

2003 SNPA New Media Report

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The Internet is changing the newspaper industry in significant ways and meeting the challenge will require innovative thinking across all departments, newspaper executives said at a recent conference. New competitive challenges are threatening the traditional business model newspapers have relied upon for years, and newspaper companies have both enormous possibilities as well as enormous challenges ahead of them. Strategies for meeting the new challenges were the subject of discussion at the 2003 New Media Conference sponsored by the Southern Newspaper Publishers Association.

Not all publishers, however, have recognized the magnitude of the problem, Gregg K. Jones, co-publisher of the Greeneville (Tenn.) Sun and president of Jones Media said. “My impression has been that our industry still grossly underestimates the impact the Internet is going to have on our business processes,” he said.

Those executives who understand, even partially, the potential of the Internet are shifting their focus from “legacy thinking” or “print-centric” thinking to “Web-centric” thinking. They are challenging their staffs to design new business models with an emphasis on the web, rather than the press. For example, a newspaper may develop a new online education product in conjunction with its employment section. The new courses may provide continuing education for people changing careers or wanting to increase their skill levels.

The newspaper industry has responded to the Internet much as it did to radio, television and free newspapers — in the face of an outside threat, traditionally newspaper companies either have bought out the competition or have created competing products. During the past eight years, most newspapers have established an online presence. The question is, however, can newspapers continue to be successful by operating Internet

sites as a secondary products to printed products? And how can newspapers provide Internet content so that use of the content can contribute to the bottom line?

Newspapers had a head start in the early years of the Internet. Newspaper companies already employed experienced newsgathering teams, advertising sales people and circulation staffs. Newspapers were able to use existing resources to provide content for the new web sites.

And posting reliable content paid off as more and more people became Internet users. They preferred web information from trusted news sources, primarily newspapers and television stations. Research done in the wake of 9/11, when millions of people turned to the Internet for breaking news and analysis, showed that online news provided by trusted news sources was often an Internet user’s first choice — particularly if the user was under 25 years of age.

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Belo Interactive found in a 2002 study of online credibility that: “The majority (70 percent) [of respondents] is more likely to believe an Internet news source is credible if it’s associated with a print or broadcast organization they are familiar with. This finding was most pronounced among younger respondents. Eight in 10 (82 percent) of those 25 and under said this association would increase a news site’s credibility.”¹

Research has also shown that younger readers are more likely to access their news on the Internet — either on newspaper or television web sites. Younger readers, in fact, prefer their news online.

The Internet, however, provides more than simply a new pipeline for news. Web sites allow a greater level of interactivity between newspapers, readers and advertisers than is possible for print to provide, and interactivity brings a new range of possibilities for customer service and the bottom line.

In a recent report titled, “Selling Print Classifieds Online,” Peter Zollman and Classified Intelligence reported that customers spend more money on advertising when they are able to compose ads online. Customers tend to use more words in ads they compose and are likely to upgrade the ad with special online pricing packages. Newspaper employees who take classified ads by phone tend to abbreviate words and often neglect to offer upgrades.²

A New Jersey newspaper found that customers were spending two-and-one-half times more on online ads as for ads they placed by phone. At another newspaper, the size of private-party classified ads placed online averaged 33 percent more than ads placed by phone — providing greater revenue for the newspaper.

Yet, 20 percent of newspapers in the Classified Intelligence study are not able to take ads online. And three-quarters of newspapers in the study have special advertising packages that are

available only by phone. The study cites the *Asbury Park Press*, where, because of the availability of special offers online, employment ads placed online generate 18 percent more revenue than phone orders. Newspapers that offer a wide range of services and pricing online and allow customers to compose their own ads are dramatically increasing ad revenue.

Michael Romaner, president of Morris Digital Works, agreed that systems allowing customers to order, compose and pay for ads online are powerful tools, and give customers choices they’ve never had before. Customers have more options for photos, bold type and other additions, and they buy them. Customers also will provide more detail about the product and are willing to pay for the extra space required.

Online content also offers opportunities that simply cannot be replicated in print. Traditionally, the number of real estate listings a newspaper could

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handle was determined by the page count of the section. Using the Internet, however, newspapers can post complete MLS listings on web sites. Breaking news can be published around the clock. Information gathered online from readers can help newspapers target promotions and advertisements to readers.

With advertising pressure coming from competitors such as Monster.com and Realty boards, employment and real estate classified ads may well be the first areas where these theories are tested. And traditional thinking about the Internet may not be helpful in creating new concepts for online offerings.

A recent position paper produced by the Newspaper Association of America recommends that the newspaper industry reverse its classified model by adopting a “web-centric strategy.” The NAA report suggests that “positioning the Internet as the core platform to accept, store, manipulate and disseminate classified advertising will result in more revenue per order, new

2003 New Media Conference Participants

The third SNPA New Media Conference was held May 22, 2003 at the Executive Conference Center at Hartsfield International Airport in Atlanta.

Participants in the conference included:

- Michael Alston, General Manager, Interactive Media, The Virginian-Pilot, Norfolk, Va.
- Reid Ashe, President, COO, Media General, Richmond, Va. and chairman, SNPA New Media Committee
- Bob Benz, General Manager, Interactive Media, E. W. Scripps Company, Knoxville, Tenn.
- Gordon Borrell, President & CEO, Borrell Associates, Inc., Portsmouth, Va.
- Steve Buckley, Publisher, Regional Vice President, Burlington Times-News, Burlington, N.C.
- Nick Cadwallender, Associate Publisher, Fredericksburg Free

Lance Star, Fredericksburg, Va.

- Debbie Dunn-Rankin, Sunline General Manager, Charlotte Harbor, Fla.
- Neal Fondren, President, Interactive Media Division, Media General, Richmond, Va.
- Susan Hardin, Assistant Director of Internet Operations, Atlanta Journal-Constitution, Atlanta, Ga.
- Gregg Jones, Co-Publisher, The Greeneville Sun, President, Jones Media, Inc., Greeneville, Tenn.
- Kyle Osteen, VP, General Manager, Sumter Item, Sumter, S.C.
- Michael Romaner, President, Morris Digital Works, Morris Communications, Augusta, Ga.
- Freda Yarbrough, New Media Director, Baton Rouge Advocate, Baton Rouge, La.
- Edward VanHorn, Executive Director, SNPA, Atlanta, Ga.
- Helen Anne Richards, Communications Manager, SNPA, Atlanta, Ga.

revenue streams, significant cost savings and will enable us to develop better products, compete

with new entrants and enhance advertiser satisfaction.”³

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Participants of the conference this year examined both the realities and the potential of the Internet and newspapers. This report focuses on the challenges in areas of current operations: paid content, reader registration, attracting younger readers and building better advertising systems.

¹ Online Credibility Survey, conducted by Belo, the Associated Press Managing Editors and the Ford Foundation, July 2002.
² "Selling Print Classified Online," Classified Intelligence L.L.C., 2002.
³ NAA Horizon Watching Position Paper, "Classified Evolution: A Web-Centric Solution to a Shifting Marketplace," April 2003.

Paid Online Content

Paid online content means different things at different newspapers. At some, the online news is available for free to readers and is supported by advertising dollars. At others, readers must purchase subscriptions to access the online newspaper. At still others, paid content means paying for new types of content, exclusive of the newspaper.



The pop-up ad soliciting subscriptions for Sun newspapers.

The Virginian-Pilot, for example, operates three web sites — two supported by advertising and are free to readers and one available only to readers who have purchased subscriptions. Michael Alston, general manager, Interactive Media for The Virginian-Pilot in Norfolk, Va., said his newspaper allows print subscribers access to the online newspa-

per as a part of their subscriptions. Readers are provided two options — subscriptions to the newspaper with online access included, subscriptions for online access only. The best deal financially is the combined subscription. With this option, the online edition helps sell the print edition and readership accrues to both delivery methods.

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The web site contains the complete newspaper and requires a subscription has been available only for six months. Consequently, Alston said that the revenue from the ad-supported free sites generate the lion's share of revenues. He also stated that the number of print subscriptions sold online has increased noticeably since the Virginian-Pilot began advertising the new combination subscription.

Other publishers, however, have watched their print subscription rates fall because readers were able to get most of the news online for free. Freda Yarbrough, new media director of the Baton Rouge (La.) Advocate, said her readers are interested in local stories, so the newspaper has published an increasing number of staff-written, local stories in print and has posted them to the web site. She said that as the number of local stories online grew, the more likely it was that readers would cancel print subscriptions.

Yarbrough said that The

Advocate's online readership is primarily outside of Louisiana. The newspaper has a substantial readership in the Middle East because people working in the oil and energy business in Louisiana often take jobs in the Middle East, but they still want to know what's happening back home. By charging for online content, Yarbrough is able to sell to a segment of the paper's readership that is unlikely to buy the printed product if they can access the news online. With revisions to Audit Bureau of Circulations rules, The Advocate and other newspapers are able to count online subscriptions as paid circulation.

Steve Buckley, publisher of the Burlington (N.C.) Times-News and regional vice president of Freedom, said attrition of print subscribers was the primary reason his newspaper began charging for its online content. The paper couldn't sustain its business model and lose print subscribers to free online content. As with the Virginian-Pilot, print subscribers to the Times-News are now given free access

to the online edition, and readers who want the online edition exclusively must pay a monthly fee.

All of these newspapers have some "free" news on their sites, but to access the full content of the newspapers, readers must purchase subscriptions. Linking online access to print subscriptions has helped to retain and increase the paid-reader base.

Kyle Osteen, vice president and general manager of The Item in Sumter, S.C., said his newspaper is in the planning stages for a paid online edition. The process will include merging The Item's news site and its portal site in time for the paid site to go live later this year. The Item will use Saxopress for editorial functions and the related software, Publicas, for online functions.

The Burlington Times-News and the Virginian-Pilot both use Olive Software to publish the online versions of the newspapers. Olive allows the newspapers to post replicas of the newspaper online. The online

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newspaper looks just like the printed version, and readers can access individual stories or click on ads to get more details about the products advertised.

NewsStand is the other major vendor of this type of software.

Olive Software has helped Neal Fondren, president of the Interactive Media Division at Media General, to develop a new strategy to create revenue from Internet data. The Richmond (Va.) Times-Dispatch has a large collection of Civil War materials, and most of it is on microfilm, which is rapidly deteriorating.

The newspaper is working with Olive to convert the microfilm documents into searchable digital files. Once the project is completed, historians and others can access the Richmond files online — for a fee.

Although these newspapers have developed strategies to deal with subscriptions for online content, not everyone believes that charging for content is a good idea. Romaner challenged the paid-content discussion by

asking what the industry gains by being protective of an older technology. If newspapers charge for their online products because not doing so causes a significant loss in print subscriptions, he asked, isn't the strategy protective? And, if newspapers are not using technology to attract new readers, don't they lose anyway by being protective rather than developing new solutions?

Reader Registration

Although moving to a paid model for content had its proponents, reader registration was a concept considered or implemented by almost all of the newspapers represented. By asking readers to provide very basic registration information, newspapers are able to target online advertising, advertising promotions or subscription offers to specific groups of readers. Advertisers see added value in distributing their messages this way and are willing to pay for it.

The newspaper representatives at the conference discussed the

pros and cons of asking for information from their readers and the best ways to collect the data. One participant noted that two different models were currently being used to ask readers to register.

The first model asks readers, "May we send ads to you?" Using this approach, the newspaper gives readers a choice about receiving online advertising from the newspaper's advertisers.

The second model informs readers, "If you register, you're giving us permission to send ads to you." Consequently, by the act of registering, readers agree to allow the newspaper to send ads. Readers do not have the choice to register for online access but elect not to receive ads.

Although the second model creates higher numbers of registered readers — because they are not allowed to say no — it involves a greater chance that readers will either refuse to register at all or will cancel their

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free subscriptions to the online product. The first model generates fewer readers who will allow ads to be sent to them, but they are less likely to cancel their subscriptions.

Debbie Dunn-Rankin, Sunline general manager, said that Sun Coast newspapers have started requiring registration this year for access to any information past the home page. Using a registration model successfully developed and used by the Dallas Morning News, Sun Coast asks for basic information that will allow the newspapers to target advertising to specific readers. The first time a reader logs onto the Sun's web site, a pop-up ad solicits a subscription to the newspaper. The ad disappears if the reader isn't interested, but will return several log-ins later.

The registration itself is brief and asks only for information that most readers feel comfortable giving.

"We were concerned about asking for too much informa-

Things I've Learned in the Past Year

In no particular order, participants in the conference share their lessons learned:

- We made good decisions early on, even though they seemed painful at the time. Centralized common data is a very good thing.
- Our online division is much better off partnering with a 24-hour radio station than our own newsroom.
- The pitch to Realtors is "we have a valuable product and you need to pay for using it."
- The newspaper industry has a lot to lose if we can't convince more people of the magnitude of the impact the Internet is going to have on us. This is important stuff and it's changing dramatically. It requires focus, brainstorming and all the resources we have — brains, money, time.
- Don't be afraid of registration.
- You can't have utility and value out of context. If you include education articles in a

jobs box, you're putting them in context.

- Existing advertisers have much more interest in the Internet in the last 12 months.
- It works to have individual sales people selling online ads and commercial printing.
- As online management matures, we are more cost-conscious. We now can see ourselves growing revenue and keeping costs flat.
- Set clear marketing expectations.
- Change hurts, but we must change or die.
- We must reinvent classifieds into more of a marketplace concept.
- Hard working, brilliant people are pushing the envelope.
- Sometimes you learn the same things over and over. The things that make us successful are also the things that make it hard for us to change. It takes hard work.

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Sun
and Weekly Herald

Sun-Herald.com



Venice
Gondolier Sun

Venice Gondolier.com

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Charlie Says:
Your email address and information will not be shared with any third parties.

registration@sun-herald.com

Registration it's FAST and it's FREE

Wondering why we're asking you to register? Your registration will help us understand what areas of interest are important to you so we can improve our site news and information. Your email address and information will not be shared with any third parties.

Please take a moment to fill in the following information. Don't Worry! All your information is kept confidential and used solely for improving our product for you and our advertisers.

We appreciate you and thank you for your time!

Register Here * Indicates a required field.

- * E-mail Address
- * Confirm E-mail Address
- * Create a password
Minimum 6 characters.
- * Confirm password
- * Your first name
- * Your last name

Are you repeatedly asked to register with us?
[Click here so that we can help you.](#)

Registration

- Registered Users Sign In Here
- ▶ New Visitor Sign-up
- ▶ Modify My Account
- ▶ Forgot My Password
- ▶ Change My Password
- ▶ Why Register?
- ▶ Help Center
- ▶ Repeatedly Asked to Register?
- ▶ Delete My Account

If you experience problems or would like to provide feedback please send email to: registration@sun-herald.com

The primary registration page for access to the Sun Newspapers online.

tion,” Dunn-Rankin said. “We wanted our readers to get used to it [registration] and realize that nothing bad was going to happen. Later, we’ll ask for more.”

The most popular section of the web site, Dunn-Rankin said, is the flea market and yard sale listing in the classified section. Readers must register to access

the classifieds, and once registered, online readers can access the classifieds earlier than print-only readers or non-subscribers. The newspaper also provides free access to the newspaper’s archives for registered users.

Dunn-Rankin said the newspaper has not yet begun using its new database to target special offers

to readers, but information about readers’ hobbies will allow the newspaper to target ads to readers’ interests. The Sun’s registration uses the model that allows readers to choose not to receive online advertising pitches. Dunn-Rankin believes this model will generate a database of readers who see a value in receiving the ads, which will

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Sun-Herald.com



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Charlie Says:
Your email address and information will not be shared with any third parties.

registration@sun-herald.com

Registration

Registered Users Sign In Here

- ▶ **New Visitor Sign-up**
- ▶ **Modify My Account**
- ▶ **Forgot My Password**
- ▶ **Change My Password**
- ▶ **Why Register?**
- ▶ **Help Center**
- ▶ **Repeatedly Asked to Register?**
- ▶ **Delete My Account**

Registration

* Indicates a required field.

* **Select your favorite hobbies or interests. Check as many as you would like, however please select at least one.**

This will help us improve our site news and information.

- | | |
|--|--|
| <input type="checkbox"/> Automotive | <input type="checkbox"/> Home Improvement |
| <input type="checkbox"/> Antique Shopping | <input type="checkbox"/> Internet/Computer Games |
| <input type="checkbox"/> Boating and Fishing | <input type="checkbox"/> Music |
| <input type="checkbox"/> Books/Literature | <input type="checkbox"/> Outdoor Activities |
| <input type="checkbox"/> Computers/Technology | <input type="checkbox"/> Pets |
| <input type="checkbox"/> Cooking | <input type="checkbox"/> Real Estate |
| <input type="checkbox"/> Coupons | <input type="checkbox"/> School news |
| <input type="checkbox"/> Employment Opportunities | <input type="checkbox"/> Shopping |
| <input type="checkbox"/> Entertainment/Dining/Movies | <input type="checkbox"/> Sports |
| <input type="checkbox"/> Gardening | <input type="checkbox"/> Stock Market/Finance |
| <input type="checkbox"/> Health and Fitness | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Home Electronics | |

* **May we notify you of special offers and discounts?**

Your email address and information will not be shared with any third parties.

- Yes!** I want to be notified of any *Sun* exclusive discounts and special offers.
- No,** do not notify me of discounts and special offers.

* **Gender**

- Female
 Male

* **Age group**

- under 18 25-34 45-54 65 and up
 19-24 35-44 55-64

* **During the past seven (7) days, how have you read the *Sun* newspaper?**

- Subscription
 Purchase at a store, or newspaper vending machine
 Obtain a copy from a friend, relative, co-workers, or public place
 Don't read or pick up the paper
 Read online only

* **Your postal/zip code**

Finish Registration

If you experience problems or would like to provide feedback please send email to: registration@sun-herald.com

Sunline © 2003 All rights reserved.
Your Local Internet Service Provider
A division of Sun Coast Media Group Inc.
Publishers of the Sun newspapers.

Above is the secondary registration page for online readers of the Sun newspapers in Charlotte Harbor, Fla.

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make them more appealing to advertisers. She wants to wait, however, to send the first ads until she has a sufficient database of readers to make the pitch worthwhile for advertisers. She thinks a critical mass of registrations will be 15,000 to 18,000 readers. That number, she says, will “make advertisers’ cash registers ring.”

Romaner said one of his company’s early mistakes with registration was not providing a way to verify email addresses. In the first systems, Romaner said, the reader could type in any email address — valid or not. If the email wasn’t valid, the advertiser was not able to reach the reader. Going forward, Romaner intends to build the verification system into each new model, but trying to correct historical data is far too cumbersome.

Establishing an email verification system, Romaner said, is not difficult from a technical standpoint. Generally with such systems, the user is asked to provide a valid email address

and a temporary password. When the user registers, the system sends an email to the address the user has chosen. Users must reply to the email within five days or lose access to the site.

Alston said his newspaper has been collecting customer information for nearly four years. At one time, The Virginian-Pilot provided Internet access. Customers could pay for dial-up Internet access whether or not they subscribed to the newspaper. In addition to the Internet service, The Virginian-Pilot published information on its web site.

Given that the newspaper’s site was the “default page” for its Internet access customers, it was a terrific way to introduce new products and to reach subscribers and non-subscribers alike. The newspaper began to register online readers in earnest about the same time the company discontinued its Internet access service.

The Virginian-Pilot uses the

online registration information it gathers to drive circulation marketing for the print product. The online staff is paid a bounty on each new print subscription they enroll.

Several times during the year, at irregular intervals, the Virginian-Pilot sends a message to its registered users to promote new features of the online product. Alston believes this is the most effective way to market online products.

The Virginian-Pilot also offers its readers free subscriptions to online newsletters covering a variety of topics. Using the newsletters as the vehicle, the newspaper can deliver regular messages to newsletter readers.

Alston advocates asking only a few questions on registration forms. He believes that by asking for non-intrusive information on forms that readers can complete quickly, the newspaper will be able to identify a large number of registrants.

Susan Hardin, assistant director

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of Internet Operations at the Atlanta Journal-Constitution, said the AJC asks readers to choose to receive advertising or not in different parts of the web site. The reader must check a box in some areas of the web site to request that advertising be sent. In other areas of the site, the reader must check a box to keep advertising from being sent.

Hardin said the advertising sent to readers varies. In some cases it is a traditional ad sent via email. The AJC also sends registered readers tickets, coupons, special offers or newsletter subscription offers.

Hardin said the expectation at the AJC is that 25 percent of users will choose to have advertising sent to them. Dunn-Rankin said the rate at her newspapers was approximately 35 percent. Yarbrough said that slightly more than one-third of the people who have subscribed to the Advocate online have asked to have advertising sent to them.

What's the Emphasis for Next Year?

Conference participants share priorities for the coming year:

- Creating a digital edition.
- Creating a paid, digital edition.
- Behavioral marketing with a partner such as Tacoda.
- Moving toward an employment section that provides a candidate qualification service for lower-level applicants.
- Paid searches.
- Personals.
- Combining the news site and the portal site.
- Network engineering.
- Web hosting.
- Olive digital — a long-term investment that will pay.
- An employment site with resumes online.
- Online order entry.
- Improving the web site for our suppliers including better directions to the loading dock, delivery schedules and times, direct telephones for suppliers and direct email for suppliers.
- Including ability to start and stop subscriptions online.
- Combining all databases into one database to provide a master calendar of what's happening in our town.
- Rolling out reader registration in conjunction with Tacoda.
- Personals, obits, cars, houses, careers — if it's a vertical, we're trying it.
- Put displays online.
- Develop opt-in emails about ads.
- Develop system to pay for classifieds by credit card.
- Redo the look & feel of editorial.
- Track banner ad inventory more closely.
- Try to adopt a long view as to the monetization of the Internet.
- Improving circulation & classified customer service.
- Stay focused.
- Develop content management system.
- Develop online auctions.
- Move classified manager physically into the Internet area.
- Develop AOE for classified.
- Find business model that makes sense in real estate.
- Collect daypart data.
- Rebrand classifieds to more of a marketplace feel.
- Move display ads online.
- Strip products from display ads and include them in classifieds.
- Add transactional layer so buyers & sellers can talk to each other.
- Provide buying safety valves like eBay.

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A sample of the newly redesigned web site of the Atlanta Journal-Constitution shows the variety of information users can access from the site. Users can search for jobs at ajcjobs.com or homes at ajchomefinder.com or general merchandise at ajcstuff.com. [ajcaccessatlanta](http://ajcaccessatlanta.com) is available online and in print on Thursday.

Robert Benz, general manager of interactive media for The E. W. Scripps Co., said that large markets are ideal for data collection using reader registration. If the universe of users is large enough, a 25 percent rate is still an impressive number of readers. The numbers are more difficult

to sustain at newspapers whose circulation is below 50,000. His challenge to the group was, "Why collect data in a market that size if you're not going to make money at it?"

Benz suggested that newspapers poll online users about the

messages they receive. A quick "love it, hate it, don't care" will allow newspapers to refine messages. The interactivity of the Internet allows instant feedback.

Benz said that he plans to promise to send no more than five

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advertising emails to users per month, and intends to promise not to use pop-up or pop-under ads.

Yarbrough said that her newspaper will send emails for any advertiser, but only one has taken the offer. Granted, she said, only 300 emails were sent, but that was 300 more than the advertiser had sent without the newspaper's involvement.

Buckley suggested that local advertisers may be the key to making money in small markets. If the newspaper knows a reader likes to shop at a local department store, chances are good that an offer from that department store would be welcome. Sending ads to specifically targeted, receptive audiences is of high value to advertisers.

Buckley suggested that surveys could be an effective way to solicit information about which advertisers would be welcomed. Even in small markets, new opportunities to reach customers might be attractive to local merchants.

Romaner, whose division works with client newspapers outside of the Morris group, said that Belo has made a strong commitment to capturing and analyzing data about its readers. Each newspaper, he suggested, has to make its own determination about the resources it will expend to understand the needs of its readers.

When Belo approached advertisers with offers to send their ads to targeted users on behalf of the advertisers, the advertisers gave almost 100 percent approval, Romaner said. Advertisers asked why it had taken so long to develop the program.

National advertisers are already comfortable with email ad campaigns. With its new program, Belo is able to offer the same type of campaign to local advertisers trying to reach local customers.

Gordon Borrell, president of Borrell Associates, said that the models for registration are the large online companies such as Yahoo!, an Internet portal that

allows access to a wide range of information and services. Yahoo! has millions of registered users. The company can show as many as three registrations for one unique user.

Every time someone registers for a Nascar update with Yahoo!, for example, they complete a registration form. The same applies to updates on hunting, fishing and other subject areas. In smaller markets, Nascar updates may be valuable, but high school football updates may be even more popular.

Borrell cautioned that data collection requires patience. It has taken Yahoo! years to build its database. And in small markets, simple data collection is best — name, age, gender. Ninety-five percent of people asked are willing to give that information away. Users are less likely, however, to register their phone numbers and household income.

The Internet may be the most targetable medium of any available to date. The key to effec-

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tive registration, Borrell said, is to make it attractive to the user. Gift certificates, prizes, raffles, special offers and other premiums provide a payback for registration.

Reaching Younger Readers

One reader group that online newspapers attract is readers under the age of 25 — a highly desirable group for the long-term health of newspapers. The under-25 crowd reveals in surveys that they not only enjoy receiving news via the Internet, but prefer it.

Conventional wisdom in the newspaper industry has been to tweak the existing print product until it's comfortable for the 18-35 year olds. One of the risks of this approach is that the newspaper may alienate older readers who are the core readership. Perhaps, Romaner suggested, it is time to try something new.

Newspapers around the country have started youth-oriented publications in addition to the existing newspaper. The Chicago Tribune and The Chicago

Sun-Times launched Red Eye and Red Streak, respectively, this year. The new publications are distributed free, and both are linked to web sites — redstreak.com and metromix.com.

The Atlanta Journal-Constitution also created a new product aimed at younger readers this year. Instead of a new newspaper, however, the AJC developed a new entertainment section aimed at younger readers. The new section is included in the Thursday newspaper and is available free as a stand-alone product in newsracks throughout Atlanta.

Hardin said the AJC has focused its efforts this year on branding both its print and online products and creating links from one to the other. The newspaper staff began incorporating the newspaper's nickname, "AJC," into its print and online sections. Automobile listings are now available in AJCCars.com. Real estate listings are found at AJCHomeFinder.com. And the new entertainment section and

the city web site are named AJCAccessAtlanta.com. Users of AJCAccessAtlanta.com can find listings for movies, restaurants, concerts sports and special events both online and in print.

Hardin said the new entertainment format is working. Advertisers who have never bought space in the main newspaper, are advertising in the new entertainment section.

The AJC recently participated in a poll that indicated the online product is now driving print sales and is redirecting readers to the print edition. One promotion the AJC uses to send readers to the print edition is a free online ticket giveaway. AJC Access Atlanta offers free tickets to upcoming concerts. The tickets are available to the first few readers who respond. The catch is, readers can't register for the tickets online. They must call a phone number found only in the print edition to register for the tickets.

Reid Ashe, publisher and COO of Media General, said that

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reaching college students presents a unique challenge. On one hand, younger readers say they prefer to read the news online. On the other hand, on college campuses – some of the most wired places in the country – students read the print edition of the college newspaper more often than they use the paper’s web site.

What accounts for research that shows that college newspapers are more widely read than their online counterparts? Ashe said the seeming contradiction can be attributed to the ubiquity of the campus newspaper, its status as a free distribution publication and its emphasis on local news.

Ashe speculated that part of the appeal of student newspapers is that they’re free. USA Today offers free newspapers on certain college campuses, and some alternative city publications like Creative Loafing also have no cover price. They are available at pickup points throughout a city.

Romaner asked, “Where is the

powerful experience with newspapers for the college student?” It lies in a student’s ability to read the student newspaper for free anywhere on campus. The paper provides local news and is extremely portable, he said.

In an effort to meet students’ needs for a mainstream online newspaper, Alston said the Virginian-Pilot has made arrangements with a local Norfolk college to provide students with daily access to the Virginian-Pilot online. The college buys the online edition of the newspaper for all students at one-quarter the paid rate. The subscriptions start in September and the students access the newspaper using their student ID numbers.

Romaner speculated that the newspaper industry may be moving to free products for everyone, both online and in print, within the next four to five years. Jones agreed and said his research indicates that younger readers do not want to “dig in their pockets” to pay for newspapers. The price level, however, is not the issue. “One penny is too

much,” Jones said. Younger readers want to be able to pick up newspapers and be on their way.

Nick Cadwallender, associate publisher of the Fredericksburg Free Lance-Star, said his newspaper has developed a new online product for the younger market. The Free Lance-Star has been hosting sponsored online chats with local figures such as the hockey coach, the mayor and the police chief, and has drawn a strong, young audience.

The chats are advertised in a banner ad on the chat page. Participants are asked to post questions for the expert before the live chat. The expert interacts online with a small number of participants during the chat and the transcript is left online.

The Free Lance-Star began with unsponsored (or free) chats. The newspaper has made sure that participants know when chats are sponsored and when they are not. Mortgage brokers, medical experts, lawyers and real estate brokers have paid fees to spon-

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The screenshot shows the website header for fredericksburg.com, a publication of The Free Lance-Star. The navigation bar includes links for Home, Automotive, Local Business, Classifieds, Coupons, Dining Guide, Employment, Real Estate, and Contact Us. The main content area is titled "fredericksburg.com chat archives" and includes a search bar for chat archives. Below the search bar is a table with columns for Date, Title, and Description, listing several chat sessions from 2003. To the right, a sidebar titled ".COMmunityLIVE" lists chat sponsors such as Intuit, Infinity Computers, and National Breast Cancer Awareness Month, along with upcoming chat information for June 18, 2003.

fredericksburg.com chat archives

To view our sponsors' archives, click on the links under "Chat Sponsors" at the right side of the screen.

Search Chat archives: Keywords

Date	Title	Description
2003/06/05	Chat with Bobbie Hill of Concordia	Bobbie Hill of Concordia will discuss her group's efforts to work with residents to improve city planning, relations.
2003/04/30	Before You Go Home Hunting...	...Talk with Shambi Schrader to find out the 10 most common mistakes made by home buyers.
2003/04/23	Chat with Fredericksburg Mayor Bill Beck	Mayor Bill Beck takes your questions on issues relevant to the city of Fredericksburg.
2003/04/03	Planting and gardening chat with Andy Lynn	Andy Lynn, general manager of Roxbury Farm & Garden Center, will take your questions about spring gardening, planting and seeding at 10 a.m. on Thursday April 3.
2003/03/11	Chat with Free Lance-Star editorial cartoonist Clay Jones	Clay Jones, editorial cartoonist for The Free Lance-Star, will take your questions about his job on Tuesday, March 11, at 11 a.m.

.COMmunityLIVE
Powered by fredericksburg.com

Chat sponsors:

- Fredericksburg.com
- Intuit
- Infinity Computers
- National Breast Cancer Awareness Month
- Michael O. Crawford, Financial Resources
- Straver University
- Career Training Solutions
- Algology Associates of Fredericksburg, PC
- #1 Home Buyer's Guardian
- Center for Advanced Women's Medicine
- Changing Spaces

Upcoming chats:

Jun 18, 2003 at 11:00 [Changing Spaces](#)
Changing Spaces
Join Anjela Eubank, owner of Changing Spaces,
Wednesday, June 18 at 11:00

The Free Lance-Star has launched a series of sponsored and unsponsored online chats with local experts. Transcripts of the chats are left online after the chat session ends. Users access the chat at their convenience.

sor chats. The newspaper produced approximately four paid chats per month.

Readers, Cadwallender said, are not necessarily interested in participating in the live chat. But, he said, they come back to the chat session transcripts weeks after the original chat.

Building a Better Advertising System

Classified ads in newspapers have suffered downturns during the past several years. As the economy stalled in 2001 and companies began laying off employees, employment classifieds in print editions began to decline. Companies like Monster.com began to affect

newspaper employment listings online, but hopeful newspaper executives planned to wait out the siege until classifieds "came back."

During the discussion at the new media conference, however, Borrell confirmed the worst. He said his research has indicated that classified ads may not come

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Today's page views: **1496**
Unique users today: **167**

STRAYER UNIVERSITY we fit your life | ADCOMM | Stay Directory we get you there | Tom Hopkins June 19th | Need Wheels?

fredericksburg.com
A Publication of The Free Lance-Star, Fredericksburg, VA
Home | Automotive | Local Business | Classifieds | Coupons | Dining Guide | Employment | Real Estate | Contact Us

Real Estate

New listings

- View listings added to the MLS in the past 2 days.

Browse the listings

- Browse listings from our **Featured Agents**
- Browse listings from our **Featured Companies**
- View all listings by **PRICE**
- View all listings by **COUNTY**
- View all listings by **NEIGHBORHOOD**
- **RENTAL** property listings
- **WATERFRONT** listings
- **COMMERCIAL** property listings
- Listings by **COMPANY**
- **LAND** listings
- **WATERFRONT LAND** listings

Check Current Interest Rates

• Search by MLS#: **GO**

Additional Real Estate Resources

Hot Properties

No photo at this time

JOYCE CARNEGIE
CENTURY 21 CARDINAL REALTY, INC.
Culpeper, VA (CU)
\$175,000

Ads from The Free Lance-Star

- DISPLAY ADS: Real Estate display ads from newspaper

Subscribe

Above is the home page of The Free Lance-Star's real estate section. Home buyers can search for any MLS listing, among other options.

back. And, he added, real estate classifieds may soon follow the decline of employment classifieds.

The decline in classified advertising across all subject areas – employment, real estate, autos and private-party ads – is one of the major concerns facing

newspapers of all sizes. The decline in classified revenue directly impacts the bottom line. And, unlike display advertising, classifieds – particularly private-party ads – are not generally sold with long-term contracts.

As the participants examined the problem with classifieds,

Romaner asked, “Where is the rich experience for the classified user? Could it be that online classifieds provide the richer experience?” Rather than conforming to the traditional model of printing classifieds in the newspaper and then transferring them to a web site, is there a better way to serve newspaper

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customers, Romaner asked.

Cadwallender said that real estate is one of the most read sections of the Free Lance-Star, but the newspaper has been challenged to find new ways to interest Realtors in advertising. Most Realtors have their own web sites and have access to an online database of the Multiple Listing Service. The newspaper has had to prove its value to Realtors.

The Fredericksburg newspaper began by providing a complete online MLS listing that can be accessed from the newspaper's web site. Visitors to the site can search for a home by MLS number, by price range or by neighborhood. If a visitor is interested in more information, the newspaper will refer the inquiry to a local Realtor.

Realtors can place ads for specific houses in print and online, they can have enhanced listings for a fee, or they don't have to participate at all. The newspaper, however, will only direct referrals to those Realtors who

pay for listings. Individual brokers can refuse to be listed, but homebuyers will be directed to another broker from the MLS listing.

Cadwallender said the market has changed and Realtors are not as concerned as they were about advertising individual listings because home buyers have the database of available homes at their fingertips. Instead, Realtors are promoting their "brand" and the services they can provide.

Cadwallender said the newspaper's revenue was up 13 percent this year because of branding, not individual house listings. Realtors, however, are seeing the value of advertising in the Fredericksburg newspaper because of the growing number of referrals.

Romaner said research shows that real estate advertising dollars are not best spent on individual listings in print. Realtors, however, are comfortable with the newspaper, and will continue to advertise at

some level.

Benz said that even so, Realtors are more often using their ads to brand themselves and their agencies. Where else, Benz asked, can Realtors get their names, photos and 10 to 15 of their top listings into 120,000 homes on a Sunday?

Alston said the central question is, "If listings are available at every agent's web site, what value does the newspaper add to the process?" The newspaper, he said, already has in place the structure to deliver the breadth of information that buyers need to find the right home.

Alston said that home buyers are the greatest value that the Virginian-Pilot brings to Realtors. Since the local multiple listing data became distributed through local Realtor web sites, the newspaper online site doesn't sell listings. Instead, it charges Realtors for online search sessions directed to their sites.

The results have been dramatic. Realtors are getting tens of

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thousands of active home-buyer search sessions, for which they can calculate the value in closed sales. Further, even in this environment where every agent and broker have all the listings, the number of consumers coming to the newspaper site grows steadily.

Expanding the “marketplace” strategy from real estate to all classifieds, Alston does not favor putting classifieds in a “for-a-fee” environment. For example, he believes that newspapers shouldn’t make a reader buy a subscription to access classifieds online given the importance of having the best marketplace for buyers and sellers.

Using a free model, the audience and revenue potential are much greater than they would be if limited by “paid attendance.” Romaner agreed and added that he would not recommend limiting access to classifieds even with a registration requirement. Ashe said the value of classifieds is in mass. The newspaper needs to be the “marketplace” for

classified ads so that readers automatically turn to the newspaper.

Dunn-Rankin argued that putting the classifieds behind a registration requirement has generated many more registrations than the newspaper ordinarily would collect. The classifieds are the driving force behind registrations.

The key to selling advertisers on targeted advertising, Dunn-Rankin said, is to collect a large number of registrants who will accept advertising. She believes that the database of readers that she is compiling will be valuable to advertisers.

As the discussion about classifieds concluded, Romaner suggested that this may be the first area that requires “web centric” thinking. Rather than relying on traditional models, newspapers may need to study the models of successful online companies that do not produce anything in print.

Conclusion

Borrell agrees that the Internet is bringing changes to the newspaper industry far beyond anyone’s initial expectations. Recent research conducted by Borrell Associates and others have labeled the Internet a “disruptive” technology.

In the same way that previous disruptive technologies destroyed traditional industries, Borrell sees the Internet disrupting traditional advertising streams. Disruptive technologies tend to rely on business models that are substantially different from the business models used by traditional industries. When the computer company DEC introduced the minicomputer, they weren’t marketing to IBM’s low-end mainframe users. DEC wanted to sell to an entirely different market — individual users.

In much the same way, Borrell said, companies like Monster.com are working from a different business model than traditional newspapers. The new business model threatens rev-

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enue derived solely from “help wanted” line ads.

One of the fastest areas of recruitment growth is in electronic learning and distance education. It’s where recruiters are spending their dollars and where job seekers and potential employers are going.

Monster is continues to lower is fee for listing a job opening, putting pressure on other companies to lower prices, as well. Monster can afford to lower its fees because the company can make more money by providing services to its users. Monster is focusing a greater portion of its energy on providing resume services, interview skills and distance education than on fees for job listings.

Romaner said that newspapers have traditionally been generalists, and they are now facing huge competitors that are specialists. To prosper, newspapers must stay ahead of the curve in technology and marketing solutions. Creating a classified marketplace may be the next

new model — de-emphasize line ads and move the emphasis to services.

Borrell is also concerned about the “next threat” — the one the industry doesn’t see coming. He said that companies with the most aggressive, and perhaps most successful, business models don’t share their ideas at meetings and conferences.

For example, newspapers normally don’t consider eBay a competitor, but eBay Motors and Auto Trader have just teamed up. EBay is the largest mover of units in the nation, even ahead of AutoNation. Partnerships such as this may be one of the next threats.

Whatever materializes as the next threat, however, the newspaper industry must change its approach to its core revenue streams. Participants at this conference, while disagreeing about the specifics, agreed that new approaches to the challenges were necessary. And new approaches may well come from outside the newspaper industry.

They also agreed that changes this global in nature require focus and creativity.

Perhaps a comment made in response to the question “What have you learned in the past year?” sums up the work for next year: “Sometimes you learn the same things over and over. The things that make us successful are also the things that make it hard for us to change. It takes hard work.”