



# Destination 2020: How We Get There Stronger and Smarter

**Megaconference**  
**Feb. 26, 2018**

**Ken Doctor**  
*Media Industry Analyst &  
Author,  
Newsonomics*



Inside The Fast-Changing Landscape of  
Shrinking Newspapers And Always-On Digital News

**NEWSONOMICS**

Twelve New Trends  
That Will Shape the  
News You Get

Ken Doctor  
Leading Media Industry Analyst



# Today

## 2018 Realities

## Fakery & Trust

## Models That Work



# Today

## The 3 R's

### Relevance

### Relationship

### Revenue



# 2018 Realities





# Milk It...

# Or Grow It?



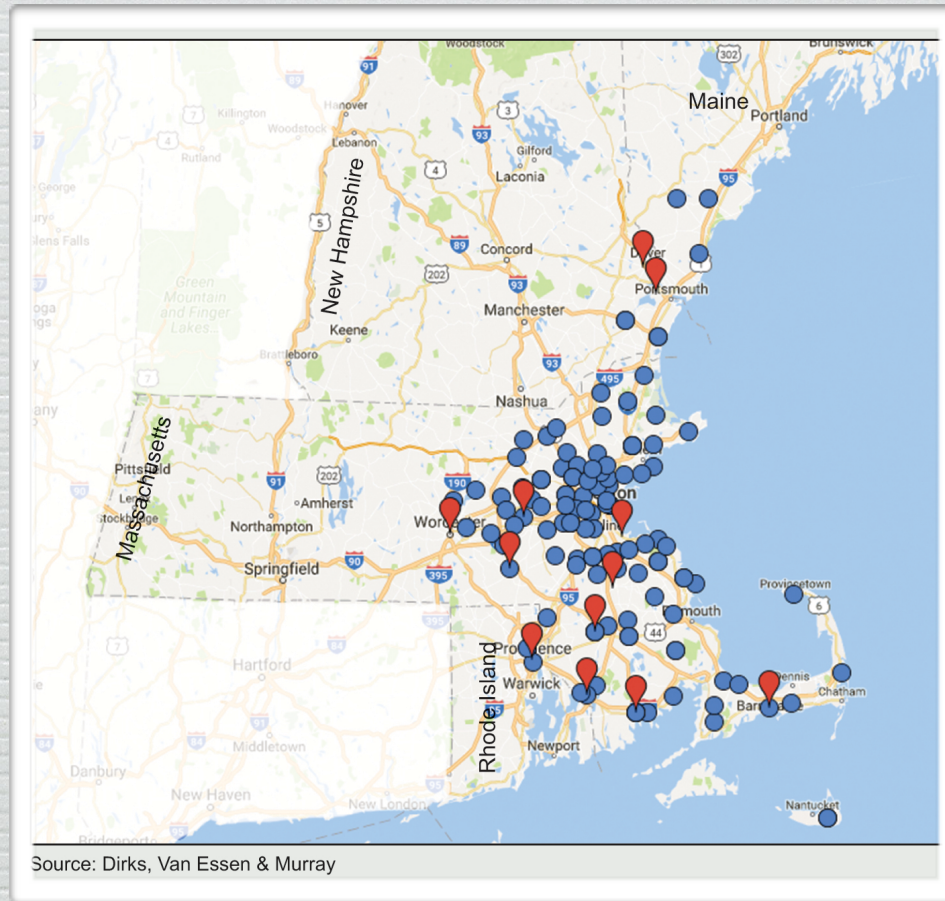


Half The Product  
Twice The Price



Doing  
Less & Less for  
Audiences  
&  
Charging  
More & More





# New: Mega-Clustering

## 3 Chains Own 25% Of Local Press

Copyright, Content Bridges/Newsonomics, 2018



	Member Number	Parent Company	Member Name	City Published	State Published	Reporting Date	Frequency Description	Total Print	Total Digital Replica	Total Digital Nonreplica	Total Circulation	Latest Update
1	106450	tronc, Inc.	HARTFORD COURANT	HARTFORD	CT	03/31/2017	Sun	135,756	8,625	12,075	156,456	04/13/2017
2	106900	American-Republican Incorporated	REPUBLICAN-AMERICAN SUNDAY REPUBLICAN	WATERBURY	CT	03/31/2017	Sun	38,241	544	0	38,785	04/20/2017
3	106751	Hearst	NEW HAVEN REGISTER	NEW HAVEN	CT	03/31/2017	Sun	33,664	3,058	1,786	38,508	05/11/2017
4	106200	Hearst	CONNECTICUT POST	BRIDGEPORT	CT	03/31/2017	Sun	29,385	2,493	0	31,878	04/26/2017
5	5100052	Prime Publisher's Inc.	VOICES WEEKENDER	SOUTHURY	CT	09/30/2016	Sun	28,457	0	0	28,457	
6	106800	The Day	DAY	NEW LONDON	CT	03/31/2017	Sun	20,358	2,514	143	23,015	05/17/2017
7	106860	GateHouse Media	THE BULLETIN	NORWICH	CT	09/30/2016	Sun	13,516	884	0	14,400	01/31/2017
8	106300	Hearst	NEWS-TIMES	DANBURY	CT	03/31/2017	Sun	11,532	1,856	0	13,388	04/17/2017
9	106850	Hearst	HOUR SUNDAY HOUR	NORWALK	CT	03/31/2017	Sun	11,431	169	0	11,600	04/25/2017
10	106880	Hearst	ADVOCATE, THE SUNDAY ADVOCATE	STAMFORD	CT	03/31/2017	Sun	7,487	346	0	7,833	04/25/2017
11	106700	Central Connecticut Communications, LLC	HERALD, HERALD PRESS	NEW BRITAIN	CT	09/30/2016	Sun	7,470	104	0	7,574	05/22/2017
12	106350	Hearst	GREENWICH TIME, THE SUNDAY GREENWICH TIME	GREENWICH	CT	03/31/2017	Sun	4,155	200	0	4,355	04/19/2017
13	106751	Hearst	NEW HAVEN REGISTER - Middletown Press	NEW HAVEN	CT	03/31/2017	Sun	1,686	20	353	2,059	05/11/2017
		Total Hearst Pre-acquisition						63,990	5,064	0	69,054	
		Total Acquired Publications						35,350	3,078	2,139	40,567	
		Total Hearst Post-acquisition						99,340	8,142	2,139	109,621	

# Hearst Clusters Connecticut

With 7 of 13 Papers, Can It Improve Coverage?



Doug Manchester, Trump's pick for Bahamas ambassador, apologizes to any 'uncomfortable or demeaned' employees



# Billionnaire Bingo

## Which Moneybags Do You Get?





# The Right Spirit

225 New Journalists, 150 New Techies

WashPost Rejoins The News Elite

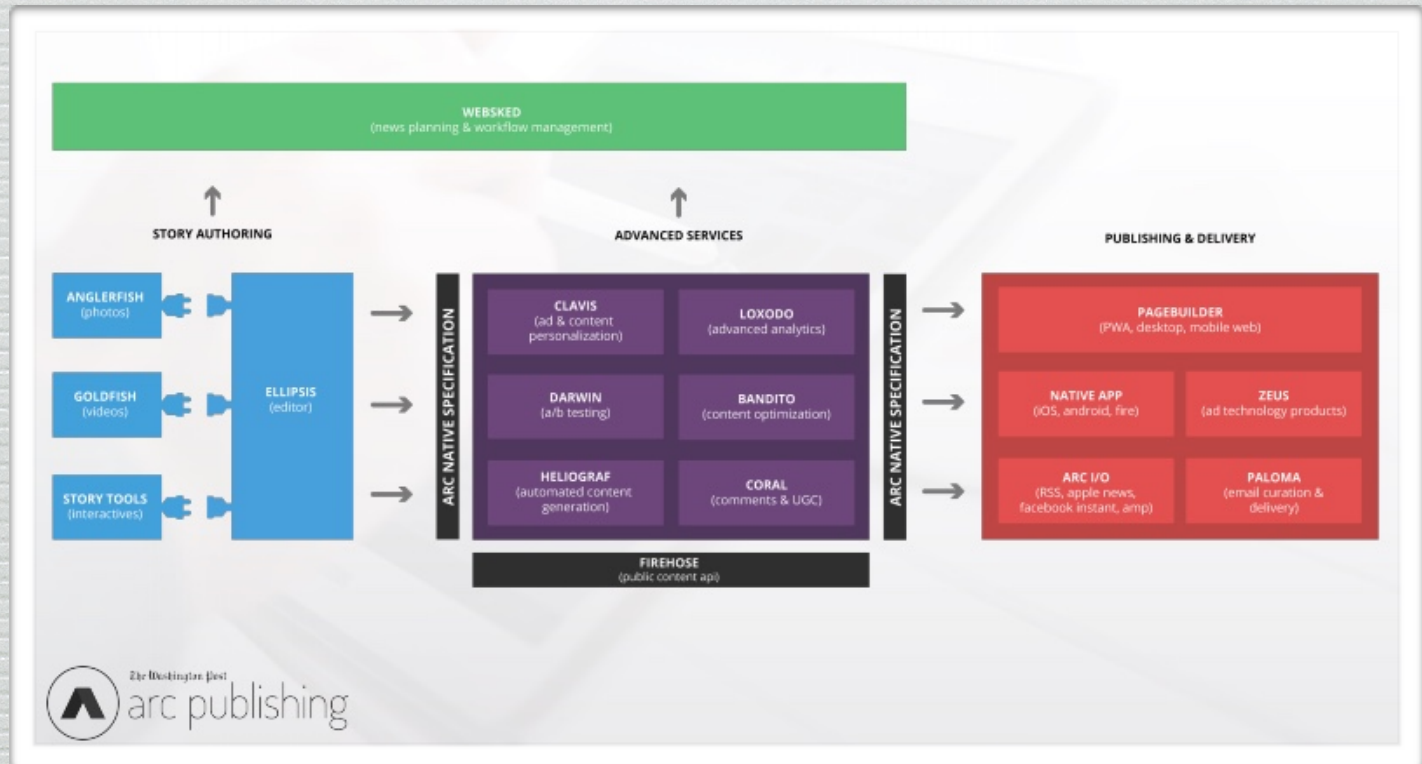




**Long-Term Investment in  
Content, Product & Technology  
Best Customer Experience  
Exploit Data To Grow Money**



# Washington Post Arc



## Now Powering More 50 Sites



# What We Can Apply From Washington Post & New York Times



...And From

Star Tribune

Dallas Morning News

Charleston Post and Courier

Victoria Advocate



# What's It Take

- ✓ Long-Term Vision, Passion
- ✓ Prudent Re-Investment
- ✓ Acceptance Of Lower Profit
- ✓ Crossover Financial Strategy
- ✓ Next-Generation Talent



# What's It Take

- ✓Up Value Proposition
- ✓Mobile Product Focus
- ✓Innovate New “Ad” Business Lines
- ✓Drive Strategy With Business Intelligence
- ✓Be Riveted On Relationships





# We Have The Building Blocks



# Fakery & Trust





**“Of all the content on Facebook,  
more than 99% of what people see is authentic.”**

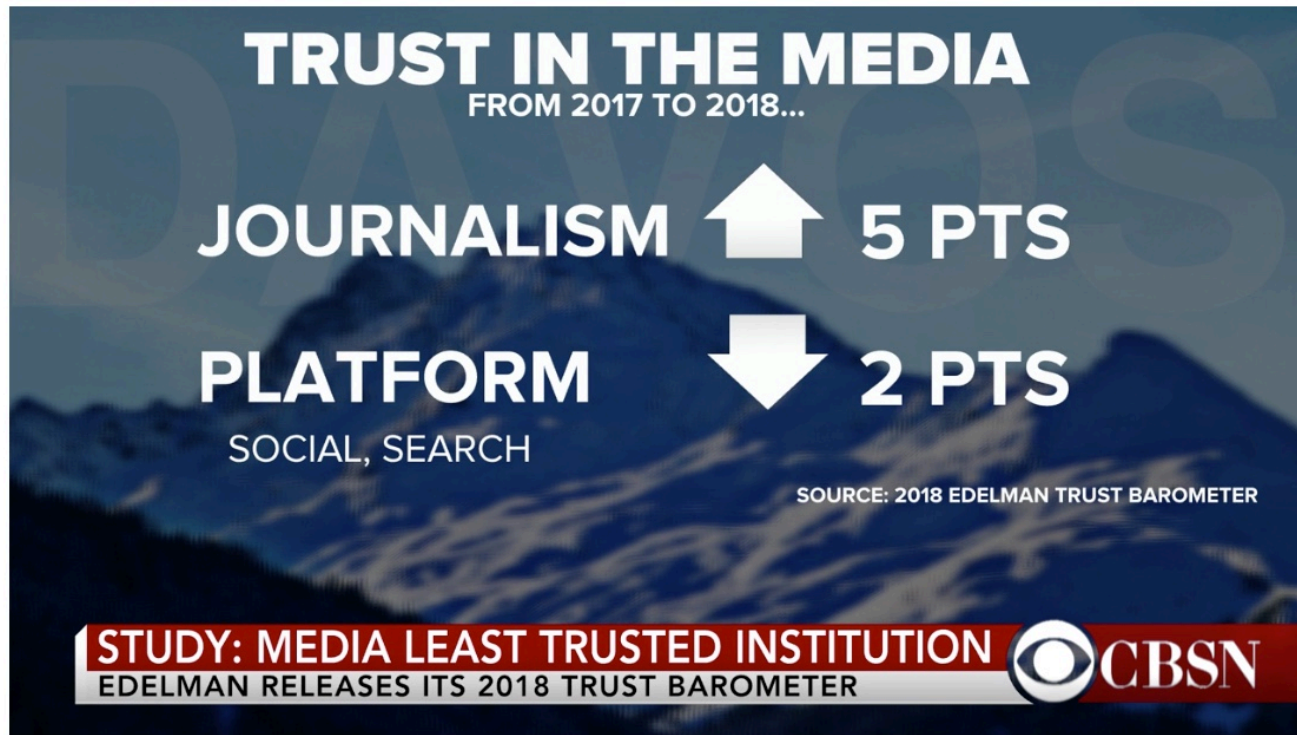




**1% = 50 Million Potentially Fake Posts...**

**Daily**





**Mind-Blowing .....And Not**

**What's The Best Proxy For Trust?**

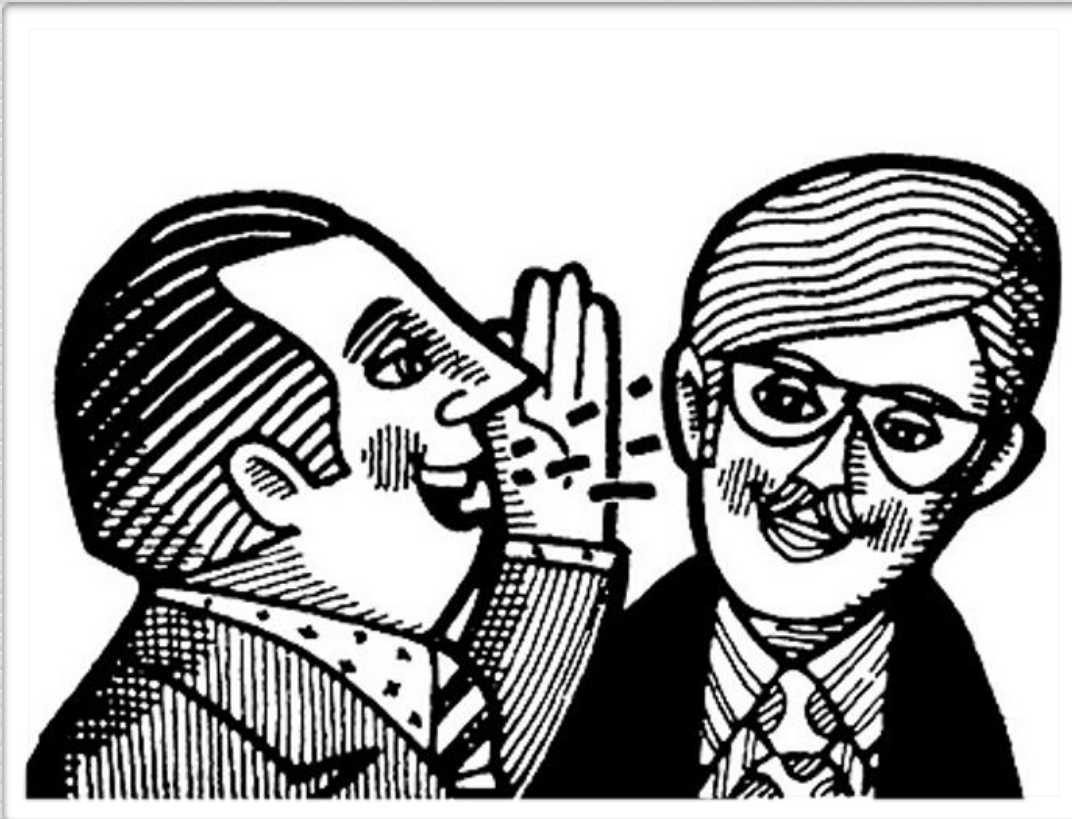


# Subscription!



# The Realization & The Opportunity





# There's Gossip...





# ... And There's News



**ICFJ SUPPORTS THE TRUTH TELLERS**  
ICFJ International Center for Journalists

Send Ideas Now to Fight Fake News!



**TruthBuzz:  
The Viral Fact-Checking Contest**

Fake news orbits the planet in an instant on social media. Is the truth keeping pace? We want to make sure it does. ICFJ's global TruthBuzz challenge aims to invent new ways to help verified facts reach the widest possible audience. The deadline to apply is July 9, 2017.

TruthBuzz wants your creative solutions for taking fact-checking beyond long-form explanations and bullet points. Anyone — not just journalists — can apply in any digital format and in all languages. Send us your idea to turn fact-checking into engaging, visual and interactive stories that are instantly understandable and shareable. The first-place winner will receive a cash prize of US\$10,000. Want to learn more? [Click here.](#)

Submit your idea by July 9 [here!](#)

KQED Learning

## Lesson Plan: Fighting Fake News

Author: Rachel Roberson

Related resources

- [Next Truth About Fake News](#) (KQED's The Now)
- [New News Consumer Handbook: Fake News Edition](#) (WNYC's On the Media)
- [Fighting Evidence: The Cornerstone of Civic Online Learning](#) (Stanford University History Education Group)

**Writing quick write prompt:**

What are the potential consequences when fake news goes viral? Do you think you could spot fake news if you were fooled? Why or why not?

*Writing prompt allows students to write down their thoughts before discussing the opening question in order to increase participation and make the discussion more accessible to English Language Learners.*

**Objective**

- Students will analyze the problems and potential consequences associated with the spread of fake news.
- Students will identify and evaluate ways to avoid fake news in social and academic settings.

**Essential Question and Lesson Context**

**What happens when fake news spreads? What actions can I take to verify news stories, photographs and other sources of online information?**


Fake news is no longer a matter of the occasional hoax. There is growing evidence that fake news has the power to shape public opinion and even sway elections. As more Americans get their news online, it is increasingly vital that students know how to verify sources and spot fake news or images, which often appear




News & Insights   Advocacy   Research & Tools   **NEWS MEDIA ALLIANCE**   About Us

## CAN YOU TELL REAL NEWS HEADLINES FROM FAKE? TAKE OUR QUIZ


Home > News & Insights

 Jennifer Peters   12.05.2017



### Wikipedia founder to fight fake news with new Wikitribune site

Crowdfunded online publication from Jimmy Wales will pair paid journalists with army of volunteer contributors



# The Return of Civics



# Fake News Is A Big Problem and....



**And Yet.....**

**Google, Facebook  
Have Built An  
Unassailable Ad  
Duopoly**



# How Much of the Digital Ad Growth Goes to Facebook & Google?

89%



# The Crumbs of the Digital Economy

U.S. Ad Revenues	2015	2016	Growth	Share of Growth
Google <sup>1</sup>	\$31.3 Billion	\$37.6 Billion	\$6.3 Billion	49%
Facebook <sup>2</sup>	\$8.9 Billion	\$14.1 Billion	\$5.1 Billion	40%
Everyone Else	\$19.4 Billion	\$20.8 Billion	\$1.4 Billion	11%
PWC / IAB <sup>3</sup>	\$59.6 Billion	\$72.5 Billion	\$12.9 Billion	

**\$1.4B ....For Everyone Else  
Dailies Down \$30B A Year**





.....Be Rich



# \$30 Billion

## In Profits

**These Aren't News Companies.**

**They Are Advertising Companies.**

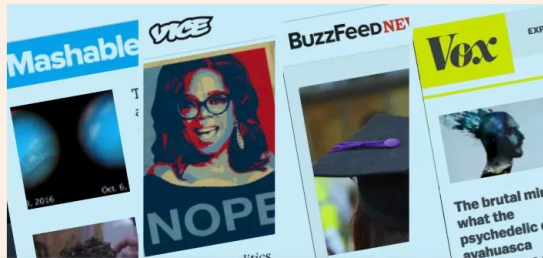


# Our Takeaway

## Publishers' Ad Business Has Changed Forever

Vice, BuzzFeed and Vox hit by changes in digital media industry

New generation of once-hot groups forced to adjust models as rules of business alter



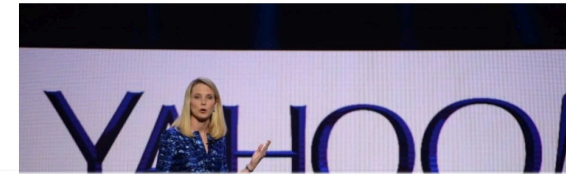
### Vox Media Hit With Large Layoffs

The digital media company will lay off about 50 people in a piv

Morning Mix

'Oath' is the name of Verizon's new 'disruptive' company. Get it?

By Travis M. Andrews April 4, 2017 Email the author





# What's The Model?



# Is It Vibranium ?







# Or Cryptocurrencies?



# The 3 R's

**Relevance**

**Relationship**

**Revenue**



# Relevance

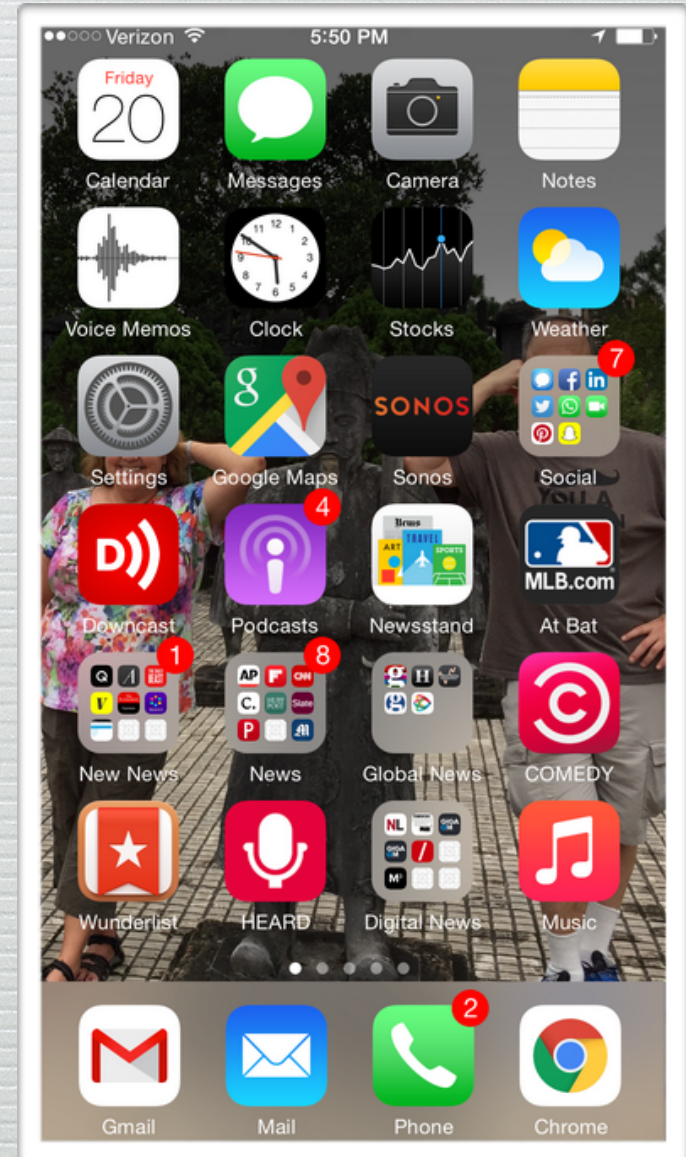


# “Product”



# What's On Your Phone?

The “Front Page”  
60%+ Of Usage







# The Chant: “Vote Them Out”





“Calling B.S. On....”



**Do You Know Your  
Community Better Than  
Facebook or Google?**

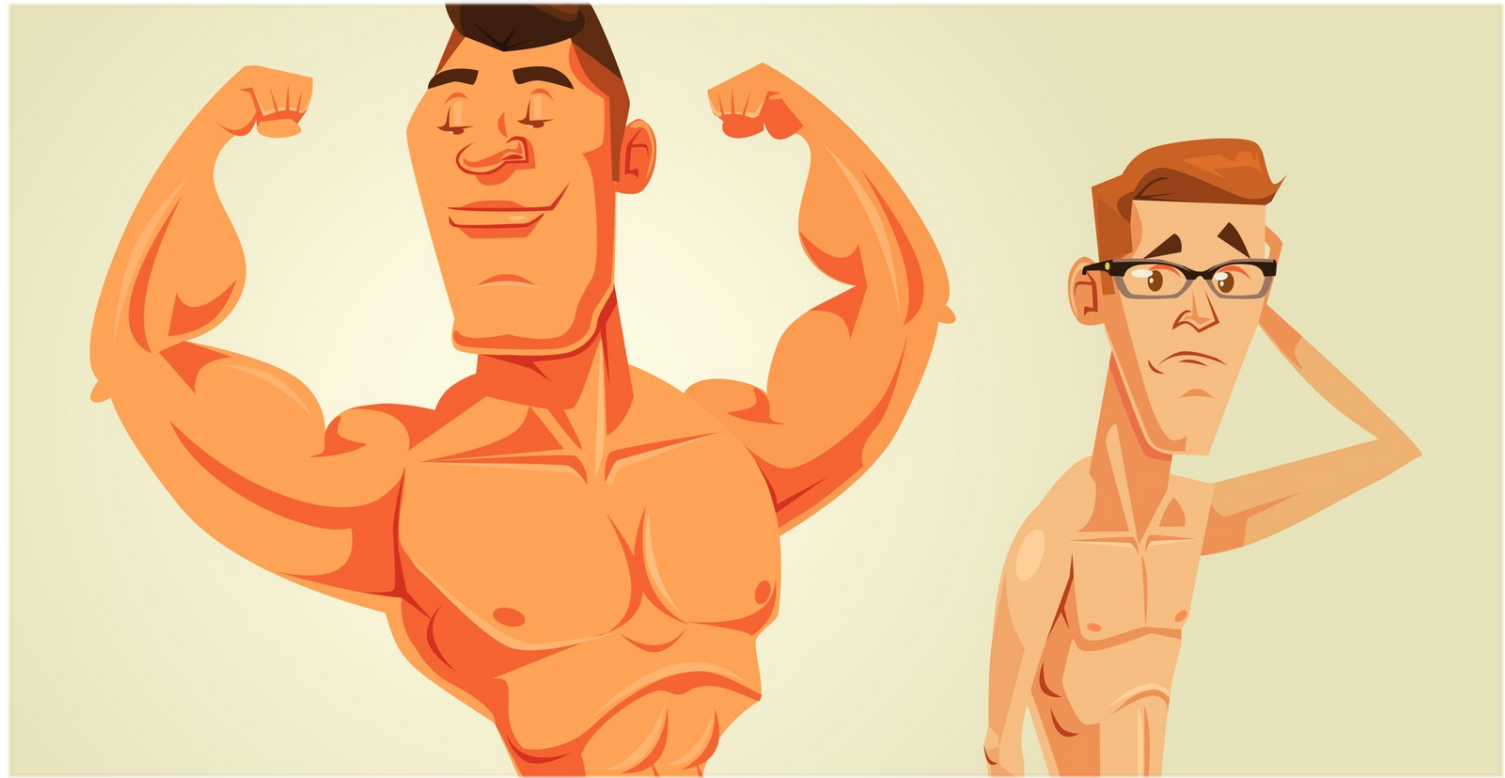
**Prove It!**





# Rebuilding Local Democracy Civic Betterment





# Are We Losing Muscle Memory Of Local News?





# News Reading

Now 44% Of Minutes National,  
Up From 35%



# Why?

## News Is National

## Local Newspapers Produce Less Content

## Better Smartphone Products



# How Many Daily Newspaper Journalists In 1990?

56,900



# How Many Daily Journalists Today?

25,000



# How Many Broadcast Journalists Today?

27,600



# Relationship



# The Newspaper as Village Center







# The Newspaper

Reading

Buying

Doing

Passing Time

Building Community



# Readers & Community

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



# What's Old is New

## The Relationships That Matter

### Readers

### Merchants

### Community

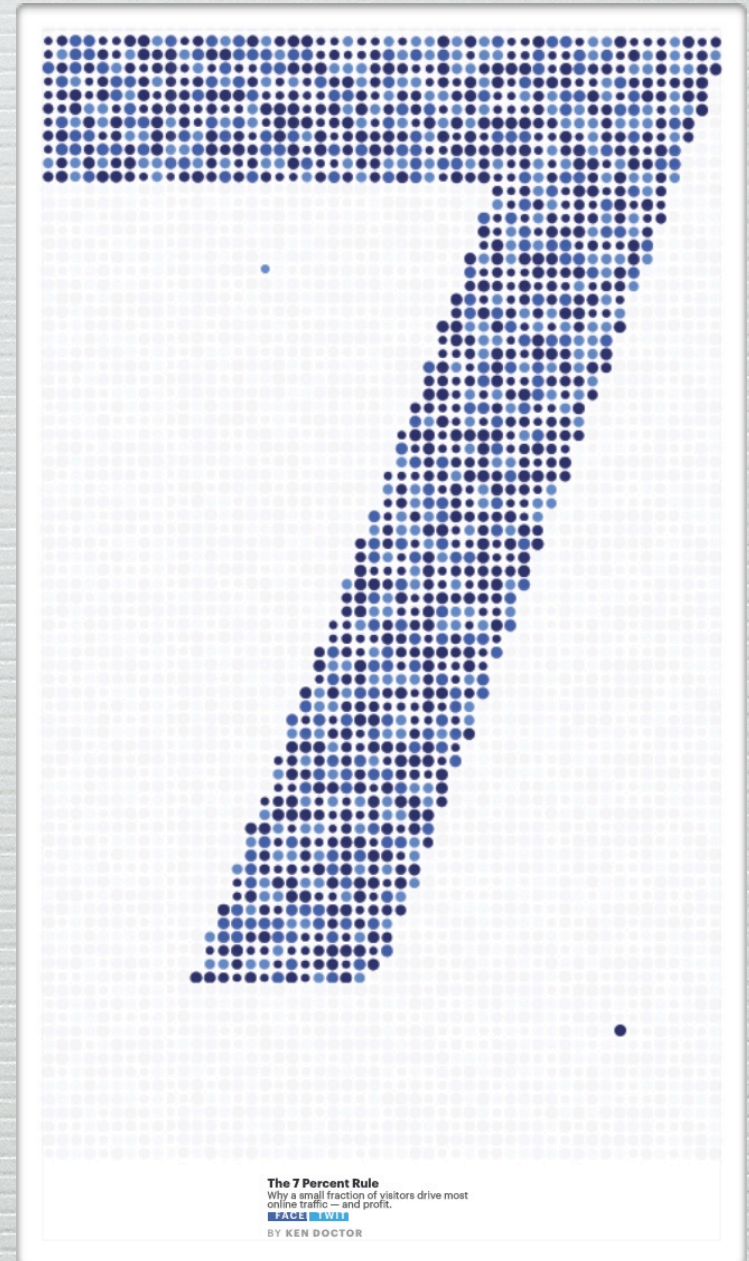


# The Business Of Relationship



# Who Are Your Customers?

Who Drives  
Your Revenue?







**88% of Digital Revenue Comes  
From 12% of Audience**



# The Numbers That Matter

## Of Unique Visitors

1-2% — Those Who Will Pay for Digital

5% — Those Who May Register

10-15% — Those Who Read 50%+ of Pages

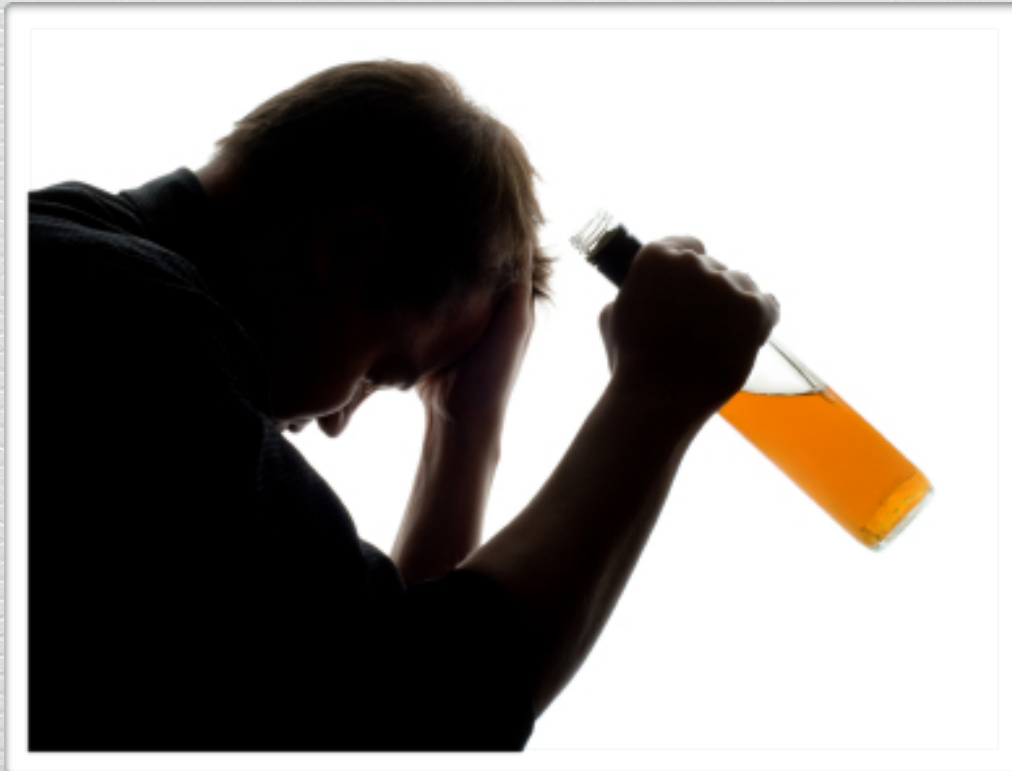
20% — Consume Significant Ad Pages



**We Have A Word  
For Them....**

**....Customers**

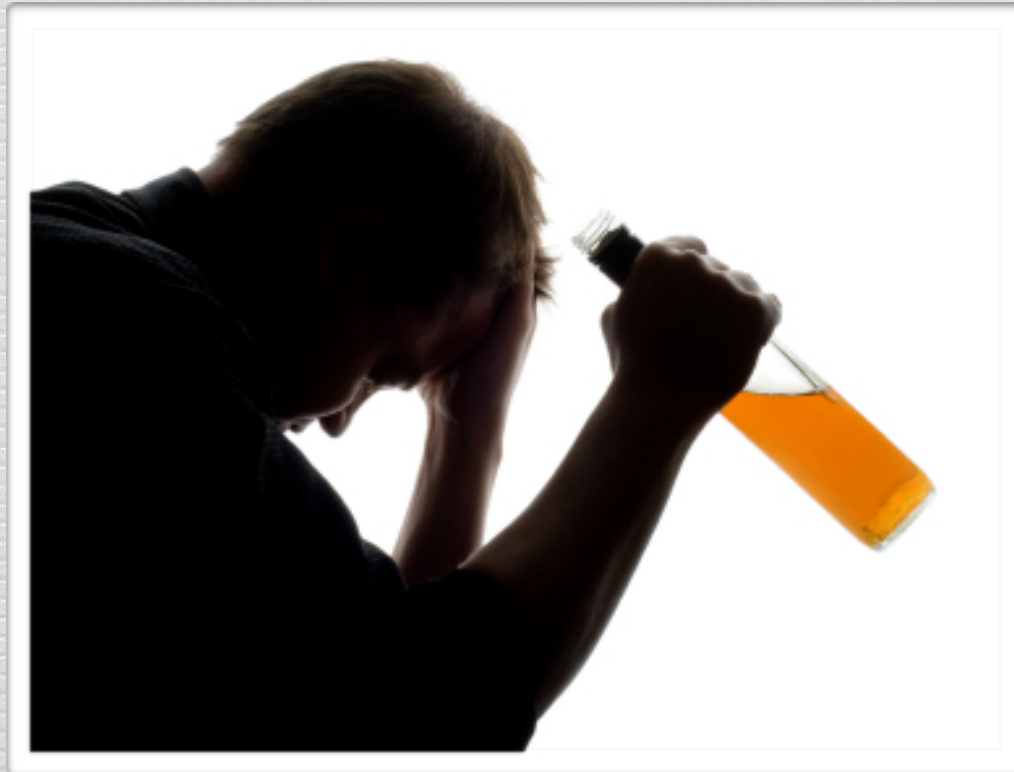




# Juiced on Google

Addicted & Counting the Wrong Things:  
Page Views, Uniques

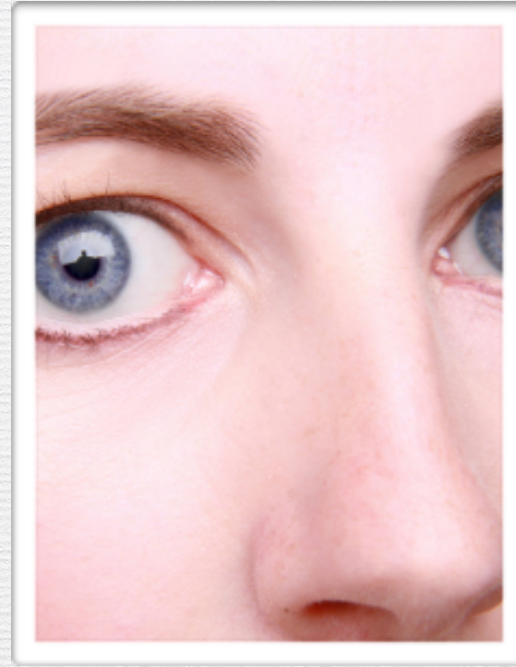




# Getting Over Platformitis

Focus On Own Business & Content Control





# What Do You Really Know About Your Customers?

aka Analytics, Data Science, Audience Development  
**Business Intelligence**





# Analytics

## Moving from Anonymous...





# ....To Known

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





# What Does Your Top 10-15% Read What, When, On What Shop, Buy Save, Share





# What Does Your Top 10-15% Want to Know?

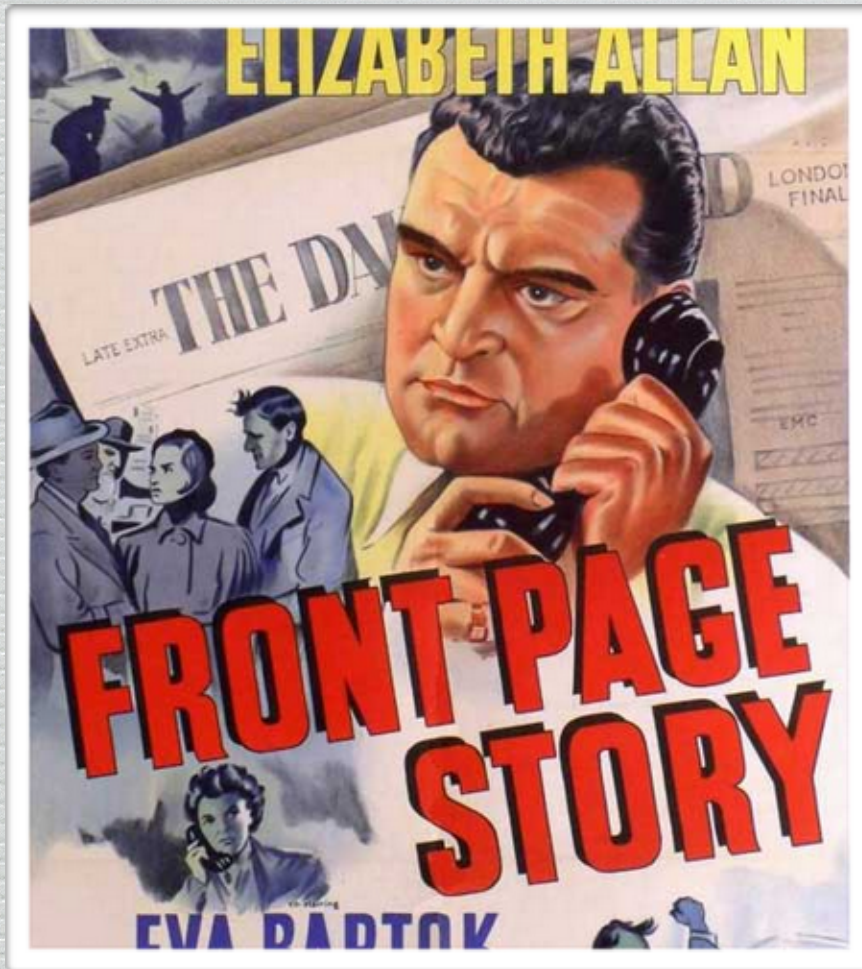




# **Ask What Does Your Top 10-15% Want?**

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





It's About Hunch & Munch



# Re-Focus On Relationships



# The Future of the News Business is In Relationships

Deep, Wide, Data-Laden  
Relationships with Our Customers



# Relationship Newsonomics Goals

**Increase Average Revenue Per Engaged  
Reader**

**Increased Average Revenue Per Engaged  
Merchant**



# What's Our Emerging Revenue Model?



# What's Our Emerging Revenue Model?

Majority Reader Revenue

New Commercial Revenue Strong  
Secondary

3rd, 4th Sources = @10%+



# Building Business Lines Since 2010

Reader Revenue  
Marketing Services  
Branded Content  
Events  
Podcasts  
E-Commerce



# The Revolution of Reader Revenue



# Going Forward, Reader Revenue Looks Far More Stable Than Ad Revenue



# 65% of U.S. Dailies Have Paywalls

NYT: 60% Reader Revenue

U.S. Dailies: 30-40% Reader  
Revenue



# The Biggest Issues

**Insufficient Unique Content**

**Products That Don't Unlock  
Content Value**

**Mismatch: Lesser Product, Higher Price**

**Blind Marketing**



# How Many Subscribers Did The New York Times Have in 1995?

1.5 Million



# How Many Subscribers Does The New York Times Have Today?

**3.6 Million**



# Briefings, Newsletters, Notifications, Alerts

## New York Today: Pull Out the Coats

Monday: A coat drive, rain, and the Bergdorf holiday windows are revealed.



## Your Monday Briefing

7:17 AM PST | What you need to know to start your day.

**Get the Briefing by Email**

Delivered weekday mornings.

[SIGN UP](#)

# It's Like A Daily Habit....Only Better



# What To Watch This Year

Dynamic Meters

Cheaper Subscription

Platforms Move On Subscriptions



# Scroll

free press.

Mounting pressure for fewer ad dollars is forcing media companies to compromise their content experience for revenue. More interstitials, more pre-rolls, slower page loads.

It doesn't have to be this way. Scroll is a consumer service powering an ad-free web that rewards great user experience and funds essential journalism.

[JOIN US →](#)

We're funded by a coalition of VCs and Media Companies



FOUNDER  
COLLECTIVE

OATV

The New York Times

News Corp

axel springer

## Tony Haile Start-Up Launches End Of Year



# Platforms: Subs R Us!

SUBSCRIPTIONS

**Google turns on the charm with publishers by focusing on subscriptions**

FEBRUARY 20, 2018 by [Lucia Moses](#)



**Google, Facebook, Apple  
All Test New Subscription Programs**

**Issues: Friction, Data, Targeting**



# Model +1 Advertising



# + Display Strategies

Marketing Services + Display

Branded Content + Display

Events + Display

Video + Display

E-Commerce + Display



# Commercial Storytelling

**Content Marketing**

**Branded Content**

**Native Content**

**Video Creation**





**Joy Robins, SVP/Global Revenue, Strategy**

**Quartz: “A Little Branded Content In  
Most Ad Sales”**





# 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**





## Services: Bundled or à la carte

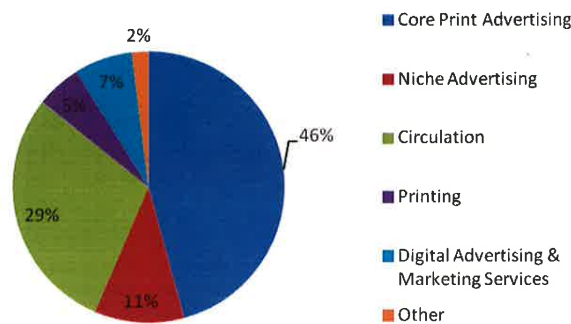
 <b>SPEAKEASY</b>	<ul style="list-style-type: none"> <li>➤ Strategy</li> <li>➤ Client content</li> <li>➤ Social media management</li> </ul>	<ul style="list-style-type: none"> <li>➤ Digital promotions</li> <li>➤ Reputation repair</li> <li>➤ Content for media companies</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Conversion optimization</li> <li>➤ Web analytics</li> </ul>	<ul style="list-style-type: none"> <li>➤ SEO</li> <li>➤ SEM</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Marketing SaaS</li> <li>➤ On-behalf-of marketing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Email acquisition campaigns</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Programmatic advertising</li> </ul>	<ul style="list-style-type: none"> <li>➤ Retargeting</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Direct mail</li> </ul>	<ul style="list-style-type: none"> <li>➤ Promo products</li> </ul>

# 5 New Local Marketing Services — Under One Umbrella

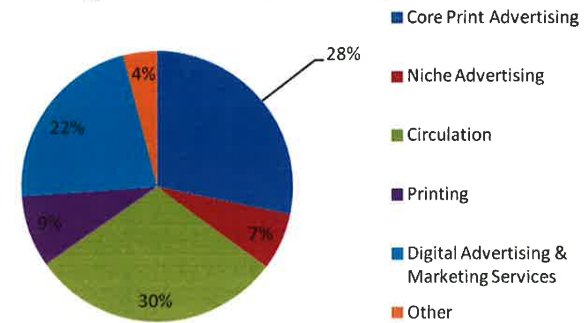


## Diversification of Revenue Sources 2010 and Q2 2017

**Distribution of Revenue 2010**



**Distribution of Revenue Q2 2017**



# DMN Diversification

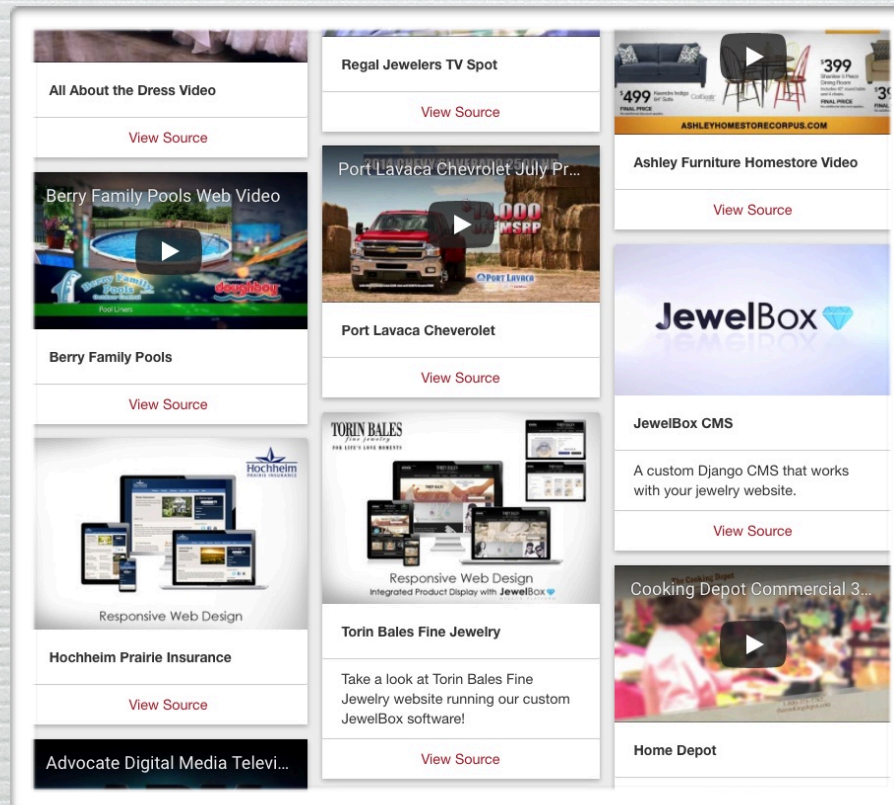




# Victoria Advocate

18,000 Circulation,  
30% of Revenue in Digital Agency





# Victoria Advocate

## 200 Clients, \$600 Average



## **GATEHOUSE MEDIA LAUNCHES CO-BRANDED CONTENT, COMMERCE INITIATIVE WITH HOUZZ**

18 /



# **Innovative Commercial Partnerships**



# Events



# Events Marketing Spending is *Bought* Differently

Ad Budget

Promotion Budget

Community Service Budget

Events Budget



# Digital + Physical

## MEET GATEHOUSE LIVE



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**SARAH BASS**  
Operations Director

[sbass@gatehousemedia.com](mailto:sbass@gatehousemedia.com)



Now, With Gatehouse Live,  
250+ Events A Year



# Spirited Media Events

NOV 14	<b>Denverite On Topic: Homelessness and Hou...</b> Tue 6 PM MST • 626 guests	Curious Theatre Company Denver, CO
OCT 12	<b>Denverite's Colfax Week Happy Hour</b> Thu 6 PM MDT • 596 guests	Sie FilmCenter Denver, CO
OCT 10	<b>Conversation on Colfax with Denverite</b> Tue 1 PM MDT • 4 guests	Lawrence & Larimer (3229 E...
JUL 26	<b>Denverite's One-year Anniversary Party</b> Wed 6 PM MDT • 550 guests	
FEB 5	<b>Denverite's Sunday Party</b> Sun 4 PM MST • 149 guests	Syntax Physic Opera Denver, CO
NOV 8	<b>Denverite's Election Night Party</b> Tue 6 PM MST • 319 guests	Galvanize Denver - Golden T... Denver, CO
SEP 1	<b>16th Street Mall: What's working and what's...</b> Thu 7 AM MDT • 56 guests	16th Street Mall



## It's About Connection & Sponsorship



# “Events Are The Glue Of Our Business”

—Tim Hartman

ATLANTICMEDIA

31 “White Label” Events

12 Brand Events

19 Digital Events





# Crossover Benchmarks



# Crossover

% Reader Revenue

% Print Ad Revenue

% Digital Ad Revenue

% Digital Display Revenue

% Content/Product Costs

Revenue Growth

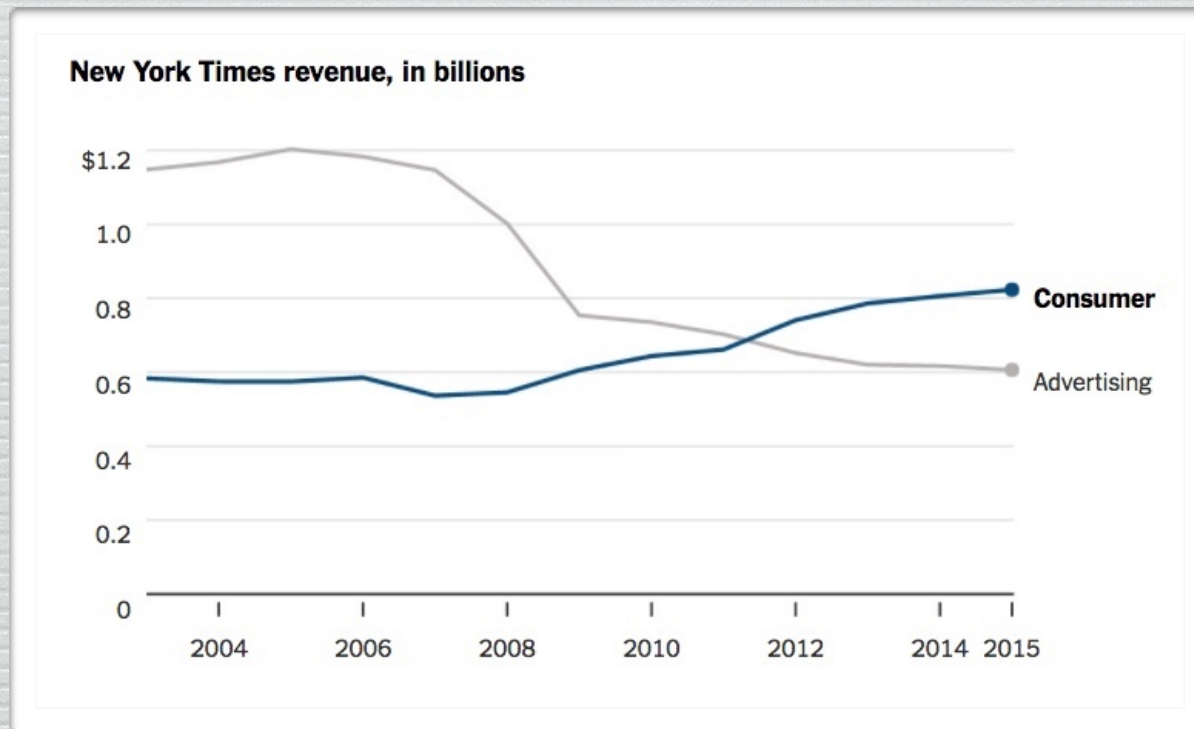




# Target: Zero



# NYT, WSJ, FT Crossover



**Now 60% of Revenues From Readers**

**At 70%, A New Profitable Business**



# National Crossover

NYT Reader Revenue: 60%

Print Ad Revenue: 18%

Digital Ad Revenue: 46%

Content/Product Costs: @25%

Revenue Growth: 6%



# The Big Crossover

Mainly Print To Mainly Digital  
Modeling Revenues & Costs





# Digital No More Than A Third of Revenues



# Big Question

What Kinds Of Content and Product  
Can Be Supported — Until Then?

Is It Enough?



# What's It Take

- ✓ Long-Term Vision
- ✓ Prudent Re-Investment
- ✓ Acceptance Of Lower Profit
- ✓ Crossover Financial Strategy
- ✓ Next-Generation Talent



# What's It Take

- ✓Up Value Proposition
- ✓Mobile Product Focus
- ✓Innovate New “Ad” Business Lines
- ✓Drive Strategy With Business Intelligence
- ✓Be Riveted On Relationships



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August 10, 2017

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Trump makes 'Real News' in war against media - Financial Times  
August 8, 2017

TOP POSTS

onomics: For The Newspaper Industry's Next Feat, Can It Get Donald Trump To Give It Antitrust Protectic

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- Ken Doctor, Newsonomics, USA
- Mathias Döpfner, CEO Axel Springer, Germany
- Andrew Miller, CEO Guardian, UK
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