

The Changing Newspaper Model: Where Are We Headed?



AMERICAN OPINION
RESEARCH

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The Changing Media Environment

2043

“...the country’s last printed newspaper
will land on a doorstep...”

- The Economist



The Changing Newspaper Model

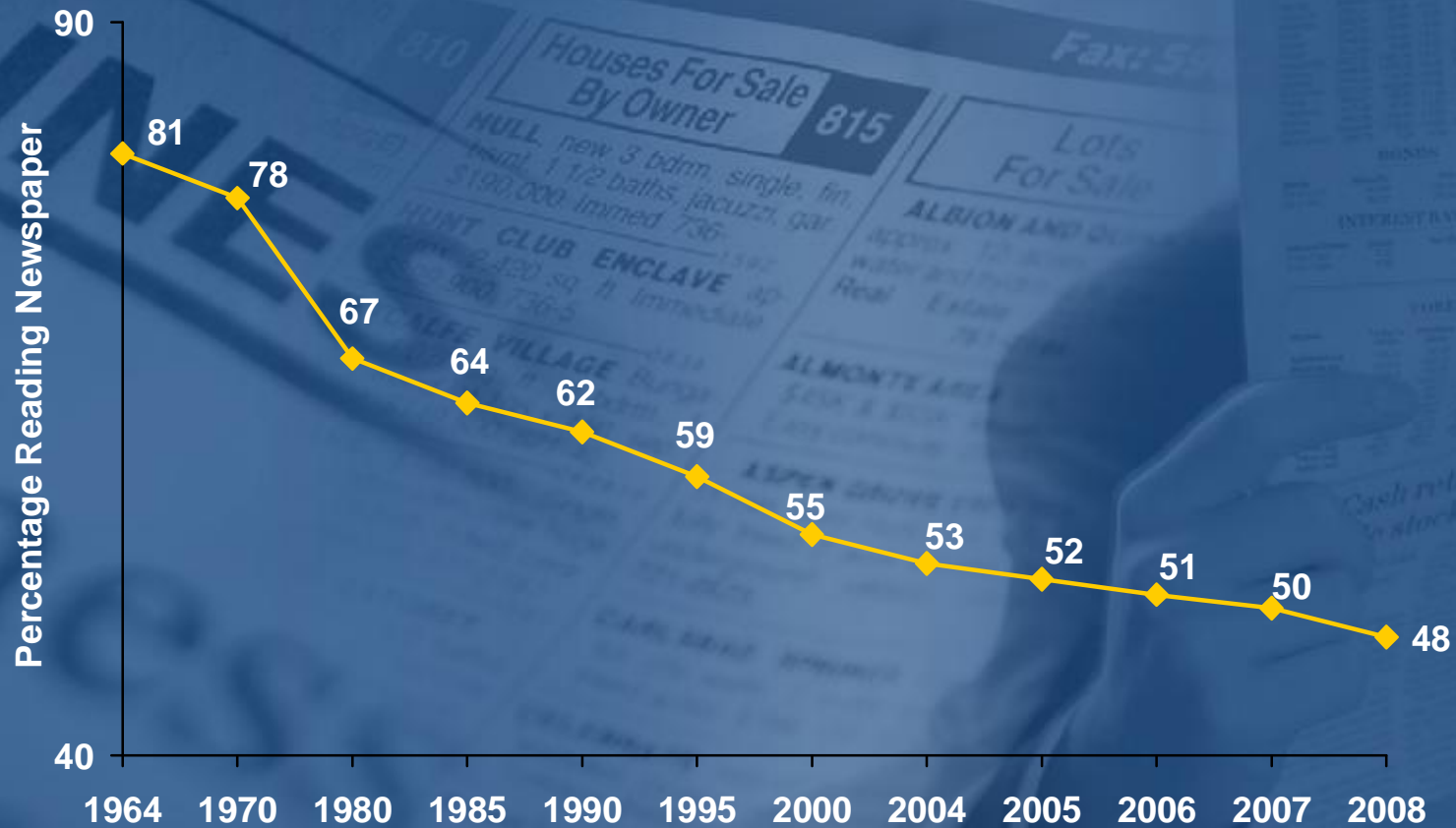
§ The ideas are based on:

- More than 500 media research studies
- About 400,000 interviews with readers, potential readers and non readers
- More than 150 focus groups and online forums
- Working with 150+ newspapers, magazines and other media



The Changing Media Environment

Readership Has Been Declining For Decades - But Is Now A "Crisis"



*Source: Newspaper Association of America



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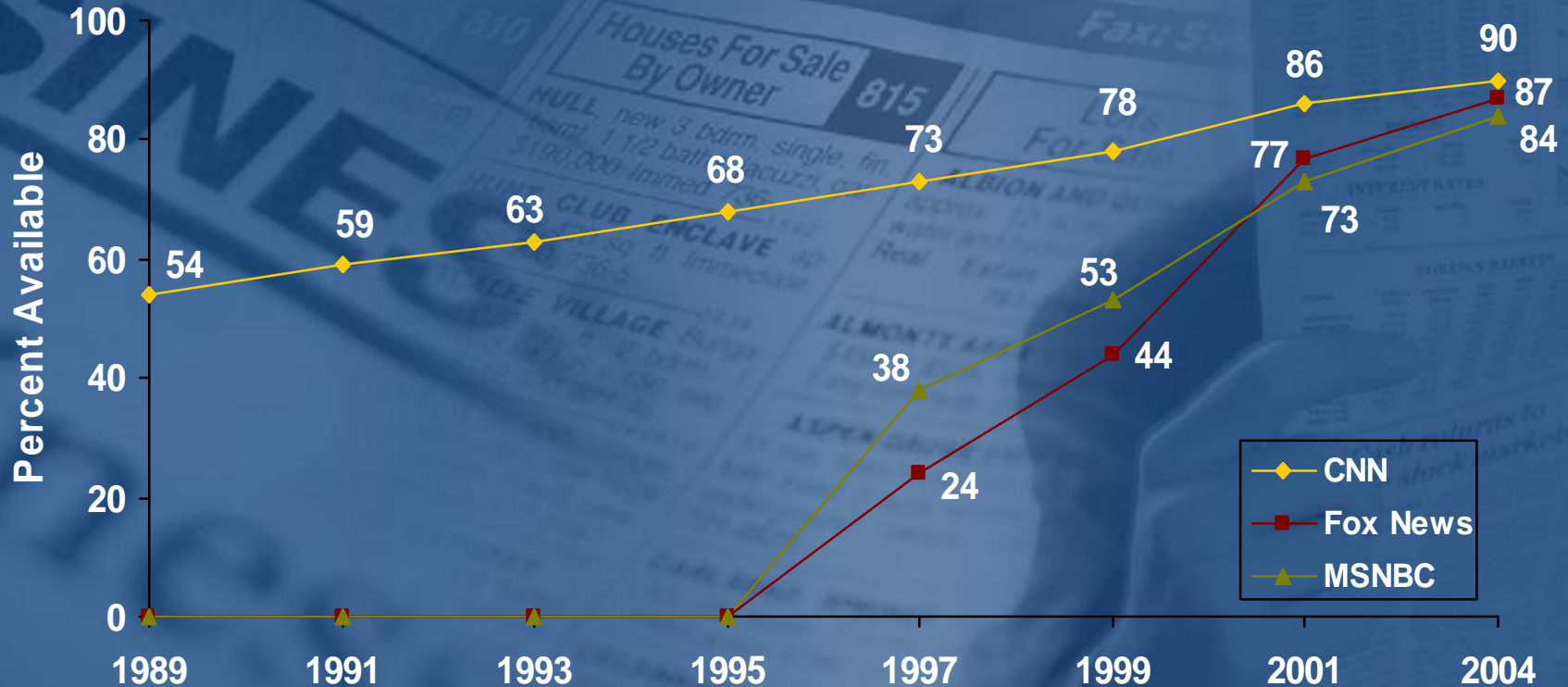
The Changing Media Environment

§ Newspaper executives failed to react quickly enough to the evolving media environment.



Rethinking The Changing Media Environment

Availability Of Cable News Channels Increasing



*Source: Kagan Research



The Changing Media Environment

"Average Day" Online Usage Increasing



*Source: Pew Research Center for The People and The Press (2004)



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Competition Is Growing In All Areas

	<u>Number of:</u>	
	<u>1980s</u>	<u>2005</u>
Number of Commercial TV Stations	700	1,345
Average Number of Channels Available per TV Household	10	120
Three-Network Primetime Household Share	75%	33%
Number of Radio Stations	8,748	14,000
Number of Consumer Magazines	1,500	5,400

Source:Fielding and Bahary, Starcom



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The Changing Newspaper Model
Where Are We Headed?

The Changing Media Environment

- § Newspaper executives failed to react quickly enough to the evolving media environment.
- § We were product focused, not audience driven.



Facts Of Life In Today's Media World

§ The mass market no longer exists



Facts Of Life In Today's Media World

- § The mass market no longer exists
- § Readers are the ones in command



Facts Of Life In Today's Media World

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- § Readers are the ones in command
- § The franchise for some of the news and information we offer is now owned by others



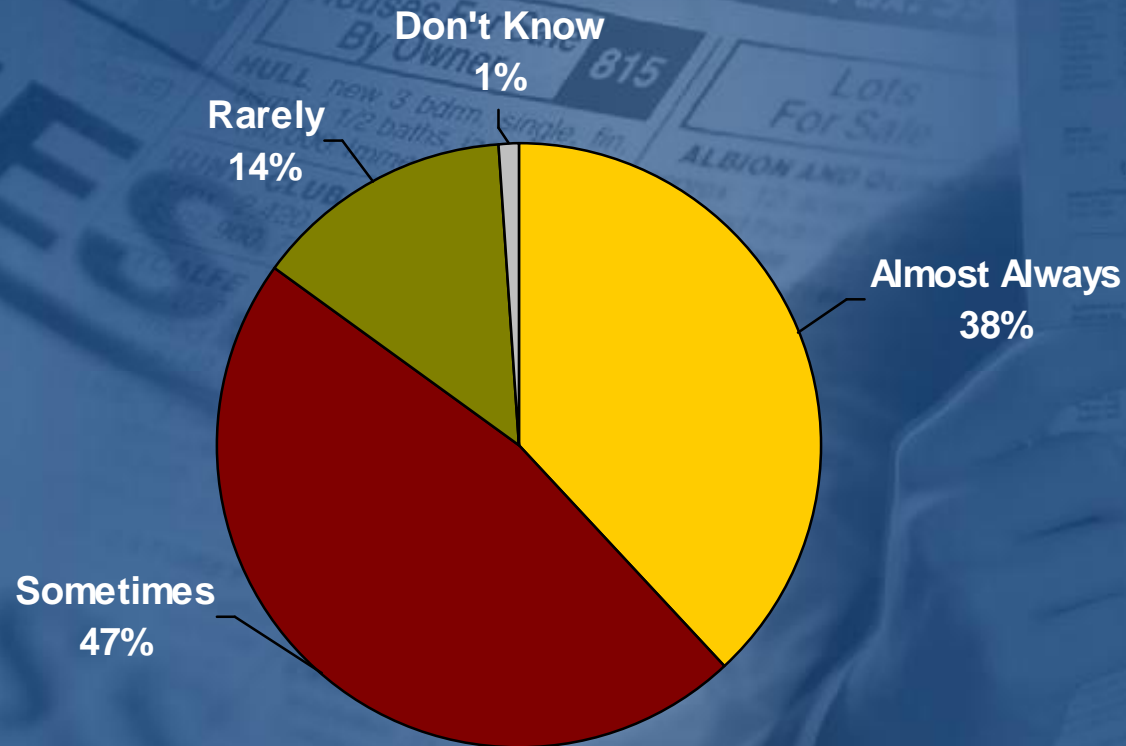
Facts Of Life In Today's Media World

- § The mass market no longer exists
- § Readers are the ones in command
- § The franchise for some of the news and information we offer is now owned by others
- § “Uniqueness” rules



Many Already Aware of Newspaper Stories

Thinking about front page stories in printed newspapers, how often have you already seen or heard about these stories in other media by the time you read them in the newspaper, almost always, sometimes or rarely?



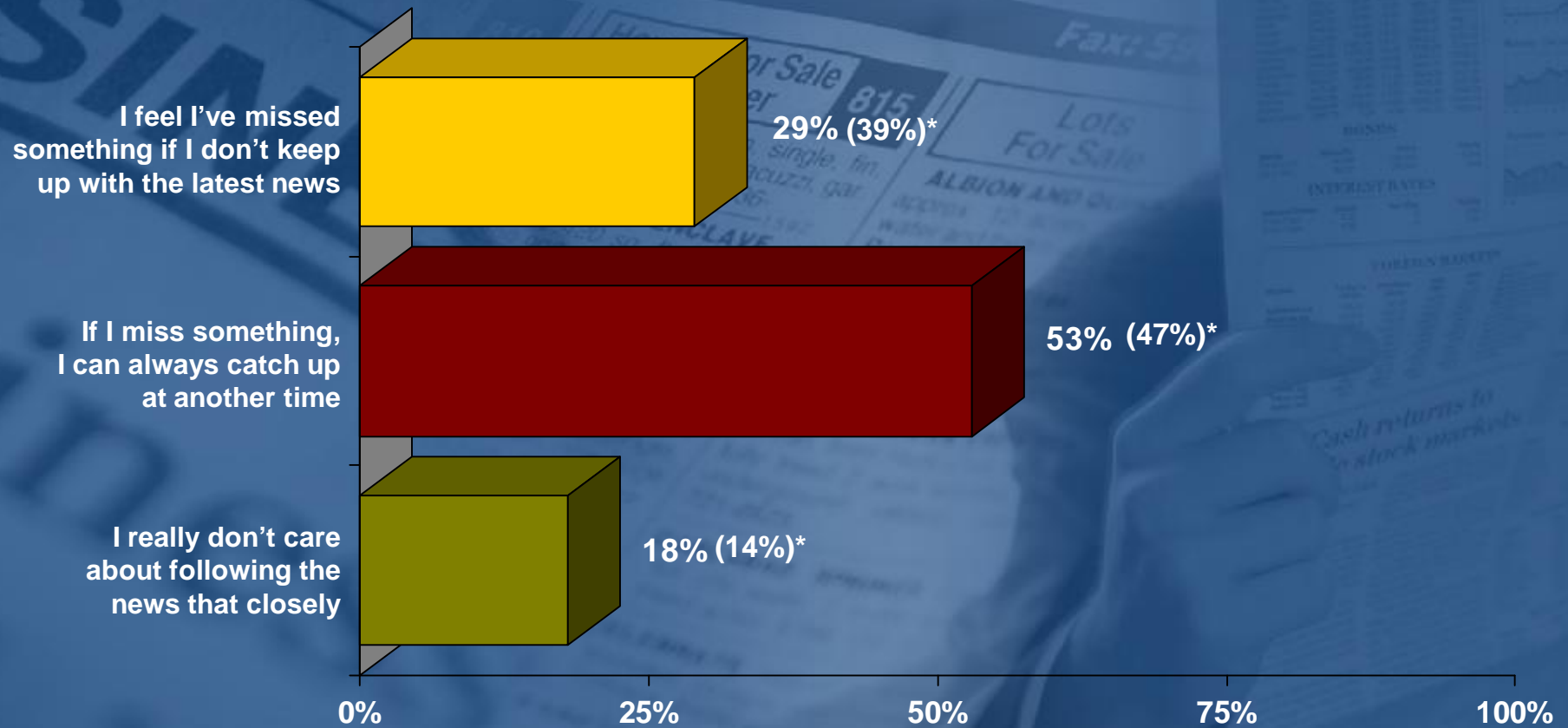
Facts Of Life In Today's Media World

- § The mass market no longer exists
- § Readers are the ones in command
- § The franchise for some of the news and information we offer is now owned by others
- § “Uniqueness” rules
- § Many of our customers are less interested in “news”



To Build Readership We Need To ~~Understand~~ Accept

Some of our customers are less interested in news

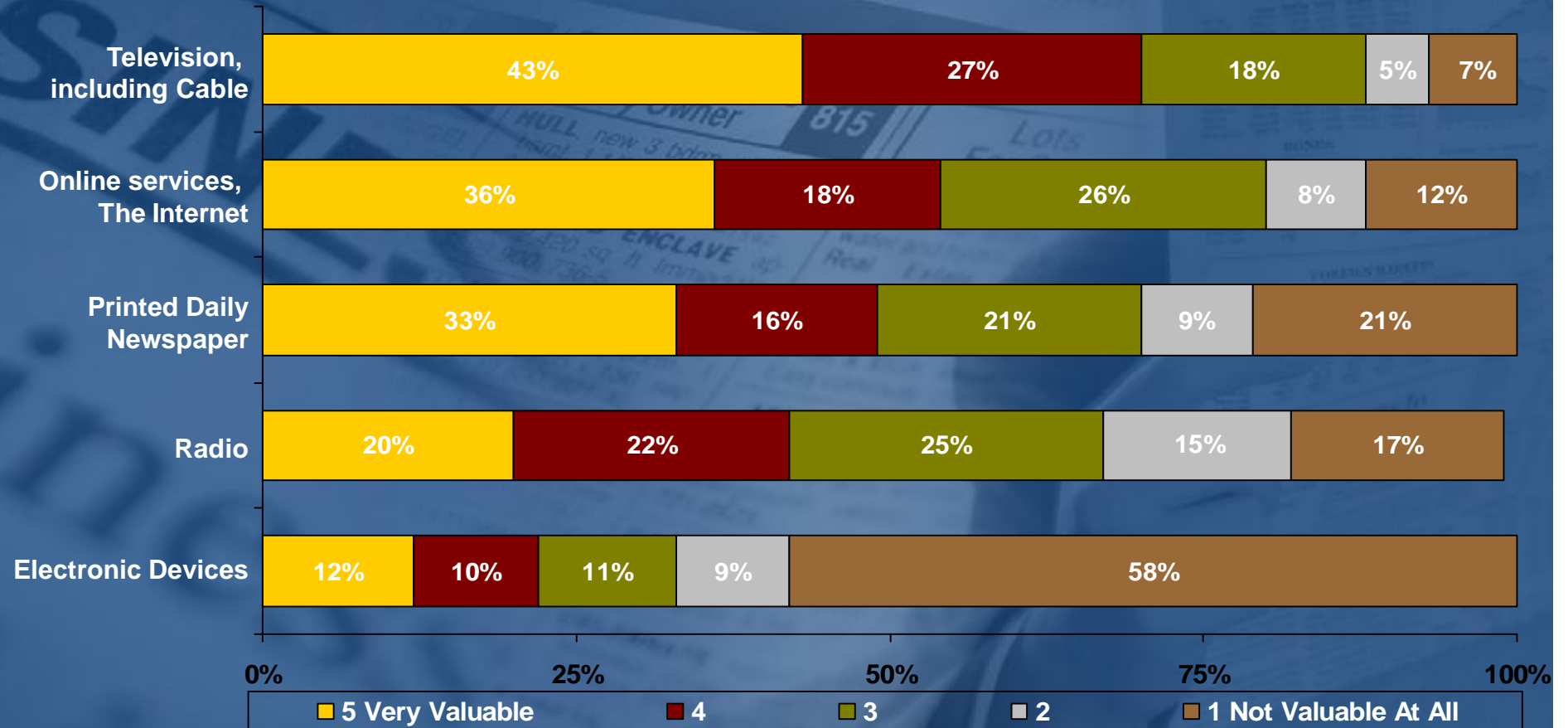


*(2005)



The Changing Media Environment

PERCENT RATING EACH A "VALUED" SOURCE OF NEWS INFORMATION



*(Ranking based on "5" or "4" responses)



The Changing Media Environment

§ Rethink Who We Are



The Changing Media Environment

- § Rethink Who We Are
- § Develop a wider portfolio of products



Paying For Online Content

§ The horse is out of the barn



Paying For Online Content

- § The horse is out of the barn
- § The free model doesn't generate enough revenue to make up losses



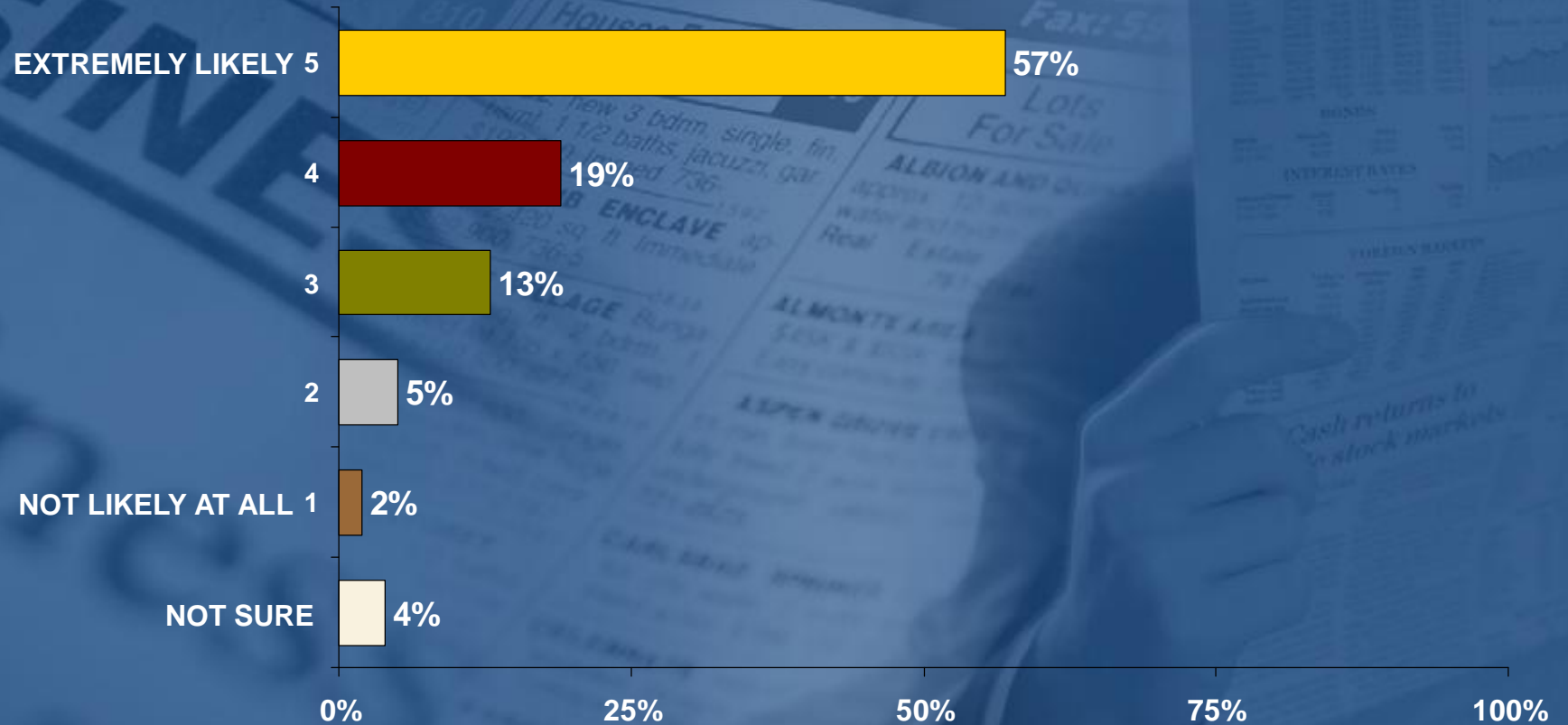
Paying For Online Content

- § The horse is out of the barn
- § The free model doesn't generate enough revenue to make up losses
- § The free content model won't sustain us!



Charging For Content

How likely is it that your newspaper will charge for some type of online content during the next five years?



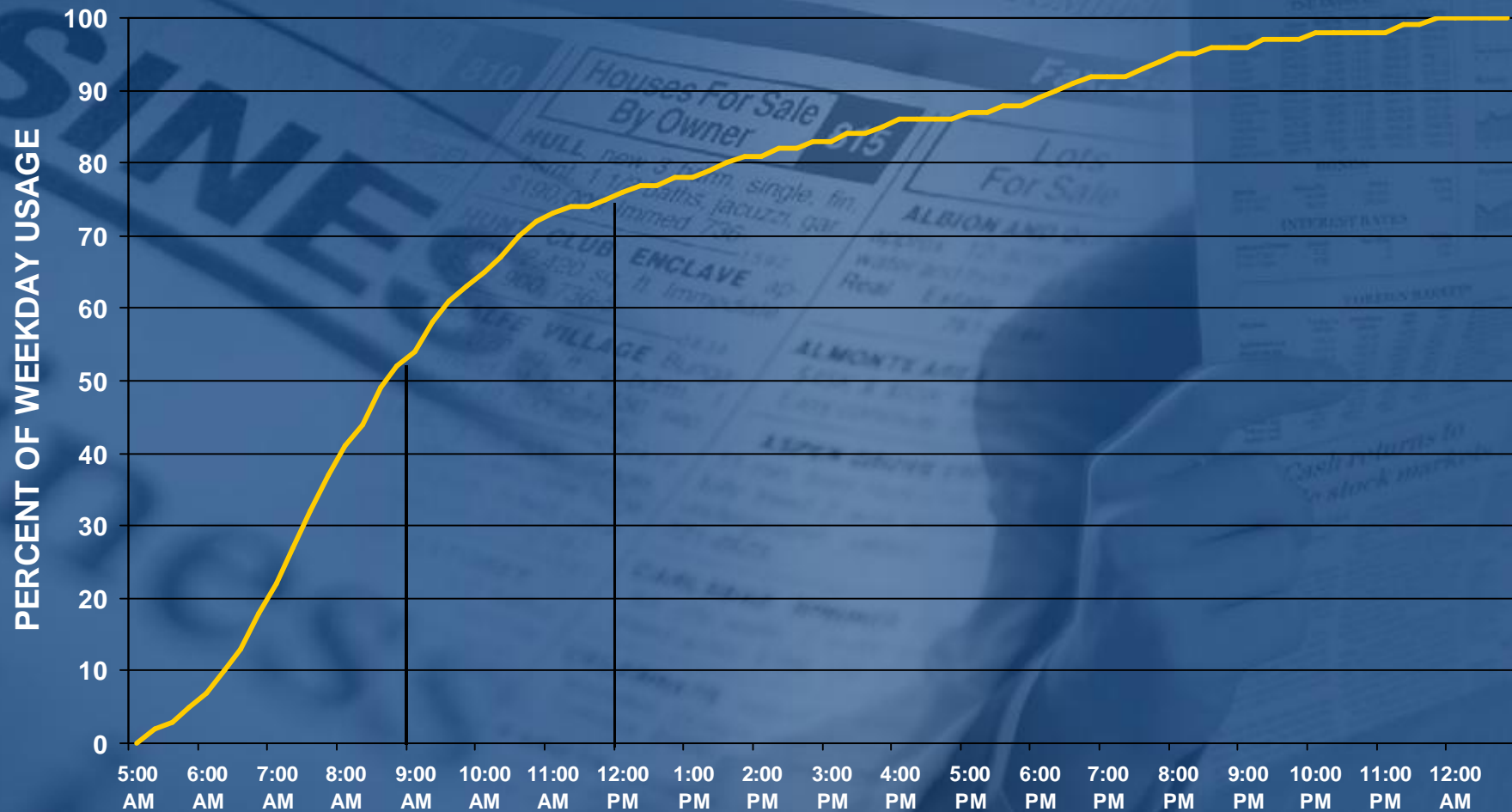
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§ Successful newspapers will provide truly unique and complementary content in print and online



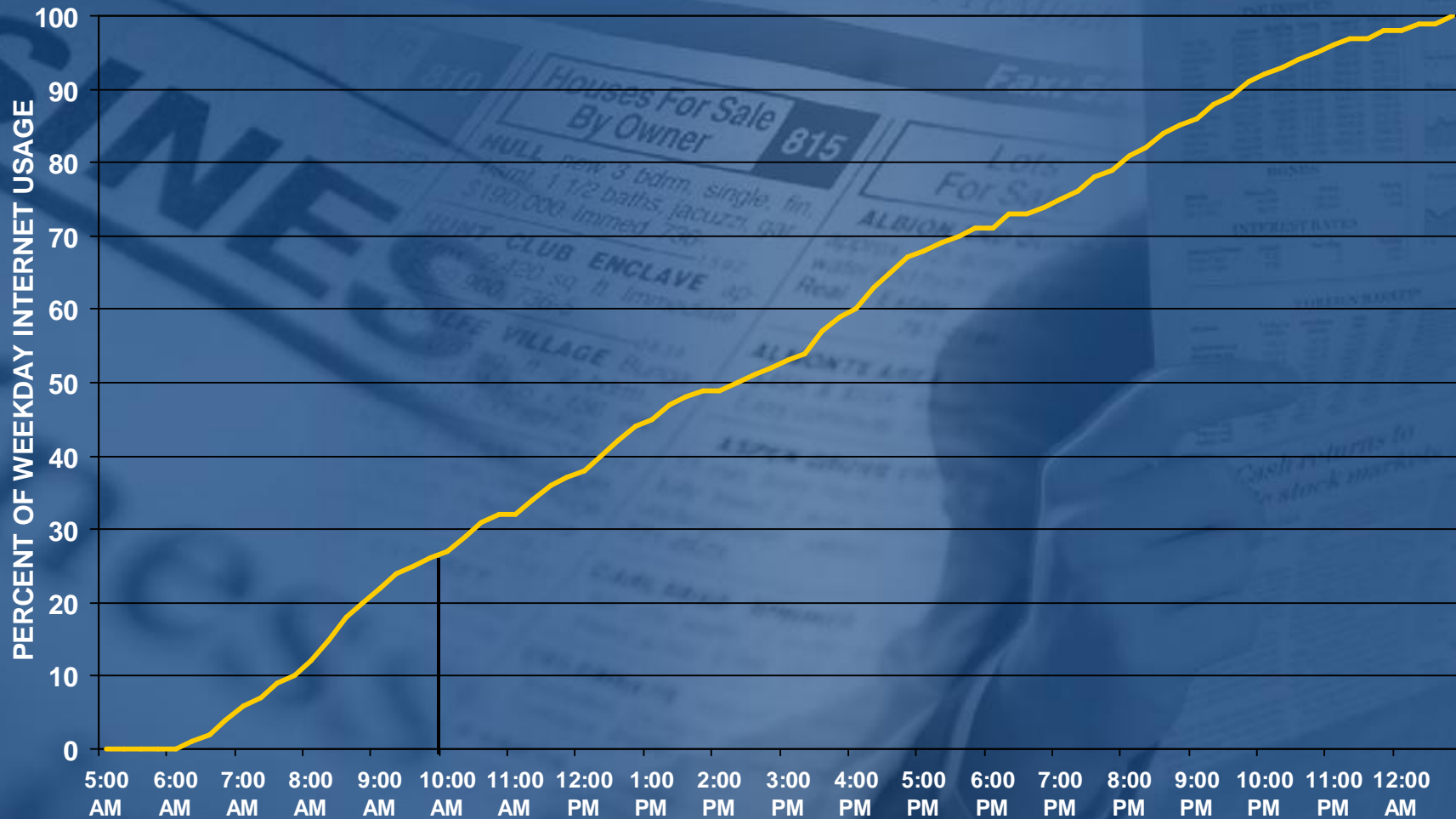
Cumulative Weekday Newspaper Readership

By 9 a.m., most readership (52%) has already taken place; by noon, 75 percent



Cumulative Weekday Internet Use

By 9 a.m., most readership (52%) has already taken place; by noon, 75 percent



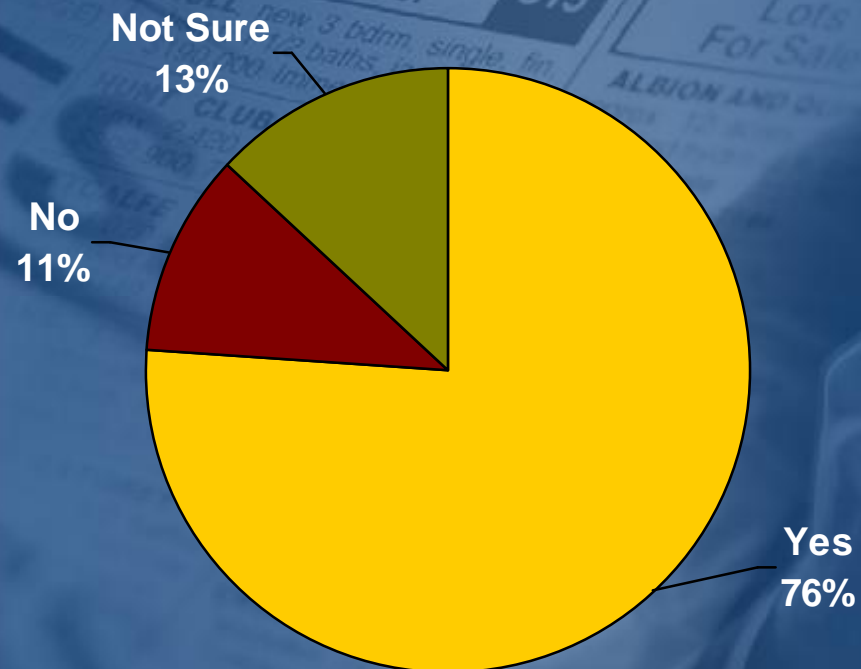
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§ Get users involved in your website



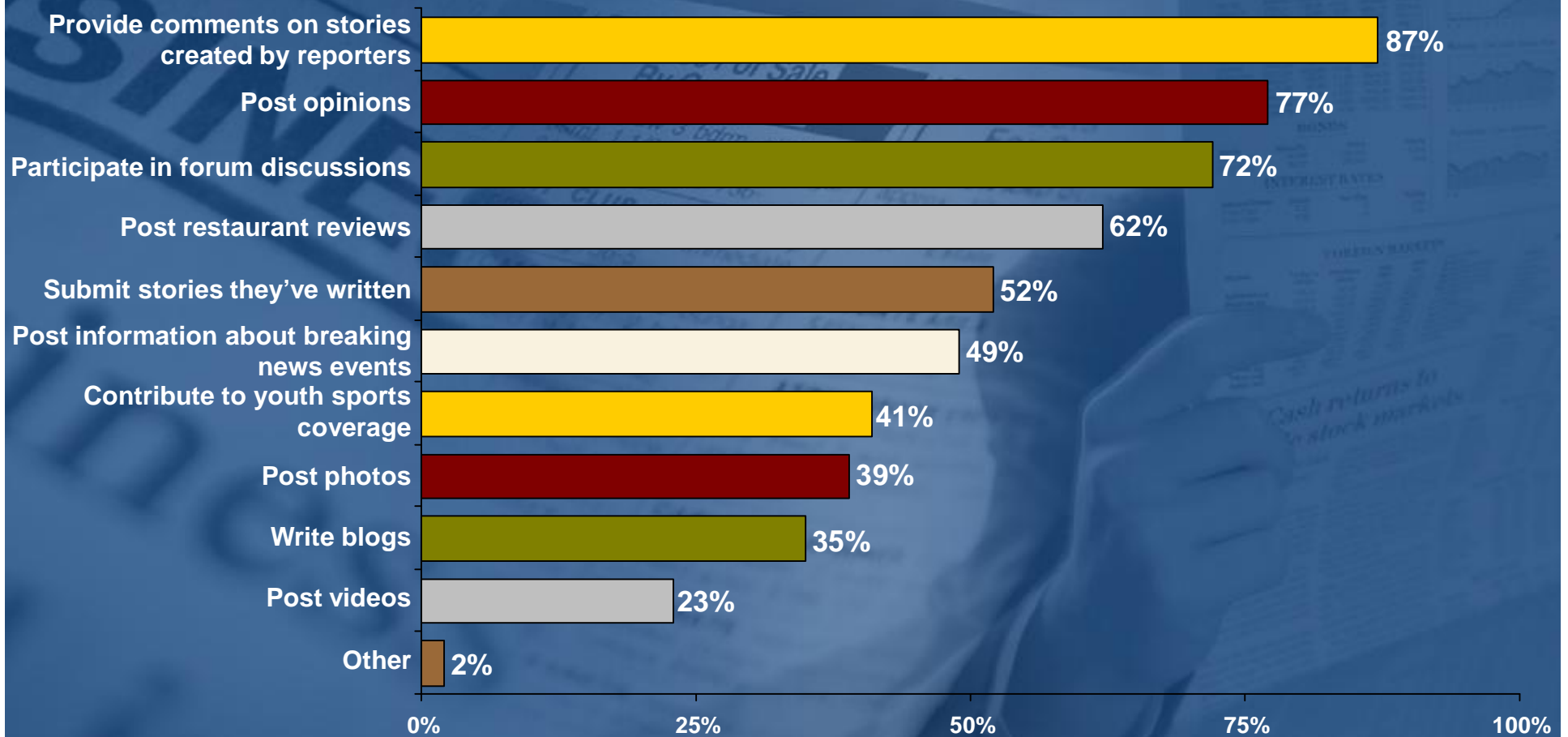
Allowing User-Generated Content

Do you think the public should be allowed to participate on a newspaper's website such as posting comments on stories, articles, opinions, photos, videos, reviews or blogs?



How Should Users Contribute

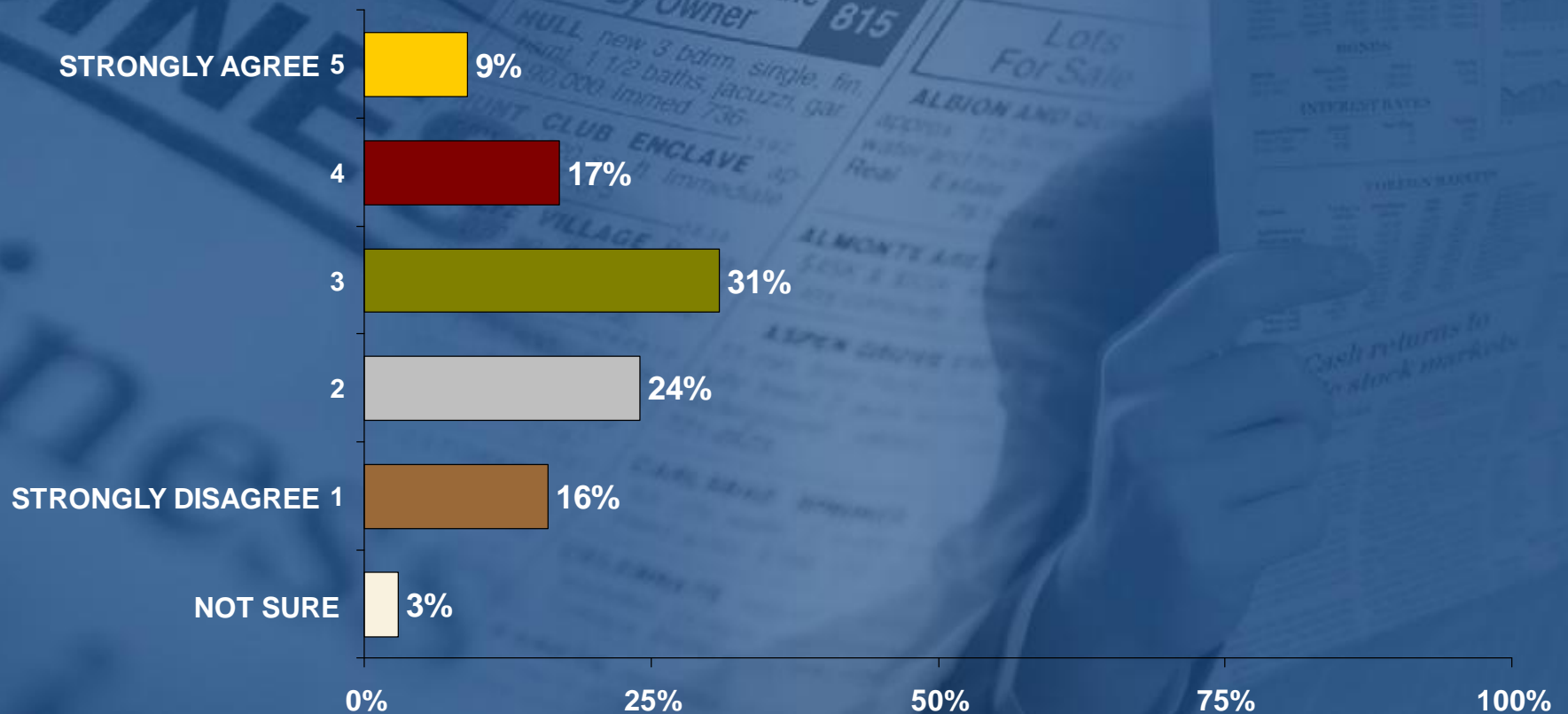
Please check each of the following ways you think users should be allowed to participate on a newspaper's website. (Check all that apply.)



The Affect of “Citizen Participation”

How strongly do you agree or disagree with each of the following statements using a scale of 5 to 1 where 5 means strongly agree and 1 means strongly disagree and using any number in between?

A newspaper’s credibility is compromised if average citizens are allowed to participate on the newspaper’s website



The Changing Media Environment

§ Getting a piece of mobile is vital



Most News Executives Say Newspapers Will Last

How like is it that printed newspapers will exist in some form 20 years from now?

