

# 5 Truths, 4 Paradoxes & The Value of Relationship Newsonomics

**Key Executives Mega Conference**  
**Feb. 23, 201**

**Ken Doctor**  
**Media Industry Analyst**  
**@kdoctor**





# Today

## 5 Truths, 4 Paradoxes

## The Value of Relationship Newsonomics

## Q & A



# Where Are We, 25 After the Browser?







"If you're ever headed the wrong way in life, remember the road to Heaven allows U-turns."

# CHARLIE HEBDO

JOURNAL IRRESPONSABLE

## TOUT EST PARDONNÉ











## All 86 Best Picture Oscar Winners Ranked

From the gut-wrenching (*12 Years a Slave*) to the terrifying (*Silence of the Lambs*), and the classic (*The Godfather*) to the god-awful (*Crash*). The comments section is open for yelling!

Originally posted on Feb. 27, 2014, at 2:29 p.m.  
Updated on Feb. 6, 2015, at 4:34 p.m.



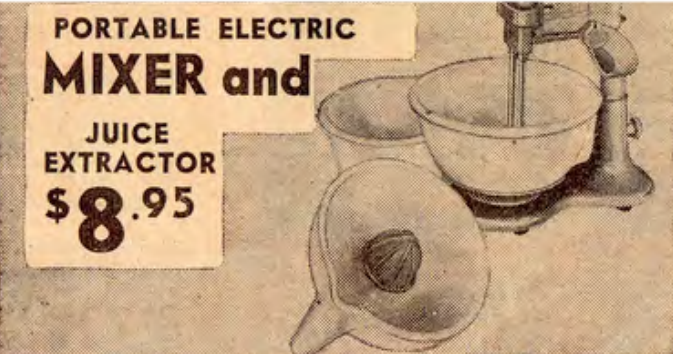
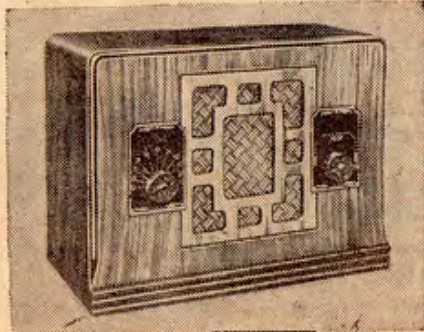
Kate Aurthur  
BuzzFeed News Reporter







This Remington Portable Typewriter lists at \$33.50. It has capital and small letters, standard key board, shift key and many features found in the bigger machines. On sale at all stores except Jamaica. *75c a week*



The manufacturer of this Portable Electric Mixer and Juice Extractor asked us to withhold his name because of this special low price. It's a nationally known make. You'll recognize it when you see it. An ideal, useful and practical gift at a very low price. See it on sale today and tomorrow.

*25c down; 25c a week.*

### RCA LICENSED MIDGET RADIO

**\$9.45**

This 4 RCA Licensed Tube Midget Radio for A. C. and D. C. It's a good-looking Radio. Long and short waves. Gets Police Calls, Amateur Signals and Aero-plane stations as well as regular programs. It's an amazing value at this low price. Buy it now at all stores except Jamaica.

*25c down; 25c a week*



7-piece Dinner Set of American-made Dinnerware. Beautiful floral platinized design. A remarkable bargain at our special sale price. *75c down; 75c a week.*

## JEWELERS **Finlay Straus** OPTICIANS

10 STORES IN NEW YORK, BRONX B'KLYN, JAMAICA, JERSEY CITY

- NEW YORK, 25 W. 14th St.  
Opp. Hearst's
- NEW YORK, 148 E. 59th St.  
Opp. Bloomingdale's
- NEW YORK, 1670 Broadway  
S. E. Cor. 52d St.
- BRONX, 2919 Third Avenue  
Near 151st St.
- BRONX, 316 E. Fordham Rd.  
At Kingsbridge Rd. &
- BROOKLYN, 461 Fulton Street  
Opp. Loew's Metro
- BROOKLYN, 1351 Broadway  
Opp. Loew's Gates
- RIDGEW'D, 57-49 Myrtle Av.  
Near Onderdonk Av.
- JAMAICA, 166-17 Jamaica Av.  
Near Loew's Valencia
- JERSEY CITY, 148 Newark Av.  
Near Grove St.

ALL STORES OPEN EVENINGS TIL 11 O'CLOCK

many cheers

Dowd: Downton Abbey

**PaidPost**

Debate: Can So  
Sudan Be Saved?

the  
p

At 7:52 AM ET

many France  
DAX CAC 40  
5.91 4,255.93  
0.20 -6.75  
1.1% -0.18%  
at 10:00 (5 minutes)





# From Mostly Old World/A Little Digital to Mostly Digital/Some Old World





# Crossover

From Analog to Digital  
From Physical to Virtual









# CLOSED!

## Video Stores





# CLOSED!

## Music Stores





# CLOSED!

## Bookstores





# STRUGGLING “Electronics” Stores





# SHRINKING Newspapers



# The Truths



#1

# Print's Decline Seems Non-Stop



**7-8%**

**Print Ads Down Turn  
for Four Years**





# Morning News

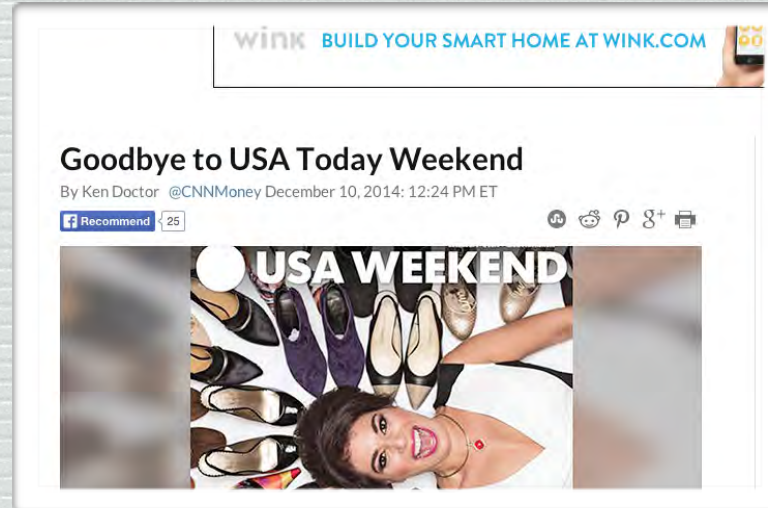
**“It’s Not Just Print Ads That  
Are the Problem.**

**It’s Everything Associated with Print.”**

**Bought 5 Companies in Social, Marketing  
Services & Events**

**Digital Today is 20% of Overall Revenue**





# Sunday Magazines Pass Into History

Parade Downsized. USA Weekend Gone



# The Impacts

Print Ads

Print Circulation

Preprints

Sunday Supplements

In-Sourced Printing, Production,  
Distribution





# No Revenue Growth in 7 Years

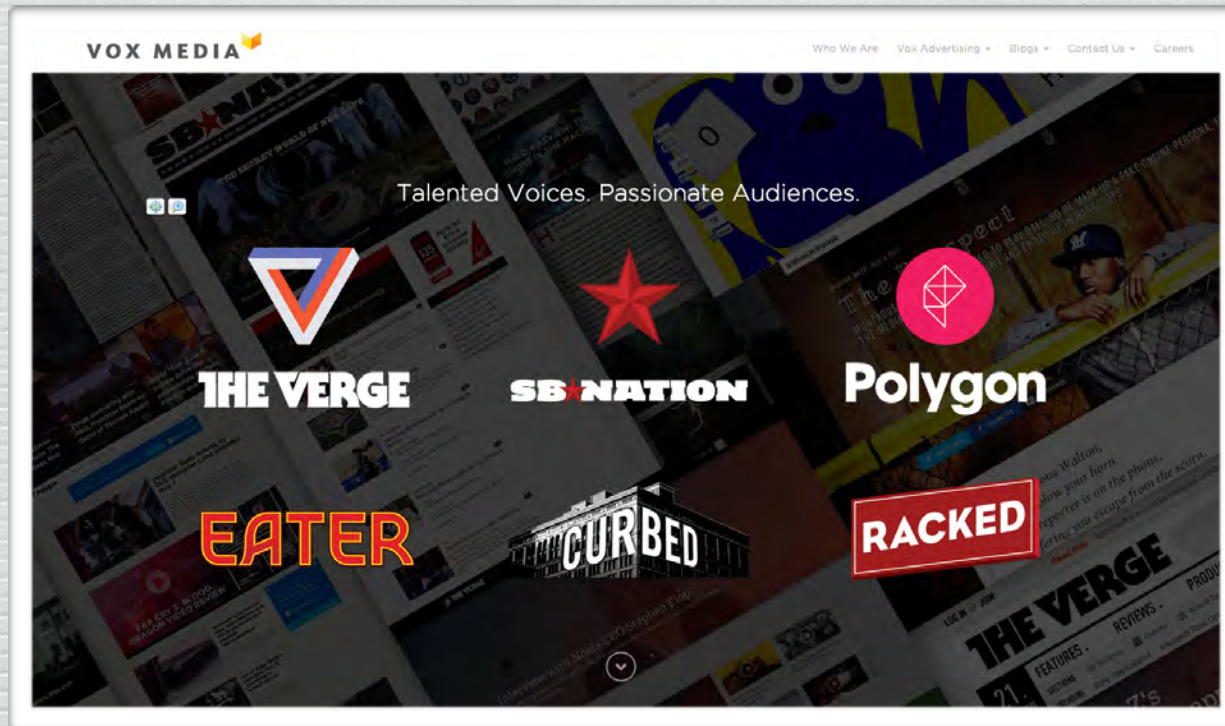




**Cost-Cutting Only Way to Maintain Profit  
Margins of 5-25%**

**Only Long-Term Investment in Local News  
Will Lead Back to Growth**



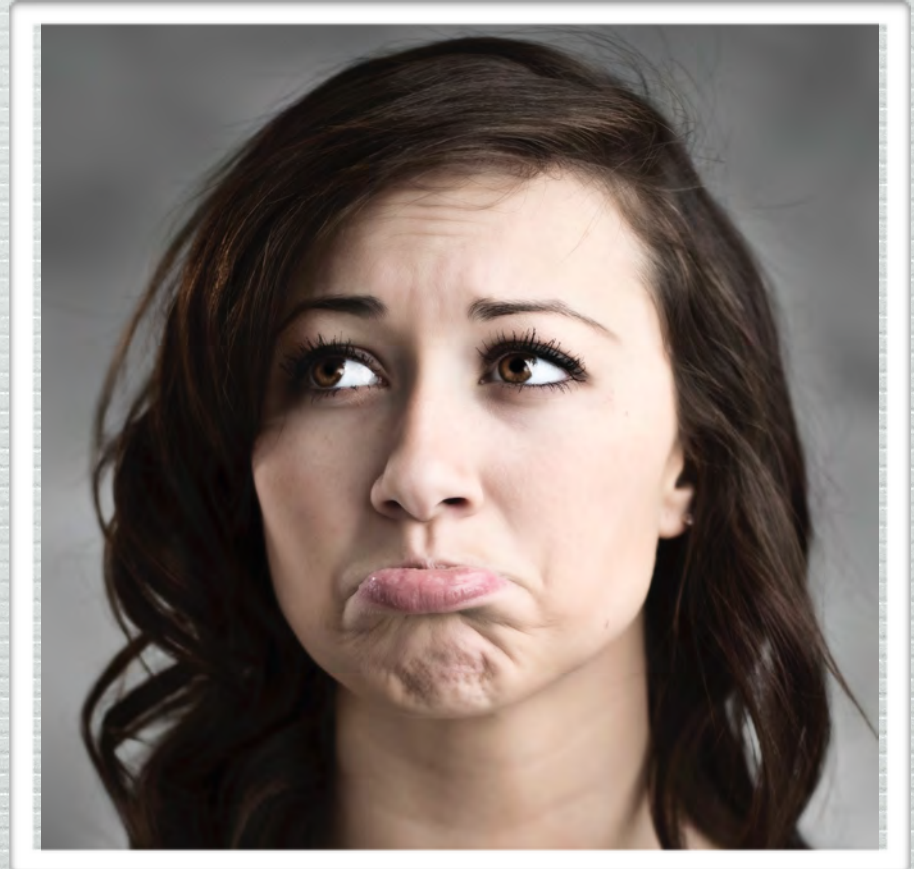


# \$500MM Pours Into Digital-Only National News Companies

Who Focus on  
Hire 6000 Journalists at Good Wages



# Is It Fair?





#2

# Social is the X Factor

## The Secret Sauce of News Start-Ups





# Traffic from Social

**Many Dailies: 8-12%**

**Deseret Media: 30%**

**WBUR: 33%**

**Quartz: 60%**

**Buzzfeed: 75%**



# 18,000

## U.S. Jobs Open for Social Media Managers



#3

“Mobile”

is

Obsolete



# Desktop is the New Print

Desktop Minutes Are

Majority Mobile is Upon Us



**More Than 50% of  
Digital Traffic  
to News Will Be Mobile  
By End of 2015**



# How We Split

Desktop Minutes

Smartphone Minutes: 30%

Tablet Minutes: 15

2020: 25% or Less Desktop



# 44 Hours a Week

1975: 16 Hours

2018: 55 Hours

Teenagers Today: 70 Hours

“If we factor in sleep, it’s over a third of all awake time.”

Dr. Jeffrey Cole, USC



# Five Screens

Desktop/Laptop

Smartphone

Tablet

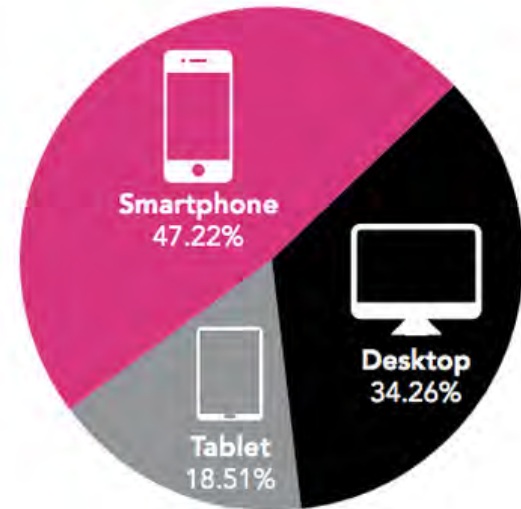
TV

The Car

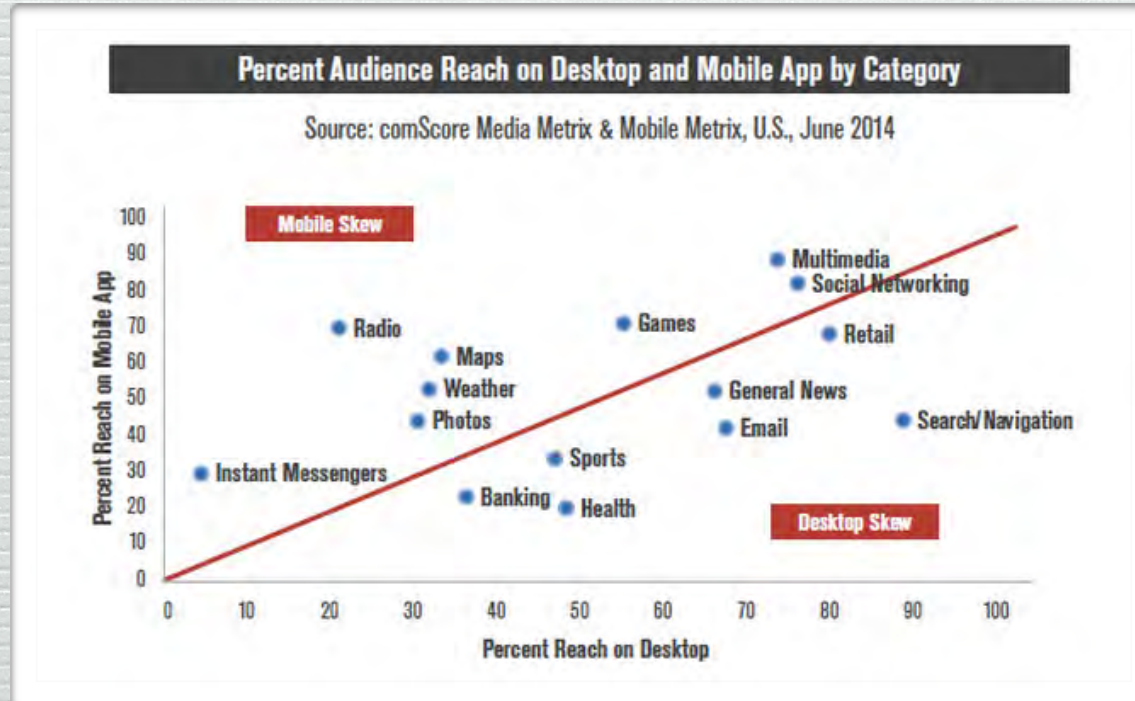


# The Smartphone is Our Primary Connection Point

**66%** of emails were opened  
on a smartphone or tablet







# How Mobile Usage Differs

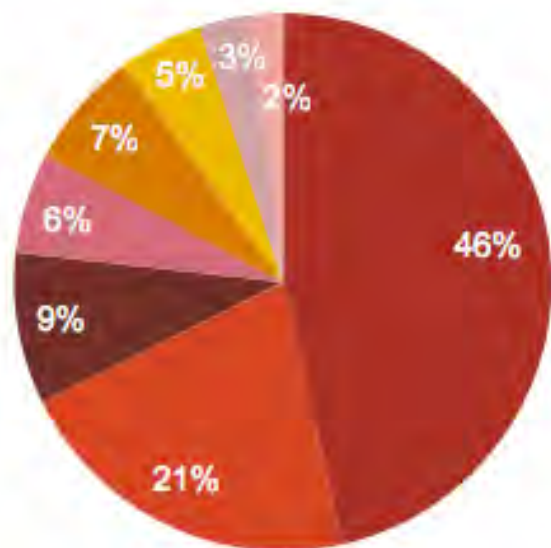
## Sweet



# Mobile Doubles Share

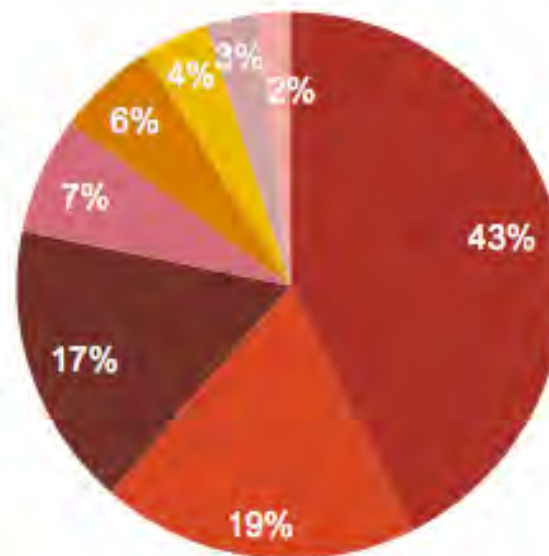
**Ad formats – full year 2012**

Total - \$36.6 billion



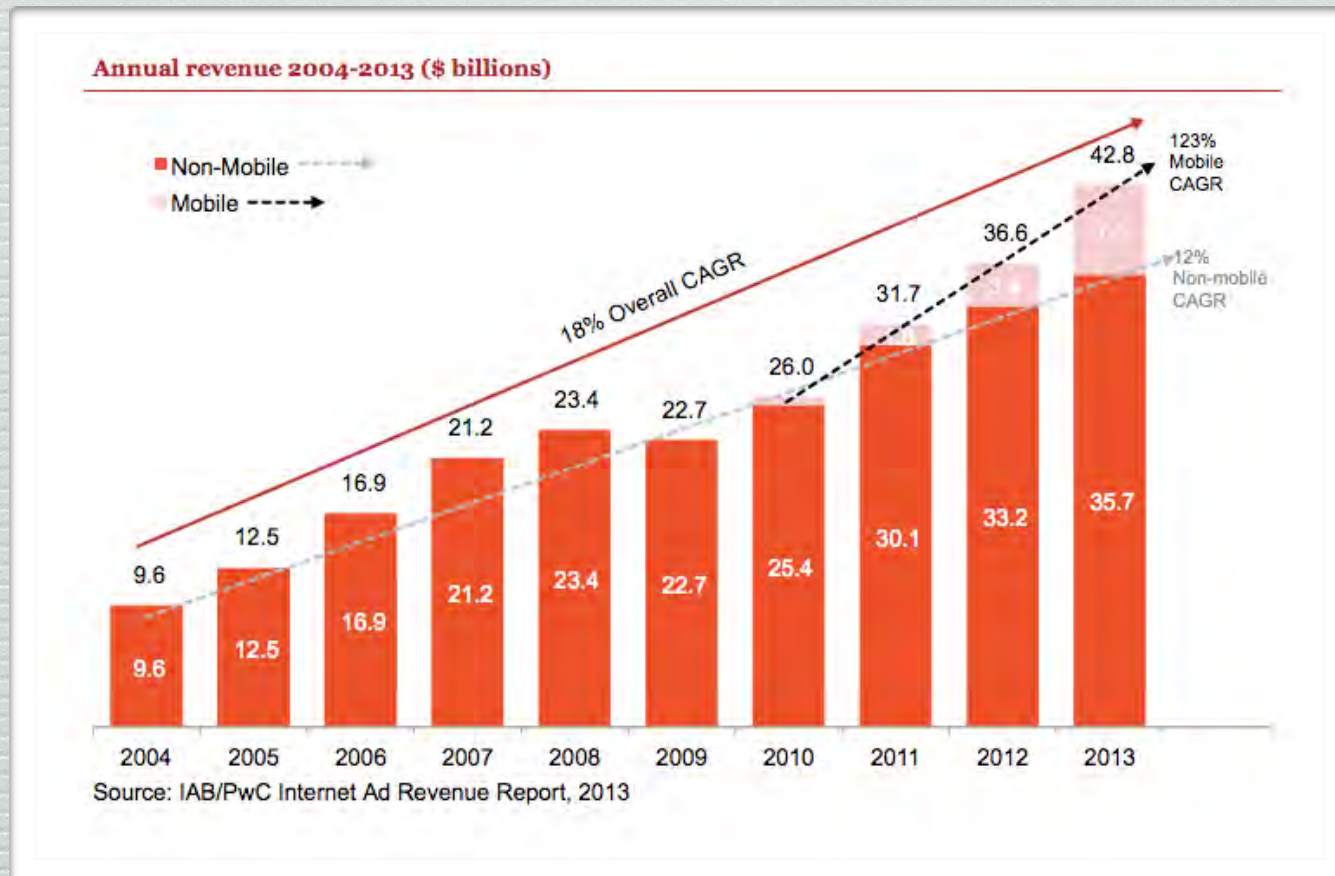
**Ad formats – full year 2013**

Total - \$42.8 billion





# Mobile is the Driver





# Google/Facebook Using Mobile To Increase Market Share



# Is This a Duopoly?

**Google: 42%**

**Facebook: 9%**

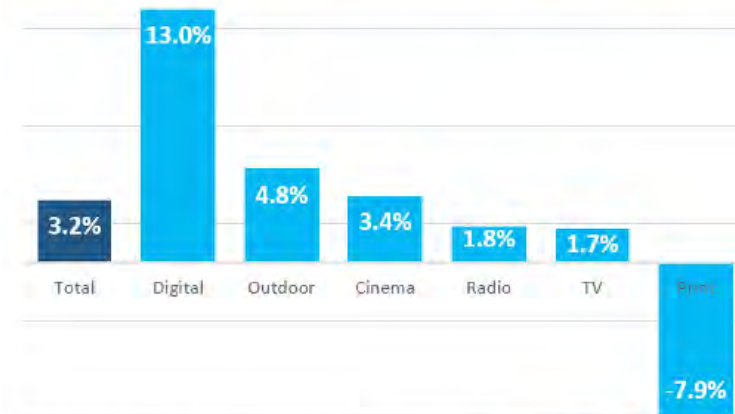
**\$53+ Billion in U.S. Digital Ads**

**UK: Digital Now #1 Ad Type**



# The Splits

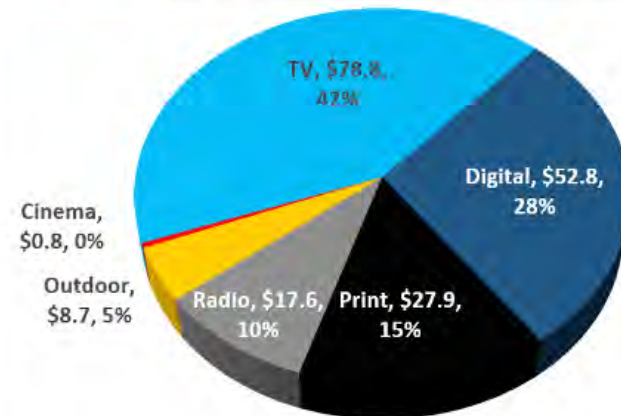
Change in US ad spend by media type 2015



Source: Strategy Analytics Advertising Forecast, 2015

STRATEGY ANALYTICS

Share of US ad spend by media type 2015 (billion) 

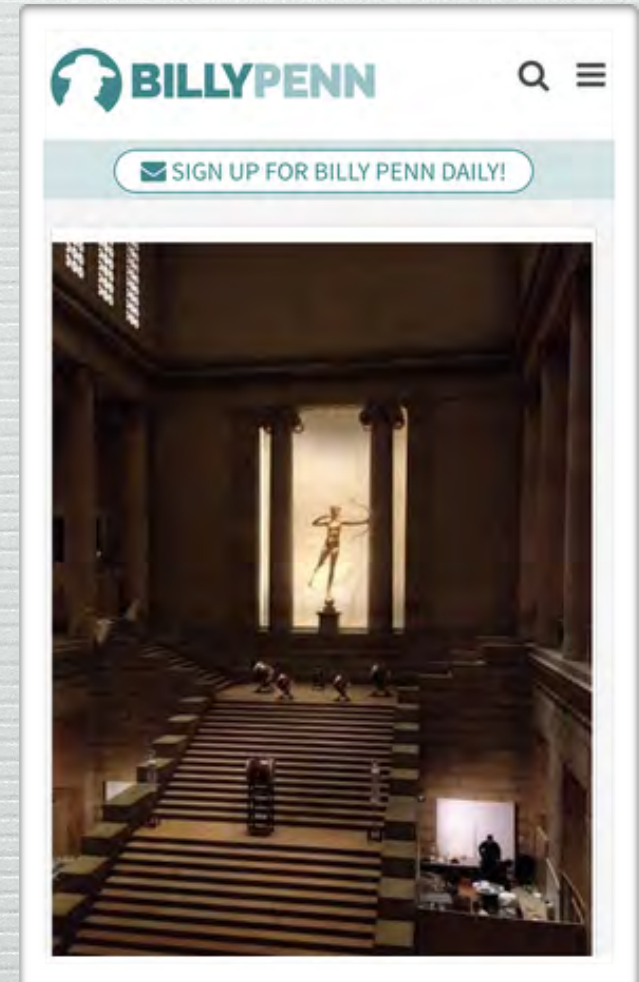


Source: Strategy Analytics Advertising Forecast, 2015

STRATEGY ANALYTICS



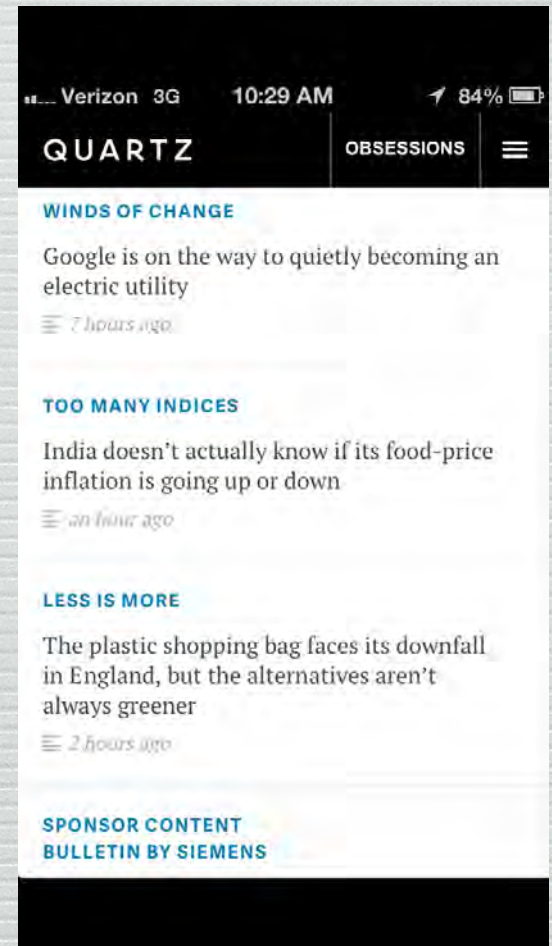
# Mobile First Product & Business Development





# Quartz

## Atlantic Media's Poster Child





#4

# The Revolution of Reader Revenue Hits A Bump



# 52% of U.S. Dailies Have Paywalls

NYT: 62% Reader Revenue

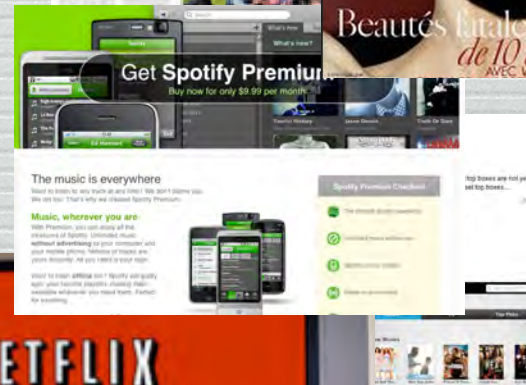
U.S. Dailies: @30% Reader  
Revenue



# Reader Revenue is Fastest Growing “New” Revenue for Newspaper Companies



# All Access is the Model





....But It May Be  
Stalling



# The Issues

**Increasing Pricing Resistance**

**Mismatch: Less Product, Higher Price**

**Tension: Volume Vs. Price**

**Result: Decrease in Annual Industry Circ  
Revenue Gain**



# #5

**Technology is the  
New Center of the  
News Business**



# All-Pervasive

**Workflow Change**

**Social Audience Value**

**Programmatic Drives Ads**

**Distribution is Simultaneous Multi-Point**

**Analytics Drives Strategy**



# Entering the of “Little Data”





# Analytics

## Moving from Anonymous...





# ....To Known

Who Readers Are  
What They Read  
What They Shop For  
When, On What



# FT Goal Amazon of News

**“We used to hold and manage data....We learned our lessons from Internet retail, not publishing.”**



# Relationships Provide Data



# Touchpoints

# Data

# Knowledge





# Reader Info

**New Basis of Business, Reconnecting  
Reading, Commerce**



# The Paradoxes



#1

**While Audiences Are  
20X Larger Than in the  
Print World...**



# The Vast Majority of Revenue Still Comes From a Small Percentage of Your Audience





# Juiced on Google

Addicted & Counting the Wrong  
Things: Page Views, Uniques





# Making Peace With Fly-By Traffic

(Good for ads, lead generation)



# Revenue Math Subscribers



# Wh is Paying





# You Know Them



# They Are Loyal





# Revenue Math

Reader Revenue is @30% of All

From Print Subscribers

All-Access Subscribers

1%





**Out of 100 Unique Visitors,  
Maybe 1% Will Pay**



# Revenue Math Advertising



# Revenue Math

Ad Revenue is @65% of All

80-85%

15-20%



**40-67% of Page  
Views — &  
—  
So of Loyal Users**



# Our Conclusion

Only 10-15% of the  
Digital Audience Offers  
Much Value



# To Which Audiences Do We Devote Our Thinking and Resources?



#2

# As The Print Door Ever Closes...



# The Window of Opportunity for New Audience & Revenues Widens



# Mobile Social Millennials







## #3

# Despite Newspaper's Awesome History of Audience Satisfaction...



# The Industry Invests More in Advertising Than Audience







# Doing Less & Less for Audiences and Charging More & More



# More for Less



Dear KEN DOCTOR,

Thank you for being a loyal subscriber of the Santa Cruz Sentinel and for participating in our Q2 Pay Program.

This notice is to inform you that there will be a nominal increase of 9 cents per copy in your automatic renewal price after your current subscription period expires. While we wish this were not the case, this is necessary to offset the cost of reporting, printing and delivering a daily newspaper to your home.

As always, feel free to contact our Customer Care team at 831-706-3201 with any questions.



## #4

**No Matter How  
Much Newspapers  
Try To Dig Out....**





# The Hole Gets Deep

## \$1.4 Billion This Year



# Relationship Newsonomics



# The Future of the News Business is In Relationships

Deep, Wide, Data-Laden  
Relationships with Our Customers





# Mark Thompson

## “Working Engagement Curve”



# What's Old is New

## The Relationships That Matter

### Merchants Readers Community





# Progress with Merchants

## Market Services Redefines Relationships



# Readers & Community

**The Truth: We're Less A Part  
of Peoples' Lives Than We  
Used To Be**

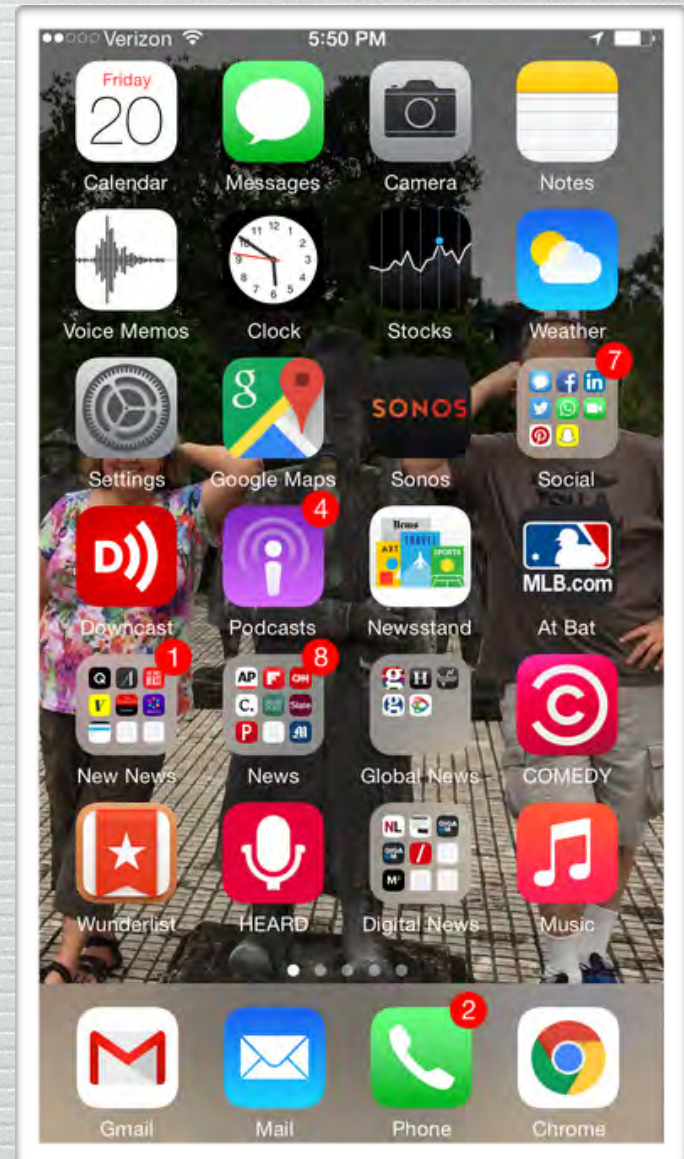


# The Newspaper as Village Center





# What's On Your Phone?







# What Does Your Top 10-15%

## Read

## What, When, On What

## Shop, Buy





# What Does Your Top 10-15%

Save

Share





# **Ask What Does Your Top 10-15%**

**Not What Do I Have That I Can Give  
Them, But What Do They Want?**

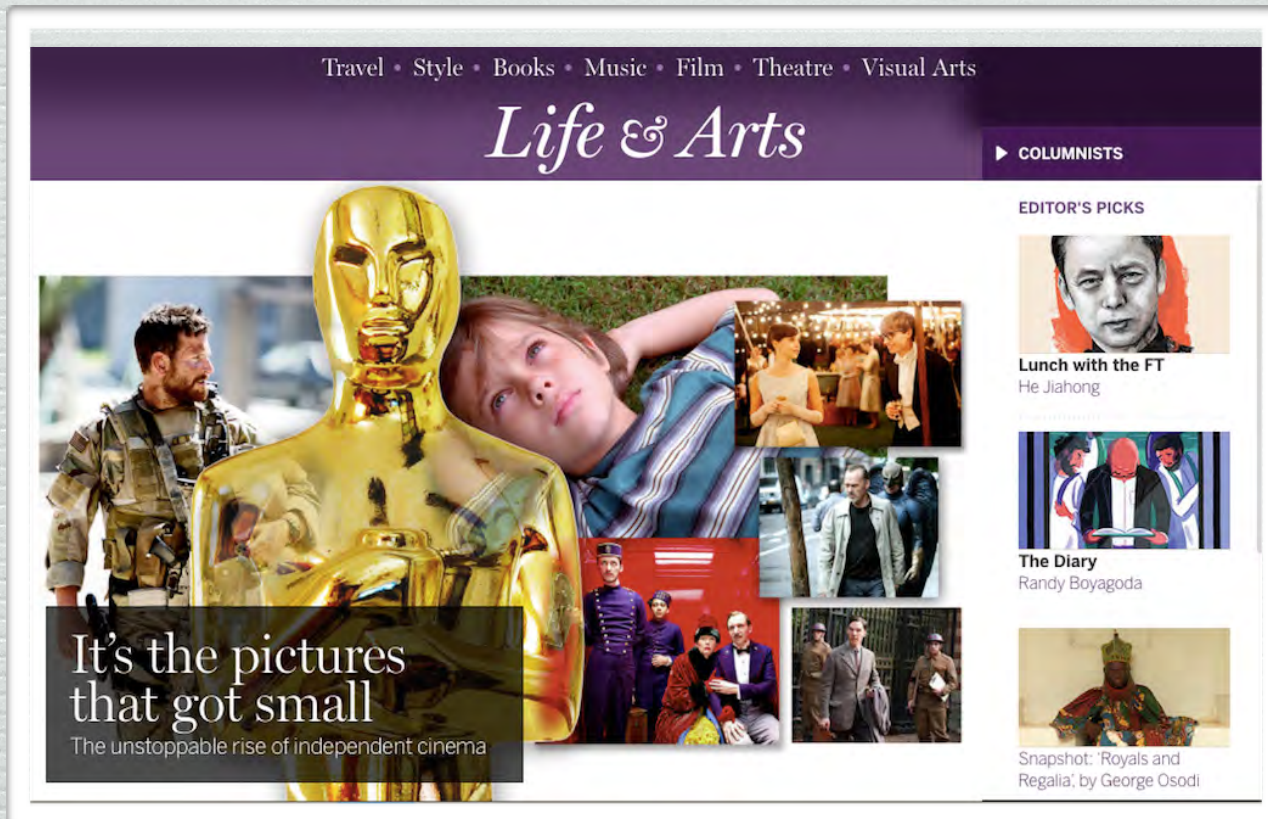




# **Ask What Does Your Top 10-15%**

**Not What Do I Have That I Can Give  
Them, But What Do They Want?**





# FT Weekend

## A Tablet Product Based on Data



# The Eternal Funnel







# Move Your Business from Hunch to Munch



# King of Data

Bought Hundreds of  
Thousands of  
Paying Relationships

It's All About Data &  
Analytics....

...Selling More Stuff





# Selling More Stuff



# How Do We Earn Our Ways into People's Lives?

## Content



# How Much Do You Invest in Product?

Digital News Startups: 60%

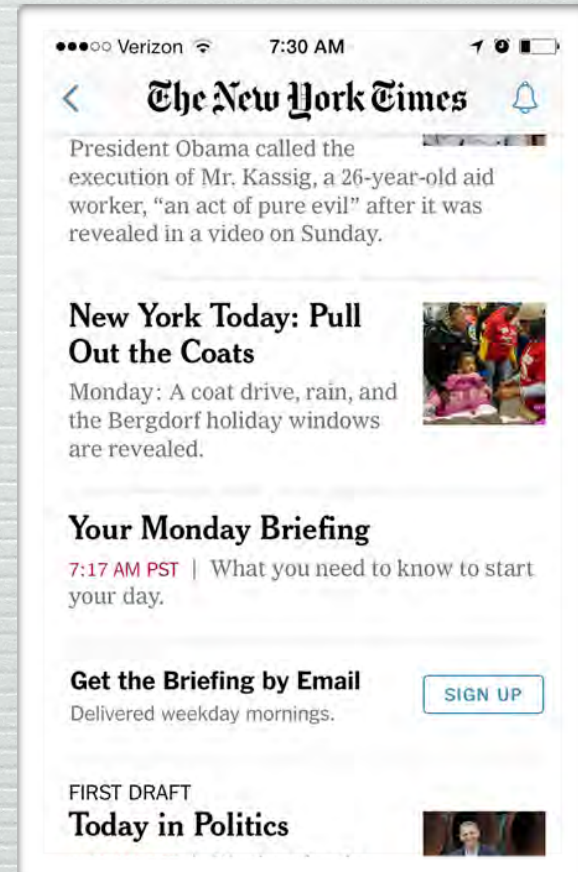
U.S. Newspaper Cos: ?



# What May Be Earned ...and More Defensible?

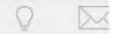



# NYT Morning Briefings





CHARLOTTEFIVE



The best sandwich in Charlotte is found in an unlikely place 

Today's Five  
Sponsored by: **OrthoCarolina**

## Pro soccer renovations close for Memorial Stadium

Good news for food trucks – and some food porn for you! ⚡

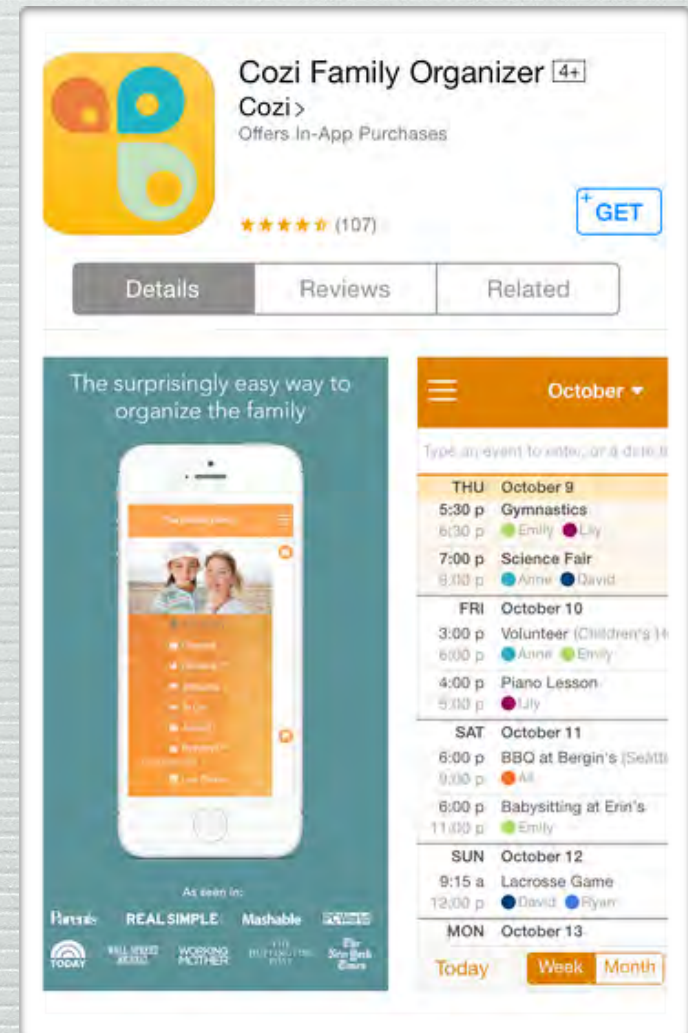
## Mobile Beef!



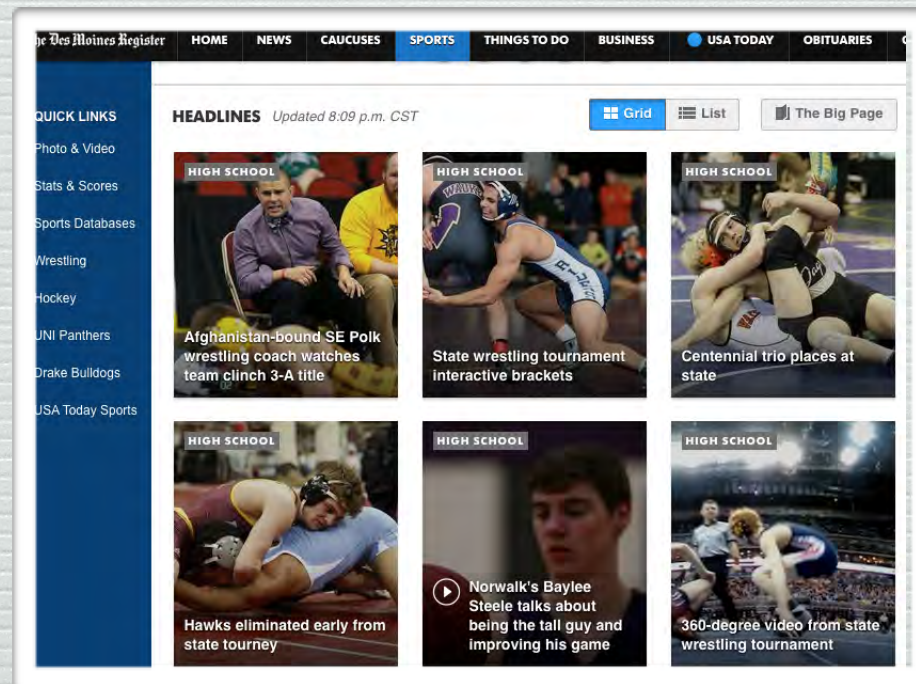
# Renewed Value of Registration Even for Free Access



# What Are Your Families *Doing?*







# Gannett's High School Sports



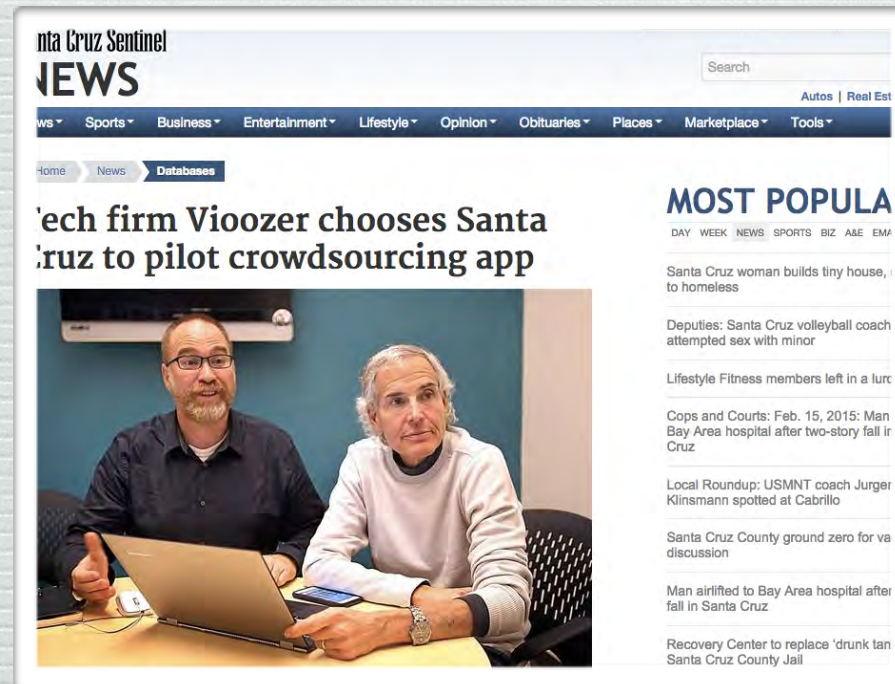
## Yelp Buys Delivery Network Eat24 Ramp Up In Food Operations

Posted Feb 10, 2015 by [Ingrid Lunden \(@ingridlunden\)](#)



# Where to Look for Restaurants Yelp and OpenTable





# Where to Look for Restaurants Yelp and OpenTable





# News & Guides

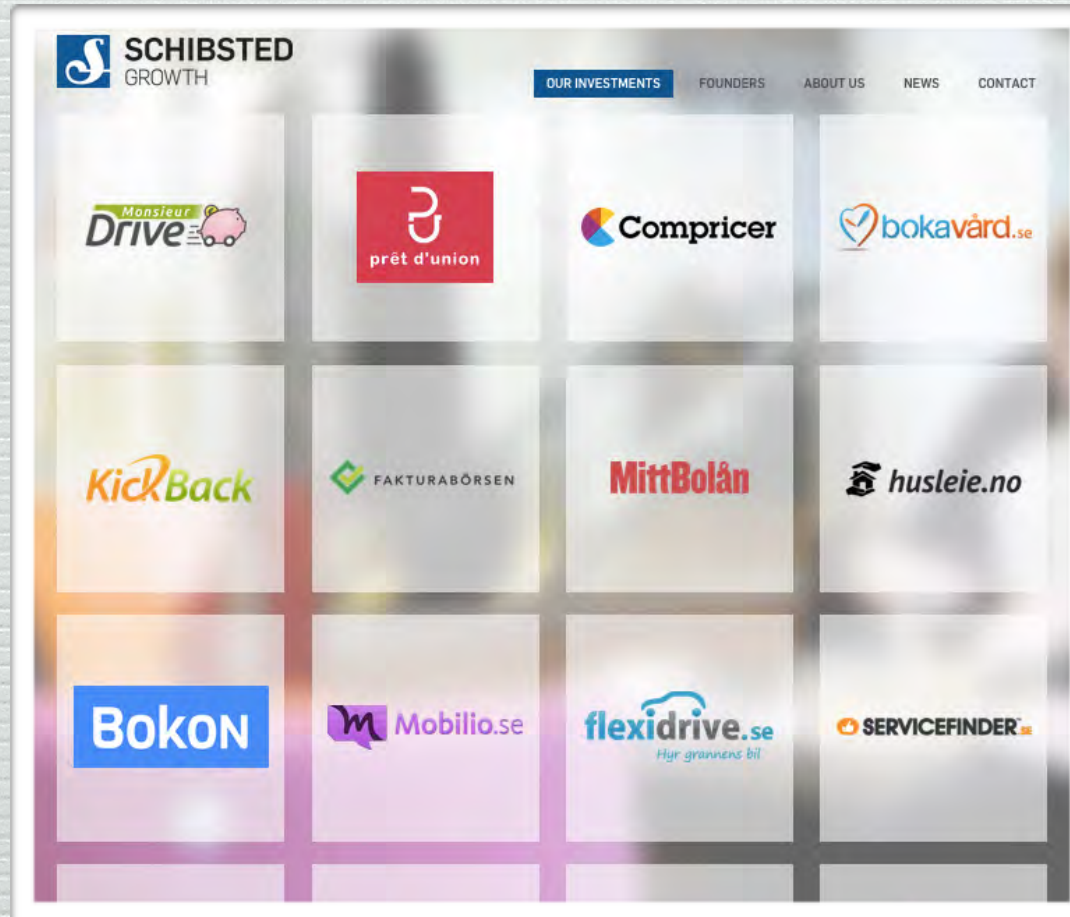


# Schibsted's Consumer Services

Best consumer comparison services:  
Cell phones, energy bills,  
consumer loan  
insurance

Weight loss!

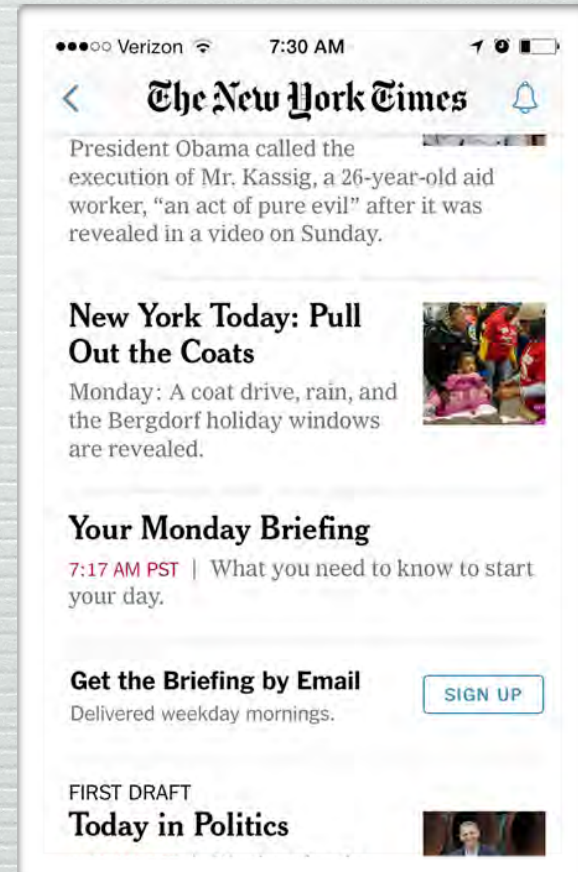




# Schibsted Growth



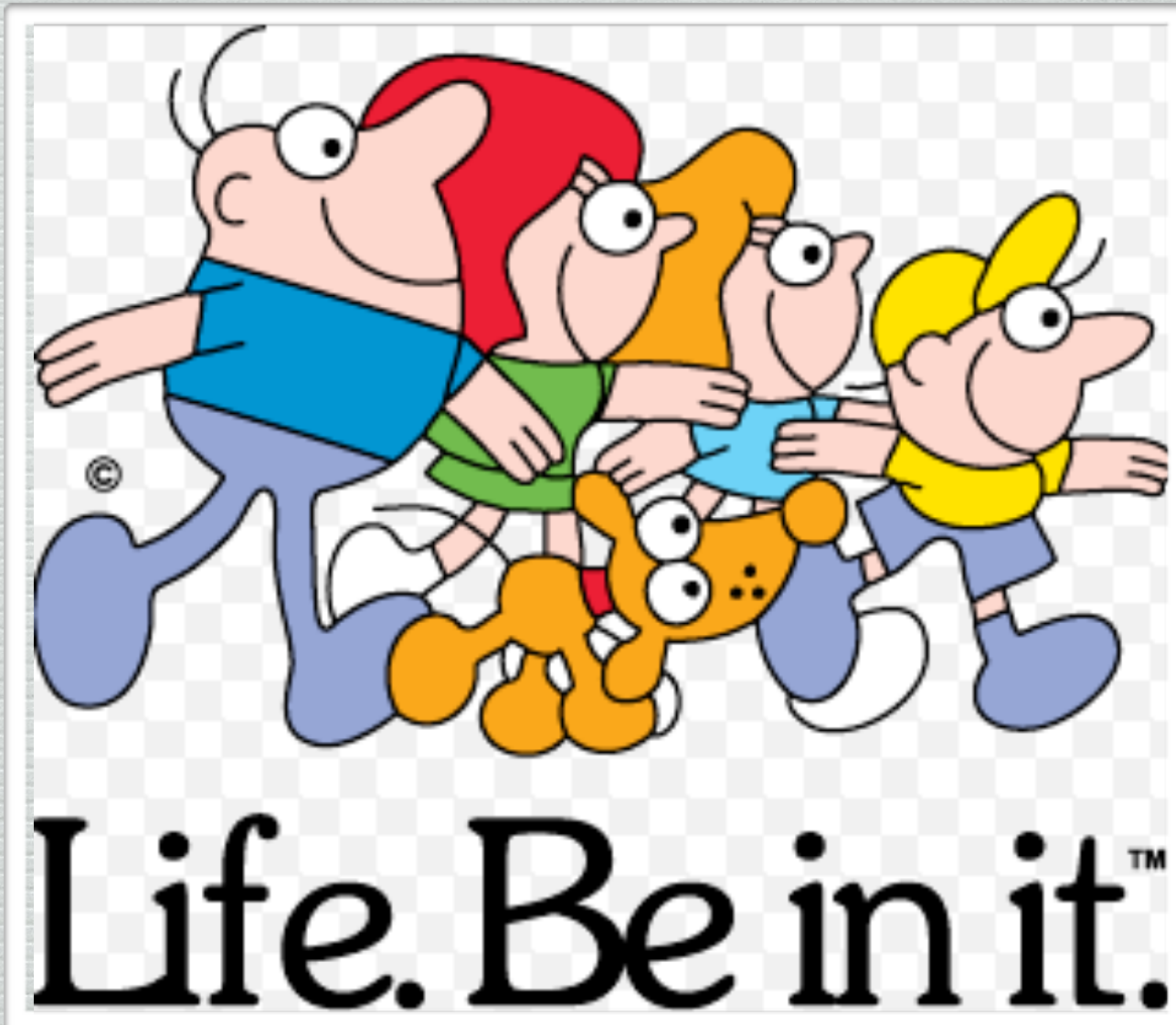
# Leonhardt





**Forget Time on Site**  
**Think Time in Life**







NEWSONOMICS

about the image above

HOME ABOUT PAYWALLS AND DIGITAL CIRCULATION NEW YORK TIMES BEST PRACTICES THE DIGITAL DOZEN

June 8, 2014

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CONFERENCES & COMPANY KEYNOTES

BOOKS

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 Andrew Miller, CEO Guardian, UK  
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[www.newsonomics.com](http://www.newsonomics.com)



# Directionally Right

Users

... to Readers

... to Subscribers

... to Members




# Sneak Previews



Google Now. The right information at just the right time.

See helpful cards with information you need throughout your day, before you even ask.

 The Google Search App



**Restaurant reservations**  
Be reminded of dinner reservations for the evening

The Connaught Hotel

Carlisle f  
W1K 2A  
Check-i



Package shipped

5:26pm

Iron Ma  
Promet

57 minutes to work

Normal traffic on US-101 N



Manage your day

Stay on top of what's happening in your life every day, including what you need to do, where you need to go, and how to get around.

[Learn more](#)

# Google NOW



# Sneak Previews!

# Connected Cars Ford Sync





## Sneak Previews



# Apple Acts On Its Knowledge (Of Us)



# Sneak Previews



# Apple Acts On Its Knowledge (Of Us)



## Sneak Previews!

# Amazon Same-Day Reshapes Retail



### The newsonomics of Amazon vs. Main Street

The online retail giant's shift into same-day delivery will change local retail. Will it also change local news?

By **KEN DOCTOR**

[Tweet](#) 231 [Like](#) 66 [Email](#)

Order it on Amazon. Then run to your front door and have it handed to you. The news of Amazon's same-day delivery blitzkrieg — first explained in depth in an excellent Financial Times [piece](#) — elicited a near-maniacal laugh among newspaper companies: What next?

Of course, the impact of Amazon's move extends well beyond the further toll it may take on the ever-shrinking newspaper business — but that crater-creating possibility may well be the biggest news of a big news summer. Advertising — in Amazon-contested markets — will never be the same.



# Sneak Previews



# What Machines Will Do, Machines Will Do





# What Does Your Pyramid Look Like?



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about the image above

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