

Center for Strategic and International Studies

**Bob Schieffer's "About the News" with H. Andrew Schwartz
Podcast**

**Subject: "Vox Media CEO Jim Bankoff and the Supersonic Digital
Media Revolution"**

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(Music plays.)

BOB SCHIEFFER: I'm Bob Schieffer.

H. ANDREW SCHWARTZ: And I'm Andrew Schwartz.

MR. SCHIEFFER: And these are conversations about the news. We are in the midst of a communications revolution. We have access to more information than any people in history. But are we more informed, or just overwhelmed by so much information we can't process it?

MR. SCHWARTZ: These conversations are a year-long collaboration of the Bob Schieffer College of Communication at Texas Christian University and the Center for Strategic and International Studies in Washington.

(Music plays.)

MR. SCHIEFFER: Today we have with us Jim Bankoff, the CEO of the highly popular digital media company Vox Media. Before joining Vox, Jim was the executive VP of programming and products at AOL, where he had popular websites such as MapQuest and Moviefone. He also cofounded TMZ.com and oversaw AOL's instant messaging service, A-I-M, AIM. While at AOL in 2006, he won the first Emmy ever honoring a digital program, for his role as executive producer of Live 8 Concerts online. Since joining VOX in 2009 he has overseen its growth to 170 million unique monthly visitors, 785 million monthly content viewers, eight media brands – such as SB Nation, The Verge, and Recode, with two in three users on mobile devices.

It is great to have you with here, Jim. So, you're kind of a veteran of this digital media world. Take us through your career. How did you get started? And how did you wind up where you are?

JIM BANKOFF: Well, at the very beginning I was – you know, I'll just say I was an only child. And this is only relevant insofar as I had a lot of extra time on my hands, and I probably was, like, a more frequent media consumer than a lot of the kids I grew up with. And so when it came time to actually, like, do something with my life, that was the first thing I thought of, probably. And so I kind of had a natural inkling to want to do it. I moved out – we're in Washington, D.C. right now. I moved here out of school. When I was in school I interned at CNN. And it was a great awakening for me. I happened to be there right as the first Gulf War was beginning. And of course, that was a great time for CNN.

MR. SCHIEFFER: It was really the beginning of CNN, really. First time anybody took them seriously.

MR. BANKOFF: Absolutely.

MR. SCHIEFFER: Up until that time, they were called the Chicken Noodle Network.

MR. BANKOFF: That's right. Ted Turner.

MR. SCHIEFFER: And, boy, did we learn that that wasn't the case.

MR. BANKOFF: Yeah, absolutely. I was down in Atlanta. It was an exciting time. Of course, I was just running tapes and getting coffee, but I was in the middle of it all. And I got the bug there.

Long story, I wanted to make a switch into the more management side of things, and I was a liberal arts guy. I didn't really have that much experience. I came to D.C., I took another internship working with Nina Totenberg and Paul Duke. And again, it was kind of like just great timing. I was an intern during a Supreme Court hearing in the Senate. And it was normal stuff. And then one day this woman named Anita Hill emerged and everything was thrown into chaos. And again, I was – kind of serendipity, right place right time – and got to see how a news organization and how journalists reacted in a time of great story opportunity.

And so I went back to business school, though, to get the – more the media management side. And right around then it was 1996, '95. And it was the emergence of the internet. And I was really taken, fascinated by it. I remember seeing the first webpage load in my Mosaic browser when I was in my school library. And I was just thinking myself, gosh, you know, this has enormous potential. And was fortunate enough to get an internship with AOL. And that's how I got into this whole internet thing. A guy who works down the street from us here in D.C., named Ted Leonsis, hired me to be his intern. That was another great experience. Just another great act of serendipity to be – have a front-row seat as that service was growing and as the web was developing.

So a lot of good timing, is the answer to the question. And I built my career through AOL, never sending out the disks in the mailbox, but always focusing on the services that one used when they accessed online. And whether that was news and information, or you read off some of them in your introduction, the various applications that AOL put in front of their audience to get them more engaged, that was my area. And toward the end of my tenure there, AOL was trying to become more of a media company, less of an ISP company. And I was put in charge of that business.

And long story short, one of the things that we embraced was what I'd call professional blogging, meaning using the tools and the platforms of blogging, but hiring talent that may have had a journalistic or pundit background to really take advantage of this new medium and build new brands for a new set of audiences around it. I then decided while I had a great career at AOL, I wanted to move onto something a little more entrepreneurial. Worked with some investors over at Providence Equity. Helped them start Hulu, which has become a great service.

But then really went from managing I think close to 2,000 people at AOL, to joining this two-person startup here in Washington, D.C., focused on sports. I really loved what they were up to. At the time I joined, though, it was probably more of a hobby than a business. And helped grow it into a business. Started out in sports, grew really big in sports. Fast-forward

today, we're now in eight different categories, with a really big audience. And that's the background. (Laughs.)

MR. SCHIEFFER: So that's Vox. That's what –

MR. BANKOFF: That's Vox. That's Vox Media. That's right. And Vox Media, as you mentioned in your introduction, is a portfolio of eight different media brands. They operate in different big verticals, whether it's sports or news or home or food. Not too dissimilar from if you were to go into a newsstand and you see magazines of different categories, big categories, or if you turn on your cable dial and flip through and see sports and news and home and food. And you know, we cover all those big consumer categories that people care about and are passionate about. We have our roots in digital, but really we're not necessarily confined to digital. We just started at a time when it made sense to start in digital. But we're there to tell stories and attract audiences in relevant ways, no matter where they are.

MR. SCHIEFFER: Let's bring in Andrew.

MR. SCHWARTZ: Thank you, Bob. And, Jim, thanks for being here. What's your company's general approach to journalism and content in this era of paying so much attention to user experience?

MR. BANKOFF: Well, for us it starts with talent and voice. We named the company Vox for a reason, you know, and the voices of the professionals that we hire to report or to give opinion. It started off – I'll go back to our sports roots. The gentleman who started the first blog, the first – you know, really started our company, his name is Tyler Bleszinski. And he was an Oakland A's fan, living in the Bay area. And if you know anything about that team – you know, and first of all, not that many people care about that team nationally. But even in the Bay area, you have the San Francisco Giants, who even if you're a baseball fan in the Bay area, as an A's fan, you feel like a second-class citizen. The Chron and the other – Examiner, these organizations would give it the shorter shrift.

And he got fed up with that. And it was right at a time where he could actually do something about it. And he decided to start a blog. And it happened to coincide with the emergence of Moneyball and Billy Beane. And he chronicled that phenomenon. He got access to the team because he was really the only one who put in the time. He knew his stuff really well. He was a former journalist. And he knew how to become an expert on a topic. But he took a different take on it, which was I can be informed but I can also be passionate about my topic.

And since it was sports, he was able to actually celebrate the fact that he had bias. He was a fan of the team. It didn't mean that he was going to blindly support the team. In fact, he could be as, many fans are, the most critical arbiters of the team. But he took a different approach than his colleagues in the newspapers were doing, or elsewhere. And as a result, he grew something big. He also knew how to use this medium. As opposed to just being a columnist or just being a radio sports host, he was able to use the technology at his disposal, plus his subject matter expert, plus, in his case, wit and analytics. Baseball lends itself to statistical

analysis, which the newspapers and the other media outlets really weren't buying into at that time. And so he had a different approach. That was the voice.

Now, fast-forward, to answer your question, whether it's Walt Mossberg, who you've interviewed on this show; whether it's Kara Swisher, his partner; whether it's Ezra Klein, who runs our Vox.com brand; or the hundreds of people like them throughout our properties, they all have the same things in common as our first Oakland A's blogger. They are subject matter experts who are trained and understand their topics, and understand the sources around their topics. But they also understand how to grow audience and how to appeal to audience. They also have a voice that is unique and differentiated, that can gain an audience, so they're not just doing the same stuff that you can get elsewhere. They know how to do it in a unique way.

And that's really been the biggest key to our success. Now, we pile on top of that a healthy dose of technology, a healthy dose of understanding how to use data, so that when our talented people create something that is relevant, they can find the appropriate audiences and make sure that that content that they create garners as big an audience as possible. That's where the technology and the data comes in. Design is also a big part of it. We want it to look good. We want it to feel good. We want it to load quickly on your phones. We want it to be a great experience. So the workflow behind the technology, the design, the data all contribute. But it starts with talent. And it starts with producing something that is relevant.

MR. SCHIEFFER: Let me ask you this question, because it is a question, I think, that all of the newspapers across the country are trying to answer. And it's how do you find a business model to support a fairly large news organization, which is what it takes in our traditional newspapers? And while so many of them, like The Washington Post and The New York Times are now getting considerable revenue off their digital product, no newspaper that I know of yet has managed to make more off digital than they do off the ads they sell in their paper newspapers. Even Politico, I believe, which is a digital service, still makes more, I think, off their paper product, their magazines that they put out, than they do off digital. What's the business model? How is it that you've been so successful?

MR. BANKOFF: Well, one of the ways to answer that question is we didn't have a choice. We didn't have a newspaper that was making gobs of money or a TV station. You know, at the time that would seem to be a disadvantage. I joke around, I have a lot of friends who run media companies. And I say, I don't have that problem of all that cash flow that you have – (laughs) – which can become something that you have to wind up protection, as opposed to something that you can attempt to – you want to disrupt, right?

So that has now become our advantage in that we can wake up every morning and think forward about the future, as opposed to thinking about protecting something. We can move with alacrity where others might be stymied because they have to think about something that might be declining for a good part of their day. So it starts off with having the freedom and the ability to move quickly and to change and to embrace new models. And in fact, culturally our team – one thing I always try to repeat with our team is we have to be an organization that thrives on change, that can move quickly and change quickly and adapt quickly, because that's our biggest advantage.

MR. SCHIEFFER: Well, do you sell subscriptions? Do you sell advertising? How does it work?

MR. BANKOFF: Yeah, so to get specific about the business model – I was a little philosophical there – but to get specific about our business model, is we are primarily an advertising-based business. But we don't just sell advertising space the way a TV station or a newspaper would, or a magazine. We leverage our capabilities as a content company to work with the marketing company and say: This technology, this data infrastructure, this storytelling skill that we have is something that we can put to work for you.

Now, we don't have our editors and our writers – you know, it's not the same people. But it's the same capabilities, and then dedicated people so that we don't have any conflict of interest on the editorial side. But the capability of storytelling is something that these marketers have to figure out, just as the media companies have to figure it out. If you're X, Y, Z car company or packaged goods company, your audience has shifted online. And the traditional means that you have of building your brand by producing a beautiful TV commercial or beautiful magazine layout, that's changing because those audiences are just not there the way they used to be.

So we can go in and work with them both on a consultative basis, but also sell the media too to pair with the capabilities so that they can be successful in creating their own audiences in their own communities through the power of storytelling. And that's been a successful business for us. We have a unit of our company called Vox creative that works to make marketers into programmers, in a sense, or storytellers, and to do so and have great results for them.

So it's more than just selling the spots. I think that's the tougher part for companies because you have these big players now – like Google and Facebook and others that are really taking a lot of that share. And technology has served to kind of commoditize the media market in that sense. You can literally go onto trading exchanges and buy and sell internet ads the way that you would sell any other commodity. That's not a business that we want to be in, that we – I think that's a tough business if you want to support journalism and if you want to support quality content. So our model is working for us.

Now, we also have other business lines too. We have a big conference business. I think Mr. Mossberg talked to you about that. We have – we are able to take our intellectual property and create other media products out of that, whether that's television shows – we have a unit that takes our intellectual property and does that. I think the lesson that we found – and again, to be a little more philosophical about it – is if you create quality media brands and you create capabilities, there are different ways to extend that into commercial success. And that's what we attempt to do.

MR. SCHIEFFER: How many people work for you?

MR. BANKOFF: We have about 750-or-so full-time employees scattered between Washington, D.C., New York, LA, San Francisco, Chicago, Austin, and other places too.

MR. SCHIEFFER: Wow. Andrew?

MR. SCHWARTZ: Yeah, it's really interesting. Before, Jim, you were talking about SB Nation, sports, of course. Your other vertical is Eater, very successful when it comes to food. Vox, everyone in Washington who really cares about public affairs is looking at Vox as, you know, maybe the next wave of what journalism will be. All of these have something in common, though. How important is social media to these properties?

MR. BANKOFF: I'd say extraordinarily important. They do all have that in common. And we have grown our audiences through the means that are available to us, and the means that make the most sense. What's really exciting is, as I've seen the waves of media unfolding—and going back, I grew up in an era where you had to have some sort of monopoly to produce a meaningful media product. You either had to have a broadcast license or a local radio tower which was – you had to get that license and a big cost to put that up. Or you had to invest in a printing press and physical trucks and distribution. You know, so it was closed off to everyone.

And then in the first wave of the internet, in theory you could do it yourself, but like not really. It cost millions of dollars to invest in a website back then. And even when you – if you can get that money together, it doesn't mean anyone would look at your website, because they had no way of finding it, unless you were already an established media brand and they thought to type in your URL into their browser, or they saw you on AOL. And by the way, companies would pay us so that they would get noticed – media companies would pay us.

Now, Google came along and they really made it such that as a consumer I could just seek out whatever it was I cared about. I could seek it out on a more topical basis. And then social, is your question, came along. And then things really exploded because it was around sharing, and sharing what was relevant to me. And that's when it really did level the playing field more for new enterprises, like ours, to grow, because we can grow on a different kind of merit that was earned in a different way than just being an incumbent.

And as we grew, we built up our own strengths, that make it harder for the smaller guys to come up. They have to build it up too. But what I like about this era is that if you have a quality product and if you're committed to it, you can achieve something and you can build an audience.

MR. SCHWARTZ: Yeah, it's interesting. That great Rolling Stone editor, David Fricke, always said, you know, it used to be that you needed a record company, you needed a recording studio, you needed all the things that you had mentioned. But nowadays, you know, if the music's any good it's going to get heard by somebody. If the content's any good, it's going to get viewed by somebody. Now, TV and traditional TV, cable networks, they want what you have. How's that happened?

MR. BANKOFF: Well, some of it is just demographic shifts too. So different media – as different media platforms have emerged, I feel as though new brands have emerged to attract new audiences and new generations. So obviously the newspaper brands were different than the

magazine brands which were different than the cable news – or cable brands, you know, Sports Illustrated, ESPN, different for a reason, I think. As we head into this era of digital, again, new brands are being created, but, like, a lot of the existing brands have been very successful in terms of building audience too. But really a new wave of brands have emerged like ours.

Those brands tend to have a younger audience demographic, in part not because we necessarily seek it out, but because younger audiences are growing up natively with these technologies and these platforms. And so they tend to skew more in this way. And we build brands that really speak to these audiences on these platforms the way that they were meant to be used.

And so to kind of distinguish us from, you know, cable, which I think the average age is 60 or so – the cable news networks. I believe – you know, you look at Fox, I think they actually – maybe 68, maybe 70. And that's average. And so you look at a brand like Vox, which is a native brand – and again, we're not programming to young or old people. We're just programming to – you know, we're telling the stories we think are relevant. But the platform is younger, the brand is new. And as a result, we have a younger audience.

Now, it's an adult audience. It's a young adult audience on average. There are old people or young people that average that out. But it has a new kind of vibrancy to it as a result. We use this medium in different ways. We're able to tell stories, whether they're visually—we do things in video. We do things in text. We do things in audio. And we can really take advantage of this medium in a new way. So it's a new kind of creative product too.

MR. SCHWARTZ: A lot of your audience, though, is what we call cord nevers. They're not even cord cutters. They're cord nevers. And they're used to getting content for free. How does that figure into your business model?

MR. BANKOFF: I think it's – well, you know, I mentioned briefly how we make money. And so it's great for us to have a bigger audience. And not charging is a great way to get a bigger audience. Of course, it has to be a sustainable business. And thankfully ours is. You know, we're profitable. And that's important to us, because we – as it should be when you're running a business. But it's – you know, it's – we are also at a stage in our company where we're aggressively investing in growth. So we could be more profitable if we didn't want to invest so aggressively. But our investors and our company, our employees, our mindset is that we want to take advantage of this opportunity and grow as much as possible. So we believe in – you know, we believe in this opportunity. And we're doing everything that we can to be aggressive about it.

MR. SCHIEFFER: Talk a little bit about what you see your company's role in covering this campaign. Where do you come from on this? What part of it do you focus in on?

MR. BANKOFF: So eight different brands, each covering different categories. The ones where the election are most relevant are, obviously, first and foremost, Vox, which Andrew just mentioned. And Vox has a mission – Vox was founded by Ezra Klein, Melissa Bell, Matt Yglesias, to – whom came over from The Washington Post. Matt came over from Slate, most

recently. And they came with a really fully-formed notion that – and, Bob, I think this kind of talks to a theme of this podcast, which is there's a lot of information out there, and there probably isn't as much context. And reporting is critical to provide that context.

There's different kinds of reporting, right? There's reporting on primary source material, breaking a big scoop or a news story, going to a war zone, going on the bus—or the plane, I suppose it is, with the election with the candidates. But there's also the kind of reporting that helps illuminate understanding on more complex issues. And that's what Vox really specializes in. Vox has a tagline that says: Explain the news. And so to answer your question with regard to this election cycle, Vox covers a lot of things of course, not just politics – foreign policy, culture, science, a lot of things. But, and with a particular emphasis on policy, probably, over politics.

So I think Vox has been really critical. And the success that you spoke of is generated from our ability to help our audience understand complex topics, and do it particularly well in formats that have emerged in digital, whether its podcasts, you know, whether it's Facebook, whether it's YouTube, or other kinds of ways of modern storytelling. But the subject matters are generally – really, either serious and/or important. But and the work is very deep. I mean, they will talk to experts on their field. They will talk to primary source people so that they can then distill that information.

And I think in an era of so much coming at us that where I – you know, I live in Washington, D.C. I have the privilege of having a lot of well-educated friends that I see on the – on the sidelines of the baseball games with our children or at a dinner party of wherever. And I'll tell you, even here in Washington, D.C., where we have a very – you know, a very – we're in the bubble, and we have an informed group of people here. we can't keep up on every topic in the news. And to say that you are, is probably not, you know, accurate. And let alone the rest of America, who are busy working, busy raising families, equally concerned with the issues of the day but how can you take all this information that's coming at them in bits and pieces and provide them a place where they can quickly and accurately get context on it?

MR. SCHIEFFER: What do you make of this campaign here? I mean, I think most of us would say we've never seen a campaign like this, but it also seems to me – and I think – I think attitudes, impressions and all of that always play a part in campaigns. But so many times we're seeing this year that people sometimes seem more interested in attitude than they are in facts, in the issues. I mean, I've been to Trump rallies. And you go out and you ask people out in the audience, why are you here? Why are you for Donald Trump? And they will say: I like it because he speaks his mind. And you come away thinking, they're not so worried about specifics. They just like it that he's, in their mind, telling it like they think it is. Sometimes I don't know what to make of all this.

MR. BANKOFF: (Laughs.) Well, you and me both. You and me both. (Laughter.) And you know, I have my own opinions. I think those are probably less relevant, and probably my opinions are formed a lot by this – the people who are smarter than me, who are looking at these issues from our team out in Vox. You know, but I agree with you. It's unlike no other season. You know, and I think even for our people – you know, we do a lot of serious work

across our company, not only at Vox.

I mean, just yesterday I think our – we have a brand called Racked, R-A-C-K-E-D, which is focused on shopping, on style. But they do some serious work around that too. And they did a feature about how Donald Trump's line of ties were manufactured in China. They actually traced through a pretty opaque supply chain to the manufacturers in China, went and visited and talked to everyone involved in it, and gave some real, like, facts behind all this bluster that you hear.

And so, you know, just to bring it back to reporting information, I think there's actually a lot of outstanding reporting being done. But I agree that that might not always be where the consumer appetite is. And –

MR. SCHIEFFER: Do you think the American people are more informed now than they have ever been or are they so overwhelmed with information they simply can't process it?

MR. BANKOFF: You know, the answer to that might be yes – (laughs) – as in, you know, both are issues. You know, I think we're living through a structural change. You know, the business models are changing, as we talked about. The creative models are changing. And the good news is that there's more information than ever before. I sincerely – I think unequivocally think that that's a good thing for an informed citizenry.

The tough part is, as we go through this era of disruption, as new brands and new sources are being built, as there's changes and disruption, journalists are shifting their work from one place to another, there's this period where we have to find our new norm. And we have to – you know, as a – as a news consumer, there is more of a burden placed on us, the individual, to figure out who we can trust, and where the right kind of information is. The good news is there's more options than ever. The bad news is, we have to go through this adjustment period of understanding how to use the information to inform us.

MR. SCHWARTZ: Jim, one of the innovations that Vox has come up with to help better inform people, and help people get through the enormous amount of information and process the context, is something called Vox Sentences. I read Vox Sentences every day.

MR. BANKOFF: Thank you. Me too.

MR. SCHWARTZ: It's one of the quickest ways to get up on the news at the end of the day every day. How much innovation are you working on, on a daily basis, across these verticals, particularly with Vox, to keep doing that in order to help better inform people?

MR. BANKOFF: A lot, is the answer. We have a whole unit of the company called the storytelling studio that focuses on new ways to present information, whether it's visual or video podcasts, audio, et cetera. Sentences is one of my favorites too. And it really takes advantage of that newsletter format. A good framework for thinking about this is we're consuming more media than ever on our devices that are in our pockets. And those devices have certain applications.

One of the applications, probably the most popular application, is email. So what you're describing with Vox Sentences, everyone should go subscribe, is our email newsletter. But it's really – when you think about it, it is a mobile application, because we're checking our phones, we hit our email. And on our phones we read that newsletter. And that newsletters succeeds because it knows the context in which it's speaking with is audience. Very different context than when you turn on your TV at home or when you browse through a magazine.

Another phone applications is audio, podcasts, where we are today, right? So this is – this is enabled by the emergence of this mobile platform. Facebook is yet another. YouTube is yet another. We carry around monitors in our pockets with high-speed connections to data. So all these storytelling devices are derived from the shift over to mobile. And it's our job to figure out how to tell the best and most engaging stories, what the formats are. Again, that's done through talent and data and understanding.

MR. SCHIEFFER: Well, Jim Bankoff, we want to thank you, because you've figured out a lot.

MR. BANKOFF: (Laughs.) It's an ongoing process.

MR. SCHIEFFER: And you have become – you have become a very important part of how people get the news. So thank you very much.

MR. BANKOFF: It's been an honor. Thank your having me.

MR. SCHIEFFER: For Andrew Schwartz, this is Bob Schieffer.

MR. SCHWARTZ: But that's not all, Bob. At the top of this podcast we gave you just a tease of the great music from my friend Aaron Neville's new record, Apache. Let's hear some more from Aaron Neville. I just know this record's going to win a Grammy.

(Music plays.)

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