

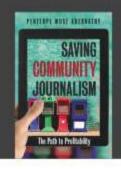
# Saving Community Journalism: The Path to the Future

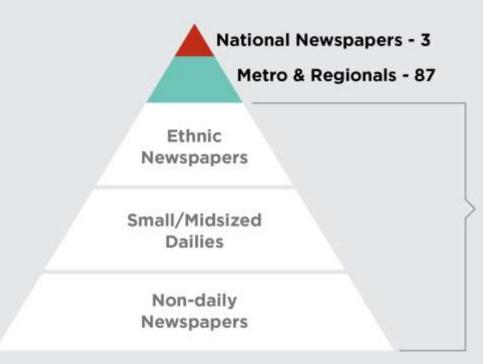
SNPA News Industry Summit 2014 Charlottesville, VA October 6, 2014

#### Penelope Muse Abernathy

Knight Chair of Journalism and Digital Media Economics School of Journalism and Mass Communication The University of North Carolina at Chapel Hill

# Developing a 21st century definition of "community newspapers," based on mission not circulation:





Community Newspapers 11,000



#### 12 Papers Involved

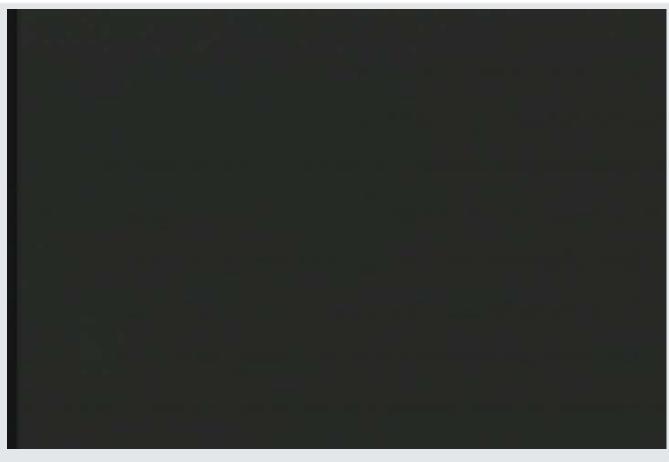






#### What Does the Future Hold?







#### The Key Question:

What must community newspapers do to remain relevant (and therefore profitable) in the digital age?

#### Why It is Critical that Community Newspapers Survive



### Historically, community newspapers in the U.S. have:

- Set the agenda for debate of public policy issues
- Encouraged regional economic growth and development
- Fostered a sense of geographic identity



# What Do Your Key Stakeholders Expect?



#### Readers expect newspapers to:

- Identify the main issues
- Help them navigate daily life efficiently (i.e. spend money wisely)
- Give them a sense of social and political identity

#### Advertisers expect newspapers to:

Help them connect with consumers



#### What We Know From Our Surveys



- Current readers remain loyal, but their habits are changing VERY quickly
- · Advertisers are confused and searching



#### Checking In with an "8 Ball"



You know the challenges your newspaper is facing but do your readers know?

Probably not.



# Newspapers must respond with a three-pronged strategy approach:



Attack	Response
Destroyed barriers to entry	Shed legacy costs associated with print-only era
Siphoned off readers	Rebuild community on many platforms
Decimated advertising	Aggressively pursue new revenue opportunities



## **Key Questions: Shedding Legacy Costs**



- What do you know about how fast your readers' media habits are changing?
- What are you doing to prepare your readers for the day when their daily paper is only **printed** three times a week?



#### What we know about shedding legacy costs



- Internet attacks distribution costs directly
- Value comes from content creation and aggregation
- Cost drivers should be value drivers

#### Implications:

- Print/Distribution Schedule
- Staffing/Outsourcing
- Content

Shedding costs frees up funds for investment.

## What we are learning about consumer behavior during this period of transition

- Technology is a behavior, not an audience
- The news cycle is asynchronous, not continuous
  - -Tom Rosenstiel, API



#### Key Questions: Building Loyal Community Online



- How many of your current readers are loyal?
- Why are they loyal?
- What do they care about?



# What we know about building community on many platforms



- Our customer habits are changing rapidly
- We must not alienate our loyal readers during the transition.

#### Implications:

 Newspapers must cover geographic communities and build communities based on special interests.

Building community on many platforms is key to pursuing new revenue.

#### **The Brand Ladder**









#### The editor is the critical link to:

- Shedding legacy costs, which allows investment in ...
- Building vibrant communities across many platforms, which then allows newspapers to
- Pursue new revenue profitably

"It's the journalism, stupid"



# **Key Questions:**Pursuing New Revenue



- What is the story your advertising sales reps are telling about your readers?
- How well is your advertising serving the needs of the advertisers?
- How well can your sales team sell across muliple platforms?



#### What we know about pursuing new revenue



- Our advertisers are confused and look to us for answers.
- Local newspapers still best advertising mediums for most local businesses.
- By combining two or more mediums, advertisers significantly increase reach and effectiveness.

#### Implications:

 There needs to be a new sales strategy built around the segmenting of audiences and that captures the true value of multiplatform distribution.

Newspapers need to position themselves as a multi-platform medium by revamping rates, compensation, sales strategy and training.

#### The Various Uses of Advertising

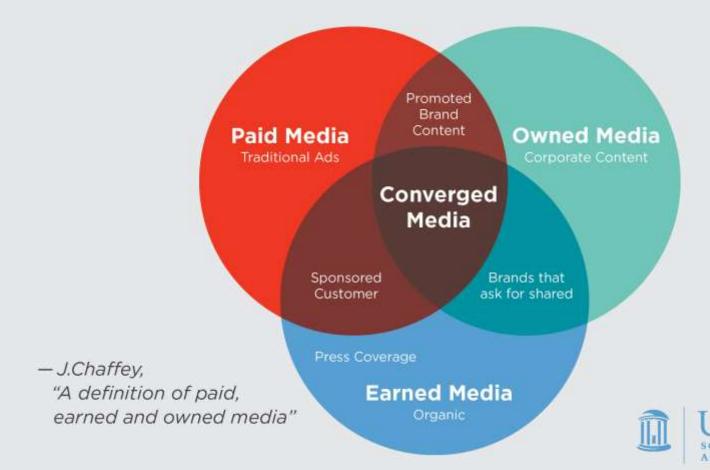


- Create awareness of the need
- Create demand for a product
- Introduce a product
- Encourage purchase
- Put consumer and seller together
- Encourage re-purchase
- Differentiate an existing product
- Attribute more value to a product
- Reinforce loyalty with existing clients



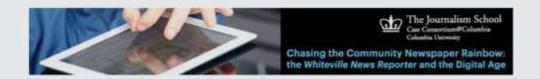
#### **Merger of Marketing & Advertising**







#### **Whiteville Case Study**











#### **Staying Up-to-Date**

DECEMIT DOCTE

BLOG	
HOME / BLOG	
mon.	THE BUSINESS OF NEWS
ARCONT EVENTS	THE BOSINESS OF NEWS
IN THE NEWS ASSOCIATION WOOD LISEARS	DO SOME NEWSPAPERS WANT TO DIE?
	Filtre Own C Manua (2) for C (2) Bloom
FOLLOW US	On some newspapers have a death wish? Allegra Jordan, managing director of the consulting firm, mnovation Althey siks that provincative question based on her recent experience advising media and factinology companies, as well as negatify groups that are helping communities around the world rebuild and mesel themselves.
WHAT DO YOU THINK ABOUT SAVING COMMUNITY	Confronted with either a natural diseaser or a mannade one, such as wer, some communities never seem to recover, she observes, while others come back stronger than before. What determines the fate of a community! "resultly communities have competing visions of who they are and why they exist," she says. "They also act as weys that help them results their desired and status." In other words, people in the communities that boonce back atop doing the things that just don't work anymore. The
JOURNALISM? Do you Have a question or suggestion for un? Tell us what you're thinking in the comments fallst below.	adapt to the changed environment and orcumatances and adopt new behaviors so they can survive and eventually thrive. Fee thought a lock alrocal sentants comparison between communities and newspapers as two researched Seving Community Journalism: The Part to Profitability:  The fote of a newspaper and the community it serves are inestrocably linked. Strong papers Terraind a community everythy of its collective identity, the stake we have in-one another," says Harvard University professor from Hefretz. Strong newspapers can lift up a struggling community, and point the way to revewal. The economy, health, education
Your Name (required)	
Your Email (required)	<ul> <li>we know there are a lot of quality of life issues here" says Les High, editor of the twice-weekly AMstrolla Meus: Reporter is rural Columbus County, one of North Carolina's goorest. "And if we don't cover them, no one else will."</li> </ul>
Do you have a question or a suggestion?	Like most of the 12 innovative newspapers profiled in Saving Community Journalism, the News Reporter has that 'competiting vision of who they are and why they exist.' Set despite significant financial challenges, the staff of the News Reporter is retreased by that it can move from the print-only world of yesterday toward a digital future and continue to serve the chares of Columbus Courty.
	However, in adjacent counties that are conforming many of the same quality-of-life issues as Columbus, other newspoers seem to have a subconscious death with for both themselves and their communities. In general, if found there are two types of publishers stack in the past. The longitum owner, who refuses to absorbeing that the media habit of younger residents in the community are very different from his own, and the new owner, whe assumes that the private series where doing overything worns. Typically, these "new" owners durit know the flushness of newspapering – only the bottom line. So, they discuss the trend lines and double down on print, which, at the moment, is more profitable than digital, but won't be for long. Nor do these publishers understand the intertwheat reliationship between a good newspaper and a strong community, instead of identifying and decusing important quality of life is

Communities - and newspapers - that survive a disaster, or unexpected assault on their legacies, have "weders who model hope," says Jordan. Two of the most imposing newspaper leaders today are Catherine Neisur, general manager

#### Conclusions: It's tough keeping three plates spinning simultaneously.



#### SUCCESSFUL NEWSPAPERS ASKED THE QUESTION:

If we were building this paper today, how would we do it?

- How would we look to our customers, employees and shareholders?
- At what processes and procedures would we excel?



# The big question: Who Will Save Community Journalism?

In the end, it's still about story telling . . . And newspapers do that well.

#### **Penny Muse Abernathy**

Knight Chair in Journalism Digital Media Economics

**UNC School of Journalism and Mass Communication** 

(919) 843-4910 pennyma@email.unc.edu

savingcommunityjournalism.com

@businessofnews

LinkedIn group: Saving Community Journalism

