre in how under-reported it is. We have to ask, "Why are we so ignorant of these really significant macro trends, let alone how ill-informed we are about the texture of individual societies?"

**"THE WALL STREET JOURNAL
CAN BE SO MANY THINGS TO
SO MANY PEOPLE IN SO MANY
PLACES AND SO MANY
LANGUAGES"**

That's a challenge to us all because if we don't report those countries in a more coherent way, then we are really missing the most profound change in the world in the last couple of hundred years.

Do you feel there is a lack of trust of the media?

In the end, intelligent and well-informed readers will judge you by your performance. I'm sure we will make mistakes but those mistakes have to be few rather than many. Some media clearly have a rather lax attitude to facts and principle and they may think in the short term that sensationalism is useful. In the

long term, their reputation will suffer and they will struggle. You certainly see in the digital age that there's a sudden flaring of interest in a certain website, but then will it be enduring or will it flame out?

People constantly talk about the death of the newspaper. What do you see as the future of the newspaper industry?

It depends on the paper. When you look at the demise of a paper – *The Christian Science Monitor*, or in Detroit, or Seattle, the demise of other papers around the world – those papers collapsed but other print products are doing very well, relatively speaking. So how you navigate through this era depends very much on the leadership of individual institutions. It's certainly potentially treacherous. On the other hand, I think it's potentially an era of great opportunity. If you make the wrong decisions – if, for example, you're too deferential to what I would call the journalistic establishment rather than to your readers – then you'll have trouble, there's no doubt about that ... You can obviously see massive digital audiences for high-quality content, across borders and devices. How will they evolve? How flexible will they be? Will you be able to roll up a screen that's as sophisticated as the iPad screen is now? Will that trigger another wave of usage?

With the phone hacking scandal at News International, how have you handled that, in general and

editorially? Some people felt that the *Journal* didn't tackle it head on initially.

Look, of course our competitors will say, "Oh, the *Journal* is avoiding the story." We operate in a very competitive environment so they would say that. But honestly my guidance to people was just to report it on its merits and be straight about it and our readers will judge us accordingly. We've broken a couple of stories in that area. So, we have to be realistic and not report on it just to keep competitors happy. Given what's taken place in News International, anyone who's looked closely at what we have done in the last three and a half years or so, we've been absolutely principled. We don't target competitors with grubby stories in the way that competitors target us with grubby stories. If you did some serious content analysis, people would see that. But journalism should be principled, regardless of whether your competitor is the story or whether we're the story.

Finally, is this the most fun job you've had?

I love journalism. And when you're working for a news organization that has so much potential ... What you feel at the *Journal* and Dow Jones is potential, and it's exciting. When I think back to the first paper I worked for in

Melbourne, *The Herald*, it was always going to be *The Melbourne Herald*. The *Wall Street Journal* can be so many things to so many people in so many places and so many languages. ☺

