

# The News: Minding the Gaps

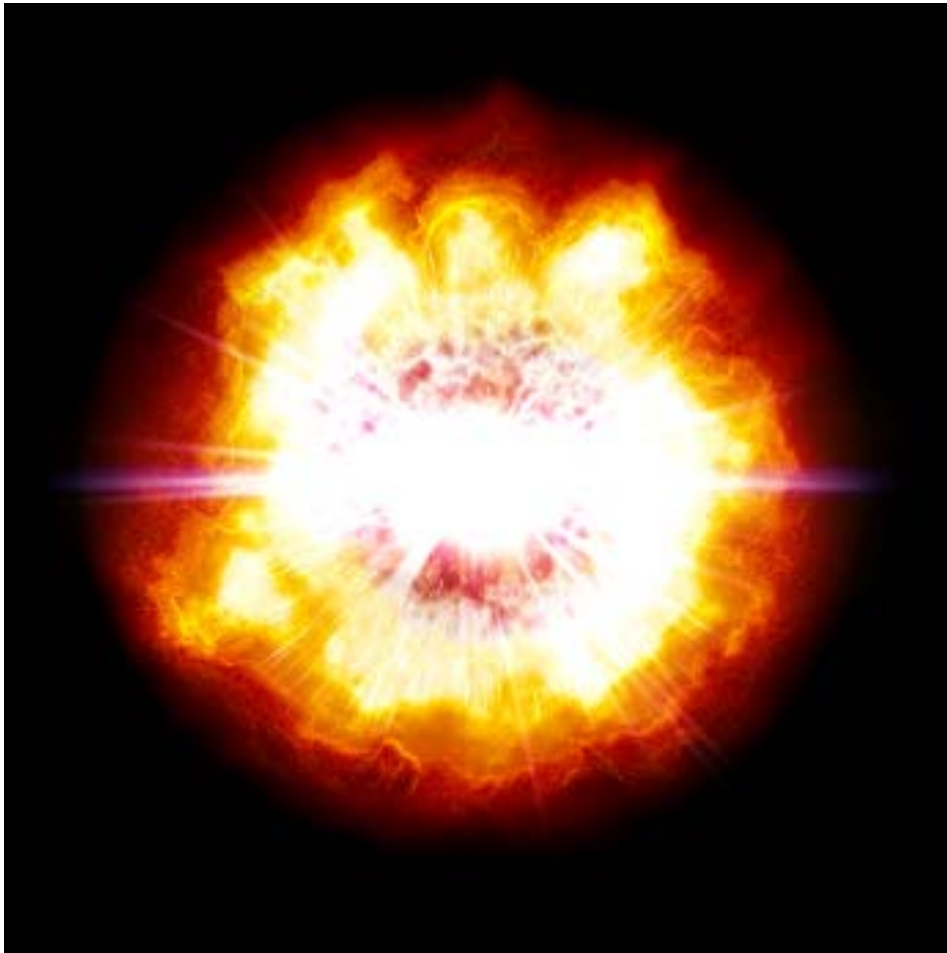


Ken Doctor  
FTC News Media Workshop  
Dec. 1, 2009

# **A Quick Look at the News Landscape**

- ✓ **After the Big Bang**
- ✓ **The New Local**
- ✓ **Mind the News Gaps**

# After the Big Bang



## After the Big Bang

# Numbers That Matter

- **10,000:** Daily newsroom jobs lost since 2006
- **20 million+:** Fewer daily copies over last 25 years
- **85%:** Or more of newspaper company revenues still come from print
- **10%:** Rough percentage of newspaper take of online ad pie. Compare to 20% in pre-digital world

After the Big Bang

# Numbers That Matter MOST



**\$1.65 billion:** Google's 3Q, 2009 profits.  
Gannett -- largest news company in the US and second worldwide – reported *total revenue* of \$1.3 billion, and profits of only **\$73 million.**



# BIG PICTURE TRENDS

- ✓ Companies are now spending **\$60 billion a year on self-marketing** (Outsell Research)

	2006	2007	2008	2009
% ONLINE SPEND ON OWN SITE	33%	58%	61.8%	59%
\$ ONLINE SPEND ON OWN SITE	\$22.6B	\$45.9B	\$63.2B	\$66.6B
\$ OTHER ONLINE SPEND	\$46B	\$33B	\$39B	\$46B

# Where the Readers Are

- **4 of 5:** Top news sites are **search-aggregators**
- **About a third:** **Start their days** with digital news
- **A majority:** Go online for **immediate news**
- **1 in 4:** Say **local news** is their primary interest
- **Almost 50%:** **scan Google headlines** without going to site
- **10%:** Say they'd consider **paying for news**

Source: Outsell, other sources

# Ad Revenue Drop





# We Don't Know What We Don't Know



# DOWNSIZED



- ✓ **Product:** 40%+ less newsprint than 5 years ago
- ✓ **Staff:** 20%+ down from three years ago
- ✓ **Capital:** Little to spend
- ✓ **Community Clout:** Diminished as products and staffs have shrunk.

# Overall News Company Advertising 2010

**NO VISIBILITY: Budgeting flat to 5% up in**



# THE SPLIT

## DIGITAL DOZEN

ABC  
AP  
BBC  
Bloomberg  
CBS  
CNN  
NBC  
New York Times  
News Corp  
NPR  
Reuters  
Washington Post

## THE NEW LOCAL

**FREE**  
**FOR**  
**ALL**

# Flanks Open

Dominance of the Monopoly  
Daily Has Diminished



# The New Local





# Twin Cities, 1997



# Twin Cities, 2009



facebook



Expert advice, tips, and reviews on hiring the contractors and doctors in Twin Cities



The New York Times



Google AdWords Advertise your business on Google



MINNESOTA PUBLIC RADIO





# Many New Competitors for Readers and Advertisers

HOME 86 California STADIUM Anaheim Stadium SERIES Game 3 (1-1)

Off	IN	Sp	Batters	P	IN	P	IN	O	Def	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	H	AB	BB	R	BI	
1	5	McHitis	8	1					1	10	19	28	37	46	55																
2	4	Tanner	3	1					2	11	20	29	38	47	56																
3	3	Newman	7	1					3	12	21	30	39	48	57																
4	2	Jackson	0	1					4	13	22	31	40	49	58																
5	2	DeCinas	5	1					5	14	23	32	41	50	59																
6	3	Hendrick	9	1					6	15	24	33	42	51	60																
7	3	Grich	4	1					7	16	25	34	43	52	61																
8	5	Schiffeld	6	1					8	17	26	35	44	53	62																
9	2	Boone	2	1					9	18	27	36	45	54	63																

ADDITIONAL BATTERS		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
R		0	0	0	0	0	3	3	1	4	0	4	0	4	1	5	
H		0	1	1	0	1	3	4	2	6	1	7	1	8	3	11	
E		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
L		0	0	1	0	1	1	2	1	3	1	4	1	5	1	6	

IP	ER	K	BB	IN	OUT	OPP PITCHERS	W/L/S	RATING	H	WP	E
1	2.5	4	0	7	6	Wright (L)	W	3	7	0	0
2	3.0	3	0	7	6	Schiffeld (R)	L	3	4	1	1
3	2.0	4	0	7	6	Stanley (R)	W	3	4	0	0
4	3.0	3	0	7	6			3	4	1	1
5	3.0	3	0	7	6			3	4	1	1

IP	ER	K	BB	IN	OUT	OPP DEFENSE	PITCHER HOLD					
1	3.0	3	0	7	6	LF 4-4-25	1	16	23	26	33	36
2	2.0	4	0	7	6	CF 2-2-22	2	23	26	33	36	43
3	2.0	4	0	7	6	RF 1-2-50	3	26	33	36	43	46
4	2.5	3	0	7	6	C 5-3-51	4	33	36	43	46	53
5	4.0	1	0	7	6		5	36	43	46	53	56

STEARL CHART		CATCHER/DEF				
RED-WHITE	DEF	1	2	3	4	5
<< HOLD	1	16	23	26	33	36
> SB	2	23	26	33	36	43
<< CS	3	26	33	36	43	46
> SB	4	33	36	43	46	53
<< CS	5	36	43	46	53	56

AWAY: 19 Boston STADIUM Anaheim Stadium SERIES Game 3 (1-1)

Off	IN	Sp	Batters	P	IN	P	IN	O	Def	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	H	AB	BB	R	BI
1																														

# Competing for Readers & Advertisers

## From Ankle-Biters to Behemoths

- ✓ **Ankle-Biters and Watchdogs**
- ✓ **Knee-Choppers**
- ✓ **Broadcasters, Mainly\* Local**
- ✓ **The Pro-Am Aggregator Armies**
- ✓ **Digitized Public Radio**
- ✓ **The Hungry Searchers**
- ✓ **National Head-Bangers**

# Ankle Bitters & Watchdogs

**MinnPost.com**  
A THOUGHTFUL APPROACH TO NEWS

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Thursday, November 12, 2009

**BUSINESS AGENDA**  
Minnesota fares better than some Upper Midwest neighbors in state rankings of 'economic disaster' risk

Most similar to California

Winter hazard awareness week  
BY PAUL DOUGLAS

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**voice of san diego.org**<sup>TM</sup>  
an independent nonprofit | November 12, 2009

March to 1,000 Members: 1,003 So Far. We Did It! Thank You, San Diego

INNOVATIONS IN TEACHING  
**A Calculus Class So Crazy, It Just Might Work**  
Seventy-odd kids at one of the toughest schools in San Diego Unified are crowding into one of the hardest classes around.

CITY BUDGET SHORTFALL  
**Mayor: 800 City Vacant Positions Will Be Gone**  
In a sprawling discussion with reporters, the mayor also likens critical City Councilman Carl DeMaio to the former city attorney, Mike Aguirre.  
» Nov. 11  
The Hall: A Blog on Local Politics

VETERANS  
**Back from War, to the Streets**  
An aid worker says she's seen a noticeable increase in the number of young people who have turned up at a three-day annual event where homeless veterans find a range of free services.  
» Nov. 11

THIS JUST IN  
**The Agenda: Today's A.M. Political Roundup** More vacancies gone, and reminiscing about the Escondido Chargers. » Nov. 12 -- 9:33 am  
**Survival Skim** FHA trouble, more short sales coming and other stories to watch. » Nov. 12 -- 9:04 am  
**Bright and Early** Merging schools, buying better grades and a stab at education reform that's better than a poke in the eye with a sharp stick. » Nov. 12 -- 8:03 am

**Together**  
we can bring holiday

# Knee Choppers?

- **Second generation** start-up sites emerging post-recession
- Bigger staffs, **broadcast partnerships**
- Paying “**professional salaries**”



## THE TEXAS TRIBUNE

Tuesday, November 24, 2009

FRONT PAGE TOPICS LIBRARY POLLING DIRECTORY BLOGS 2010 CALENDAR CAM

### Schieffer's Out, Will Endorse White

by [Ross Ramsey](#) | about 15 hours ago | 2 Comments

Democrat Tom Schieffer dropped out of the gubernatorial race, saying he'll endorse Houston Mayor Bill White and hopes other gubernatorial candidates will do the same.

### Retired, Rehired

by [Emily Ranshaw](#) | 11/23/2009 | 1 Comment

No snowbirds here. A growing number of state employees are retiring and coming straight back to work, padding — and in some cases nearly doubling — their state salaries with pension pay-outs.

### Peace, Love, and Understanding

by [Ben Philpott](#) | 11/23/2009 | 0 Comments

Earlier this month, Rick Perry helped push a so-called RINO — Republican In Name Only — off the congressional ballot in New York, only to see the Conservative Party candidate he backed lose to a Democrat. But that kind of us-versus-them narrative was missing from the just completed Republican Governor's Association meeting in Bastrop County.

### Moderate Democrat 2.0

by [Ross Ramsey](#) about 12 hours ago | 0 Comments

[Bill White](#) is the sort of Democratic gubernatorial candidate Tom Schieffer had hoped to be. He's well-funded. He's got an organization and a base of voters. He's the kind of moderate who can attract votes from independents and not just Democrats. And he never voted for George W. Bush. [Full Story](#)

RELATED

- 2010: Shapleigh endorses Bill White
- 2010: Friedman Campaign Responds, However Briefly
- 2010: The More You Know ... About Bill White
- Tom Schieffer's Exit



## POLITICO

Navigate: POLITICO | Politics | Local website to launch in D.C.

### Local website to launch in D.C.

TAGS: [Media](#), [Washington D.C.](#)

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By [MICHAEL CALDERONE](#) & [MIKE ALLEN](#) | 10/28/09 3:28 PM EDT

Updated: 10/29/09 5:41 AM EDT

Text Size - + reset



Jim Brady, President of Digital Strategies for the new venture being started by Allbritton Communications Co.  
Photo: Michael Schwartz

65 tweets

Digg this Story! Buzz it up!

The parent company of POLITICO, ABC 7 and NewsChannel 8 plans to launch an ambitious new website next year to cover local news for the Washington area, executives said Wednesday.

Allbritton Communications Co. plans a staff of roughly 50 for the website, which will share content with the two television stations. Launch is tentatively set for the spring. A name has not yet been chosen.

At a time when news companies are scrambling to appeal to an increasingly mobile and fickle population while also downsizing, the plan will serve as a high-profile test of the ability of new media to reach audiences that have been fleeing traditional outlets.

And it will test whether the lessons learned from POLITICO, which achieved success in its niche virtually overnight, can be successfully applied to new areas of coverage.



- Previous

### Mainstream journalists defensive about start-up

By Steven T. Jones

Reactions by many mainstream media journalists to the formation of the [Bay Area News Project](#) — a nonprofit news operation supported by KQED, the UC Berkeley School of Journalism, California Newspaper Guild, financier Warren Hellman, and possibly The New York Times — have been hostile, petty, dismissive, self-serving, and misleading.

It's no wonder the public has turned away from big newspapers and is clamoring for media reform. Rather than focusing on the public benefits of more journalism, mainstream media journalists seem to have adopted the media consolidation mindset of their corporate masters.

A central theme of the criticism has been wariness of competition. The [SF Appeal today reports](#) on a memo to San Francisco Chronicle staff written by Metro Editor Audrey Cooper in which she vows "to smash whomever is naive enough to poke their noses in our market."

Friday's Chronicle [story on the news](#), which was buried back in the business section and written by James Temple, frets, "some believe it could also threaten the remaining local news industry." That trope was also sounded in an [East Bay Express blog post](#) by Robert Gammon (formerly of the Oakland Tribune, which is part of the anti-competitive MediaNews empire) entitled "UC Berkeley Threatens Bay Area Journalism."

# Local Broadcasters

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**TOP STORIES**

## Missing mom's husband charged with murder

William Scott Morris was charged Tuesday evening with murder and fraudulently burning a dwelling in the missing-persons case of his wife, Kelly Morris.

Updated 2 minutes ago | Read Story | Slideshow | Video | WATCH | Map



AP source: Reid's bill to cover 31 million



## Fireball and flash in the sky alarms Utahns

A fast moving meteor lit up the night skies over most of Utah just after midnight Wednesday. KSL News has received hundreds of calls from people who saw it,

### Top Picks

- Holder: Don't fear trial of 'coward' 9/11 plotter
- Man charged with beating ex-girlfriend's puppy pleads guilty
- Utah lawmakers get grim picture of budget outlook
- Investigators remain tight-lipped about Payson murder
- Convicted killer: US student Knox at murder scene

More on the Web stories x

National x



# The Pro-Am Aggregator Armies

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**TOP STORIES**

1. IRAN 86 articles
2. AIG 27 articles
3. FORT HOOD 343 articles

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**Local News**

- Barnstable highlights eastern football playoffs
- ATM Reported From Bank Building
- Top for Yale Sign Here are in Need

# The Pro-Am Aggregator Armies

- ✓ **Newsy Writing**: Tens of thousands of semi-pro writers in databases.
- ✓ **Ad Revenue Focus**: Figure out where ad money is. (Hint: Not News)
- ✓ **Mix & Match**, using technology
- ✓ Now Producing **tens of thousands of stories** per week
- ✓ Voila: New “*journalism*”?

# Journalism as Manufacturing

(With as much or little value added)





# Metro Public Radio Stations



- **Leaders:** MPR (Minnesota), KPCC (L.A.), WBUR (Boston), KQED (S.F.)
- **Mission:** Assert a new primary *online* news role
- **Splitting sites:** 1) News; 2) Program Guide
- **Partnering with NYT**, news start-ups

# The Hungry Searchers

- **Google, Yahoo, AOL, MSN** all plot local and hyperlocal moves, targeting paid search business, local sponsorships



**Patch**

Hi there. We're Patch. No matter what's going on in your community, we've got it covered. Visit Patch to keep up with news, businesses, and events, check out photos and videos from around town, see what neighbors are up to, and get in on the conversation. If you think your community could use Patch, let us know.

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- Livingston **new**
- Maplewood
- Millburn-Short Hills
- Ridgewood
- Scotch Plains-Farwood
- South Orange
- Springfield **new**
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**CONNECTICUT**

- Darien
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**COMING SOON**

- Basking Ridge
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- The Catskills
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- Garden City
- Hartens
- Larchmont-Mamaroneck
- Merrick
- Port Washington
- Rye
- Scarsdale
- Tarrytown-Sleepy Hollow

Patch is now hiring local editors. [Apply here.](#)

# National Head-Bangers

*The New York Times*



## Strategy: Last Print Standing?

- Moving into metro areas left vulnerable by dailies
- **NYT:** SF, Chicago
- **WSJ:** SF, NYC, Chicago
- **Bloomberg:** Seeking business news “sections”
- **Goals:** Print Retention, Targeted Regional Ads, Digital Down the Road

# Newspapers Are Retooling

- Pricing up by 40%
- Taking Circulation Hit
- **\*Hiring!** Stars, investigative & business news & adding back news space
- Becoming a **The Starbucks Buy**



# The Gaps



# **The Old Model of the Big Regional Newspaper Company Is Passed Into History**

**Unsustainable  
Non-competitive  
Disadvantage**

# LOCAL MARKETS UP FOR GRABS

- As monopoly daily journalism fades, gaps are created.
- ✓ **Coverage gap:** 800,000 stories year
- ✓ **News-ad gap:** The long-time **essential connection** between news and advertising is increasingly **frayed**
- ✓ **Content gap:** The **chasm** between market-driven **newsy** content and **public service content** is growing
- ✓ **Pay gap:** Pro-Am pay doesn't produce dependable **professional journalism**.
- ✓ **Credibility gap:** As old worlds have blown apart, **trust** is uncertain.



**Is the new market up to providing us with  
the local news we need?**

**If not, who or what is?**



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Inside The Fast-Changing Landscape of  
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News You Get

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