

CHANG DAE WHAN

Chairman, Maekyung Media Group, Republic of Korea

Good morning. I will build on the remarks made by the moderator in his introduction. The title of my presentation this morning is 'media in the digital ecosystem'. To introduce myself, I print about one million copies per day of a business newspaper and I own two broadcasting channels on a cable network. I also own an Internet service provider. My daily audience is therefore 10 to 15 million people. I face many problems in dealing with cyberspace. In summarising those problems, I come up with four words: change, challenge, choice and chance.

As the moderator just said, the speed of change is enormous. Your society is changing much faster than you think. The media's job is to provide a service that is instantaneous. If we look at an old picture taken in St Peter's Square of a crowd awaiting the result of a Papal conclave the scene is quite emotionless with only one person off to the side using a smart phone to take a picture. If we look at a more recent picture taken in 2013 in the same square when Pope Francis became Pope you might think that everyone is holding a candle, but they are actually all holding smart phones. In one case we see somebody holding a tablet PC. Lots of change is therefore happening in the media industry.

Jeff Bezos of Amazon recently purchased the *Washington Post* for USD 250 million. At a price that low I could even have made a bid to purchase that respected newspaper. A friend of mine talked to the Graham family to give them condolences on selling a business their family had operated for 136 years. Mr Graham told my friend he was quite happy to sell the newspaper but that the price was too low. Many newspapers, and news media in general, are owned by families, but these families are selling these businesses. The *Wall Street Journal* and the *Washington Post* have been sold and the *Boston Globe* and *Forbes Magazine* are up for sale. The Forbes family are tired of the magazine business. Bloomberg bought *Businessweek*, AOL bought the Huffington Post, an online news site founded by Arianna Huffington, and Yahoo bought Tumblr for USD 1.1 billion. These transactions symbolise the changing landscape of the media industry.

During the Arab Spring uprisings in Egypt and Tunisia the people involved in those revolutions did not look to CNN to come and broadcast what was happening. Instead, they relied on Twitter to spread word of these revolutions. Broadcasting is disappearing and Twitter is overtaking it. Newspapers and television might disappear. Bill Gates said that more than 15 years ago. When I heard him say that at Davos all those years ago I was very worried, but I am still here. I am not making billions of dollars like the younger ones, but I am still here. Look at the current trend of newspaper circulation. Circulation is dropping. Europe used to be the largest newspaper market, but this is changing. In terms of advertising revenue, the Asian markets are now as big as the United States with Europe a little bit smaller. Where has the money that used to be made by print media gone? It went to companies like Google, Facebook and Twitter. Publishers like me call them the enemies of newspapers.

Mark Zuckerberg of Facebook said that they want to give people the best personalised newspaper. In other words people will be provided with a newspaper customised to their taste that presents them only with the type of content they want to read. Here again we see the younger generation making lots of money. Google dominates the Internet world. This could be a problem as Google sometimes monopolises the market with a market share of 70% to 80%. AT&T was broken up in the United States as it was seen as a monopoly. Breaking up Google could be an answer or Google could be left to become bigger and bigger and more prosperous. We do not know the answer yet. However, one thing Google is clear about is that news should be free. This point of view is hated by most publishers around the world.

We are also concerned about the quality of journalism. Many of you will remember that Superman was a journalist. He was a newspaper reporter, but even Superman cannot easily save newspapers these days. Who is going to provide checks and balances to unrestrained power. This will be the great challenge for the Internet society.



I now move on to the topic of choice. By choice I meant business opportunities for print media. There are many ideas for how we can cope with the new business media environment. The first idea is monetisation. Why should people not pay anything to us? I have about 600 journalists working for me. They work day and night. They are extremely determined to serve their country. Why should the content they provide be free? I disagree with the notion of giving free content to everyone. In the United States about 48% of publishers have a paid content model. Many newspapers are talking about becoming mobile. The Fox News newsroom is trying to integrate print, online services and mobile services. Their screen is much bigger than your small iPad. I am also trying to integrate my newspapers, two television channels, Internet service and mobile service. However, I have learned that people have different skills. Print journalists cannot easily become television journalists or mobile journalists. We journalists therefore have a limited capacity and can only do one thing at a time.

We are moving towards the Big Data society. There is a cartoon showing that newsrooms might have what marketers want. The *New York Times* is retargeting their services. They closely track visitors to their website for their marketing services. A real time bidding system is one example of what can be done. We all know that Google is developing new services. An example of this is Google Glass, which could be used to report from a crime scene in real time online to a newsroom. Some of you may have bought the Samsung Galaxy Gear which comes with a wristwatch. These new media devices have the potential to be killer applications.

Robots will appear. I am interested in computer-driven journalism. Can I save on the costs of hiring a person? Can I have my computer write articles? It is near. We have drones over the Middle East fighting terrorists. I believe there will be drones equipped with cameras at the next Papal conclave. I tried to use drones in this way in Korea, but I learned that I could not do so in the city because of the military situation with North Korea. I could, however, perhaps use drone journalism outside of the city.

The *New York Times* won the Pulitzer Prize for using multimedia journalism. It was nothing new. It was a mix of video, data, photos and infographics that combined to come up with a finished article. People involved in print media are not just sitting ducks. We are looking for chances and business opportunities. Jeff Bezos talks about the future of newspaper publishing. Many newspaper publishers wondered why Bezos purchased the *Washington Post*. What is his big idea for the next stage? Bezos likes to have a very personal media. We are watching him closely to see what his new business profit model will be in the future.

I know everyone is interested in social network news, but analysis has shown that 95% of information on Twitter is noise. People want verified articles with accuracy and authority. We do not like rumours. We want to have authoritative news coming from major news companies. Authenticity and sincerity are what we want from cyberspace.

What about digital dimension? I know you are sitting here and have your smart phones connected to your offices, giving orders to your secretaries and listening to music. You are using multimedia and multitasking. You are exposed to digital dimension. Newspapers will filter out rumours coming out of these new devices. I am therefore somewhat optimistic that good newspapers will survive into the future and continuously look for business opportunities. Media is communication and it will last as long as mankind exists.

Regarding the future of media, newspapers must make money to service good journalism. Monetisation is going to be the biggest problem facing most newspapers. We have technology disruption coming in the form of mobile, social and Big Data. How are we going to adapt to these new technologies? Human values are important. People make great journalists. After all, journalists are human beings with good ideas. Newspapers will be able to innovate using the ideas I have put forward today.

People from Google came to see me last week. I do not like the people from Google. As I told you, they are the enemies of newspapers. However, they want to coexist with print media. They suggested a Google application, Google docs, cloud service and Google Hangout. In five years we may not have to gather here in Monaco. We could just have a conference via Google Hangout. Lots of money could be saved in that way. New services include Snapchat, which was mentioned earlier, Flipboard and Evernote, which is a private search engine which may become your external brain. Your brain has limited capacity, but by using the cloud service everywhere your brain capacity expands immensely. 75 million users are already using Evernote.



Eric Schmidt of Google visits Korea once a year to snoop around and make sure that Google is still number one and that Samsung is still behind. He said that about two billion people around the globe currently have Internet access. His mission is to expand that to five billion people. I only have an audience of about 15 million people and Google is talking about five billion people. We are living in the Internet of everything. The Internet of everything society is a network of smart devices that communicate with each other with little human intervention to data centres where there are products and new devices. I think there will be no privacy and no humanity. Interactions will be machine to machine. Society might prevail. Driverless cars are already on the road. They have been testing these cars for several years now. We must be prepared for an end-to-end and machine-to-machine society. Good luck. Thank you.