

# TRANSFORMATION & INNOVATION IN LOCAL MEDIA: *The Power of Your Story Now*



**BORRELL**

**LocalMedia**  
association

**Thatcher+Co.**

# Thatcher+Co.

1501 Broadway, New York, NY, United States

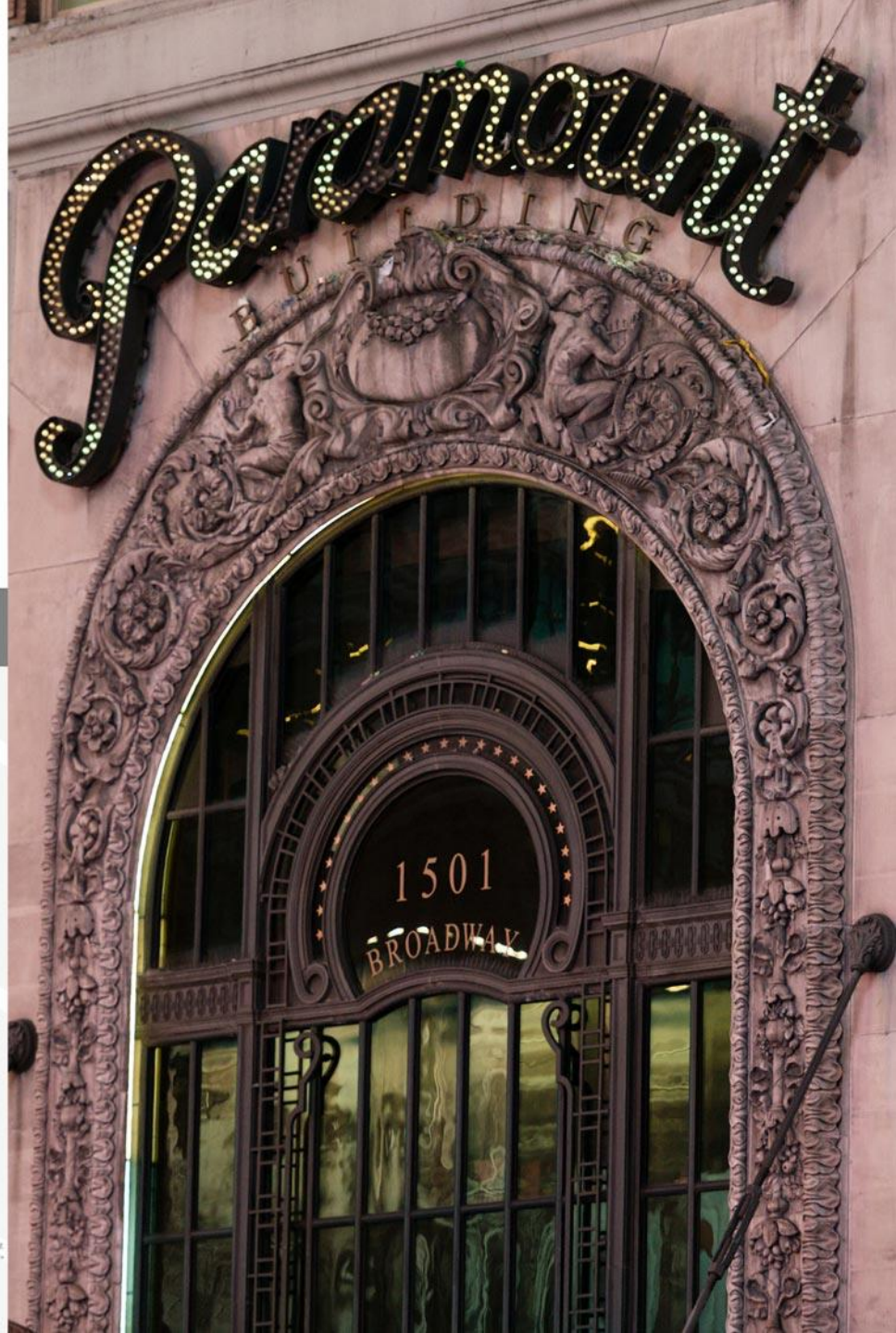
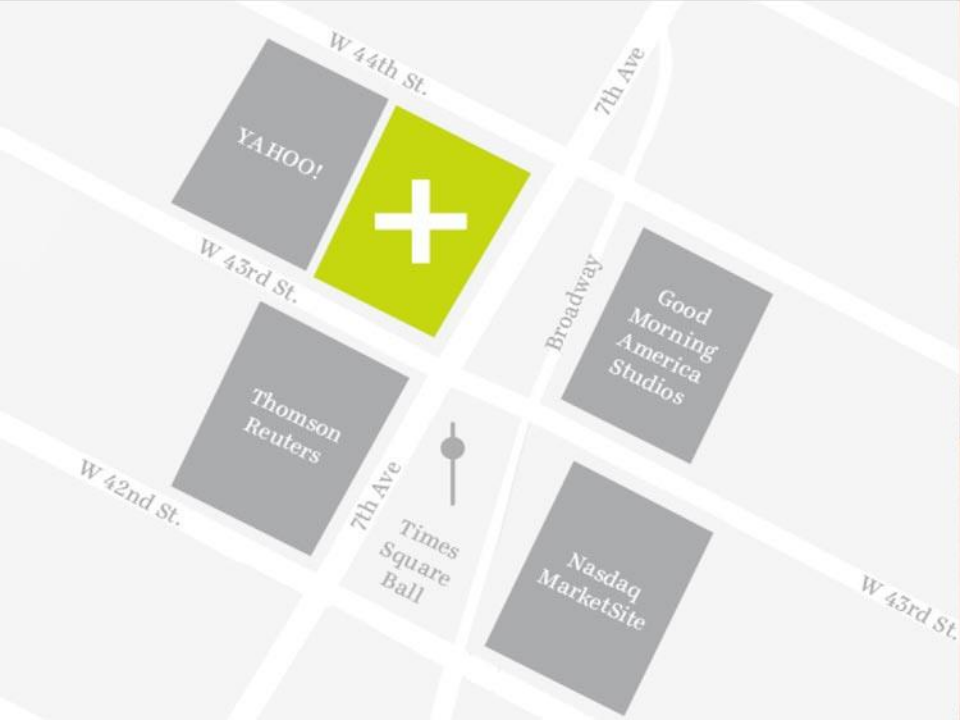
[www.thatcherandco.com](http://www.thatcherandco.com)



@bradleythatcher



@thatcherco





**Thatcher**+Co.



LEON RAYVA ITT

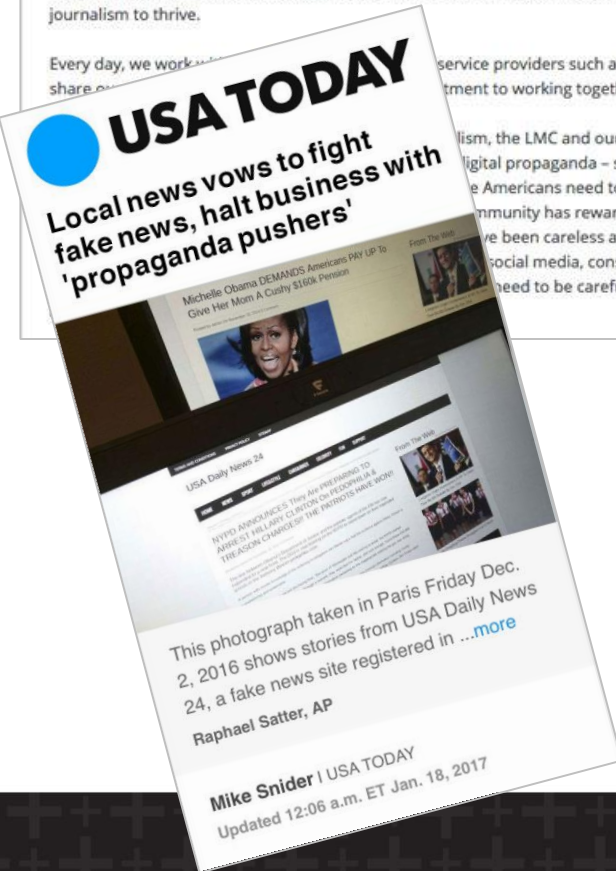


## LOCAL MEDIA CONSORTIUM POSITION STATEMENT ON SO-CALLED FAKE NEWS

January 18, 2017 — The Local Media Consortium (LMC) is a strategic partnership of local media companies representing more than 1,600 news sites across thousands of communities in the United States. We have banded together to use the latest technologies and partnerships with digital companies to help provide the means for local journalism to thrive.

Every day, we work with service providers such as Google, Yahoo! and Monster.com that share our commitment to working together to foster growth in the digital age.

In journalism, the LMC and our partners are sickened by the digital propaganda – spreading across the desktops and the Internet. Americans need to be discerning about where they get their news. Our community has rewarded fake news by paying its creators. We have been careless about where their ads run. With a focus on social media, consumers have been vulnerable to fake news. We need to be careful with whom they do business to avoid



*“It is deeply concerning to see the sheer scope of digital misinformation propagating around the globe, but assuring to see our members and partners band together to address these concerns head-on. We look forward to collaborating with the industry to implement measures that quash the spread of digital propaganda and protect the sustainability of local journalism – one of the principles on which the LMC was founded.”*

— Christian Hendricks, LMC  
Executive Board Member



# TRANSFORMATION & INNOVATION IN LOCAL MEDIA



# SEPARATE FACT FROM FICTION

---

- + The \$133 billion local advertising industry, responsible for 40% of all advertising, is more complex and counterintuitive than it might appear.
- + The untold story is that traditional media companies aren't dying, but morphing into something different and more relevant to advertisers.
- + In fact, local media companies are leveraging their existing core strengths as launching pads for transformation and innovation.



# WHERE DO YOU START?

---

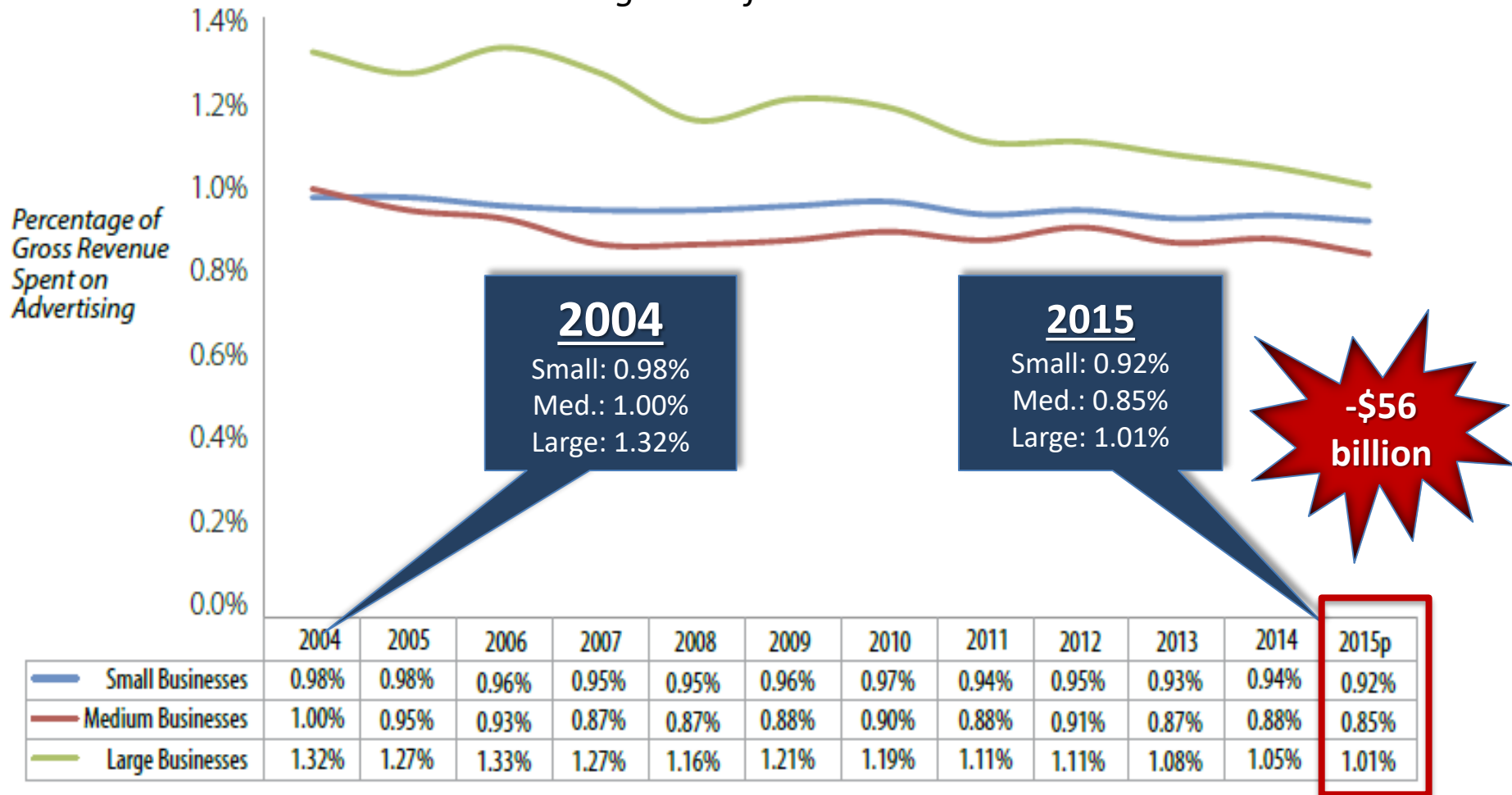


*“We believe that the more local media organizations are proactive in articulating their investments in new revenue generation that it will have an effect in reframing the debate and constant focus on the decline of traditional business models.”*

— Jim Moroney, Publisher and CEO of A.H. Belo  
and the Dallas Morning News

# 'ADVERTISING' IS LOSING ITS LUSTER

Advertising as % of Gross Business Revenue



Source: Borrell, 2016

# 'MARKETING' IS BOOMING



Source: Borrell Associates Inc.; \$ in Billions

# THE U.S. MARKETING "ICEBERG"

**\$325  
Billion**

**ADVERTISING**  
\$325.99, 17.6%

**PROMOTIONS**  
\$804.06, 43.3%

**OFFLINE SUPPORT**  
\$112.66, 6.1%

**DIGITAL SUPPORT**  
\$613.22, 33.0%

**\$1.5  
Trillion**

*Local media companies have a major strategic advantage:  
longstanding relationships with advertisers in their markets.*

*“Learn about your customers and what their needs are then fulfill them. Establish credibility. Become a marketing partner and someone that can be counted on, not just the ad rep du jour.”*

— Insurance agent advertiser

# LOCAL MEDIA COMPANIES ARE EXPLOITING THIS REALITY



Kirk Davis, CEO,  
*GateHouse Media*

PublishersDAILY

## GateHouse Media Ramps Up Digital, Will Hire 100 Sales Reps

by [Sara Guaglione](#), November 4, 2016



*Local media companies dominate digital advertising in smaller markets:*

*Local media companies dominate digital advertising in smaller markets:*



*There has been a boom in local media companies offering digital and marketing services:*



**SPEAKEASY**

**BIGFISHWORKS**

**SWIFT COMMUNICATIONS**

**Calkins Digital**

**PROPEL**  
MARKETING

**excelerate**



# THE LARGEST SOURCES OF REVENUE

*for these digital services operations are web development,  
SEO, reputation management and video production.*

# LEVERAGING PUBLISHING EXPERTISE OUTSIDE LOCAL MEDIA MARKETS

[Home](#) [About >>](#) [Resources >>](#) [Newsletter](#) [Contact](#) [Advertise](#)



February 22, 2017 Follow us ▾

## First Look: Deseret Digital Media's BrandForge And Local Media Consortium Partner

Deseret Digital Media (DDM) announced Wednesday that BrandForge, DDM's native advertising and content studio for local media companies, has entered into an agreement with the Local Media Consortium (LMC), a strategic partnership of leading local media companies. Through this partnership, BrandForge and the LMC will...

SHARE



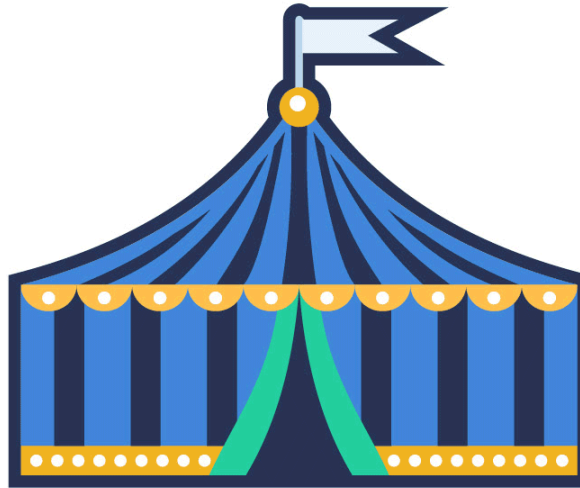
By [Michael Essany](#)

February 15, 2017

1 0



Deseret Digital  
Media (DDM)





# TRANSFORMATION & INNOVATION IN LOCAL MEDIA

The \$133 billion local advertising industry, responsible for 40% of all advertising, is more complex and counterintuitive



# TRANSFORMATION & INNOVATION IN LOCAL MEDIA

The \$133 billion local advertising industry, responsible for 40% of all advertising, is more complex and counterintuitive than it might appear. The untold story is that traditional media companies aren't dying, but morphing into something different and more relevant to advertisers. In fact, local media companies are leveraging their existing core strengths as launching pads for transformation and innovation.

*Local media companies have a major strategic advantage: longstanding relationships with advertisers in their markets.*



There are  
**91 THOUSAND**  
local advertising reps in the U.S., the vast majority of whom sell digital as well as traditional advertising.



**88 PERCENT**  
of local businesses surveyed said they considered their local newspaper, TV or radio sales reps to be digitally savvy.

*Local media companies dominate digital advertising in smaller markets:*



Local media companies sold  
**\$10.5 BILLION**  
in digital advertising in 2015.



The heaviest hitters in this field were daily newspapers selling  
**\$5.1 BILLION**  
and yellow page directories selling  
**\$2.4 BILLION**



Pureplay Internet companies such as Yelp, Facebook, Angie's List and Zillow get a lot of attention, but in midsized and smaller markets local businesses spend  
**MORE THAN 75 PERCENT**  
of their advertising dollars with traditional media companies.



In most small local markets, the daily newspaper tends to be  
**THE LARGEST SINGLE SELLER**  
of digital advertising, followed by radio clusters.



Local broadcast TV stations are making digital a top priority with  
**\$650 MILLION IN DIGITAL REVENUE LAST YEAR.**

*There has been a boom in local media companies offering digital and marketing services:*



**86 PERCENT**  
of traditional local media providers  
**SELL DIGITAL SERVICES,**  
in addition to advertising space.



**48 PERCENT**  
of local media providers formed a digital service agency within the last four years.



**THE LARGEST SOURCES OF REVENUE**  
for these digital services operations are web development, SEO, reputation management and video production.



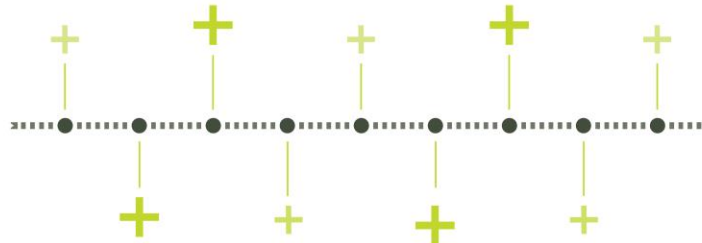
In addition, many local media companies have established separate  
**EVENTS DIVISIONS**  
delivering  
**PROFIT MARGINS OF 50 PERCENT**  
and higher, generating significant new local business customers,  
**47 PERCENT**  
of which say they participate in event marketing.

# SUCCESS FACTORS AND REALITIES

---



## **VISION** AND **MILESTONES...**



# SUCCESS FACTORS AND REALITIES

## NEIL CONAN INTERVIEWS FARHAD MANJOO

---



**CONAN:** So, Farhad, you estimate about a quarter of your articles in the past year are about Apple, nearly as many about Google. How do you defend that?

*(soundbite of laughter)*

**Mr. MANJOO:** There - well, I write about technology. And the reason I like writing about technology is I like - one of the things that attracts me to technology is sort of anticipating the future, anticipating how people will communicate and share information, you know, five, 10 years from now.





# EARNED MEDIA MORE VALUABLE THAN EVER

---



Just Ask Donald Trump...

***“In the early going, nothing is closer to pure gold than favorable free media exposure.”***



HARVARD Kennedy School

**SHORENSTEIN CENTER**

on Media, Politics and Public Policy

+ Report analyzes news coverage of the 2016 presidential candidates leading up to primaries.

# IMPLICATIONS OF SHRINKING NEWSROOM ON PR

- 50k to 30k
- Companies are becoming their own media companies
- Value of credentialed coverage is more valuable than ever
  - + Particularly with its influence on Social Media
  - + Earned media is the most combustible fuel for Social Media

**Matthew Holland** @prezholland · 9 Dec 2016

Check out @CNN today calling Roots of Knowledge @uvu "spectacular," "inspirational," "tour de force," a "wonder!"



**60,000 pieces of glass tell mankind's story**  
"Roots of Knowledge" is an art project that has taken 12 years to complete. It features over 60,000 pieces of stained glass.  
[edition.cnn.com](http://edition.cnn.com)

2 39 93

# SUMMARY

---

- +Tell your story and define your industry – don't wait to be defined
- +Tap data and issues of the day
- +Vision and milestones: communicate a 5-year vision at least
- +Band together and drive innovation trends

*Preserve journalism for the next gen*