Audience Planbook

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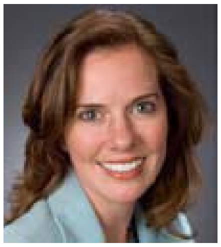
growing audience

Newspaper Association of America

Audience Planbook

The February edition of the Audience Planbook includes the first installment of articles and resources to help build your audience toolkit. Throughout the year new articles will publish with additional resources ro help you develop and maintain a successful audience strategy. To share ideas or drive discussion around these topics, go to the Growing Audience blog in the NAA Community at http://www.naa.org/community.

Foreword



I'm excited to announce the debut of NAA's Audience Planbook, a toolkit designed to provide you with insights and direction from how to determine a successful audience strategy to tips on managing a robust portfolio of print and digital products.

With this project we placed particular emphasis on engaging writers who have experience inside and outside the newspaper industry. Many are digital media experts, entrepreneurs and consultants -- all of them have an eye on the future and an understanding of the structures and cultures that may be holding newspapers back from realizing and implementing transformative change. Their suggestions and research will help you take your business from where it is today to where it needs to be tomorrow, connecting the dots and walking you through it step-by-step.

Throughout the year new articles, resources and tips will be added to each chapter. If you have ideas for upcoming segments or examples you'd like to see included, please feel free to contact me directly with your input. Also, if you'd like to discuss strategies and examples shared in the toolkit, post them on the NAA Growing Audience blog found in the NAA Community.

The Audience Planbook is a project developed out of the NAA Audience Advisory Committee. Special thanks goes to Jennifer Carroll, vice president of digital content for Gannett Digital and the 2008 Audience Advisory co-chair, as well as the Planbook's Project Editor and Senior Consultant David LaFontaine.

Sincerely,

Diane Hockenberry
NAA Director, Audience and Business Development

Uncommon Sense and Practical Alchemy

not-so-easy

How to Transform Your News Organization in Eight Steps

By Dave LaFontaine

Many articles that purport to examine the enduring issue of what the newspaper industry "should do about the Internet" read like Ann Landers for business executives.

The problem is laid out in terms familiar to every reader ("I think my spouse is cheating!"/"Profits are down!") and the allegedly common-sense response ("Dump that loser!"/"Reduce staff and cut costs") both reaffirms the conventional wisdom, seems to make sense, and surprises nobody. It's like eating an intellectual Twinkie: momentarily satisfying, but ultimately, devoid of nutrition.

So what's different about this Audience Planbook than every other nostrum that's been served up to the newspaper industry in the last decade?

> *"Help me . . . help you."*
>
> *– Jerry Maguire*

Well, what attracted me most about this project was that right from the get-go, my marching orders were: "No more views from 30,000 feet." No more broad generalizations about the mythical powers of crowdsourced hyperlocal converged innovation – with a social media twist.

Instead, this Audience Planbook has been created to be a practical tool – well, as practical as we can make it. If we could have come up with a list of "press this button, flip this switch, yank this lever and money comes out" steps that would transform the newspaper industry – we'd probably be charging a lot more for this report.

Focus on the real problems

Newspaper executives who curse the inventors of the Internet (no, it wasn't Al Gore) for stealing away their audience are misdirecting their anger.

The roots of the audience migration away from traditional media companies started almost 20 years before the DARPANET scientists were turning cartwheels over being able to send the word "login" from UCLA to Stanford on what would grow into the Internet. (In fairness, the actual message sent was only "lo." The computer system crashed before it could get to "g.")

A more appropriate target for traditional media ire would be a humble device that resides in virtually every household in America.

The television remote control made it possible for the audience to exert almost instantaneous control over the flow of media in front of its eyeballs. At first, this didn't really amount to much – even major media markets rarely had more than the Big Three (ABC, CBS and NBC) and a half (PBS) networks to choose from.

But with the advent of cable, and later satellite (where at last count DirecTV offers 1,000 channels), the channel-hopping dance really began.

Humans are adaptable creatures; it's why we exist in -40 tundra and 114-degree rainforests. Once we learn that we can exert control over the parameters of an object in our environments, we start trying to exert that control on similar objects, which is how the short attention span bred into TV-watching audiences in the 80s and 90s has morphed into the site-hopping, video-snacking, YouTube-ized audience of today and tomorrow.

With that much choice available, the only hope of breaking through the clutter is to craft a message that is clear, coherent, and most of all, relevant to the niche audience that you're trying to connect with.

Used-car salesmen used to talk about having "the knack." The ability to instantly size up a prospect that walks onto the lot, and tailor their accents, attitudes and handshake to what that customer would respond to best. No use trying to sell a fire-engine red two-seat convertible to a farmer who just wants to haul feed to his hogs. It would have been worse than futile – it would have been insulting.

"I sometimes worry about my short attention span, but not for long."

– Herb Caen, San Francisco Chronicle columnist

In today's crowded mediasphere, the choices are far more complex. Which makes it more essential than ever to understand our audience(s), so we can show them the things they really need to know – rather than just the things we have decided are good for them.

"We must hang together, or most assuredly, we shall all hang separately."

- Ben Franklin

The newspaper industry must undergo radical change to survive. I won't belabor the points that are being made daily in Romanesko, AdAge, Poynter, Buzzmachine and the business pages of whatever publications you read that still have business sections.

This Planbook is not a cure-all for the newspaper industry. It's an attempt by the NAA to provide newspapers with a place to start working with each other to find a solution to the problems that are common to so many of our members.

Talk amongst yourselves

This is meant to be an ongoing process, and a large part of it is going to rely on you – the reader of these chapters – to make this work the way that it must, if newspapers are to start producing the kinds of wide-ranging product portfolios that have been broadly urged on the industry.

The content here is meant to be tools, practical suggestions and conversation starters. A big part of the Web is that it is a two-way medium; the barriers to entry are almost nonexistent these days, and information flows both ways, whether we like it or not. Therefore, we are designing this Audience Planbook to practice what it preaches.

If you try some of the things we write about in these eight chapters – and they work – please let us know. If they don't – well, I'm ***quite sure you'll let us know.***

And if you try out some of the tools and they kinda work – and then you tweak things a bit and they work a little bit better – by all means, tell us about it in the Growing Audience Blog. Trying to solve these problems individually is not the most effective approach. So please, join the discussion and share your thoughts with us.

In the following chapters, you will find coverage of what we consider to be some of the most important audience-facing issues confronting newspapers today:

1. Assessing your current situation
2. Identifying underserved niches in your market
3. Changing your corporate culture
4. New methods of developing and launching products
5. Using social media to help advertise and market your products
6. Providing your audience with an “engagement ladder”
7. Changing your corporate structure
8. Accurately judging if your products are successes or failures

For revenue-focused resources, download our Advertising Planbook.

All these chapters work together; they build upon each other, and are designed to function holistically.

“Americans can always be counted on to do the right thing ... after they have exhausted all other possibilities.”

– Winston Churchill

However, you can use a cafeteria approach if you prefer; if you have a glaring problem in your organization with red lights flashing and alarms sounding, then skip to the chapter that deals with your greatest need.

But I really recommend starting at the beginning and going through the process from start to finish, to see what it is you come up with. As you read these chapters, I ask you to keep an open mind, and consider how you can apply these concepts to your unique organizational structure, market conditions and the needs of your audience.

I hope you surprise yourself.

Strategy Assessment Processes

Chapter 1: Fitting all the tools featured in this Audience Planbook into your organization's strategy requires, first of all, that you have a well-defined audience strategy. It may surprise you to find out that even if you have never explicitly defined it, you are still executing that strategy every day.

This chapter leads you through the process of asking the necessary questions to determine who you actually reach, what value it is that they get from your products, and how your organization can start imagining ways to break through the confusing clutter of media choices and design products that best serve your audiences.

Stacy Lynch is an expert at taking the big strategic ideas that academics and industry analysts float, and breaking them down into bite-size chunks.

Picky, Picky, Picky:
Your Audience is, so Why Not You?

Diagnose Your Audience Strategy and Make It Better

What is the point?
Developing an audience strategy is the first step for developing successful new product growth, particularly in an era where consumers expect products to appeal directly to their personal preferences.

Why should I care?
A variety of other industries have successfully transitioned from a one-size-fits-all approach to a portfolio approach and their lessons can help newspapers focus valuable resources where they will have the most impact. Audience insight can be crucial to successfully shape and implement a new product strategy.

What can I learn from this?
This chapter offers a framework for understanding the value of focusing on key consumer groups as well as some practical tips for translating audience understanding into a strategy.

By Stacy Lynch

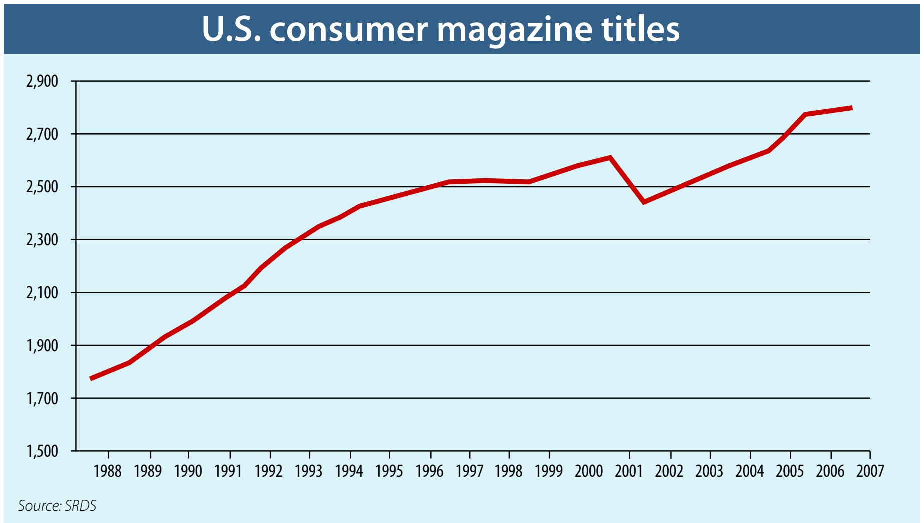
Every business at every moment is implementing a strategy. A strategy is the sum of all the investments and decisions being made, even if that strategy is not articulated in a formal way. Even companies with a clear stated strategy may have a practiced strategy that's quite different.

Increasing competitive and financial pressures have left many newspapers with the feeling that their current strategies – which sometimes feel less like a plan and more like battlefield triage – don't offer adequate insight into the future. But amid tumult and reduced resources, how can leaders quickly assess their current strategy and find potential in the market that they are well-positioned to capture?

Periods of exploding competition and shifting consumer tastes have impacted many industries. A look at the broad trends and business practices that have evolved in competitive environments can offer guidance for newspapers. Later in this chapter we'll discuss how to assess existing strategy quickly, but let's first explore how companies in other industries are connecting customers and strategy.

The key to driving satisfaction

Over the years, the media industry has been compared to utilities in how it approached and treated customers. You took what you were given by the phone company whether you liked it or not.



The number and variety of consumer magazine choices increased steadily in the last 20 years, almost doubling during that time according to SRDS. Even in established categories such as men's magazines, new entrants such as Maxim, FHM, Details, and Men's Journal among others increased the variety of options available to consumers.

Media may have been like a utility in the past but for consumers today, choosing media is comparable to picking a kind of cereal or bar soap. If consumers have shifted, what can newspapers learn from packaged goods about how to understand and serve customers?

The evolution of modern packaged good strategy can be summed up in one word: choice.

According to Marion Nestle, food and nutrition expert, the number of products in the average supermarket has tripled since 1980, from 15,000 to 50,000[1]. For everything from peanut butter to toothpaste, there's a variety of smells, flavors, sizes and features to suit every preference. It seems almost comical that the world might need diet caffeine-free black cherry Dr. Pepper — but each year, new products crowd store shelves.

Whole books have been written about how this change has come to be, but one fact underlies it all: in order to compete, products must meet consumers' ever-increasing demands and that means giving people something that suits their particular taste.

Malcom Gladwell explained in his *New Yorker* article "The Ketchup Conundrum" how in the 1970s pioneer food researcher **Howard Moskowitz** identified how intimately variety is tied to satisfaction.

"[W]e found that if you create only one product the best [satisfaction rating] you can get across all the segments is a 60—if you're lucky. That's if you were to treat everybody as one big happy family," Moskowitz said. "But if I do the sensory segmentation, I can get 70, 71, 72. Is that big? Ahhh. It's a very big difference. In coffee, a 71 is something you'll die for." [2]

While this may seem obvious now, the food industry didn't rush to embrace the idea of offering six versions of every existing product. They understood the cost and complexity of producing more and more brands. Packaged goods manufacturers were driven to the strategy only when it became crystal clear – as Moskowitz' research showed – that success was impossible without changing their business in a fundamental way.

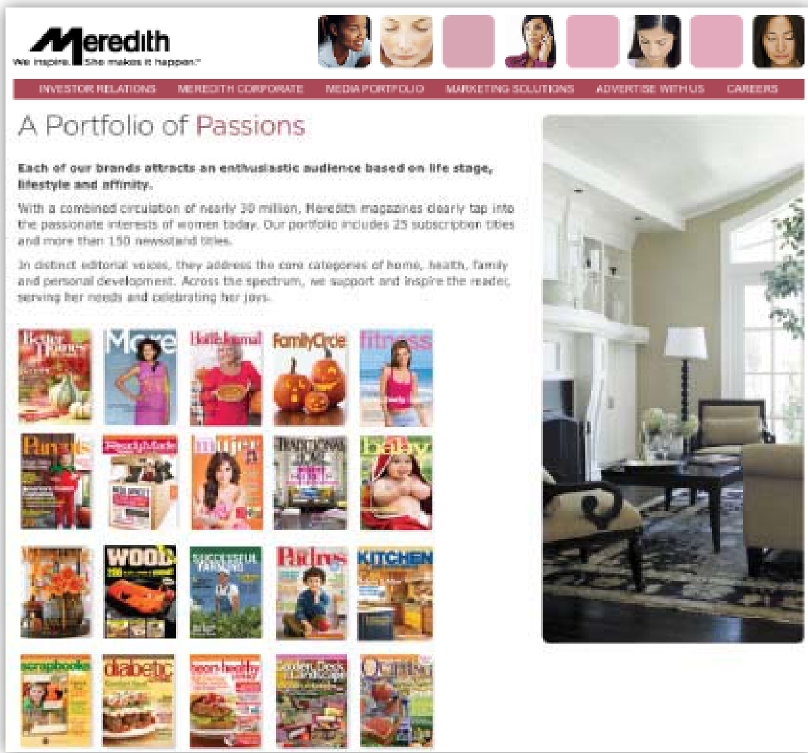
Even more dramatic than the change in manufacturing and operations, this transition toward a product portfolio required a seismic change in how companies understood their consumers. It wasn't enough to understand the characteristics of their own products and those of their competitors. Companies had to understand how different people experience their products – distilling a cacophony of consumer opinions into a coherent understanding of who wants

1 "The soft sell: how the food industry shapes our diets," Marion Nestle, Nutrition Action Healthletter, September 2002.

2 "The Ketchup Conundrum," Malcom Gladwell, The New Yorker, September 6, 2004.

what, and why. This understanding of individual consumers had to be done with enough rigor to predict the size and value of new product ideas.

Fast-forward to the newspaper industry in 2009. Just as with packaged goods, the tidal wave of media options has compelled newspapers to broaden their variety of offerings. Beginning with "themed pages," to the creation of completely autonomous free newspapers, Web sites and niche publications, newspapers offered a range of options tailored to different parts of the market.



With a few exceptions, most newspapers' product development efforts still grew from an audience strategy that sounded something like this: "Our job is to serve [insert city] with the highest quality, most relevant local information and advertising."

For many years, this approach worked well enough. New "products" were often valuable enhancements to the core newspaper. Indeed, a small number of newspapers went further and became portfolio enterprises with a host of diverse and successful products. But as many companies became more ambitious, launching products further afield from the traditional paper, substantial cracks emerged. After the launch of a portfolio-extending product, the discussion often sounded like this:

"It just never seemed to connect with readers."

"It started out as distinctive but it looks and feels just like the newspaper now."

"It never had much advertising" or "most of its revenue came from existing advertisers who just moved money from the main paper"

Was this the result of sloppy operations or poor product development processes? The coming chapters will go in-depth on how to improve those processes. The evidence points toward a more fundamental cause: an audience strategy that either wasn't robust enough to support the product strategy or wasn't aligned with the business strategy.

Products intended to appeal to an audience outside the core brand may serve consumers the newspaper doesn't really understand. The advertising or business case may not align with the audience. The strategy and business case may hinge on aggregating audiences that are too different in their preferences to be satisfied by one product. All of these reflect a lack of an audience strategy.

Re-making an audience strategy

One established media company that re-made itself by developing a robust audience strategy is the Meredith Corporation, owner of a number of successful media businesses including Better Homes and Gardens.

Meredith has been a successful company for more than a hundred years. At the turn of this century, Meredith owned a range of successful magazines, mostly in home and shelter categories. Although the brands were solid and the company successful, Meredith's executives, led by President **Jack Griffin**, saw how shifts in society and a proliferation of other media options were threatening that position.

Griffin explained the company's marketing position, "'If it has to do with home and family, it has to be Meredith.' That was actually a pretty scary position, because how can you define home and family in an environment like this one?"[3]

In 2003, Meredith embarked upon a deep analysis of its market and audiences. After a lengthy exploration process, they realized that the center of their business should not be the topics of "home and shelter" but instead serving women. This insight was supported by advertiser demand for this coveted audience and the company's long history of serving them. Griffin explained: "We introduced the positioning line of 'We Inspire, She Makes It Happen.' This mission to inform and inspire women about the most important subject in their lives has been a galvanizing force within our company, and it's been widely accepted in the marketplace."

A Portfolio of Passions

From this audience strategy, Meredith embarked on a campaign of product launches and acquisitions designed to reach women across every life stage. As women go through their life, they transition from the youth-geared *ReadyMade* magazine to *Baby* then *Parent to Family Circle* to *More* media brands. Research across the company explored the nuances of how women's preferences differed, segmenting women in a variety of ways.

Meredith invested more than $600 million to transform itself from a home-and-shelter-focused company to one focused on reaching women consumers through magazine titles, online and in print. According to Griffin, their magazine titles reach 75 million American women each month.

So what can newspapers learn from Meredith's transformation? At its core, Meredith's strategy hinged on establishing an audience and business strategy focused on an audience. Once they decided that women are the customers they want to understand and serve, they were able to focus their listening and their product development efforts to reach that audience.

For newspapers, the challenge at hand appears to be moving beyond offering "news" to serving a clearly defined audience in multiple ways. Just as Meredith looked at its historic knowledge of how to connect with women as the foundation of a shift, newspapers should seek to understand their traditional audiences as a base for future expansion. Although it might be tempting to define that audience as "people who live in [insert city]," a more clearly-defined approach would be more effective in prioritizing scarce resources.

What's your current strategy – and is it working?

Even if it doesn't feel like there's any strategy at work, every company is executing a strategy simply by allocating resources. An important first step for exploring new approaches to audience strategy is to assess where current priorities and strengths lie.

First, write down a brief description of your company's current strategy. Start by answering these questions:

3 "Keynote Address: Organizational Transformation." Jack Griffin. Our Digital Future Conference, Media Management Center, Northwestern University, September 2007.

- Who are the core customers you are trying to serve?
- What is the value proposition that you are offering?
- What value do you give your advertisers?

Make a list of your current products – the ones that get the lion's share of your attention and investment. For each one, answer the following questions as well as you can. The important part is to *not* be aspirational – it should be a picture of current, real operations.

- Describe a core customer for this product.
- What is the value proposition for those core customers?
- What value do advertisers get from the product?

Begin with your largest product and work your way through your major initiatives. Once you've completed the exercise step back and ask some basic questions.

- **Does my stated strategy line up with what I'm actually doing?** It's difficult to get perfect alignment, but if your stated strategy is all about getting extended reach and all your products cater to existing audience, something needs to be done; ditto if it's the other way around. If your stated strategy is to serve everyone in your market but you are reaching only a fraction, there is misalignment.
- **How cohesive are the products I offer?** Do the products leverage a common base of knowledge and expertise, or are they scattered? The depth of consumer understanding needed to serve customers is only increasing. Tightening your focus on a key audience base or offering a consistent value proposition can make each product launch easier.
- **Are my products really connecting with consumers?** If not, am I offering products that are of adequate quality? Are they tailored enough to meet the needs of the market I'm pursuing? Low product quality can be a sign that an initiative isn't a natural fit with a company's core competencies. The answer is usually to either discontinue the product or allocate more resources to compensate for lack of expertise.
- **Is the value proposition for advertisers aligned with the audience?** If the audience base is aging while advertisers seek a younger audience, this is a key problem. If advertisers are seeking affluent readers and you have them in spades, how can that be leveraged?
- **Is my reach growing or do I keep serving the same people with more products?** Increased reach isn't an ironclad requirement for success. However, if selling increased engagement with a smaller audience is your strategy, then that must be aligned with revenue plans. Conversely, if reach-extending products are your strategy, but everything keeps devolving back to the core audience, step back and ask yourself what it would take to understand and deliver products to new audiences.

Do the products leverage a common base of knowledge and expertise, or are they scattered?

What you are likely to see is that your most successful efforts focus on consumers or value propositions where you have the greatest expertise. Although you may aspire to serve all consumers in your market, most likely you are serving a few groups very well with several products. The experience of packaged goods and Meredith Corporation would suggest delving deeper with those consumers to both satisfy them more and to capture more of their attention.

This is not to suggest that the only way forward is to stick with existing customers. It only highlights how difficult it is to reach new customers. Developing new audiences and new competencies is expensive and difficult, and requires sustained effort. Focus on one kind of new customer, learn what it takes to serve them, try several products until you really connect. Only once you've developed a level of competence will you be ready to expand further.

You are also likely to find that there are “misaligned” products – they neither serve your stated strategy nor do they serve core users. Logic would suggest they should be discontinued or spun off. At minimum, they should be closely scrutinized to understand what value they bring.

Once you’ve evaluated your current strategy, the next step is to think about where potential lies. If you have defined a focused audience you want to serve, talking to them and understanding their needs should be the foundation for new ideas. By having this clearly defined target, finding and implementing ideas should be easier with a higher chance of success.

You may also want to look at where new competitors are finding success. Pay attention not only to local players but also what national sites and products are finding an audience:

- Are you going into areas where the market is growing?
- Where are the gaps?
- What would it take to go into those areas?
- What kind of standards is the market setting?
- Am I meeting them?

The key to assessing and shifting strategy is being clear-eyed about what value you have and what audiences you serve. If you really don’t know, you don’t need to be a psychic or launch an expensive research initiative. Reach out to core customers (via subscriber lists, registered users, etc.) and talk with them about how they use you, what value they bring and what their lives are like. If you can take the time to talk with 5-10 core customers, you will quickly gather a sense of where you stand.

Guiding an audience strategy

From packaged goods to media companies, the transition from a one-size-fits all to a robust audience strategy requires leadership. The following are some basic steps that have been identified across a variety of industries. Many of these will be explored in greater depth in future chapters :

1. Segment consumers so you can see and hear needs clearly.

A well thought-out segmentation strategy doesn’t force consumers into boxes that suit the company’s needs. Instead, it reveals underlying patterns in what people want and need – turning a jumble of conflicting information into something that makes sense. Until a company tries to understand how people are different, it is often deaf to what is most important to them.

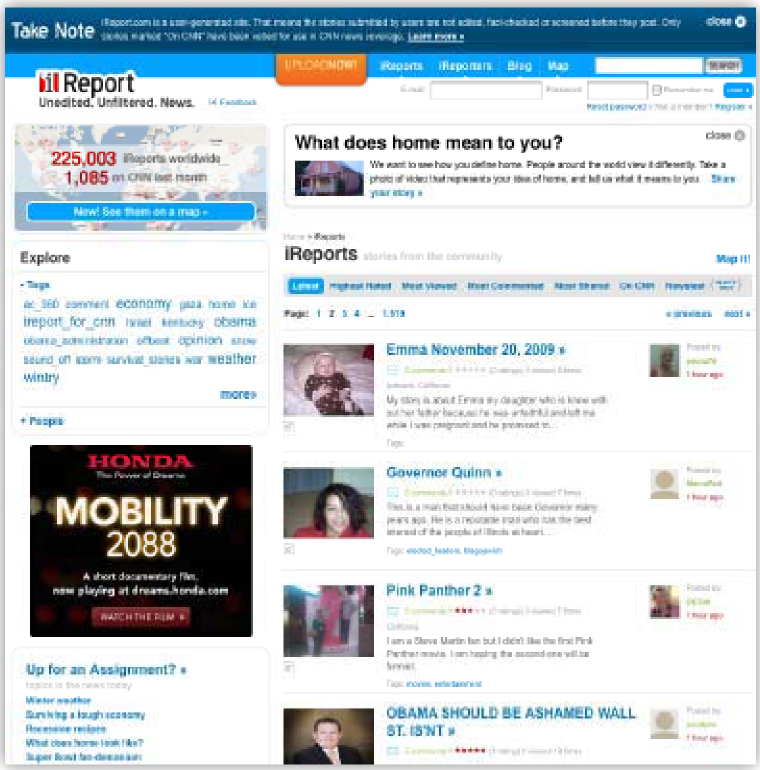
Think about how different kinds of consumers derive value from your product and those of your competitors:

- What do they care about?
- How do they use it?
- What about them drives those different experiences?

A powerful example of how segmentation allows a company to understand its customers is the Discovery Channel’s focus on the “info-seeking” viewer. Discovery focuses exclusively on viewers who want to learn as they watch. Within that category, they further segment viewers into the following groups:

- Entertain-Me's
- Practicals
- Scholars
- Sociologists
- Boy Toys
- Machos
- Here & Nows
- Escapists

This segmentation allows Discovery to create and tailor programming geared for each particular group's needs. By seeking to understand how "info-seeking" viewers are different from their non-target and even more importantly, understanding the variation within the group — they focus their content choices on the areas with the greatest potential.



Audience segmentation is not new to newspapers and there are good industry-wide studies that allow you to get a perspective. Chapter 2 of this Planbook explores how to create User Profiles that will aid in developing robust segmentation. Recent work by the Pew Center for People and the Press and the Newspaper Association of America's Growing Audience lifestage segmentation project also offers valuable views of the marketplace. The key step is to begin by recognizing differences in consumers.

2. Embrace the potential of trade-offs:

In a conversation about focusing on one audience group or another, many newspapers have lamented the diminished value to those not being targeted. "How can we turn our back on them? We're leaving money on the table," goes the refrain. Great effort is put to quantifying how non-targeted groups' satisfaction might diminish.

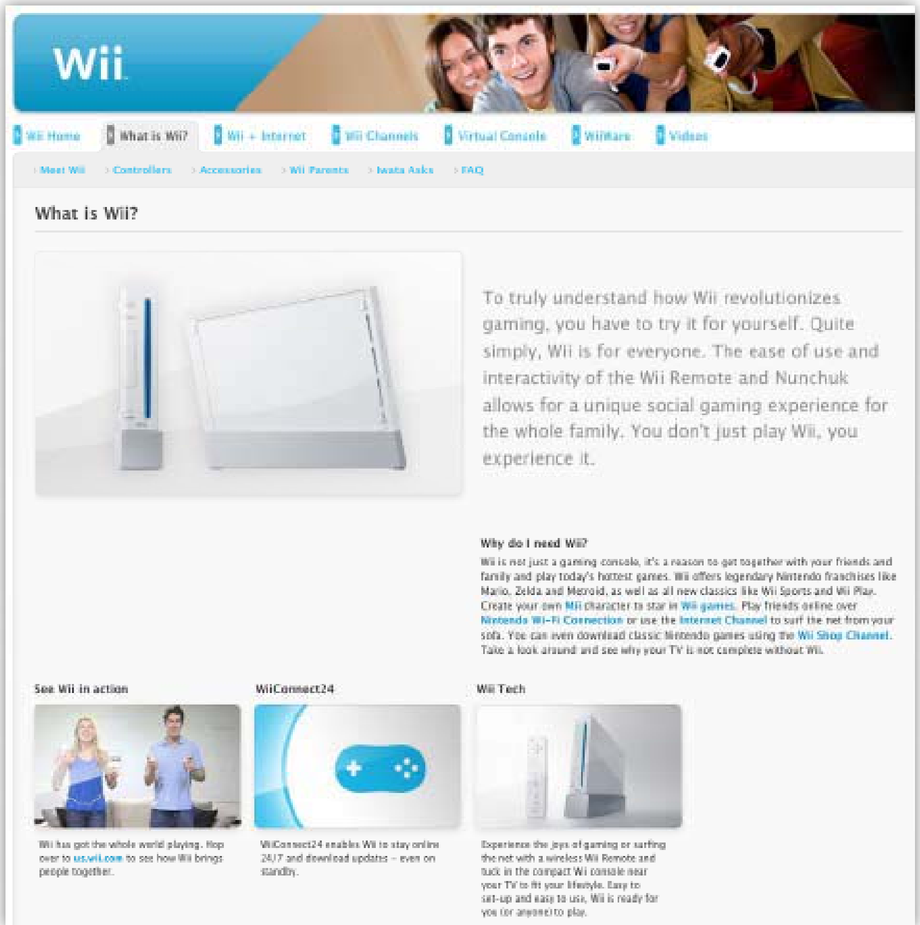
This overlooks the larger point: choosing to focus on one group creates the opportunity to have a tremendous impact on those who value you most. Embrace the idea that you can focus on a group enough to understand their needs and deliver on them fully. Secondary audience groups aren't forbidden from using the product. It just makes it clear who must be most satisfied.

CNN's iReport, the online user-generated news site, is an interesting product for many reasons. One of the most compelling aspects of the strategy has been how they prioritize their customer segments.

Users of iReport.com can be classified into three groups:

1. Users that only view and consume content
2. Users that participate by submitting news stories with audio, photos, video files
3. Users that interact and share interests with others at iReport

CNN iReport Senior Producer **Lila King** says that every change to the site is designed to enhance the experience of people who contribute. From the way all stories are posted, to the priority on site improvements, King's goal is to make people who contribute as happy as possible. If you compare the success iReport has seen in developing a steady flow of user-contributed news with many competitors, it's clear that this strategy is bearing fruit. It is through this clarity of focus that they are able to optimize the experience for contributors, rather than trying to balance it with "readers/viewers" who are better served through the main CNN.com site.



3. Design for the bull's eye of your target

This is where a strong strategy really bears fruit; when it comes down to making product design choices. With the focused understanding of the core consumers, product design choices move quicker and are more likely to be on track.

It is also the process that requires the greatest level of discipline. As most newspaper product designs can attest, it's easy to start making one compromise after another until a highly-targeted product suddenly becomes milquetoast.

One of the hottest entertainment products of the last few years is the Nintendo Wii, a new kind of video gaming console that allows players to use natural movements such as the motion of swinging a tennis racket to play rather than using a traditional game joystick. The success of the Wii is in both its overall inventiveness of the game and in its ability to attract non-traditional gamers.

Before the Wii was invented, Nintendo had fallen so far behind the Sony Playstation and Microsoft Xbox that it was rumored to be on the path to extinction. Those systems boasted faster processors, more advanced games and a stronger position with the hard-core gamer. Most heavy gamers are young men who look for the most realistic action games possible.

Rather than go after the hardcore gamer, Nintendo instead focused on its traditional customer – children. Since it first introduced the game Donkey Kong, Nintendo appealed to children and their parents who did not want the extreme violence of many games. Nintendo looked closely at children and families and what would improve the gaming experience. They realized that a game that would allow people to play in groups rather than alone, could attract a new kind of gamer. Such an approach could also be achieved with a less-expensive game console.

When the game was first released, traditional gamers lamented the system's limitations. Indeed, the Wii is a poor fit for adrenaline junkies who spend hours playing Halo or Grand Theft Auto. But by focusing on a new, underserved core during the product design phase, the product fit this new consumer better.

It's easy to appreciate the uniqueness of the Wii in retrospect. During development, however, it surely was tempting to appeal to heavy gamers at the expense of the target audience. Only by clarifying and focusing on the bull's-eye of target users was it able to really connect with its intended audience.

On the threshold of change

Newspapers are going where many industries have gone before – toward a more customer-driven culture. It requires greater focus on what readers and users want and need and a willingness to deliver on a variety of preferences. As frightening as the shift may be, many industries have experienced and survived the same transition. In the end, many emerged from the transition more engaged with more passionate customers. Where at first they saw the greatest risk, in the end they found the greatest potential.

Stacy Lynch is a consultant on innovation, understanding audience needs, research and newspaper management across media. She was most recently director of innovations at the Atlanta Journal-Constitution where she worked to develop audience-driven new products. Before going to Atlanta, she was research manager for the Readership Institute at Northwestern University. She managed several components of the Impact study, a groundbreaking study of newspaper readership. Stacy has also written and edited books and case studies including "How to Be a Web Favorite" and "How to be Easy to Use Online," The Newsroom Brain, In Their Prime, Inside Newsroom Teams, and The Changing Reader.

A checklist to help you get started:

1. Current strategy assessment checklist:

- Who are the core customers you are trying to serve?
- What is the value proposition that you are offering?
- What value do you give your advertisers?

2. Individual product assessment checklist (to be completed for each individual product):

- Describe a core customer for this product.
- What is the value proposition for those core customers?
- What value do advertisers get from the product?

3. Overall company assessment checklist:

- Does my stated strategy line up with what I'm actually doing?
- How cohesive are the products I offer?
- Are my products really connecting with consumers?
- Is the value proposition for advertisers aligned with the audience?
- Is my reach growing, or do I keep serving the same people with more products?

4. Assessing potential markets:

- Are you going into areas where the market is growing?
- Where are the gaps?
- What would it take to go into those areas?
- What kind of standards is the market setting?
- Am I meeting them?

5. Segment potential consumers to perceive their needs:

- What do they care about?
- How do they use it?
- What about them drives those different experiences?

6. Resist the temptation to broaden the focus:

- CNN's iReport succeeds by concentrating on improving the user experience for its core group of citizen journalists.
- The Nintendo Wii succeeded by seeking out and filling a niche that the established competitors were ignoring.

Profitable Consumer Segments

Chapter 2: The New Media products that newspapers compete with rely upon crystal-clear visions of their users, and careful attention to best serving their needs. The challenge for newspapers is to define who these people are, and what they want.

This chapter gets very practical, with specific instructions for creating and deploying user personas – detailed descriptions that breathe life into dry facts and figures, and that help both editorial and business people quickly grasp who their audience really is.

Heather Schlegel is a community-building fanatic who lives up to her nickname "The Purple Tornado," cutting a swathe through the lively Los Angeles media scene.

How to Identify Profitable Consumer Segments Using User Personas

By Heather Schlegel

What is the point?

A User Persona is a tool that can aid newspapers in identifying and understanding under-served audience groups in their market.

Why should I care?

The easy-to-grasp profile helps identify and target market segments by humanizing the data. Having an identifiable, memorable person to refer to, helps the ad sales staff and news/editorial focus in on the people they're trying to reach.

How can I use this?

User personas help guide media companies through the product development cycle; referring to an audience segment by invoking a person's name is a powerful way to start retraining your staff to think like entrepreneurs, and to target niche markets.

While newspapers are a mass media that reaches a large and diverse audience, not everyone in that audience is picking up the paper for the same reason. Media companies have long recognized this, and produced sections in the paper with editorial content, ads and circulation strategies tailored to serve interest groups.

A reader might be planning a trip, researching a new car, or just looking for the cheapest happy hour on a Friday night. Each reader has a unique reason for interacting with your product. And the trend from mass to niche has meant that it is more important than ever to come up with content, business and distribution strategies that reach exactly the right audience at exactly the right time and place with exactly the right message.

The trick is to come up with a simple but powerful way of identifying what that audience group wants from your product.

This is where user personas come in.

"A user persona is an aggregate archetype of your users and potential users," say **Erin Malone**, Partner at Tangible User Experience. "They are composites and representations." Personas go beyond the standard demographic data of age, sex, marital status and income level, and turn these numbers into real people your teams can relate with.

Companies using personas have a better collective understanding of their markets and create better products and experiences. This enables their products to be successful with fewer mistakes.

Case Studies

New York Times

When the New York Times did a major site redesign several years ago, they used behavioral personas to understand what people wanted to do on the site.

"We did a fair amount of research and analysis and created behavioral personas about particular styles of interaction with the Web site," said **Alex Wright**, Director of User Experience and Market Research at the New York Times. "We found some people are researchers, looking for a car or real estate; while others are planners."

When the Times later redesigned specific verticals on the Web site, they took into account the motivations and behaviors of certain personas. For example, when the movie site was redesigned, the "Planner" persona was an important part of the process to fit those needs.

BBC

The BBC is all about the user experience. When developing a children's TV player for their online audience, they interviewed children and created "User Journeys" – models of the paths the children took when interacting with the BBC.

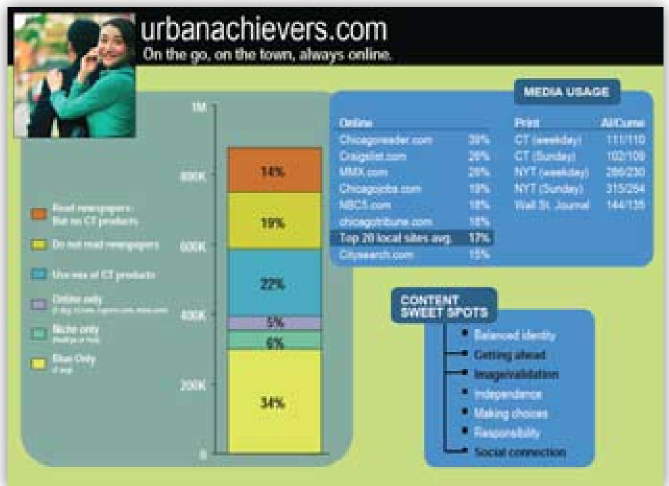
"We learned that kids don't like to be called kids. They want to feel like they are adults," said **Jason Fields**, consultant for the BBC. This allowed them to change the wording and text in the application to make it appealing to kids.

By using personas, Fields says, "When you talk about features, you know which ones are going to be attractive to each of your markets before you build the product."

User Personas

User Personas are not real people. They are detailed sketches of imaginary customers and what they want to accomplish. As software guru **Alan Cooper** points out "personas are defined by their goals."

It is through your rigorous research that a Persona becomes real to you and your team. Don't think of them as made-up. They are discovered.



Once you have selected the right persona, you'll be amazed at how they become real to your team and others, as they turn dry facts and figures into real flesh-and-blood human beings with wants and dreams. Thinking about them this way will help you create better and more relevant products that will engage them in a long-term relationship.

The most illogical idea of a persona is that you need only one. "You will have far greater success by designing for a single person," says Cooper.

Getting the right persona requires brainstorming many others first.

There are several ways to create a set of personas – if you have the luxury of time and a staff of researchers, then thank your lucky stars and send them out to do formal user interviews and marketing surveys. However, if you're like most media companies these days, you need to get results using the resources you have on hand.

This article gives you a quick overview of personas and a worksheet to help guide you through the process of creating specific, powerful user personas to use in the product development cycle.

A basic user persona has the following characteristics:

- Name
- Photograph
- Descriptive Keywords
- Demographic data (Age, work, life, relationships)
- Motivation
- Wants and needs

Additional questions can be asked, depending on what kind of information is relevant to the product being developed:

- What kind of relationship do they currently have/ want to have with your product? Your company?
- How do they discover your product?
- What stops them from using your product?
- What is the most tantalizing activity, product or experience you can create for this person?
- What information is critical for them to live their best life?
- Where do they get their local information?
- What kind of information do they want?
- What does a successful interaction with your product look like?

Combining existing research with your imagination is a good way to begin roughing out an archetype that represents a specific segment. Start with an initial list of the markets and the general labels for the audience segments you want to attract (such as Security Moms, Families, Active Baby Boomers, etc.). The initial broad personas should include all the types of consumers you want to use your product – whether or not they currently use it.

Research

There are many ways of collecting research about the desired user personas:

- Search online for demographic data that fits your segments.
- Check your own local archives for personality profiles done of people in your coverage area that fit into the audience group.
- Supplement this with informal interviews and surveys with local participants. Find people who fit the demographics and talk to friends and family that display certain behavior patterns. Sometimes this is as easy as going down to the local watering hole and talking to people.

To do more formal interviews and focus groups, identify key characteristics from the personas and recruit 6-12 people who fit them. Ask the focus group members the questions from the user persona worksheet, and incorporate this research into the personas. **[See the "External Resources" section at the end of this article for research resources.]**

The Process

1. Gather Team
2. Identify Segments
3. Hold a Brainstorming Session
4. Document Results
5. Share with the Company

Brainstorming the Personas

The project leader should be an advocate for the user, focused on creating the best experience for your audiences. It is helpful to get key people and departments involved early in the process, and elicit their input on how the audience segments will be prioritized and how the prioritization rolls up into your overall strategy.

After the initial set of desired customers has been identified, the next step is to set up a brainstorming session.

Logistics: Each brainstorming session should be two to three hours long and held in a conference room or area where you will not be disturbed. It will generally take about 30-45 minutes to get rolling, and after three hours people are mentally tired and need a break. You may want to schedule several two to three hour blocks within multiple days.

Materials: You will need a whiteboard or big sheets of paper to draw on, as well as a variety of photos that could be your customers. Bring several copies of your product and have a computer or connection to the Internet in the meeting room.

Who to include: The team should be at least two, but no more than seven people, including the project leader and representatives from marketing, editorial, business and technology. If possible, include a mix of high and mid-level employees. User personas must dovetail with your audience development strategy, but need to be driven by someone who can guide the process.

Before you begin: Review your business goals, and make sure everyone in the room agrees on what the organization is trying to accomplish. Ask attendees to think about their ideal target markets and have demographic and marketing data available. You may want to have someone from your marketing department briefly review your demographics and statistics.

The Brainstorming

1. The project leader will pick an audience group to focus on. This is now your user persona.

2. Give that group a name and choose one or two photos to represent them.

3. Think about people you know that are like that person.

4. Review demographic and research data from the marketing team.

5. Use the computer to browse Web sites where that persona would go. Have copies of your paper and identify sections and articles that appeal to each persona.

6. Free-associate words or phrases that describe this person. Don't be judgmental.

7. Have one person in the brainstorming session do a thought exercise, where they pretend to be the persona.

8. Have the rest of the group ask the "persona" the questions in the User Persona Worksheet. This may seem a little strange at first, but after the first few questions, the participants often discover that this brings out unexpected, strong responses.

9. When thinking about the most tantalizing experience (the killer application), do not limit yourself to your current offerings. Think about what that persona would seek out at any cost.

10. Repeat this with each segment. Plan to spend from 20 minutes to 2 hours or more on each persona.

A good persona will emerge from the combination of your in-depth research and the ability of your team to craft a believable narrative of that person's daily life. The more evidence you uncover, the more convincing your persona will be.

A big roadblock in the brainstorming process is thinking that the persona is not ideal or entirely accurate. Don't sweat that – sweat their individual details of the persona instead.

"As a design tool, it is far more important that a persona be precise than accurate," said Cooper.

Post Brainstorming - Audience Development Roadmap

Write up one-page user persona dossiers for each of your identified segments. Identify long and short-term actions that must be taken to capture the loyalty of these users.

Resist the temptation to have more than one persona for each market. Secondary personas do nothing but dilute the effectiveness of personas.

In decision-making, user personas will help prioritize features and decide which marketing programs to develop.

"They help you understand where the users are coming from," says Malone. "Things that are obvious to us – the developers – are not always obvious to our customers."

> "They help you understand where the users are coming from," says Malone. "Things that are obvious to us – the developers – are not always obvious to our customers."

Always bring the discussion of a feature back to answering this question: "How does this help our persona achieve their goal?" If you are not satisfied with that answer, then you have found a feature best left behind.

The group should then decide which segments are the most attractive, and identify which products and experiences will attract which personas. This prioritization process will help you identify gateway individuals (otherwise known as "opinion leaders" or "early adopters") that will attract the rest of the audience you want to build. The resulting series of assumptions, decisions and strategies will be the framework for creating your audience development roadmap.

Sharing the Personas throughout your company

Once the personas are complete, they need to be not just shared with the rest of the company, but adopted.

Explain the persona discovery process, who participated, how the segments were prioritized and describe each persona in rich detail. Share the audience development roadmap and the next steps for that specific team.

Be ready for some skepticism. You may be comfortable with the concept and process, but others might view this approach as too "soft and fuzzy" to provide real results.

When explaining personas, emphasize that you relied upon hard data and precise research. Present a high-level overview of each persona, but be sure to create the detailed one-page documents answering the questions from the User Persona Worksheet. These one-pagers should be available to anyone who wants detailed information on each segment.

Be ready with examples of how this approach has worked at other media companies or with successful products developed via the user persona process, from the sticky note to the roll-aboard suitcase.

It is also helpful to print posters of your personas near watercoolers or cafeterias. The more people in your company start to view personas as real people, they more powerful the effect.

Conclusion

Personas humanize your customers. They remind you that the people reading your paper are not women from 45 to 60 years old with an average income. They are Ellen, Annika, Miriam and Jane, not simply columns in an Excel spreadsheet.

"Personas are like the North Star to keep you on target for that user base," says Malone.

Additional Resources

Segmentation: http://www.growingaudience.com/landscape/index.html

Lifestages: http://www.growingaudience.com/landscape/lifestage.html

Lifestage Segmentation Profiles: http://www.growingaudience.com/landscape/lifestages07.html

Pew Internet and Life Research: http://www.pewinternet.org/

For Internet & Technology related research: Forrester Research: http://www.forrester.com

Internet Consumer Research; Nielson Research: http://www.nielsen-online.com/

Personas: Alan Coopers, the Inmates are Running the Asylum: http://www.cooper.com

Persona Template Worksheet

How to create a user persona.

1. **Start by studying your target audience details.**
   - Demographic Data
   - Informal interviewing
   - Formal Interviewing
2. **Think about people you know or characteristics that you have that fit into that audience.**
   - Friends, family members
   - Put yourself in their shoes
   - Identify keywords that describe personality, behavior and motivation
   - Surfing as them – starting on competitor sites, put on the character of the persona (look at pictures and think of people you know who are like them). Make a list of key words and attributes that describe the person to help you get into their skin.
3. **Find a picture that captures the essence of the target audience.**
   - Use Flickr to search on some of the keywords you generated in section 2.

4. Give your persona a name

- You want to be able to refer to them by name. Give them a real human name, and then a positive descriptor name. You should always think about your customers in a positive light.

5. Start writing about the person – What is it like to be that person? Become the person. Forget you know anything about your product or company, existing or future offerings. Try to be concise and brief. You are trying to get across the essence of the character using as few words as possible. Ask yourself these questions to help write the description of daily life:

- What is their everyday life experience?
- How old are they?
- Where do they live?
- What kind of life do they experience on a daily basis?
- Where do they work?
- What do they aspire to?
- How do they interact with their friends?
- How much money do they make?
- How do they make money?
- Have they gone to college?
- How does this person find information and news (friends, television...)?
- How does this person interact with others in their life (social, at home)?
- What are they trying to accomplish on a day to day basis?
- Write the day-in-the-life description as a stream of consciousness and then edit it down to 2 or 3 paragraphs.

You will use these descriptions to answer the following questions. Using the description from step 5 – explore the following characteristics: motivation, discovery, barriers, etc.

If you don't have a good idea of someone's motivation, take your keyword descriptions and demographic information and create a brief survey that can be sent out to existing customers that fit the demographic. Recruit the demographic to take the survey (via Craigslist) or do formal focus group testing. You can also have someone from your brainstorming team become that specific persona character to answer the following questions put forth by the rest of the brainstorming team:

6. **Motivation:** What is the person's motivation (personal, emotional...)?

7. **Discovery:** How would this person discover your product, Web site? By Web? By friend? Coming across randomly? In pursuing one of their hobbies?

8. **Barriers:** What makes it hard for this person to find information or get more info about your product? What makes it hard for this person to interact with your brand?

9. **Killer App:** What is the product or experience that this person can not live without? It's the "Killer Application." How can you provide this?

10. **User Experience Relationship:** How does this person want to interact with your company? What is the relationship this person wants to have with your company (and why)? And what is the relationship that your company can have with this person?

11. **How does this person measure success?** What do they need to do to be successful? How can your product help this person be successful?

Once you have answered the questions, format it into a 1 or 2 page User Persona. This document can be used to communicate the personas to the rest of your team and company.

Further Reading:

The Persona Lifecycle : Keeping People in Mind Throughout Product Design. By John Pruitt. Paperback: 744 pages. Publisher: Morgan Kaufmann; 1 edition (April 24, 2006). ISBN-10: 0125662513 ISBN-13: 978-0125662512

The User Is Always Right: A Practical Guide to Creating and Using Personas for the Web. By Steve Mulder. Paperback: 312 pages. Publisher: New Riders Press; 1 edition (August 31, 2006). ISBN-10: 0321434536 ISBN-13: 978-0321434531

Sketching User Experiences: Getting the Design Right and the Right Design. By Bill Buxton. Paperback: 448 pages. Publisher: Morgan Kaufmann; illustrated edition edition (March 30, 2007). ISBN-10: 0123740371 ISBN-13: 978-0123740373

Designing the Obvious: A Common Sense Approach to Web Application Design. By Robert Hoekman Jr. # Paperback: 264 pages. Publisher: New Riders Press; 1 edition (October 22, 2006). ISBN-10: 032145345X ISBN-13: 978-0321453457

Heather Schlegel is an innovative Internet start-up veteran with more than 12 years of experience, contributing to more than 50 successful technology product launches. Schlegel worked for AOL as the first DHTML (AJAX) technology evangelist in 2000, and later as a product manager for AOL's AIM division. She joins Crowdgather from her technology marketing consultancy, The Purple Tornado.

Schlegel is active in many areas of society and naturally creates communities, most recently she lead the revitalization of the LA technology community by creating Geek Dinner events, which became an anchor point to launch StartupLA, Twistup, BarcampLA and many other technology events. Heather Schlegel has been featured in the LA Times for her efforts in the LA Tech Community and has spoken at various industry conferences.

From Crowdgather, June 2008

Leveraging Internal Resources

Chapter 3: The fiercest fights in the news industry aren't waged externally, against the New Media competition. They take place inside the walls of your newspaper, pitting fire-eating tech evangelists against bottom-line focused business managers and newsroom curmudgeons. Demanding that revenue be attached to every new project from the get-go, and that big "J" journalism always get the respect it demands, is deeply rooted in traditional media.

The staffs of many New Media companies are filled with former newspaper people, who were either chased from the field, or who left on their own, filled with frustration and sorrow. Attracting these people back to the newspaper industry, and providing them with a working environment that best utilizes their skills and ingenuity, is one of the keys to survival.

Chris Willis relishes the opportunity to "get his hands dirty" to transform whatever he works on into a lean, revenue-generating machine, and leads a team of New Media maniacs who are filled with the same fire and fervor.

How to Transform Your News Organization for Innovation in a World of Constant Change

The disruption of the news industry by the rise of the Internet is not a one-time phenomena whose effects will stabilize and fade. To succeed, editors and executives must adopt and evolve new approaches to management, strategy and innovation.

What is it?

The "Insurgent Mentality" that Internet start-ups have used to outmaneuver larger, more established media companies, can be learned, if managers are willing to take risks and buck established management trends.

Why should I care?

Newspapers are in crisis because they are reacting to disruptions in their business models according to well-established "best practice" patterns, rather than by innovating. Companies that understand and develop such a culture see project success rates nearly ten times that of other companies.

How can I use it?

Newspapers that change their corporate cultures will be able to respond not just to today's disruptive media environment, but they will be adaptable to the further disruptions that are inevitable.

By Chris Willis

Management training seminars are replete with sessions exhorting executives to think differently, adapt an "Insurgent Mentality" and question all their assumptions. Too often, the executives in attendance dutifully nod their heads in agreement, carefully jot down notes, and then go back to their offices and find their tentative efforts at implementing real cultural change doomed by organizational inertia and outright hostility.

Much of the problem stems from the fact that solving a cultural problem is an inherently "touchy-feely" process; one that eludes decision-makers accustomed to resolving problems by buying an expensive piece of new technology or rearranging an org chart.

It is true that creativity and innovation are more art than science. **But it is also true that there are definable processes an organization can employ – a scientific methodology, if you will – that will result in increased creativity.**

Building a culture of innovation is like building muscles at the gym. The early stages are likely to be stressful, frustrating and possibly embarrassing. But if practiced with consistency and dedication, you will achieve your goals. Follow the three steps outlined here:

1. Know your customer
2. Think disruptively
3. Launch when "good enough" will start to produce results.

To extend the bodybuilder metaphor: organizations that achieve a goal and then rest on their laurels are like former gym rats who let themselves go and then wonder why all the organizations that stick with the program are whizzing past them.

Dramatic Change Demands New Organizational Skills

"The future ain't what it used to be."

— Yogi Berra

Traditionally, change in business followed a simple pattern: About every 50 years or so, a breakthrough innovation would disrupt an industry, transform it and then become a stabilizing force, once businesses learned how to harness its new capabilities.

Years later people would look back at that time not as a "decade of disruption" but a "golden age."

This pattern repeated through the 19th and 20th centuries with innovations like the steam engine, television, electricity and even Mergenthaler's linotype press. [1]

According to **Carlota Perez**, author of Technological Revolutions and Financial Capital[2], every "golden age" might be tarnished with its share of mania and swindles but within a decade or two, everything seems to work itself out. The business world makes sense once again. It would be comforting to think that our current "Information Revolution" might follow the same path.

If so, all newspapers would have to do is ride out the storm and then adapt to the new environment.

But nearly a decade after the Web went mainstream, why isn't the news business any closer to stability?

Newspapers have been vigilantly on the lookout for disruptive technologies ever since arrival of the telegraph – the "Victorian Internet" – in the mid 1800s.

Despite rampant criticism, they didn't shy away from the Web. By the end of 1999, 98 of the top 100 newspapers had Web sites.[3]

"Newspapers have really, really tried to wrap their hands around the future and preserve their franchise," says **Jack Shafer**, editor of Slate magazine's media criticism column "Press Box."[4]

The Internet is not a medium like radio or television. Neither is it a technological device like a Mac or a PC. And it doesn't behave like the telegraph or the telephone.

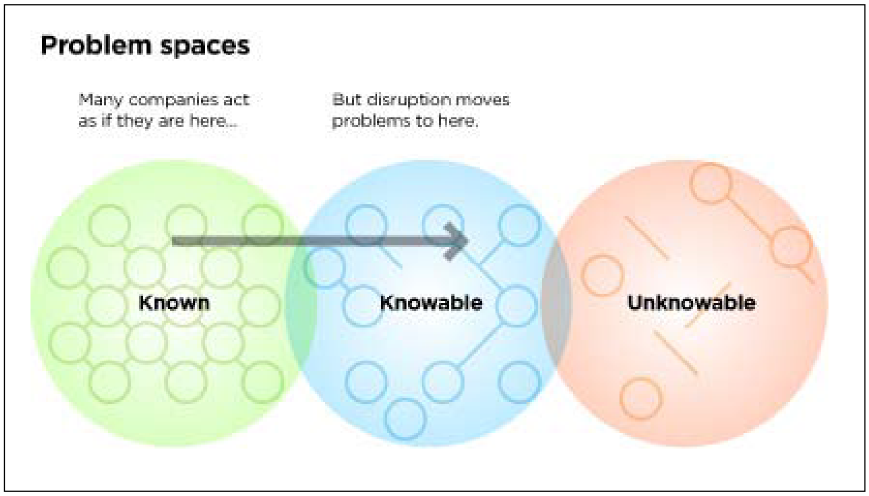
Instead, the Internet is an infrastructure that seems to accelerate the creation of new technologies and infrastructures all the time.

1 Smil, Vaclav. 2005. Creating the twentieth century: technical innovations of 1867-1914 and their lasting impact. Oxford: Oxford University Press.

2 Perez, Carlota. 2002. Technological revolutions and financial capital: the dynamics of bubbles and golden ages. Cheltenham: Edward Elgar.

3 Boczkowski, Pablo J. 2005. Digitizing the news: innovation in online newspapers. Inside technology. Cambridge, Mass: MIT.

4 http://www.slate.com/id/2207912/.



It is easy to master, accessible and adaptable. Like the PC, the Internet "can be endlessly diverted to new tasks not counted on by their original makers," says **Jonathan Zittrain** author of "The future of the Internet and how to stop it."[5]

In short: The Internet is disruption that generates more disruption all the time.

As unsettling as that sounds, it also provides the opportunity for enormous innovation and growth. But first, it is necessary to understand that at the heart of the failure to adapt is the cultural resistance to change in the news industry.

Understanding the Problem Space: You are here.

"There are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns — the ones we don't know we don't know."

— Secretary of Defense Donald Rumsfeld

"The peculiar fact about the current crisis is that even as big papers have become less profitable, they've arguably become more popular," says the New Yorker's James Surowiecki.

When an industry is in decline it's usually because people are abandoning its products. But more people read stories from USA Today than they did a decade ago.

The New York Times alone operates the 16th most popular set of online Web properties.

So what's going on?

5 Zittrain, Jonathan. 2008. The future of the Internet and how to stop it. New Haven [Conn.]: Yale University Press.

There is a cause and effect we don't yet understand. News is still important to people, but the nature of news and how our customers want it is changing in ways we don't yet fully grasp.

"The real problem for newspapers, in other words, isn't the Internet; it's us (customers)," continues Surowiecki.

Contradictions like these highlight what change strategists call a "problem space." Identifying your problem space is important because the strategies for success differ depending where you are. In a "known" problem space, cause-and-effect are well understood.

For example, if you wanted to let people save articles from your news site to read later, you wouldn't need to be clever, you would just put a "Save" or "Bookmark" button.

The strategy that works in the known problem space is best practices. Just do what is known to work best.

The problem is that newspapers find themselves in a "knowable" problem space — one where cause-and-effect exist, but where they are harder to see. And in a knowable space, all the reflex actions that make sense in a known space start turning against you.

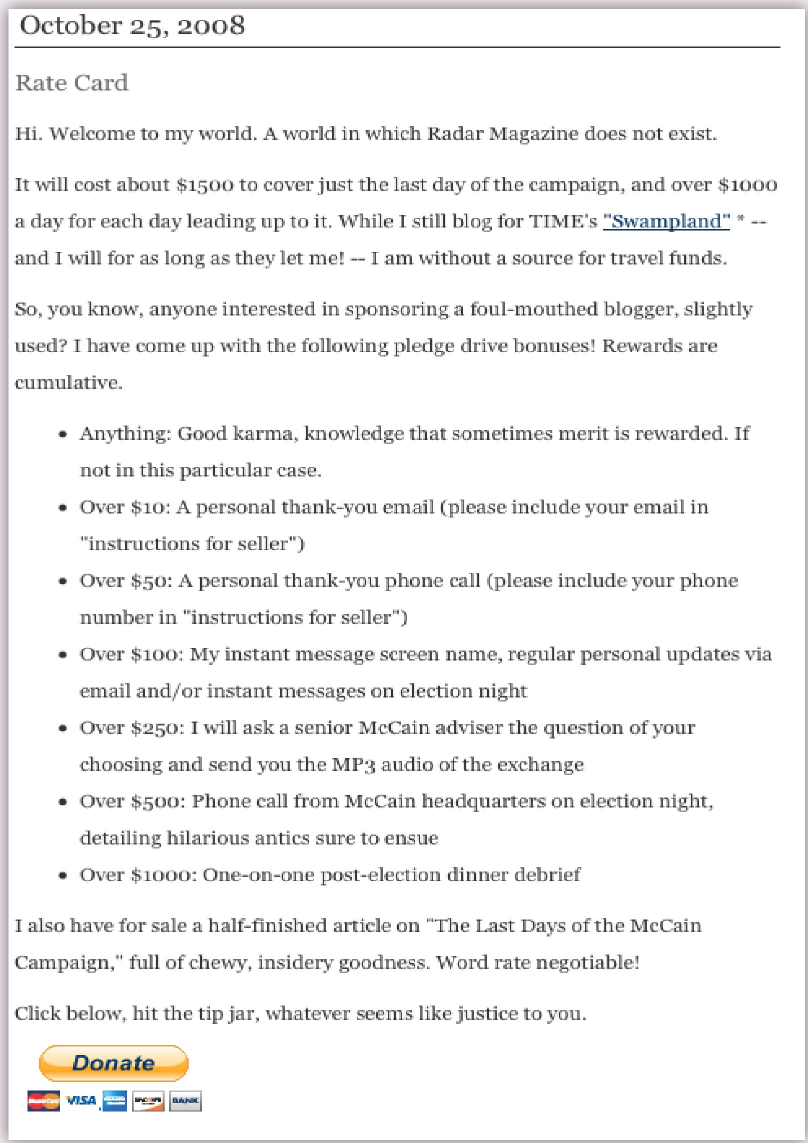
Take the social media site like Facebook. Operating under "known" problem space assumptions, it would appear to be easy to generate ad revenues by using the profile information and "social graph" activity of members to better target advertisers messages.

Yet according to the blog Valleywag in 2007, Facebook was considered the worst performer for online advertising – generating an average of 400 clicks per 1 million page views. Facebook is highly engaging and popular with more than 150 million members, yet standard advertising performs far worse than on another site like MySpace.

This has the signs of a classic knowable problem-space scenario.

The strategy that works best is experimentation and iteration, which is what Facebook is doing through their applications and Facebook Connect platform.

Facebook ads have underperformed though the site is highly engaging.



October 25, 2008

Rate Card

Hi. Welcome to my world. A world in which Radar Magazine does not exist.

It will cost about $1500 to cover just the last day of the campaign, and over $1000 a day for each day leading up to it. While I still blog for TIME's "Swampland" * -- and I will for as long as they let me! -- I am without a source for travel funds.

So, you know, anyone interested in sponsoring a foul-mouthed blogger, slightly used? I have come up with the following pledge drive bonuses! Rewards are cumulative.

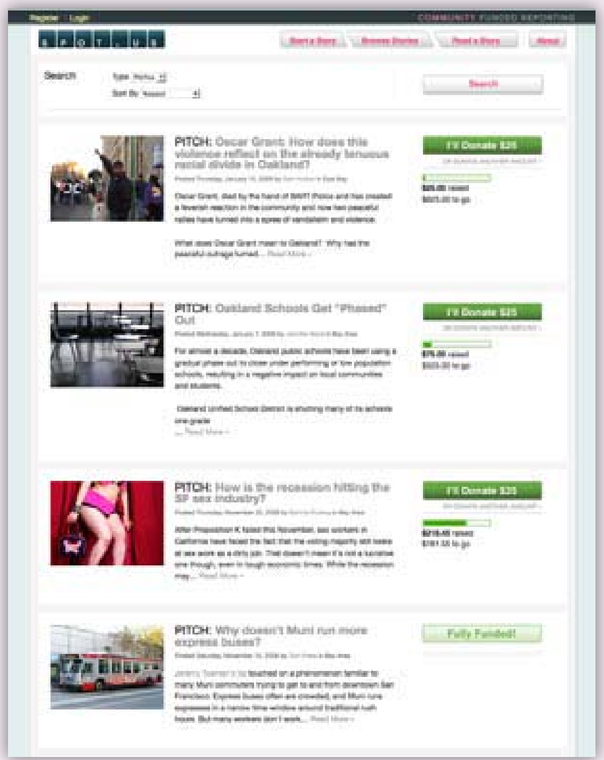
- Anything: Good karma, knowledge that sometimes merit is rewarded. If not in this particular case.
- Over $10: A personal thank-you email (please include your email in "instructions for seller")
- Over $50: A personal thank-you phone call (please include your phone number in "instructions for seller")
- Over $100: My instant message screen name, regular personal updates via email and/or instant messages on election night
- Over $250: I will ask a senior McCain adviser the question of your choosing and send you the MP3 audio of the exchange
- Over $500: Phone call from McCain headquarters on election night, detailing hilarious antics sure to ensue
- Over $1000: One-on-one post-election dinner debrief

I also have for sale a half-finished article on "The Last Days of the McCain Campaign," full of chewy, insidery goodness. Word rate negotiable!

Click below, hit the tip jar, whatever seems like justice to you.

Donate

Spot.us, funded by the Knight Foundation, is experimenting with a different business model for journalism. Journalists pitch their story ideas directly to readers who can then donate to get the story written. The idea of getting readers to contribute money to fund special investigations or support star reporters, is one that is gathering momentum online. This kind of experimentation is necessary; trying new things to see if they gain traction is one of the key strategies for turning a "knowable" space into a "known" space.



Ana Marie Cox set up a PayPal button to allow her readers to directly donate money to pay her expenses while she covered the last weeks of the McCain campaign. She received more than $7,000 in donations, and painstakingly detailed how she spent the money in subsequent blog posts.

Ana Marie Cox, on the McCain chartered plane, holding up a "Straight Shot" shotglass. Her readers reacted to her call for donations – and she took great pains to remain accountable to them and explain how their money was being used to create the content they wanted.

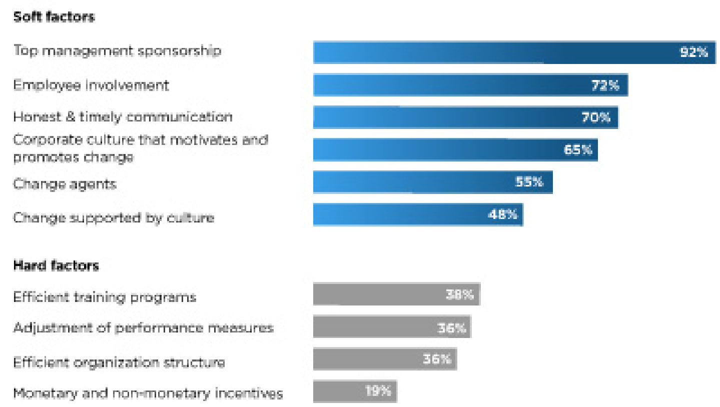
Develop a culture that embraces change and innovation.

"Culture isn't just one aspect of the game, it is the game."

— Lou Gerstner, former IBM CEO.

Developing the right culture has the biggest impact on getting things done, according to recent research by IBM's Strategy & Change service.

IBM study: What makes change successful?



Culture is often referred to as a "soft factor." But companies that understand and develop such a culture see project success rates nearly ten times that of other companies.[6]

Reinvention of culture and adopting new mindsets is critical because it lets companies see and find new growth in markets quicker than their competition. Nothing changes without that.

This reinvention is hard work but can have big rewards. **Richard Sambrook**, BBC's director of global news, sees their success tied directly to a culture focused on innovation and informing their news consumer.

"There are many cultures within the BBC. However as an organisation we have declared we want to be the most creative organisation in the world and that audiences are the heart of everything we do. This is to try to create a culture which is constantly innovative, takes responsible risk in the interests of

6 http://www-935.ibm.com/services/us/gbs/bus/html/gbs-making-change-work.html

great programmes and services, and remains focused on the needs of the public who, after all, pay for us. Having said that, there has traditionally always been a high degree of internal competition within the BBC. Un-managed, that can be destructive, but properly harnessed it can be a highly motivating force as well."

BBC's online video site and software iPlayer, which now accounts for five percent of all UK traffic.

What does this new culture need to become?
What will your new newspaper company look like? No one can say with much certainty, since it will be defined by whatever it takes to solve problems for all of your customers. (For more ideas check out Section I of NewspaperNext 2.0: Making the leap beyond "newspaper companies.")

But as you discover and shape the new culture, keep in mind some of the attributes that define some of the best companies:

- Trust and transparency
- Diversity of people and ideas
- Acceptance of failure
- Customer centric
- Desire to learn (always questioning)
- Stay close to innovative developments

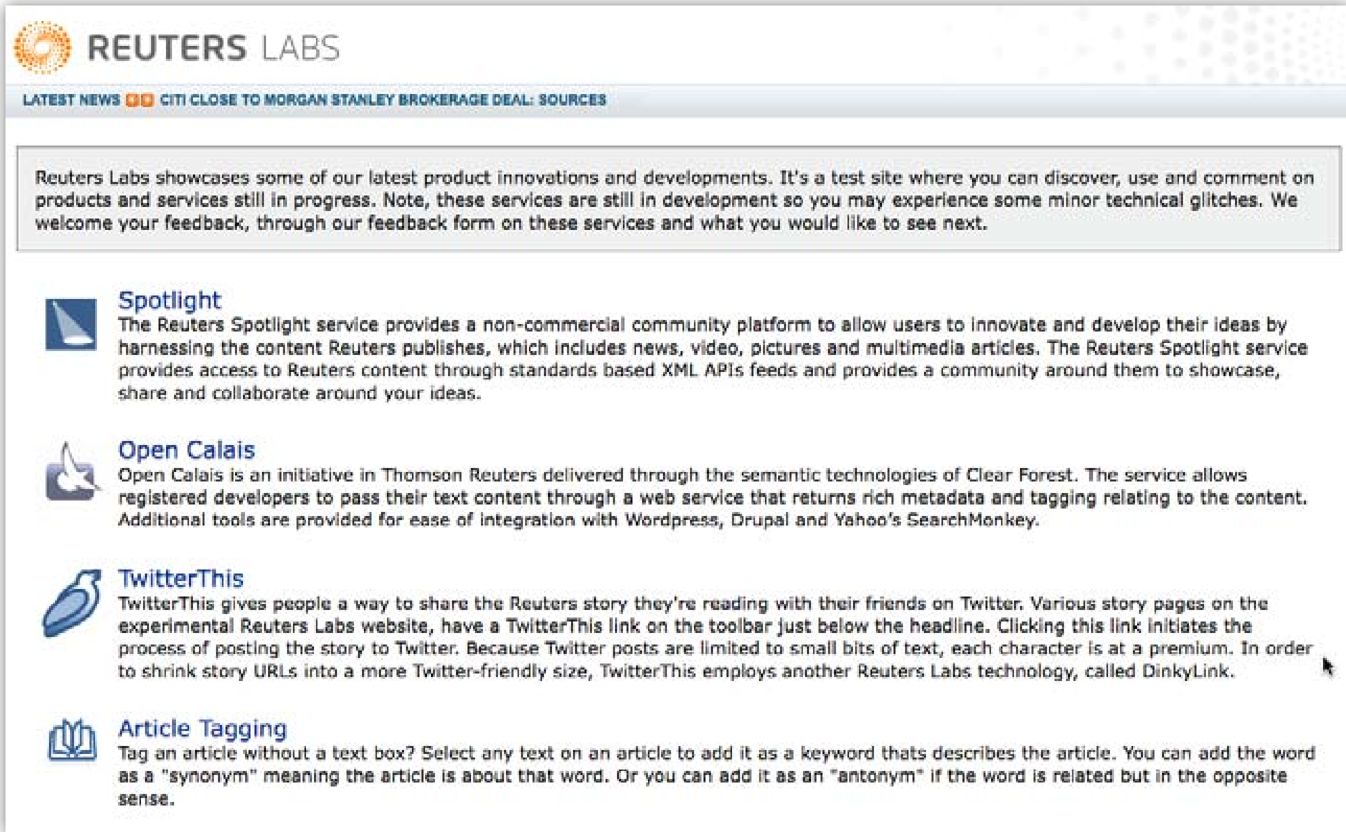
Trust might be dismissed by some as something important in academic circles but not measurable in the newsroom.

" Trust is the reciprocal asymmetric exchange of information, products or services over time. It is not fuzzy at all; trust can be measured using a smart methodology designed at scanning levels of trusted knowledge, coupled with SNA (Social Network Analysis) methodology, " says Karen Stephenson, Ph.D. President of NetForm, Inc., Associate Professor of Management at RSM, Erasmus University in The Netherlands.

Trust plays a central role both in how companies manage and how effectively information is transmitted throughout the organization. This is especially relevant to an organization that must be able to operate with increasing ambiguity, nuance and uncertainty about their marketplace.

Stephenson, a Harvard-trained anthropologist, says "informal networks are the source of trust. Trust is the source of culturally shared knowledge. Nothing is going to change unless you win over the key stakeholders of trust. Period."

What is one of the big warning signs that your group or news organization might be lacking in trust? "Believe it or not: too much talking. Discussion (unless it's a brainstorming activity) is usually an indication of early bureaucratic behavior as people are "trading favors" with one another because processes are either broken or non-existent," says Stephenson.



In their book, "Creating value with knowledge," **Eric Lesser** and **Laurence Prusack** acknowledge that it's hard for managers to see the value in "soft stuff."

Nonetheless, organizations – especially large ones – suffer greatly when knowledgeable people are unwilling to share or assist.[7]

Managers can have a significant impact on improving the trust within their organizations, which dramatically improve the exchange of knowledge. They suggest:

- **Bring people together physically:** Nothing beats face-to-face interaction to improve relationships. Move team members closer and try adding "functional inefficiencies" such as moving the office copier to a common area rather than providing separate copiers for each department.
- **Create a common understanding of how the business works:** It's the vision thing. Show how work gets done together, is measured and rewarded. Help people focus on the mutual goals not personal motivations.
- **Demonstrate your trust:** Encourage people to share their concerns and treat that information with proper discretion. Work on improving your active listening skills.

Finding and grooming innovative talent.

Some years ago a news company was considering a multi-million dollar investment in a start-up, which offered personalized weather forecasts.

To properly evaluate the software and technology required the equivalent of a Ph.D. in meteorology or better. With so little time, the team responsible for due diligence was getting worried that they wouldn't be able to provide a confident assessment. Desperate, they asked around the newsroom if any of the reporters knew of a weather expert.

7 Lesser, Eric. 2005. Creating value with knowledge insights from the IBM Institute for Business Value. Oxford: Oxford Univ. Press. http://www.oxfordscholarship.com/oso/public/content/economicsfinance/0195165128/toc.html.

"Ask Tom," said one reporter.

During business hours, Tom was a soft-spoken reporter who covered the police beat. But after work, Tom lived a secret life as a tornado chaser and obsessed about the accuracy of weather forecasting models.

Tom was the one person in the company who knew how well the investment might pay off. But Tom was invisible to the company.

How do you find innovators like Tom in your midst?

Thomson Reuters has an idea.

Each year managers are asked to fill out a survey called a "predictive index." It's a checklist that helps managers identify competencies and drive. Once identified, these "rising stars" are put through a series of interviews and real-world scenarios to see if they can assemble a big picture and are unlikely to cling to old beliefs.

Those that pass the test are given bigger projects. The most promising are tested in Reuters Labs.[8]

It's not all that different than Google's "Googlettes." Employees are given roughly one day a week to work on a start-up idea. The best of those ideas are then showcased in Google Labs until proven ready for primetime.

Caption: Google Labs is a "technology playground" showcasing employee projects.

According to The Harvard Business Review article,

8 Cohn, Jeffrey, Jon Katzenbach, and Gus Vlak. 2008. "Finding and Grooming Breakthrough Innovators - Spotting people who are uniquely equipped for innovation is just half the battle. You need to train and support them under fire". Harvard Business Review. 62.

What is a Predictive Index, and How Can it Help Me Find Innovative Talent?

The Predictive Index System (www.piworldwide.com) is a new personality profile tool that has been developed to assist in assessment, replacing the Myers-Briggs test and the DISC method. A Predictive Index (PI) helps a company recruit, hire, train, and manage employees by identifying individual learning and work styles. It can also identify existing employees who may work together more efficiently.

The PI is a simple one-page questionnaire that can be completed in about 10 minutes. On each side of the questionnaire are identical lists of adjectives. On one side, respondents select the adjectives they think describe the way others perceive them (self-concept), and on the other side respondents select the adjectives that they think truly describe them (self).

The scoring of PI produces a pattern with elements:

1. Self. This measures the individual's basic pattern of behavior, "doing what comes naturally."
2. Self-concept. The self-concept measures the way individuals try to modify personal behavior to satisfy the demands placed on them.
3. Synthesis. The synthesis measures how individuals behave in their environment.

The PI assesses four primary and two resultant personality traits in individuals. The four primary traits are:

1. Dominant (Factor-A). Factor-A measures the drive for self-expression or level of assertiveness ranging from "submissive" to "arrogant."
2. Extroverted (Factor-B). Factor-B measures the social drive or level of introversion or extroversion from "withdrawn" to "gregarious."
3. Patient (Factor-C). Factor-C measures emotional tension or urgency in an individual from "volatile" to "lethargic."
4. Formal (Factor-D). Factor-D measures an individual's level of detail or style in approaching work from "sloppy" to "perfectionist."

More →

The two resultant traits are:

1. Response level (Factor-M). Factor-M score is used to identify the "norm" relative to the measurements of the other factors. It is referred to as the "response level" and is used to measure an individual's stamina and capacity to adapt and handle stress.
2. Subjectivity level (Factor-E). Factor-E measures the tendency for an individual's judgment to be subjective versus objective (or emotional versus logical).

PI literature proposes that every personality and every PI pattern is always composed of the four primary factors. The pairing of these four factors is called factor emphasis combination.

Particular combinations emphasize or modify aspects of behavior and can be analyzed to predict expected influences on performance. The scoring of each PI survey form yields a pattern or profile for each individual, and a resulting score from eight through 96 integrates the four primary factors.

The PI literature provides a brief profile for each score and identifies several scores by attaching a descriptive name, such as "scholar" for pattern 22 or "altruistic service" for pattern 46. The profile provides a comprehensive description of the individual's expected behavior and potential.

"Finding and Grooming Breakthrough Innovators," by **Jeffrey Cohn** et al., your future rock stars might only make up between 1-5% of your employees at any given time. And, like Tom, are usually hidden from senior management within the trenches of the organization.

But they can be found if you look hard enough.

Finding and nurturing innovators in your organization

Innovators are people who:

- Have strong cognitive skills and can see the big picture.
- Do not rest on previous successes and tackle problems with a fresh perspective.
- Are analytical thinkers able to isolate key factors in often conflicting data.
- Have high emotional IQ and are adept at getting people from different parts of the news organization on to the same page.

According to **Rob Goffee** and **Gareth Jones** in their article "Leading Clever People," you have to accept that there are people who are smarter than you. These people require a different management style. For starters, they don't like to be ordered around and ignore organizational hierarchy. [9]

Problems will continue to arise as long as managers hold on to misconceptions of how creativity works.

Great innovators do not conjure ideas out of thin air. They "see connections, and discern how to bridge different parts; they work hard and efficiently to recombine these pieces and cultivate internal buy-in for the innovation," says Cohn.

Do's and don'ts for fostering creativity

- **Do** maintain a diversity of ideas but also let team members pursue personal efforts.
- **Do** minimize hassles: Time is precious. Protect the team from organizational distractions. Let the members skip weekly meetings. Keep meddling executives and politics at a distance.[10]
- **Do** empower your team by giving them control over the idea development process - it's standard operating procedure at Pixar.[11]
- **Do** make it safe for inevitable failure. Try different experiments on your news site but don't be surprised if they aren't a home run. Real successes will more than make up for the cost of trying.

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9 Goffee R, and G Jones. 2007. "Leading clever people". Harvard Business Review. 85 (3): 72-9.

10 Florida R, and J Goodnight. 2005. "Managing for creativity". Harvard Business Review. 83 (7).

11 Catmull, Ed. 2008. "How Pixar Fosters Collective Creativity - Taking full advantage of the diverse talents in an organization has got to be one of the toughest management challenges there is. Pixar has succeeded more than most. Here's how". Harvard Business Review. 64.

- **Don't** keep team members separated from each other.
- **Don't** try to be the source of all ideas. Instead, show the team you are an expert in your own right – by providing excellent editing skills, giving helpful feedback or procuring resources like work rooms.
- **Don't** micromanage.

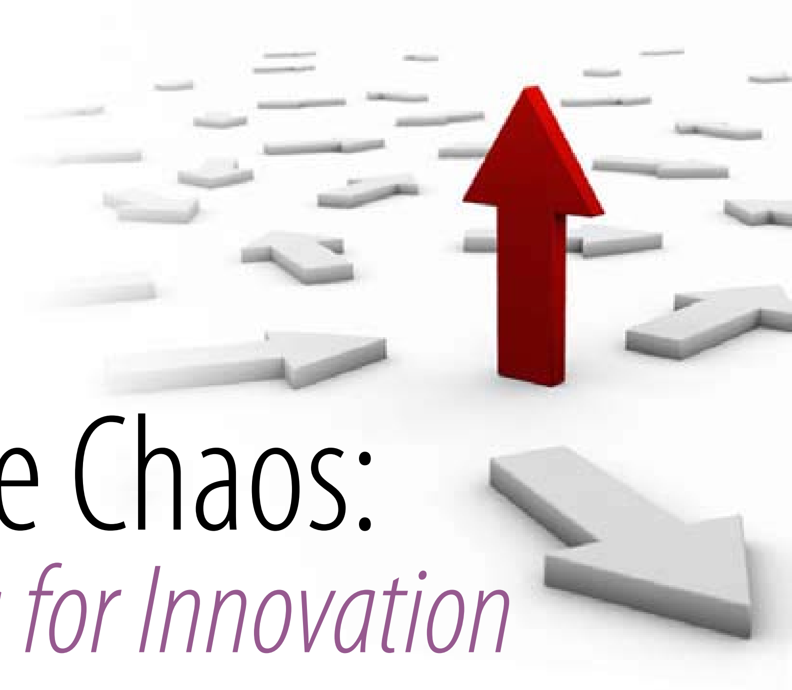
On the last point, Stephenson adds: "You need to look like you don't care but you really do. Look the other way, but have eyes in the back of your head or have a trusted source to be your 'eyes.' You can't hover over innovation. Hovering is smothering (in every sense, not just innovation). So don't do it."

Christensen cautions managers frustrated by lack of new growth to not conclude that their people are not generating enough ideas. " The problem doesn't lie in their creativity; it lies in their processes," he says.

The bottom line: Effective leaders never manage creativity - they manage for creativity.

Chris Willis is an accidental journalist.

He began as an editorial cartoonist for The Derry News (NH). He continued to learn on the job at The Burlington Free Press (VT) and The Detroit News – where he won the Sigma Delta Chi Award from the Society of Professional Journalists. In 1995, he left the newsroom to create the award-winning HOUR Detroit magazine. In 1997, he began working on the Web at Belo Interactive. As Creative Director of Ancestry.com, he helped grow annual sales to $150 million by elevating customer-centric design practices. His latest start-up is Footnote.com, where people can enrich millions of National Archives documents with their personal stories and research. He is co-author of "Designing Web Sites That Sell" and the influential paper "We Media: How audiences are shaping the nature of news and information" (http://hypergene.net/wemedia). He lives in Heber City, UT with his wife Karla and three young children.



Order Under the Chaos:
Structuring for Innovation

By Chris Willis

What is it?
A step-by-step process on how to build an innovative culture.

Why should I care?
While innovation itself can be wild, going off in unexpected directions, news organizations need to establish a strong and consistent structure for the innovators to work in.

How can I use it?
Implementing deep cultural change may require a change in the overall structure and management of your organization *(see Chapter 7: Emerging Organizational Structures)*.

How to innovate

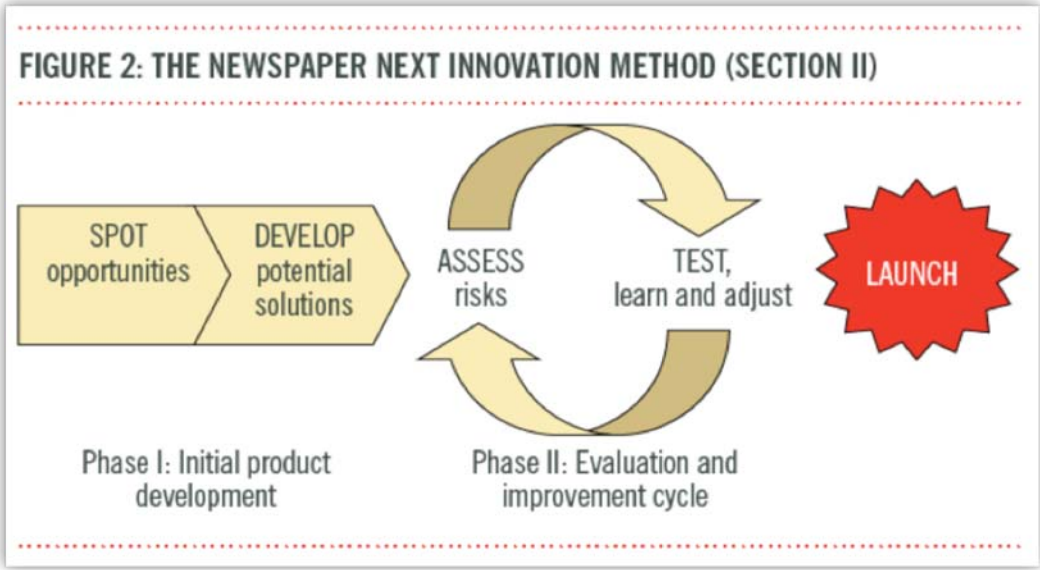
Over the years, desperate would-be innovators have resorted to all manner of outlandish tricks to try to spark their creativity. The Beach Boys' **Brian Wilson** famously put a grand piano in a giant sandbox, hoping that it would help him write more hit surfing songs.

There's no need for media companies to resort to such gimmicks. While innovation itself is by definition wild and uncontrolled, it functions best where there is a strong and logical underpinning. This article will lay out some of the best thinking on this subject.

"We look at innovation as a constant, continuing process and believe an abundance of small ideas that are constantly being iterated are better then a couple big ideas that take forever to implement," says J**ennifer Carroll**, vice president, digital content for Gannett Digital.

The basic innovation cycle requires churning through four critical steps:

- Know thy customer: Find opportunity and inspiration in solving their problems.
- Think disruptively.
- Launch when it's good enough.
- Repeat.



N2's Innovation Method (found in The American Press Institute's Newspapers Next: Blueprint for Innovation) provides a similar approach with many detailed examples from newspapers such as The Boston Globe and The Dallas Morning News.

Step 1: Know thy customer.

Inspiration for real innovation can only come from knowing your customer.

"Customer has got to be the focus. It begins with the customer and their needs - not the spreadsheet," says **Reggie Murphy**, general manager, audience at Gannett Digital.

It might sound obvious - maybe even oversimplified - but there is a catch: People are complex and unpredictable creatures. Just when you think you have figured out what they need, they will surprise, confound and humble you in countless ways.

"By listening and actively engaging in dialogue, you are showing your desire to understand people from their perspective and not from your own perspective. You have to be willing to be humble and believe that you can actually learn from your staff and from potential customers!" says **Anna Kirah**, vice president of design consultations at CPH Design and former Microsoft senior design anthropologist.

Traditionally, corporations have researched customers with tools that answer questions about well-understood markets. These tools are designed to help evaluate sustaining innovations.

But when it comes to evaluating radical innovations, these traditional approaches can fall flat, because they can't tell you if people's *actual* behavior will support what they tell you about their behavior.

"You need to explore more than the traditional methods of customer research. The focus group or survey should not be the only tools in the tool chest," says Murphy.

But most of all, "believe strongly that your mindset is far more important than your methodologies," adds Kirah.

Before you start modifying your research methods, it is helpful to know what the strengths and weaknesses of each method are:

Market research

Analytical examination of customer demographics, competitors and trends from many sources.

- **Strength:** Best way to get the big picture of a market.
- **Weakness:** Does not help you understand the behavior that drives why people buy. Keeps you the farthest away from understanding the customer.

Survey

Questions given to current or potential customers.

- **Strength:** A fast and cheap way to get lots of information and possible trends from many people.
- **Weakness:** While it's a cheap way to research, the information you get can be questionable and is

highly susceptible to misinterpretation. It also adds little to a richer understanding of the customer. Poorly worded questions can bias results.

Focus Group

Gather a group of current or potential customers to give opinions during a facilitated discussion.

- **Strengths:** Able to gather lots of discussions and opinions quickly. Get you a closer look at who your customers are or might be.
- **Weaknesses:** A flood of dialogue can be hard to decipher and easy to misinterpret. Even the best facilitators struggle to keep the discussions open and bias-free. Participants often give answers that are more positive, so as to not insult the facilitator.

Usability

Customers are selected to participate in a usability lab where they try to complete several scenarios. Success is measured in terms of the number of tasks that can be completed successfully in a given amount of time.

- **Strengths:** Most useful when used on early prototypes of complex features, which are expensive to build. Provides a quantitative measure of how easy something is to use. Observation helps build empathy for the customer and their frustrations.
- **Weakness:** Does not tell you if someone would want the product, just how easy it is to use. Can be manipulated to bolster or undermine business case.

On-site Visit

Team observes current or potential customers where they use the product.

- **Strengths:** Provides greatest contact with the customer and encourages active listening. Memorable and emotional experiences help bond the team, validate product concepts and put a rich face on customers.
- **Weaknesses:** Expensive. Requires disciplined observation by members and a skilled moderator. It is a challenge to communicate the experience to others in the decision-making process.

The Van Trip: Ethnography hits the road

Gannett has recently assembled a new team focused exclusively on ethnographic research and observations with people in their homes and where they work, which sounds like an expense a smaller newspaper couldn't afford.

At Footnote.com, we do effective ethnography on the cheap. We call it the "Van Trip" and it is our best predictor of product success.

The idea is simple: We take five or more of a project's decision-makers – CEO, designer, developer, marketer - and put them in a van to travel across the country to observe potential new customers do their work and try out prototypes.

The Van Trip helps us validate or identify problems in an idea before any coding has been done. It also provides an indelible empathy within the participants.

We do four visits each day, meeting with our customers in the places where we hope they will use our product – home office, dens or even their bedrooms.

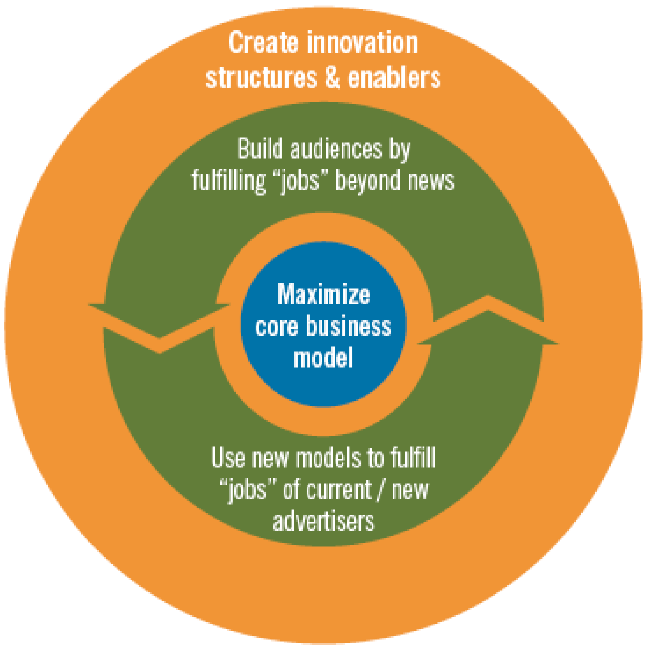
One team member moderates the discussion, another is the official note-taker and the rest actively listen and observe the customer's behavior.

En route to the next visit, we debrief and quickly affinity-group our observations and customer quotes under categories like "good/bad news," "customer problem" and "objections." Each trip helps us build confidence about the value of our new product, its price, messaging and likely customers.

The final deliverable is our "front page," which shows the big headlines of the trip.

(For examples of how Las Ultimas Noticias, a newspaper in Santiago, Chile, used this type of strategy to go from worst to first in a cutthroat eight-newspaper market, please see: www.growingaudience.com/downloads/innovation-in-action.pdf A daring publisher took his executive staff on "anthropological tourism" trips to local malls to observe what young people were wearing, watching, driving and talking about. The results were used to redesign the newspaper into a controversial audience magnet.)

Empathy is the secret sauce.
If you want to observe behavior of your customers, you need to get close - sometimes uncomfortably close to real people in their natural habitats. .



"You have to talk to customers face-to-face in their homes, office, cars ... wherever they are hiring your products to do their jobs," says Murphy.

The key shift in thinking comes when you and your team realize that they need to set aside their usual roles as vice president, developer, designer or editor and start thinking like anthropologists.

"In innovation projects – particularly those that are more radical in scope – discovery and decision making cannot rely exclusively on analytic processes," writes Jane Fulton Suri, chief creative officer at IDEO, "By definition, as soon as we start to think ahead to future experiences and how people might respond, we begin to draw upon our intuitive and interpretive abilities. We begin to imagine and empathize."

Anna Kirah encourages finding customers outside of your core market:

"It is not just your customers you want to get in touch with, you want to understand non-customers and potential customers as well. You have to open up your mind and your heart to the world of possibilities and this happens when you focus on empathy not only within your organization but also with people outside of your organization."

Becoming more mindful of your customer or non-customer brings into view insights and understanding that you just don't find in spreadsheets or in market surveys.

And it is more than just feeling your customer's pain. It is putting an unforgettable face on it. It's knowing that your decisions have real consequences for people.

"There is no magic bullet. The best solutions come from heavy engagement in customers ideas and lives. They will provide you with surprising insights and guidance," says Larry Olmstead of Leading Edge Associates.

How to be more mindful of your customer.

(*by Anna Kirah*)

1. Learn to live in the question, do not rush to solutions.
2. Acquire active listening skills.
3. Spend time reflecting together - staff and customer.
4. Think of the customer journey. Know it and feel it.
5. Adopt the stance of learner (pretend you are a Martian) when you listen to the people who want to buy your newspaper or visit your site.
6. Do not be the expert, the experts are your readers and your nonreaders.
7. Assumptions! Never assume you understand something, always ask for clarification.

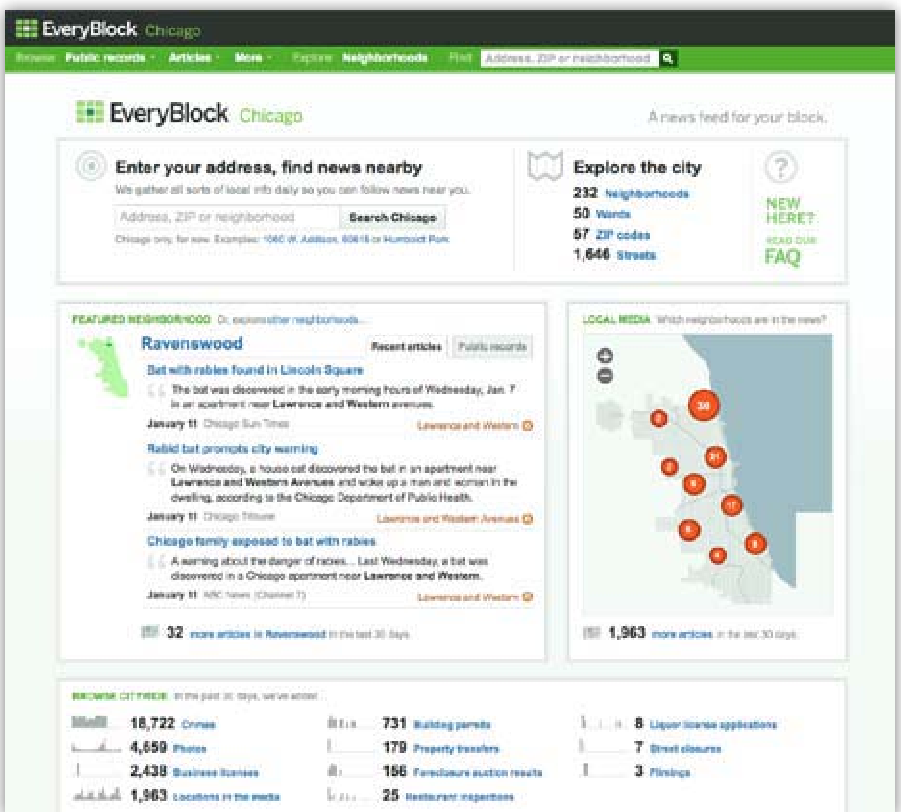
Step 2: Think Disruptively

Looking at how to solve your customers' problems with a disruptive mindset requires a little extra work because you need to throw away old ways of doing business and imagine something different.

Understanding how disruptive innovations are different than sustaining ones is an important distinction to make clear to your team.

Disruptive innovations are game-changers because they offer something different to a different audience, from API's Newspaper Next Initiative.

For example, say your newspaper wants to improve coverage of crime in a city. A **sustaining approach** would focus improving, the number of reporters



EveryBlock aggregates and displays neighborhood information in a convenient and accessible way. **Adrian Holovaty**, who created Chicagocrime.org, the predecessor of EveryBlock, undertook the project out of curiosity and as a public service to Chicago residents.

on the beat or creating a special crime section.

A disruptive approach would be something like EveryBlock.com, which maps crimes - and other statistics - in your neighborhood or along the path that your children walk to school.

EveryBlock.com is a potential game-changer because it tells a simple, yet rich story of a neighborhood with data gathered from many municipal services, which are often overlooked.

Thinking disruptively requires pushing the envelope for your customer by coming up with ideas that deliver on simplicity, affordability and convenience.

Here are some ways managers and editors can improve disruptive idea production:

A. Seek out specific problems of your non-customer.

That's where the growth will be, from people who fall just outside your core market or who have been "over-served" by your current product.

Nintendo's Wii is a perfect example. Instead of focusing on improved graphics or advanced gaming features, Nintendo developed a game console for non-gamers that took minutes to learn instead of days like the Xbox, and costs less. **[See Chapter 1 for more on the Wii development process]**

B. What will customers hire your product for?

It's a simple concept: "People don't

buy products, they hire them to get jobs done in their lives. When people encounter a problem, they look around for the solution that allows them to solve the problem. Too often, companies define markets through their own internal lenses, missing great opportunities staring them in the face," says Clark Gilbert of Innosight.

To prevent your own bias from clouding your judgment, Olmstead suggests continually asking customers these questions as a reality check:

- How did you use this product?
- What did you accomplish with this that you couldn't do before?
- Would you use it again or recommend it to a friend?
- What would you be willing to pay or invest in time and effort?

"You have to ask these questions and feel good about the answers," says Olmstead.

C. Be open to ideas - no matter where they come from.

"Ideas happen everywhere - always be listening and observing," says Reggie Murphy. "You should encourage people from all levels of the organization to contribute and sort it out later. "

As **Clay Christensen** writes in The Innovator's Solution: Creating and Sustaining Successful Growth: "Not surprisingly, disruptive ideas stand a small chance of ever seeing the light of day when they are evaluated with the screens and lenses a company uses to identify and shape sustaining innovations."

Provide easy ways, like wikis or blogs, for people across your organization to contribute ideas.

D. Use story and metaphor to help build concepts.

For news professionals, the use of narrative is a natural one. Changing the metaphor of a problem is one of the best outside-the-box thinking tools. It helps people see the problem in a different way, which often opens up creative thinking.

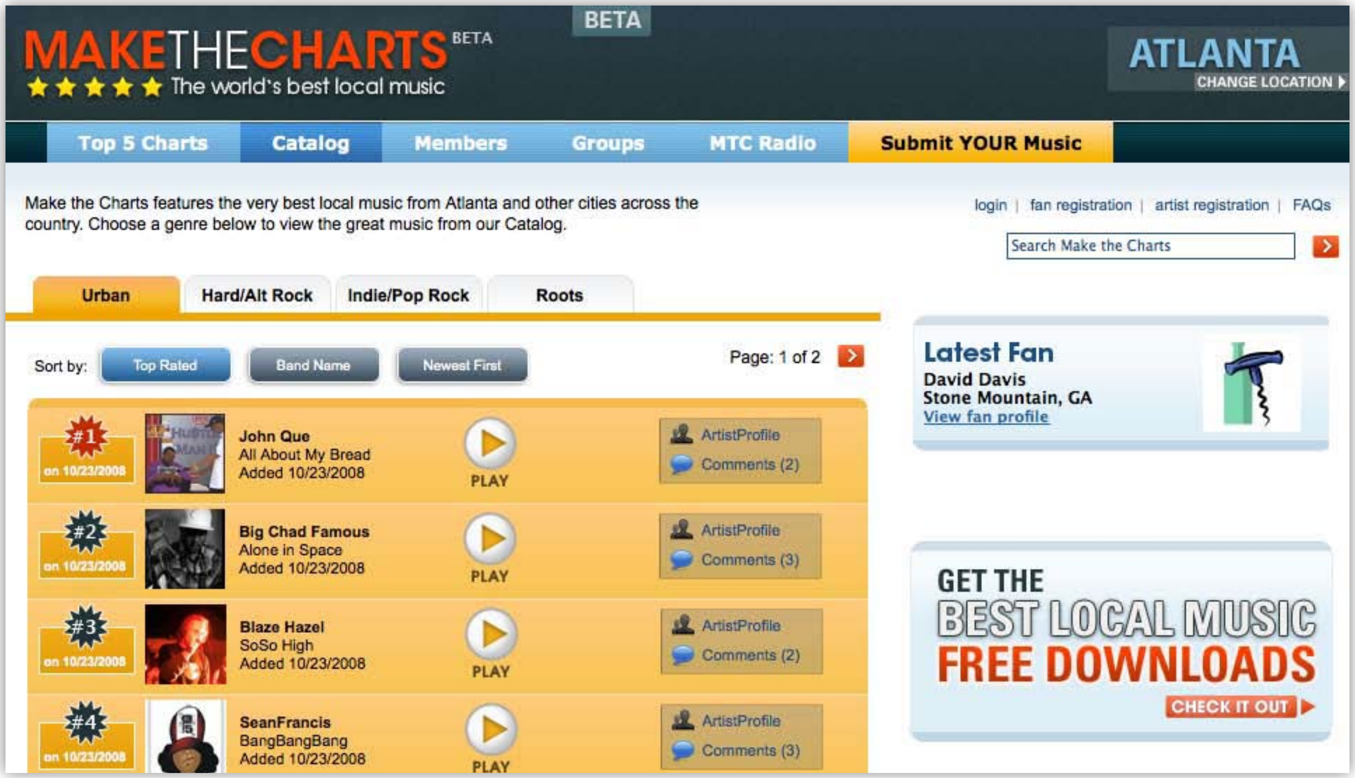
Victor Seidel of the University of Oxford has observed that the use of metaphors, also known as "coordination totems," is common for successful product development teams in many different industries.

Flu statistics gathered from the CDC are time consuming to gather. By analyzing billions of searches for flu-related terms Google's Flu Trends is able to provide a timely assessment of outbreaks.

Metaphors help teams conceptualize new products together when it's difficult to share a vision otherwise - such as collaborating on radical innovations.

For example, Twitter was once described as "micro-blogging." Now it has grown into its own metaphor. "Posts" are now referred to as "tweets," which suggest something more brief and immediate. A blogging platform has transformed into a place where — as the name suggests — people literally flock together.

E. Adopt effective brainstorming techniques that discourage criticism and encourage building.



Brainstorming requires ground rules. You need to encourage many divergent ideas and keep criticism under control by deferring judgment. Beware when someone says they are being a "devil's advocate." It's only a veiled attempt to kill a new idea. "Shame the devil's advocate out of the room and don't let yourself be a Dr. No," says Murphy.

F. Make it a priority to learn valuable lessons from projects that didn't succeed.

Your smartest people are antidotes for failure. Make sure that there is a thorough post-mortem done and then let them back at the drawing board.

Step 3: Launch when it's good enough

A decade ago, it took a substantial investment to get even a small idea off the ground. With open source software, ridiculously cheap hardware and nearly zero distribution costs, there is no excuse not to build a prototype first and ask questions later.

"Be willing to pilot and test-drive new initiatives before going full-speed," says Olmstead.

As mentioned at the beginning of the chapter, innovation in this new era is one that requires experimentation. It is counter-productive to mire projects in unnecessarily long development cycles.

Take advantage of open source technologies or APIs — like Google Maps or Facebook Developer — to prototype and get your ideas or "mashups" to market quickly and help gauge interest.

Big media companies like Gannett have adopted many such innovation tactics.

Two recent initiatives are Momslikeme.com, a social network for moms, and Makethecharts.com where bands can connect with local audiences.

Carroll adds: "We avoid 'perfect.' We start small always with tests and experiments to be sure we either succeed quickly or fail quickly so we can recover, adjust and move forward."

With each iteration of hypothesis and experimentation - Gannett is learning something about what problems people are willing to hire their products for — and maybe more importantly — what they won't.

Additional resources

Mainardi, Cesare, Paul Leinwand, and Steffen Lauster. 2008. "BREAKTHROUGH THOUGHTS - How to Win by Changing the Game - Investing in a capabilities-driven strategy will equip your company for growth in uncertain times". Strategy & Business. (53): 22.

Harrington, R.J., and A.K. Tjan. 2008. "Transforming Strategy One Customer at a Time". HARVARD BUSINESS REVIEW. 86 (3): 62-73.

Hagel, J., J.S. Brown, and L. Davison. 2008. "Shaping Strategy in a World of Constant Disruption". HARVARD BUSINESS REVIEW. 86 (10): 80-91.

Cruger, R. 2007. "Question Everything: Jane Fulton Suri, a leader at the innovative design agency IDEO, offers 10 tips on how to harness the power of observation to discover the design solutions right in front of you". HOW -BETHESDA THEN CINCINNATI-. 22 (3): 54-59.

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He began as an editorial cartoonist for The Derry News (NH). He continued to learn on the job at The Burlington Free Press (VT) and The Detroit News – where he won the Sigma Delta Chi Award from the Society of Professional Journalists. In 1995, he left the newsroom to create the award-winning HOUR Detroit magazine. In 1997, he began working on the Web at Belo Interactive. As Creative Director of Ancestry.com, he helped grow annual sales to $150 million by elevating customer-centric design practices. His latest start-up is Footnote.com, where people can enrich millions of National Archives documents with their personal stories and research. He is co-author of "Designing Web Sites That Sell" and the influential paper "We Media: How audiences are shaping the nature of news and information" (http://hypergene.net/wemedia). He lives in Heber City, UT with his wife Karla and three young children.

Launch a New Product

Chapter 4: This chapter is unique in that it highlights some radically different product development workflows and processes that are being put into practice by major newspapers – in Europe.

Both Soitu.es and LePoste.fr are journalistic experiments that take product development processes used by cutting-edge Web startups and apply them to news and information products. They use "Swarm" development, constant product turnover, and trust their audience to assist in refining design and functionality in ways that are rarely seen on this side of the Atlantic.

Francis Pisani was able to write about this not just because he works at a high level with European publishers and Web entrepreneurs, but because he speaks at least five languages fluently: French, Spanish, Portugese, English and Tech.

From Products to Relationships: *A Challenging Process*

What is the point?

Newspapers that want to compete in the New Media space must shift from a "product-driven logic" to an "audience-driven logic." This implies a change of mindset, culture, methods, tools and competencies.

Why should I care?

Because the "shovelware" approach is not working; the current products approach the Web the way early television broadcasts did - which was nothing more than radio with images. This time, the chasm is much, much wider, and the logic significantly different. You must learn both about the outcome and the process to get there.

What can I learn from this?

"Swarm" product development, inviting the audience into the process (and in some cases "giving them the keys to the site"), and "Lego Block" advances in technology and feature sets, can help papers start to carve out their territories in the New Media world.

By Francis Pisani

The influence and the economic success of traditional media is based on the **quality of the product** they produce (the famous "one to many" logic), but what matters on new media (niche, online and mobile) platforms is the **quality of the relationship** with the audience.

For example, when Apple sells a customer an iPhone, this is not the end of the sales cycle; but the beginning of a relationship between the iPhone users and iTunes and the App Store. As long as the user trusts and values that relationship, Apple continues to make money off the sales of songs, videos and applications.

This philosophical shift is at the heart of the emerging methods of developing and launching successful products. According to Jean-François Fogel, content editor for LeMonde.fr, the product vs. relationship approaches "have almost nothing in common." In this article, we will examine five key points about "relationship-based" product development and launch.

1. While the job titles, functions and hierarchies of the New Media companies must all be open to questions and change, **the core values must be preserved**.

2. The absence of a convincing business model for online content that can be safely replicated makes the whole process more frightening. **A strict**

methodology is required to fully integrate the business part of the process in the creative one.

3. The Internet is an "always on" read and write medium whose architecture encourages participation and allows mobility. Its constantly changing nature, and its role in the new logic makes **technology as important as content and business** at all stages of the process.

4. Visits to Web sites which may have nothing to do with news media are transforming the audience. On eBay, users learn to trust unknown peers to sell and buy stuff, while on Craigslist, they learn how to craft their own effective classified ads. The "ex-audience" is becoming a network of connected Web actors with evolving expectations and no commitment to any given market. They are constantly looking for a more exciting experience, finding it no further than a click away. To hold onto this fickle audience, online news sites need **very precise tools to track and predict these mood swings**.

5. Moving to a world governed by a different logic, with no clear business model, a constantly changing technology, and a volatile audience requires an extraordinarily agile mindset. The **capacity to quickly grasp unforeseen changes, accept disturbing facts and adapt accordingly is essential** – luckily, these are skills that are developed through a career in journalism.

You don't know how good you have it

Because European newspapers that want to create new media products exist in environments which are less open to technology and change than in the U.S., papers there have had to pay more attention to the product launch process in order to survive. Two such sites that have flourished in difficult circumstances are Soitu.es in Spain, and LePost.fr, in France.

Soitu.es was launched in late December 2007, by **Gumersindo Lafuente** and a team from ElMundo.es, with financial backing from the major Spanish bank BBVA. It won the 2008 Online Newspaper Association General Excellence award for non-English ventures, garnering this accolade: "The winner is a brilliant example of the new, smaller independent online news, information and community sites. It balances rigorous journalism with the most innovative application of Web 2.0 practices, all packaged in a gorgeous design with unique attention to small touches of navigational genius."

LePost.fr is an experiment launched by the team that produces LeMonde.fr, the Web site for Le Monde, the leading newspaper in France. **Benoît Raphaël** is the editor-in–chief, and the project was supervised by Jean-**François Fogel** and **Yann Chapellon** from Le Monde Interactif, the online arm of Le Monde.

Early on, LePoste.fr received this praise from EditorsWeblog.org: "Launched two weeks ago, LePost.fr is not your typical online-only news site. With a resolutely 'new media' approach to news, the Web site fearlessly tackles new trends in news consumption, and caters to a younger public generally perceived as having deserted the arena. Its editorial content and processes have been adapted to this aim, which can also be seen as a traditional media publisher's attempt to experiment with the future of online news."

Further resources:

I have drawn on two respected media analysts and consultants to help translate the essentials of European newspaper experience into terms useful to the U.S. market:

- **Frédéric Filioux** is the publisher of MondayNote.com, a weekly newsletter dealing with traditional and new media, and an editor for the international division of the Norwegian media group Schibsted ASA.

- **Nancy Wang** is a partner and co-founder of 5W Mignon Media, a New York-based, international media consulting firm, in charge of leading Strategy and Business Development. Her long experience consulting with newspapers in Canada, the US, and several European countries allows her to systematize the development and launch process, and describe the underlying methodology.

Starting with serious journalistic credentials

Soitu.es and Lepost.fr are two pure Internet players with different histories and objectives. Soitu.es can be seen as a foray by traditional journalists into the online world (a mix of product and relationships), while Lepost.fr gives more importance to its relationship with the audience, leveraging that to produce the best content it can with scarce resources. Both were launched by journalists with impeccable credentials.

Soitu.es

Gumersindo Lafuente is widely regarded as a guy who "really gets it." He played a key role in leading ElMundo.es to the top spot of Spanish news sites for many years, but split with the owner to create his own venture in early 2007.

He started to look for funding in early 2007, and immediately picked out a name and gathered his team. The Soitu.es slogan "No Mass Media" is a clever pun – it refers to both the focus on user-generated content as well as "No Más Media," or "No More Media."

"From then on, we faced the challenge of taking our initial ideas and making them a concrete reality," Lafuente said. "The technical team started producing the basic tools (for content, servers, and ad servers), while the journalistic team 'embryo' started working with the designers on the structure and the graphic look. At a certain point, the design and technical teams started working together, while we started viral promotion of the project via a blog and two series of Web videos.

"Before you exist, even before you have a name, it is essential that people begin to talk about the project on the Internet."

On June 15, 2008, the journalists started working, developing the tools, designing the product, and Soitu was launched on December 27th 2008.

The whole process, including the funding round, took a year.

Lessons learned at ElMundo.es came in handy when the team was planning out their approaches to technology, design, journalism, and audience behavior.

"That knowledge helped us create a product more in tune with the Internet that could evolve without the traditional media corsets – a very different product, from the name to the page structure," Lafuente said. "It showed us both what we had to do and not to do."

To confront the constant changes they knew they would have to implement, Soitu's team decided to have its own technical and design teams.

"Being ahead in innovation is essential in this business," Lafuente said. "We benefit from being very fast in making decisions; we don't have a heavy superstructure above us that restricts our movements."

In a space where so much depends on the audience's reactions to the site's offerings, the team needs to be agile and to adapt extremely fast.

"It is impossible to have a clear view of everything on the day you launch," Lafuente said. "We have evolved a lot since we launched. The Web is still quite immature. New things appear all the time that force us to evolve and change as we go. It's not good or bad, it is the fascinating way of the Web."

Lafuente makes a big distinction between what has to be changed technology-wise, and the things that must be maintained, such as journalistic values and quality content.

"Rapid change is key for the tools, not for the news," Lafuente said. "We launched an unfinished product which has evolved and improved a lot since Day 1. But, as far as being strict —well, we have been demanding in the same manner from the first minute. This is more than just a job, and it is essential that this feeling be transmitted into the product, to give it a soul of its own."

Soitu.es is a classic example of what can be done on the Web by an excellent team that "gets it" and wanted to realize the online version of a serious information venture.

LePost is a different story. From day one, it wanted to be an innovation lab, but one that was disconnected from the parent print publication, and even from that paper's Web site.

LePost.fr

Conceived as a "lab experiment," and executed by a tiny team of only seven journalists, after little more than a year, LePoste racks up Web traffic at the same level as L'Express (an established weekly news magazine) and Libération (one of the national daily newspapers).

It was created in what the design team calls a "Lego like" manner – small moves that can be modified and adjusted as need be, but that all fit with the main priority of improving the quality of the relationship with the audience.

The rationale for conducting such an experiment came from the need to be able to fail without affecting Le Monde's brand. The team felt the need to "try something different, more popular, with a certain freedom to break the codes, test, fail, go back to the drawing board, and self-correct what we had done," explains **Benoît Raphaël**, a young editor who got his training at a lively local newspaper (Le Dauphiné Libéré).

The team wanted to be flexible and advance "small step by small step," so they implemented a simple structure that allowed them to create "cubes" (small pieces of code and/or content) where and when they wanted, and delete them when they did not work.

"We built this as a Lego," says Raphaël. "We fumbled until finding a coherent and slender architecture."

After a short beta period, LePost "remained in limbo for two or three weeks until we appeared on Google News, which is the key," said Jean-François Fogel, the content editor for LeMonde.fr. "From then on, we were able to ask the fundamental questions: what do we put on the site and what is the relationship with the audience. It took us three more months to understand the relationship between us and the outside world."

The mistake was that their experiences at traditional media outlets had led them to attempt to define and control too many things, when paying attention to the audience behavior turned out to be what really matters. "LeMonde.fr is a site that wants to put content online, while LePost intends to establish a relationship with the audience," Fogel said. "One has almost nothing to do with the other."

In order to move forward they adopted an "agile strategy" loosely inspired from the "Scrum" development process used on software projects.

According to Wikipedia: "A key principle of Scrum is its recognition that during a project the customers can change their minds about what they want and need (often called requirements churn), and that unpredicted challenges cannot be easily addressed in a traditional predictive or planned manner. As such, Scrum adopts an empirical approach—accepting that the problem cannot be fully understood or defined, focusing instead on maximizing the team's ability to deliver quickly and respond to emerging requirements."

Characteristics of Scrum product development

The changeover to a Scrum product development process has meant that Raphaël and his team launch small projects on a regular basis in a media world that they see as a chaotic universe in constant flux. The time horizon of each project runs between two and three months, with a "maximum global vision of six months."

They don't try to plan any further into the future than that, and don't hesitate to kill what does not work. That's exactly what happened, for instance with the development of a Facebook module that languished for ten months without gaining any traction. Such immobility is interpreted as a sign that something is not working, is not right.

The LePost team hit many walls, such as when they decided to adopt the "river of news" metaphor for presenting content. This meant that **LePost displayed the news in reverse chronological order** – a design that runs counter to the traditional structure in news sections, and which was not well understood by the audience. Despite that initial stumble, the reverse order structure has managed to stick.

However, the relationship that LePost has cultivated with its audience has paid off with other efforts, such as when they implemented live coverage of events through a mix of home-grown Twitter and Tumblr-like technologies, which are being used by a mix of staff and trusted readers.

In March 2008, during the municipal elections in France, one contributor decided to cover the results live as they were coming in without ever actually writing a traditional article with a beginning, middle and end—just a stream of consciousness account of the scene.

"I was surprised, but people liked it, and immediately created conversations around it," Raphaël said.

LePost then developed a tool that allows contributors to create micro posts with comments, especially conceived for live coverage. In September, LePost incorporated feeds from Twitter, Tumblr, and FriendFeed, mixed it with some formats for link journalism and used it first for the American presidential election on November 4, and then for an internal election to the Socialist Party on November 13.

This illustrates the user-generated election coverage, with the right gutter depicting "best-of" live posts.

Not only did LePost refine the tools in the weeks between the events, they actually started adding features on the fly during the events (such as publishing a mugshot of the political activists as they were micro-blogging for one candidate or the other).

"We leave you the keys"

The LePost team learned an extremely valuable lesson from a situation that could have spelled disaster.

The night of the Socialist Party election, the planned features and content platforms were not ready in time. In a daring use of their audience, the team decided at the very last moment to open a live blog and ask contributors, with whom LePost had established a strong level of trust in previous experiments, to participate from the different towns and provinces where they live.

LePost invited the trusted audience members to, in essence, take over the LePost site and run the coverage themselves, with this announcement: "We leave you the keys." Almost defiant, Raphaël went to a dinner. At about 11 p.m., he returned home and cautiously turned on his computer to check in on the action.

"I was fascinated," Raphaël said. "It was working all by itself. Some gave information at the local level, others at the regional level, and they corrected the mistakes when they appeared. It lasted for five days, 24 hours a day, with no interruption and almost no intervention on our part."

The beauty of the Scrum development process is that the experiments are never lost; failures may be taken down, but the team tinkers with the concepts and recycles them back up on the site.

LePost shares a floor with the LeMonde.fr development team, and the content strategies, techniques, and tools (particularly in the area of audience-journalist dynamics) that LePost develops are shared with the team that runs the huge parent LeMonde site. Best practices are disseminated throughout the company.

"We put up with the initial problems," says Raphaël, "then can give them a de-bugged version."

Lessons to be learned from Soitu and LePost

Agility is not improvisation

While the staffs of these sites are dedicated to fast adaptation to market circumstances, they are not just making things up as they go along. A lot of thought and thinking has been put into the creation of these ambitious experiments.

Yann Chapellon, formerly the second-in-command at Le Monde InterActif, the new media company that runs both LeMonde.fr and LePost.fr, clearly remembers that, in its conception and launch phases, LePost "mobilized the energies of around ten people full-time over a two year span. In only the strategy definition phase, five people were working for a total of around three man-years."

Implementing projects such as LePost and Soitu requires significant resources, and the strategic conceptualization period that is necessary before writing the specs has not shrunk, even for projects that have to operate at Internet speed and in Internet time.

"It forces us to abandon a logic of versioning (like the new formulas traditionally put out by newspapers), to adapt a permanent evolution scheme with a team in charge of daily developments and a team in charge of the evolving projects that will be implemented on the site," says Chapellon. When resources are scarce, as in LePost's case, and under the constant pressure of audience's behavior, "the loss of time and energy could be fatal, if the strategic plan is fragile."

Even a good strategic plan might not be sufficient. In a world that evolves so fast and depends so much on the audience's reactions, it is essential to find out very quickly when you are succeeding and when you are failing.

Raphaël proposes three criteria to measure success and failure:

1. Fix clear objectives (measurable when possible) for each small project with a clear time limit in order to be able to quickly stop if necessary.
2. Track the number of direct access visitors (those who access the site directly without going through a search engine), and "worry if that number doesn't grow."
3. Track the audience's activity more closely than the number of page views for each post, to see if they are inspired and engaged enough to participate. [**See Chapter 6 for more on audience engagement tracking and strategies**.]

While the raw data is easily available, connecting the dots to interpret what all the facts and figures mean is still a precious talent. Fogel says that he relies on what Hemingway termed a "B.S. detector."

Abandonment Issues

Soitu and LePost are "pure Web players" and, as such, they have been launched with freedom that traditional media Web sites might not have. The fact that what they do is considered daring must be linked to the huge opposition met by new media in traditional newsrooms. In Europe, as in so many other places around the world, adverse reactions to new media initiatives are common and need to be understood.

All the persons interviewed for this report alluded to the "conservatism" of traditional media people, to their "tendency to see the paper as nobler, and the Web as a by-product," as Fillioux's put it.

Lafuente says that it is understandable that traditional newspaper people want to protect the industry, and "have a hard time accepting that we are in a situation of break-up and not of evolution. This applies to the journalistic 'message' as well as to the manner in which we must approach the economy of the news business."

Chapellon goes further and identifies three necessary shifts in thinking that have grown into obstacles that must be overcome:

1. The "one to many culture" vs. the networking of contributions.
2. The culture of the "meeting point" (rendezvous) at a fixed moment vs. the culture of the flow of information immediately enriched by contributions from the network.
3. The versioning culture vs. the constant and organized evolution of functions, ergonomics and reading/viewing experiences.

"These problems can only be overcome through the organization of chaos, which cannot be avoided when implementing an ambitious online project," Chapellon said. "It has to be built on an important preliminary strategic analysis of what is fundamental for the title and of its readership's expectations. The rest is only trifles."

One of the keys is starting to develop news sites the way the software industry uses "Beta versions." "The idea of Beta versions is inescapably linked to online projects, and has the effect of democratizing development," Fogel said. "A prototype may be conceived by a small group of people, but its development has to be democratized or it will not work.

"That's the way Google works internally in product development, and the way it works externally through its algorithm. "Beta" means that the draft is fine-tuned in empathy with the users. I can't think of any other way.

"Traditional media people want to decide, but in the end, the audience decides which interface, which content, and which tempo for uploading news they prefer. We have made propositions and have often been corrected by the audience. And still, sometimes we are able to lead."

Key steps of a successful launch process

Organizing chaos is a significant challenge; the only way to avoid having a Web initiative dissolve into meandering discussions that never result in concrete action, is for the team to establish strict guidelines from the very beginning.

The LePost and Soitu teams have identified three stages that they focus on: preparation, launch and consolidation.

Benoît Raphaël:

1. **Preparation.** Start with high-value, easily identifiable content, then work on the architecture of the whole site, not just on the home page, with a clear attention to linking.
2. **Launch.** Focus on the audience, audience, audience, because the rest (business model and community) will come. Constantly adjust while avoiding jarring changes that would alienate the audience.
3. **Consolidation.** When traffic begins to go up, select three or four strong pillars (content areas) and constantly hit them.

Gumersindo Lafuente:

1. **Preparation.** Formulate the idea, get the team, find the money, do viral promotion "even before you have a name."
2. **Launch.** Do it early with a self-critical attitude, find your own space, build the team spirit around the idea that what they are doing is more than a simple job. Then begin to percolate that attitude into the project.
3. **Consolidation.** Build a community, maintain the open, experimental atmosphere, and spend part of every day planning out how to reinvent the product.

Other European media analysts agree with the above, but believe that the product development and launch process can be broken down even further.

Frédéric Fillioux suggests a five-step process that he uses at Schibsted:

1. **Product and market.** The best projects are "high concept" – that is, they can be explained in simple terms to an identified audience. Web entrepreneurs agree that a good rule of thumb is that if you need to take more than 30 seconds to explain your project to your grandmother, then you don't have a viable idea, and it will be hard to get funded.
2. **Functionality and technology.** Technology is key, because you need to match up with cutting-edge competitors.
   a. Good technology allows companies to fluidly respond to market conditions.
   b. Pay attention to the user experience; study the successes of both Google and Apple.
   c. Construct an attractive prototype (PowerPoint or Keynote have extraordinary and seldom-used possibilities) with functionalities that are very close to real ones. This will reduce fumbling around with vague examples and not squander development resources.
3. **Development.**
   a. Establish strong specs as early as possible.
   b. Look around for competing offers.

c. While its best not to get stuck reinventing the wheel, be careful in outsourcing core technologies. Even if excellent developers are very hard to find, sometimes its best to have control of your own technology.

d. Avoid expensive and complicated Content Management Systems. Try to take advantage of blog platforms like Wordpress – they have an incredible array of plug-ins that can save you time and money.

4. **Hiring is the hardest part.** Train people in the use of simple workflows. The organization will adapt, but the more established processes you have the less time you lose.
5. **Launch:** You can't launch a rough product that breaks down, even in a net culture used to "Beta." Some elements must be bulletproof from the get-go. Debugging requires very precise procedures to assign priorities and allow continuous improvement of the site.

Author and consultant **Annette Moser-Wellman**, identified "Six Competencies of the Next Generation News Organization." They can be found in a report written for the Media Management Center.[1]

These competencies are:

1. The **Platform Strategist** will "engage audiences over multiple platforms." Knowing each of them she is able to understand their changing needs and satisfy them.
2. The **Marketer** is the person who, "in a world where information is often treated as a commodity," knows how to engage the audience by differentiating on content as well as on opinion.
3. The **Community Builder** is essential to engage the audience in a different manner and then to keep it.
4. The abilities of the **Data Miner** are essential to take advantage of the "wealth of information, data and insight about the actions and behaviors of consumers."
5. The **Complete Storyteller** develops "deeper engagement with consumers" thanks to a better understanding of the way people experience rich media, visual information design and interactivity.
6. Finally, news organizations need **Entrepreneurs,** or people who think like them, to "identify new models for engaging audiences."

These competencies may not be what journalism schools are teaching, but they are essential to competing in the new media world.

A framework for breaking down the development and launch process

While there is no magic methodology that can unfailingly guide a media company through the development process (there may be as many methodologies as there are projects), there are two broad phases that have been identified, where decision-makers must be involved.

"A methodology is important not only to guide a team towards a good set of solutions, but also to insert some rigor into the decision-making process," said **Nancy Wang**, a consultant at New York-based Mignon Media. Wang has built up a two-phase system through her work with media companies around the world.

A few years ago, the whole process was implemented in a six-month time frame, but that has been reduced to only two months, "because the media landscape is very quickly evolving, and time is of the essence."

Phase I - Identify the target audience and a list of ideas for products and/or services. The outcome is a list of prioritized projects.

1. **Define vision and business objectives.** The vision is required to ensure that the entire team is working and motivated from the same base.
2. **Analyze audience.** Doing this analysis from both a reader and an advertiser perspective drives the viability of the business. A cross-analysis with the current base must be done to determine overlap

1 Moser-Wellman, Annette. 2008. Six Competencies of the Next Generation News Organization. Media Management Center, Northwestern University.

and direction, and addressing audience needs is the approach to guide the brainstorming session to identify product and service ideas.

3. **Brainstorm products and service ideas.** Ideas might be the main by-product of traditional media. The process here is using the existing list of ideas as a base, brainstorming to identify other ideas based on the needs of the target audiences. General descriptions suffice at this point.

4. **Prioritize products and service ideas.** This is the core of this methodology. The team gets together for a 2-to-3 day working session, with the outcome being a prioritized list of project ideas. Each idea is analyzed and rated based on two main dimensions: business benefit and feasibility.

Phase II - The main objectives for this phase are to develop detailed action plans for the selected set of projects coming out of Phase I.

1. Assess profit and loss of each project to determine its financial viability. Financial projections (on a 3-year basis) are key to providing the final approval for launch.

2. Define success measures for those projects that will be launched in order to benchmark progress. For projects that are given the approval for implementation, defining success measures upfront is critical to be able to not only benchmark progress, but also to determine whether or not goals are being achieved.

3. Action plans are developed for each project. The plans include:

   a. Product/service summary

   b. Core target audiences

   c. Branding direction

   d. Media/platform used (if a multi-platform idea) and a brief description of how it is used

   e. High-level site map for web service

   f. Editorial strategy, including a description of desired functionalities

   g. General description of other components to the product/service idea, other than the web service, print, mobile, events, etc.

   h. Business development/partnerships required

   i. High-level marketing strategy

   j. Integration needed with any other of the company's products/services

   k. High-level description of revenue model(s)

Defining success measures upfront and monitoring progress is critical to determine whether or not the company is on the right path towards achieving its business goals. Not doing so makes it much harder to adapt quickly, because it's unclear if, when and/or how change has to happen. This is true not only at the business unit level.

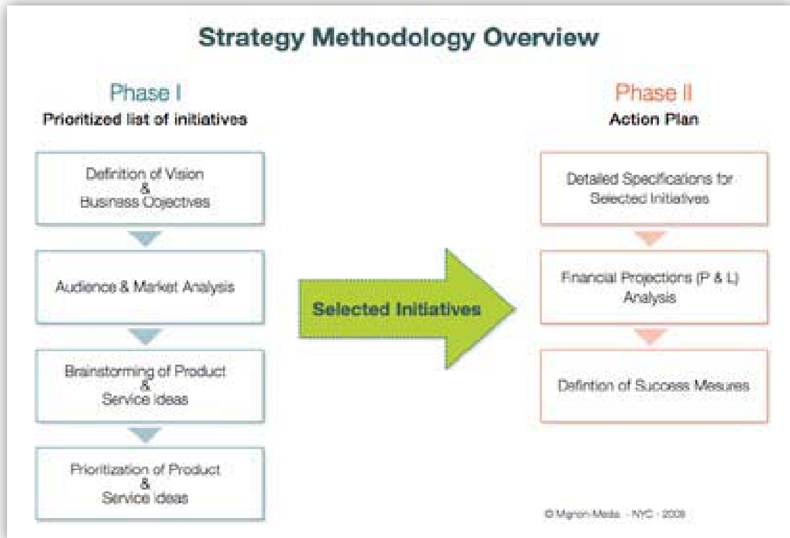
"It's critical that the success measures defined at the product level are tracked at regular intervals," Wang said. "Success measures are defined annually, quarterly, monthly and potentially weekly as well. In fact, the intervals at which the success measures are defined are based on the needs of the project. Weekly measures will likely be needed and reviewed at the beginning stages of a project launch to determine directional success. Weekly measures might also be needed at times when a new advertising or marketing campaign has launched."

Success measures are typically defined as traffic measures, such as unique visitors, page views or as financial measures, such as total revenue, ad revenue, or subscription revenue. Another metric that comes in handy is measuring audience or market penetration, such as the percentage of market penetration for 18-25 year olds.

The very notion of flexibility, which is so crucial to the success of any online venture, can only be efficiently implemented if it is backed by a serious strategic vision and a rigorous methodology. Measuring the reactions will facilitate adaptation, as we have clearly seen in the cases of Soitu and LePost.

Conclusion

The most difficult step in changing product development and launch methods is the mindset transformation that it requires. As we all know, there is a huge generational issue here. Younger journalists might accept better horizontal structures in which, according to Jean-François Fogel "everybody decides all the time."



Some newspapers persist in their thinking that the key factor is to provide excellent content, and place their faith and confidence in the audience flocking to it.

Meanwhile, others focus their attention exclusively on charts, tables, metrics and measurements, in a universe that makes the numbers obsolete almost as soon as they are gathered.

Both approaches have blind spots. Expecting your audience to make an effort to find your content, and then just sit there while you tell them what they should pay attention to, is arrogant.

Le Post takes great pains to give their audience the tools not only to contribute content, but to organize themselves into interest groups, and to find other groups that they would be interested in joining. They also allow their audience to track the usage statistics of their group, and to act as administrators.

Looking only at tracking numbers and audience measurements, on the other hand, can result in a newspaper tying itself into knots, trying to perform radical shifts to respond to minor changes in traffic statistics.

The right approach is to find a balance between the journalistic values of your organization, and what content appeals to your audience. An example of this is the way that audiences have responded to the iPod – they don't just appreciate the design of the device, but they compare and contrast the music they find on each other's playlists.

"It's hard to admit, but there are very few domains in which a specific product is more important to the audience than the way that they can use it to meet their needs," says Fogel. "What matters is the experience people find, because 99 percent of the audience does not care if it's reading Sarkozy's speech on Libération or on Le Monde.

"You try to find areas that only you cover but, ultimately, use is what matters. During the US presidential elections, what allowed LeMonde.fr to beat the competition was the fact that our figures were easier to find, that our maps were cooler, and more fun to use."

Three things to remember

Each person interviewed for this chapter has agreed to share three general guidelines for the product development process:

Jean-François Fogel (LeMonde.fr)

1. Write everything.
2. Never separate content from technology.
3. Have somebody to exclusively look at the audience behavior and site visibility.

Gumersindo Lafuente (ElMundo.es)

1. Give technology and design their due.
2. Understand the logic of the web.
3. Add passion to your work.

Benoît Raphaël (LeMonde.fr)

1. Simplicity allows you to adapt quickly.
2. Preserve these values: identity, content (and its organization) and conversation.
3. Make your community lively; people will come to find news and share a social experience.

Frédéric Fillioux (Mondaynote.com)

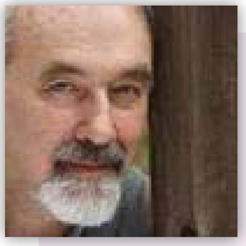
1. Test-Learn-Adapt is always an excellent approach.
2. Be obsessed by low costs, and put your money where it shows.
3. Stay informed on the trends in technology.

Yann Chapellon (formerly LeMonde Interactif)

1. Think of the user first.
2. Give yourself the right to err.
3. In the decision processes, include editorial, commercial and technical points of view.

Nancy Wang (Mignon Media)

1. Understand your market.
2. Follow a methodology.
3. Launch as quickly as possible.



Francis Pisani is an old freelance journalist who started traveling by curiosity and became a reporter by accident in Vietnam during the Têt offensive, and in Czechoslovakia after the Soviet invasion (1968). He does not smoke anymore.

After covering a couple of revolutions in Latin America, an exodus, an economic breakdown, and a soccer world club, among other ordinary events, he has moved to the Bay Area to report on the extraordinary changes brought by information and communication technologies.

Author, blogger and columnist, Francis mainly writes for European and Latin American media companies (El País, Madrid, LeMonde.fr, Paris and Reforma, Mexico). He has published several books based on his professional experience and a novel. His last book "How the Web is Changing the World" (Pearson) is available in French and Spanish. His articles have been published by more than one hundred publications on four continents. Francis does consulting for media companies and training for print and TV journalists in Europe. He has lectured in J-Schools at UC-Berkely and Stanford, and teaches in several universities. He is part of the faculty of the Fundación para un Nuevo Periodismo Iberoamericano created by Nobel Prize winner Gabriel García Marque.

Francis was a '93 Nieman Fellow at Harvard University. He has earned a PH D. in Political Science-Latin American Studies at La Sorbonne (Paris). He was born in Paris. You can find more by googling him or reading his blog, Transnets, in French and in Spanish.

Successful, Cost Effective Marketing Strategies

Chapter 5: When new media products fall in the Internet forest, it's usually because nobody heard them in the first place. Leveraging social media has become such a hot topic because new media professionals realize that nothing is more powerful than the oldest media of all – one person talking directly to another.

If stodgy industries like tax preparation (H&R Block) and credit unions (Servus Credit Union of Alberta) can figure out how to use social media to make themselves hip and attractive to a savvy Web audience, then newspapers can and should be able to energize their audience. The experiments listed in this chapter show that the job of creating "buzz" about a new product need not involve massive expenditures of money – just smart and insightful use of tools and resources already in existence.

Sean McDonnell has used both traditional and new media in PR and marketing campaigns that helped transform the image of a chain of banks from carpetbagging outsiders to an integral part of the community.

Cost-effective Marketing Using Social Media

A New (Online) Marketing Era

"One of the biggest barriers for many newspapers as they enter into social media is getting away from the mindset that they 'own' the news. That's no longer the case, if it ever really was, because 'news' now comes from so many non-newspaper sources. The world has changed."

— **Josh Bernhoff**, co-author of "Groundswell: Winning in a World Transformed by Social Technologies."

What is it?

Using new online social media tools to market and promote your new projects can be cost-effective, while still allowing you to reach your ever-more elusive audience. But the skills needed to initiate and maintain a social media presence – to build relationships within social networks – run counter to established newspaper instincts.

Why should I care?

Traditional companies are finding that using "new marketing" tools and strategies allows them to attract and energize savvy users, who then extend the campaign's effectiveness by evangelizing to their friends.

How can I use it?

Using social media to assist your marketing requires a shift in organizational thinking, and constant attention – along the lines of "Ask not what your user can do for you – but what you can do for your user."

Sean McDonnell

It sounds like a Zen paradox: For newspapers to take control of the viral marketing use of their content, they must first relinquish control over how it is used.

But the reality is that the style and substance of a traditional advertising and marketing campaign – to push a new product release – run counter to the new media ethos. Traditional marketing campaigns work by identifying a core message, and repeating it through interruptive ad spots until the audience has it stuck in their subconscious and sings the ad jingles in the shower in the morning. This is perfectly in keeping with the "one-to-many" nature of traditional media.

In the new media sphere, things are a lot more unruly. With a laptop and a Wi-Fi connection, everyone has a voice, meaning bloggers from Tulsa to Timbuktu have worldwide reach. So if everyone has the power – then no one has the power. What wins out in this jangle of content is someone who has something original to add to the conversation. That *should be* where newspapers excel, except the delivery model for information has changed.

"The old model used to be summed up in the tagline 'All the news that's fit to print,' because we get to decide what's 'news,'" Bernhoff said. "But that's no longer the case, because 'news' now comes from so many non-newspaper sources. People are now seeking to be engaged in a community of information."

An early expression of this was spelled out in the 95 theses contained in "The Cluetrain Manifesto," a call to action for businesses operating in an Internet-connected marketplace.[1] Written before the dot-com crash, "Cluetrain" was immediately dismissed by many as digital triumphalist claptrap. But daily, it is being proven true in powerful ways. For newspapers, the most important of the theses are that: "Whether delivering information, opinions, perspectives, dissenting arguments or humorous asides, the human voice is typically open, natural, uncontrived (…) To speak with a human voice, companies must share the concerns of their communities (…) But first, they must belong to a community."

Entering Social Media Marketing

Dan Neely, CEO of Networked Insights, helps companies with robust social media programs assess their effectiveness, as well as helps organizations seeking to use social media assess their preparedness. For companies that wish to use social media as a business and/or marketing tool, he offers these starting tips:

- **Tie social media to an established business value**. Don't just get into using social media because everyone else is doing so. Tie it to your core business objectives. For example, CNN has achieved enormous success with its social media-driven initiative iReport.com, because this citizen journalism site ties directly into CNN's global newsgathering efforts.
- **Make social media a part of your organizational DNA.** Social media will be as vital and important tomorrow as e-mail is today. However, keep in mind you don't control the social media throttle; you're simply providing the platform. Be brave enough and willing to cede this authority to others in the social community. You can do so without impugning your own brand, as CNN's iReport.com immediately notes: "iReport.com is a user-generated site. That means the stories submitted by users are not edited, fact-checked or screened before they post."
- **Don't just take, you have to give.** Don't use social media simply as another way to create your own financial benefit; instead, use it for a common good, such as to build a greater sense of community. The reason consumers trust corporate blogs less than any other information channel, according to a recent Forrester Research study, is because they're perceived to be overly self-promotional.[2]
- **Once you're in, you're in.** Getting into social media is not like dipping a toe in the water and then jumping out of the pool. You have to be completely "in." If you get into social media and quickly pull out, your rapid exit *will be* noted. Conversely, once you're in, make social media a major part of your business and marketing efforts.
- **Switch your business DNA from "shout" to "listen."** As a joke goes, if you spoke to strangers the way advertisers talk to you, you'd get punched in the nose. Ads are all about shouting. Instead, companies need to listen to their audiences, and respond accordingly.

The following social media marketing success stories are organized according to Neely's five get-started tips:

1. Tie Social Media to an Established Business Value: Creating Community Connectivity

Newspapers do not necessarily need massive newsrooms or marketing budgets to forge community connectivity. For example, San Diego public television/radio station KPBS earned widespread community acclaim for its coverage of the October 2007 wildfires that ravaged San Diego.

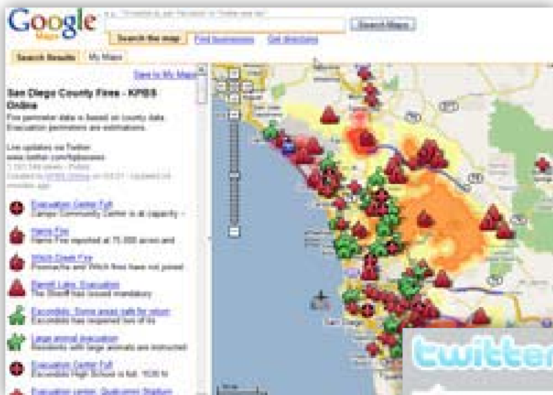
Pushed by fierce Santa Ana winds, the wildfires tore through entire neighborhoods, destroying nearly 1,600 homes, killing 10 people and injuring more than 120.

1 "The Cluetrain Manifesto: The End of Business as Usual," by Christopher Locke, Rick Levine, Doc Searles and David Weinberger. 2000, Perseus Publishing.

2 "Time to Rethink Your Corporate Blogging Ideas," by Josh Bernhoff et.al. Dec. 9, 2008, Forrester Research, Inc.

Hundreds of thousands of area residents were evacuated from their homes. To stay abreast of events, local residents turned to radio, and specifically to KPBS, with a staff of just eight news reporters, according to **Nathan Gibbs**, KPBS Web producer.

KPBS Radio reported on the wildfires live for nearly 80 hours, including a brief stint when the station's signal temporarily shifted to a local classic rock station, after power lines to KPBS' mountain-top transmitter burned. However, what made KPBS' fire coverage truly shine as a community resource, according to local residents, was the station's extensive use of online and social media to provide fire-related information.



KPBS used Twitter to provide its audiences with a steady stream of news about the fire's progress, evacuation orders and road closings. A Twitter update link was provided on the KPBS Web site, and news accounts of the fire (on KPBS and elsewhere) widely noted the Twitter site. [See graphic] **Amy Gahran**, new media blogger at the Poynter Institute later wrote that "this is probably the best use I've ever seen for Twitter."

KPBS also employed a single-page Google Maps site to provide graphic coverage of the fire's breadth as well as evacuation sites for people and animals. [See graphic.] The site was continuously updated based on the station's own news reports as well as from emergency service announcements and news releases. Ironically, according to Gibbs, the site's simplicity helped its functionality. "Out of necessity, we created a very basic site, but its simplicity helped make it easier to update."

When KPBS initially received complaints that the site wasn't being updated throughout the fire's first night, the station turned to non-news employees and staffers from other stations to update the site from their homes. KPBS created a password-protected wiki and links to news sources and its own audio feed to facilitate updates by the station's newly appointed map updaters. At its peak, the KPBS Web site received more than 132,000 unique visits a day, or 36 times its daily average.

As a result of its fire coverage, KPBS has seen an increase in its community reputation and been able to maintain its membership donations at a time when other public broadcast stations are showing declines, according to Gibbs. "(It) showed that KPBS was at the forefront of technology," he said. "That established us as point-people in our industry and gave the more Web-savvy in our audience new respect for our work."

2. Make Social Media a Part of Your Organizational DNA: Internet-Oriented Operations

The *Austin American-Statesman* has become one of the greatest online media success stories in the industry because of its ability to become *the* information source in a community filled with highly e-literate readers. As home to the University of Texas, the Texas state capital and dozens of high-technology companies, Austin is one of the nation's most Internet-connected cities.

Not surprising, then, that the hometown newspaper would be an early adopter of online technology. **Robert Quigley**, Internet editor for the *Statesman* and co-founder of the social media blog "Old Media New Tricks", vividly recalls five years ago, when the paper's editor and managing editor stood before newsroom staff and announced that from that day on, "we're an Internet-based operation first, and a print-based organization second."

The results show. By June 2006, www.statesman.com had the highest local market share of all online newspapers, according to comScore. And in 2008, it was named best online newspaper by the Texas Associated Press Managing Editors. The paper's entertainment site, www.austin360.com, which won the NAA 2008 Edgie Award for best entertainment Web site, is the town's definitive go-to source for information about Austin-area entertainment, events and lifestyle information.

"Groundswell" author Bernhoff chalks up the online success of the *Statesman* to a single word: relevance. "If a newspaper wants to remain at the center of relevance in the community, then it has to position itself as the center of relevance," Bernhoff said. "The content that the *Statesman* publishes can just as easily be found on Google News. But Google News will not have the local commentary and input on stories that you'll find on statesman.com, which is why people in Austin flock to that site."

Statesman.com is filled with opportunities for online community involvement, including reader and reporter blogs and commentary sections bursting with reader input. Quigley, whose role is split between coordinating the paper's social media efforts and working with the newsroom to promote Web content, is particularly proud of the paper's use of Twitter to connect with the community.

The *Statesman* publishes seven official Twitter feeds, has more than three dozen reporters "tweeting" on their own, and publishes links of more than 20 prominent local residents who Twitter regularly, including local luminary (and seven-time Tour de France winner) **Lance Armstrong**. All are sending out messages that fall within Twitter's 140-character maximum limit.

Similar to KPBS' wildfire coverage, the Statesman's use of Twitter became invaluable during a natural disaster—in this case, the landfall of Hurricane Ike in September 2008. The paper's field reporters covering Ike were able to use Twitter to provide area residents (primarily in Houston) with a better idea of community damage on nearly a minute-by-minute basis. Other papers reporting on Ike, such as *The New York Times* and *The Los Angeles Times*, linked to the *Statesman's* Twitter dispatches.

Quigley was pleased with the immediacy of coverage that Twitter enabled, as well as the interaction it allowed. "Readers asked questions and got answers…told us areas of destruction…and our reporters checked out those areas," Quigley later wrote.[3] "And when we got a good dispatch from a non-journalist, we retweeted their posts to give the most comprehensive news possible."

3. Don't Just Take, You Have to Give: Providing Valuable Community Information

It's easy to see how a media organization could galvanize

3 Austin American-Statesman, "Quigley: How Twitter is shaping the news," by Robert Quigley, Sept. 25, 2008.

community connectivity during a time of crisis. Yet similarly positive community-connecting results are possible for companies in industries considered by some to be more mundane. For example, H&R Block has achieved significant success in creating online communities based on the company's tax expertise.

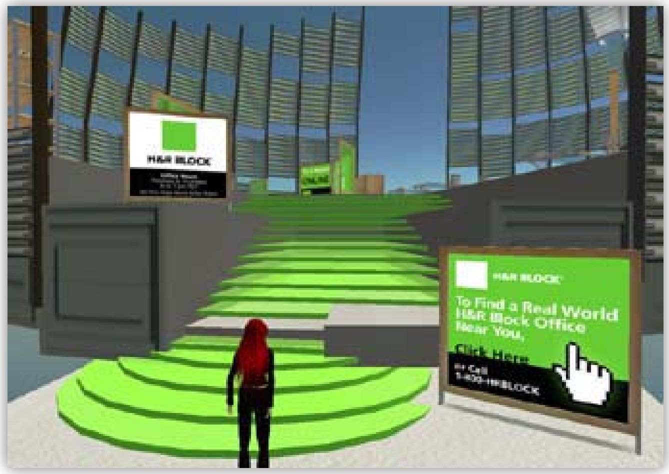
Since 2006, H&R Block has experimented with a variety of social media including blogs, Twitter, Facebook, MySpace, YouTube, Second Life, widgets, RSS feeds, chat rooms and Web sites to reach customers and prospects and position its brand as a tax and digital resource. Shel Israel, social media guru, has called H&R Block's efforts "among the most extensive business-to-consumer social media campaigns in history."

In late 2007, the company launched the tax community site H&R Block Digits. Notably, the company purposely designed the site to specifically NOT sound like a seemingly stodgy tax company, as it indicates online:

- Digits is your community, built with the latest technologies to help you share your thinking through text, images and conversations. You'll get access to the tax and personal financial resources you'd expect from H&R Block...but there's much more here than that. Serious debate? Sure. A little light-hearted banter? Absolutely. Digits is about money. It's about life. It's about you. Come be entertained and join the fun.

Paula Drum, vice president of marketing for H&R Block Digital Tax Solutions, is behind the company's innovative social media programs and its trial-and-error approach toward creating many types of content across many different social networks.[4] Because of the variety of H&R Block customers, Drum believes it's important to make the company's content appropriate and specific for each type of online community.

"We didn't expect every single concept to be a home run," Drum said. "We want to learn and iterate on what works best." That's why Drum didn't put all of her social media marketing eggs in a single basket, but instead directed her team to create multiple social media-driven concepts using multiple channels – the better to see what worked (or didn't) and reach a variety of demographic audiences, based on the social medium used.



For example, the company created "H&R Block Island" on Second Life, the 3D online universe popular with older (age 45 and above) adults, as a way to dispense free, friendly tax advice. [See visual above.] Every Tuesday and Thursday during tax season, H&R Block hosts Tax Advice Nights on "H&R Block Island" to provide free tax advice from a tax professional appearing online in avatar form. The "Island" has proven to be an immense hit on Second Life, which logs more than 7 million hours of visitor time each month.

To reach a younger category (under age 45) of online visitors and promote its online tax preparation services, H&R Block created a series of branded videos, in the persona of the fictional character Truman Greene, and posted them on the video Web site YouTube. [See image on next page.] Each week during tax season, Truman provides tax advice. To date, more than 600,000 people have seen one of the "Truman Greene" videos.

Drum says that H&R Block has attracted more than one million unique online visitors to its online communities. Somewhat to H&R Block's surprise, the new online sites created a sizeable, positive buzz among the company's employees who work outside of its Kansas City, Mo., headquarters. "They are excited to see the brand 'enter the 21st Century,' as one wrote me,"

4 http://redcouch.typepad.com/weblog/2008/04/sap-global-surv.html

Drum said. "It has been motivating for many of our 110,000 tax professionals to see the brand in new places and being progressive."

For the newspaper industry, the online work of H&R Block carries two important lessons:

1. Consider using a variety of social media – each reaching distinct demographic groups – to spread your messages and increase your odds of marketing success.

2. Know that if you use new channels such as social media to market your organization, the result may also be motivating to your own workforce.

4. Once You're In, You're In: Forging Demographic-Based Appeal

H&R Block has enjoyed considerable success reaching distinct demographic groups by targeting its online efforts. Other organizations created highly successful online marketing campaigns by targeting the prime users of social media—those who are 30 and younger—through a variety of novel techniques.

The fourth-largest credit union in Alberta, Canada, Servus Credit Union, has received considerable recognition for its social media marketing campaign, "Young & Free Alberta," targeted at Canadians 25 and younger. The program won the prestigious Forrester Research Groundswell Award for 2008 for its success in engaging young people in financial education and responsibility. With this award, Young & Free bested the social media efforts of several Fortune 500 companies which were Groundswell award finalists, including campaigns from Coca-Cola, Kraft, Budweiser and Sears.

Launched in late 2007, Young & Free was designed primarily to promote a new Servus checking account for adults 25 and younger. The marketing challenge for Servus – and for all credit unions – is that the average member is 49 years old, according to **Tim McAlpine**, president and chief market strategist for Currency Marketing, and director of the Young & Free campaign. For the $1.8 billion credit union to be able to grow, it needed to attract new and younger members.

When McAlpine and his colleagues presented the social media-based Young & Free program to credit union senior leadership, he thought it was the single worst pitch his agency had ever delivered. "We ended our presentation, and there was silence in the room, with a deer-in-the-headlights look," McAlpine said. "We thought we had blown it, but it turned out the next day that they had loved it. They simply weren't sure what to ask, and wanted to make sure that they had the budget to do it."

The program began with a two-month search and competition to find a dedicated Young & Free spokesperson, or "spokester," as the winner dubbed herself. Nineteen-year-old **Larissa Walkiw** became a paid employee of the credit union during her nine-month term.

McAlpine's team created a dedicated microsite for the credit union www.youngfreealberta.com [see image on next page], and used a variety of social media including YouTube, Facebook, Flickr and Twitter to connect Larissa and the program with its target audience. These social media sites were specifically chosen because of their appeal to the 25-and-younger demographic group that the campaign intended to reach, and because of the ease that they allow viral marketing.

To drive traffic to the campaign, Currency Marketing used a combination of public and media relations, traditional media (radio, outdoor, point of purchase and direct mail), and new media including viral messaging and online advertising. Once the campaign began, every time Larissa created a new Twitter feed, blog post or video, the information came with an invite to forward the information to others.

During Larissa's tenure as "spokester," the Young & Free campaign created a new online community for young adults, with the credit union as its hub. Now in its second year, the program has proven lucrative for Servus—after program launch, new Young & Free checking account applications increased more than 1,000 percent and the credit union enjoyed more than $400,000 in unpaid media exposure.

McAlpine's company is now seeking to replicate the program with a credit union in each U.S. state and Canadian province. Young & Free Texas has already launched, with comparable campaigns in several additional states to follow.

In Minneapolis, Minnesota, a social media-driven marketing campaign has generated considerable buzz – and business – for the world's first sake brewery-restaurant outside of Japan, called moto-i. [See image on next page]. In Japanese, "moto" means "the beginning," an apt description for the only brewpub of its kind in America.

Pairing a menu that takes its inspiration from Japanese speakeasies (meat skewers, noodle bowls and Japanese street foods) with handcrafted sakes that are brewed on-site for six weeks, moto-i was meticulously planned – down to its launch marketing campaign. Before moto-i opened in October 2008, its marketers used a unique viral social media campaign to pique and build potential customer curiosity and interest.

"We first created a teaser Web site, with cool Japanese graphics, then started sending out teaser messages across Twitter and Facebook to such groups as 'foodies' and followers of all things Japanese, which we knew would have an interest in the restaurant, once they found out about it," said **Chris Lower**, director of marketing for the Sterling Cross Group, which handled moto-i communications. "For weeks, we didn't say what moto-i would be. Instead, we'd send teaser messages such as 'What is moto-i? Soon to be a cultural phenomenon!' We even had a haiku contest."

Before moto-i launched, Lower had built a sizeable online fan club, through a playful and slightly mysterious marketing campaign that purposely held back key information until just before launch. "We had groups speculating online what it was going to be," he said. "No one guessed that the world's first sake brewpub outside of Japan would be in Minneapolis. By the time we revealed what moto-i would be, we had close to 2,000 fans online."

Moto-i opened to a flurry of interest from customers and the news media alike. "It was packed at opening and we had more than 50 major news stories on moto-i within the first 90 days," Lower said.

5. Switch Your Business DNA from "Shout" to "Listen": Capturing Consumer Input

Over the next two years, there will be more Internet content created than all of the content (Internet and otherwise) that has ever existed. What sounds like a potential straight line to a joke about the "infinite monkey theorem" (the notion that an infinite number of monkeys with keyboards could eventually re-create the works of Shakespeare) carries a sobering reality:

not all content or interactions online are created equal.

Those who engage in social media marketing have long recognized the limits of only counting clicks as a means of measuring the effectiveness of social media – or social media-related advertising. A recent article in *The Wall Street Journal*, "Facebook Tries to Woo Marketers," detailed the attempts of this social media titan to attract advertisers still searching for better ways to measure the effectiveness of ads on social media sites.[5] The article also indicates the difficulty of applying traditional models of measurement to social media. Instead, organizations seeking to leverage social media need to begin listening to their online audiences in new and notable ways.

The Sake Brewery - Restaurant Moto - in Minneapolis. Photo: Tom Wallace, Star-Tribune

Dan Neely's company, Networked Insights, is one of several online measurement companies that seek to provide a better way to measure social media engagement. Networked Insights uses what it calls "Natural Language Processing," a subfield of artificial intelligence and computational linguistics, to analyze the thousands of online conversations (in your community and across social media) and identify insights that can be put to immediate strategic and tactical use. [See image on the next page for a sample of a Networked Insights data page]

For companies and organizations that seek to more effectively use their marketing dollars, information from an online measurement company helps identify where customers and prospects are engaging one another online, know what they're saying and indicate ways that organizations can potentially join in the conversation. Organizations then use this information to adjust – or even overhaul – their social media efforts.

For example, Neely cites the online marketing insight that Honda gained when it initially introduced the Honda Element. "They thought they had a vehicle for surfers, and they advertised it that way," Neely said. "But in checking on their social media input, they discovered that Elements were very popular with dog owners, because they could be easily washed out. Thus, Honda is now the number one sponsor of the Westminster Kennel Club."

Even if content that drives traffic is king online, even the best content has a shelf life – and an expiration date. Tracking the online conversations in social media sites helps keep content current, relevant and actionable.

If it seems somewhat abstract to use high-tech tools to analyze conversations, the results are certainly tangible. One consumer packaged goods company was able to increase its ad conversion rate from one percent to nearly 15 percent by tweaking its advertising campaign, based on input provided by online audiences.

Creating Your Own "Social Media Café"

Unlike the past, when newspapers simply covered and distributed news in a single top-down direction (publisher to recipient), newspapers have an opportunity to act as *the* central focal point for all information within a community.

The opportunity is akin to a super-charged, online-infused Main Street Café where community members flock to exchange information, and rely on the local newspaper as one of the main sources (but not the only

5 The Wall Street Journal, "Facebook Tries to Woo Marketers," Nov. 11, 2008.

source) of valuable information. This location attracts all community members (including the newspaper) to participate in and add to the dialogue.

A Networked Insights data page.

For example, Bernhoff cited the social media efforts of his hometown newspaper, *The Boston Globe*, which has successfully built a robust social media community by encouraging community members to provide input online – most notably for the sports section. "By doing so, they've made their sports section *the* focal point of sports dialogue in the community, especially around the Red Sox, which everyone in New England follows like it's a religion," he said.

"For a newspaper that's seeking to do more with social media, we'd recommend starting from a (similar) position of strength," Bernhoff said. "If your sports section or financial section is the strongest part of your paper, then start there, and start building out ways to get your reader community more involved and engaged with your coverage."

Overall, your emphasis should be on forging relationships, as Bernhoff emphasizes in "Groundswell."

"It's important to understand these technologies, but the technologies are the detail, and it's tempting to get sucked into the detail," Bernhoff writes.[6] "You might think that understanding those technologies will equip you for the new world. Wrong. The principle for mastering the groundswell: *concentrate on the relationships, not the technologies.*"

Social Media Marketing Checklist:

The following is a list of questions to ask, and issues to be addressed, during a marketing campaign that seeks to leverage social media.

1. What value is your social media initiative providing to the community you're trying to serve?
2. Who are you trying to connect, and how are you making it easier for them to do so through your new product/initiative? How does this compare with existing social media?
3. How are you empowering your staff to use social media tools to reach out to, and interact with, your audience?
4. Are your editorial voice and content choices appropriate for your target audience?
5. Are you leveraging all your brand presence to present a consistent message? A social media campaign needs constant attention and cross-promotion until it reaches an ignition point, at which time it becomes self-sustaining.
6. Are you paying attention to audience feedback? Not just the complaints of the few, but also to the trackable behavior of the many?

6 "Groundswell: Winning in a world transformed by social technologies," by Charlene Li and Josh Bernoff. 2008, Forrester Research, Inc.

Additional Resources

NAA archived Webinar: How to Leverage Social Media for Audience & Revenue Growth. Aug. 2008. Sarah Rotman Epps, Forrester Research.

NAA's Online Community Cookbook

NAA Snapshots:
Washington Post's Wine Network Engages, Pays Off
Knoxville Network Links Local Bloggers

NAA Audience Building Initiative: IndyMoms Draws Busy Parents with Discussion, Niche Content

Sean McDonnell began working with newspapers at age 12 – as a carrier for the Minneapolis Star and as a fledgling newspaper publisher/editor. With his kid sister serving as associate editor and chief cartoonist, Sean began publishing a newspaper about his family and learned an early lesson in newspaper economics when subscription revenue for The McDonnell Gazette barely covered production costs. Realizing that his vocational interests rested more in storytelling than in P/L statements, Sean embarked on an editorial career in public relations and marketing communications, seeing his role as a conduit to a variety of print, broadcast and online media. Today, he has his own business communications firm, McDonnell & Company, and writes for a variety of industries. Ever mindful of Elmore Leonard's timeless writing advice ("leave out all the parts that readers skip"), Sean revels in resolving vexing business issues, one well-parsed word at a time.

Audience Engagement

Chapter 6: User engagement does not mean handing out diamonds in velvet-covered boxes, but it is almost as valuable. An engaged user doesn't just scan a newspaper before using it to wrap fish or start a campfire. They forward the newspaper's content to their friends, excerpt it in their blogs or social media profiles, comment on things that they like, and contribute their own voice to the ongoing conversation in their community.

This chapter shows how newspapers can use a 5-step process to build their engagement, and evolve to fill the "Town Square" and "Town Expert" roles that are being usurped by new media competitors.

If User Engagement were a martial art, Erik Johnson would be found meditating in the lotus position, in a temple high in the Himalayas.

Achieving User Engagement

What it is?

Audience engagement is a measure of the quality of the interaction between audience members and newspapers. It goes beyond eyeballs and pageviews to providing the opportunities, abilities, and motivation for audience members to participate, contribute and feel a sense of ownership in the product.

Why should I care?

Research shows that loyalty is no longer enough; that a more deeply engaged consumer is a significantly better customer. More engaged customers visit more, spend more, are easier to retain and help market the product through word of mouth and invitation.

How can I use it?

Newspapers that maximize audience engagement are successfully increasing audience and creating new advertising opportunities. A successful engagement strategy involves structured thinking about what opportunities exist to deepen engagement in a market, how audience experience and behavior affects engagement, and what products and tools should be deployed to begin building an authentic relationship with audience members.

By Erik Johnson

Social media, Web 2.0, word of mouth, viral, buzz, user-generated content, cloud computing, microblogging, community, crowdsourcing are popular memes that have at their foundation one key concept: Engagement.

In August 2008, the Dallas chapter of the Public Relations Society of America hosted a seminar entitled: "From eyeballs to engagement." A search on the phrase "audience engagement" yields more than 74,000 documents in Google. Forrester has published 43 research reports that mention "user engagement." Yet, despite the ubiquity of the term, most industries are still wrestling with what engagement means to the business and how to use engagement to improve business results.

This chapter examines what engagement is and why it matters to newspapers and then lays out a framework for dissecting the approaches required for deepening audience engagement, including a high-level overview of some of the more prominent tools available under each approach.

Why audience engagement matters

In their 2003 research "Customer Satisfaction Doesn't Count," published in the Gallup Management Journal, William J. McEwen and John H. Fleming found that customers who were "fully engaged" had visitation, spending and retention levels between 30 and 50 percent higher than those without the same emotional engagement to the brand. They went on to conclude that satisfying customers is not enough; that customer satisfaction without engagement is nearly worthless, and that customer satisfaction with engagement is priceless. A 2008 study by Forrester Consulting entitled "How Engaged are your Customers?" echoed this finding, concluding that "Customer engagement drives clear benefits for organizations that serve both businesses and consumers, such as improving sales and loyalty, exposing valuable leads, and providing better customer insight."

As the amount of research showing the benefits of customer engagement mounts, there is also a realization that many organizations fail to take advantage of customer engagement in efforts to drive business results. In 2007, Adobe systems commissioned Economist Intelligence Unit (EIU) to conduct research on the impact of customer engagement to business results. The study surveyed executives from more than 300 companies, with more than 50 percent being C-level or board members. In a summary of the research, Adobe noted that "…while most business executives believe that the ability to engage customers is increasingly critical to business success, few think their companies are doing it well, and executives believe that this failure has an impact on the bottom line."

Steve Yelvington, vice president of strategy and content at Morris DigitalWorks, agrees that newspaper organizations, like the businesses included in the Adobe study, have opportunities to improve results by successfully deploying audience engagement strategies, particularly on the interactive side of the business.

"The really simple, harsh economic reality is that we have great reach but poor frequency and we have to change that in order to help close the gap," Yelvington said.

Increased audience engagement would benefit newspapers in two ways: 1) an immediate economic benefit from creating more saleable inventory and, in the longer run, 2) better overall results for advertisers with the increase in exposure frequency that comes with readers encountering the various newspaper brand expressions (i.e. print, Web, mobile, etc.) more often.

What is engagement?

The business world is filled with definitions and opinions on what constitutes engagement. Debates rage on *ad nauseum* about minute definitional details such as whether an action is required for a reader to be engaged or whether a reader can be engaged without actually performing an action that can be measured. Regardless of where the initial point of engagement actually occurs for each individual encounter, the most common recognition is that level of engagement lies on a scale that ranges from:

1. Basic interest
2. Propensity for action
3. Action
4. Ever-deepening commitment

One of the more concise definitions of engagement comes from Forrester Analyst **Jeremiah Owyang:** "Engagement indicates the level of authentic involvement, intensity, contribution, and ownership."

Based on this definition, a reader simply reading a story qualifies as engagement, but this is engagement at a very low level since it is involvement lacking intensity, contribution or ownership. On the other end of the scale, the reader who chooses to carry a digital camera in his car in order to take and submit pictures to the newspaper when he runs across breaking news or interesting items feels a level of ownership in the content that would qualify as a high level of engagement.

The purpose of creating engagement strategies is to move the audience up the scale from interest to action to ownership in order to drive increased usage, create marketplace buzz and provide a deeper emotional attachment to the brand that can be translated into the type of results observed by the Gallup research: involvement, retention and advocacy.

With this definition comes the reality that for newspapers there aren't separate engagement discussions for print and online. Moving the audience across the entire scale of engagement requires an integrated approach.

Adobe CEO **Bruce Chizen**, in commenting on the results of his company's engagement survey, concluded, "the secret to success isn't just about gathering or churning data, it's about how you connect with your customers through the medium of their choice."

Since much of the higher level of engagement requires audience interactivity and participation, and since those activities are often more cost effective and efficient when executed through the online channel, many of the tactics within effective engagement strategies will fall on the interactive platforms. But when executed correctly, these strategies can drive engagement and its benefits across all expressions of the brand.

"Ideally, newspapers would think of experiences in a holistic sense, in that you want to create positive feelings on every platform and in every interaction that a brand has with its customers," said **Mary Nesbitt**, managing director of the Readership Institute at The Medill School of Northwestern University. "So that affects every consumer-facing part of a news organization.

"You can see how a newspaper could, for instance, decide to work on the 'gives me something to talk about' experience — aggressively looking for and featuring stories that create a buzz, following and facilitating buzz online, helping advertisers create ads (where appropriate) that produce the same effect, providing astonishing customer service ... and how you could build an effective marketing campaign around that idea."

A good example of how the interactive nature of the online channel can drive an effective integrated engagement strategy comes from the Wisconsin State Journal, the newspaper that recently posted a 10.6 percent daily circulation gain in its fall 2008 audit. Since 2006, the State Journal has allowed its readers to help determine what stories go on the front page of the newspaper. In its "Reader's Choice Poll," the State Journal offers on its Web site up to five story choices and asks readers to vote on which they would like to see on the front page the next day.

The story with the most votes by 4 p.m. each weekday ends up on the front page of the next morning's paper. The print publication drives readers to the Web site to vote and the Web site drives users to the print publication to see which story ends up on the front page.

Can you measure level of engagement?

Just as lively as the debate on what constitutes engagement is the debate on whether engagement is measurable. Under the more common definitions of engagement, like the one from Owyang, it is possible to measure engagement, but perhaps not as precisely as some might desire.

Since audience engagement is an aggregation of the interrelation of multiple actions of a large number of individual users, measurement of engagement is typically based more on the interpretation of observed trends of multiple data points over time than on individual metrics.

"Trend lines and trending is important to us in determining whether we have created something meaningful, something that matters, and something that connects with people," said **Mary Lou Fulton**, vice president of audience development for the Bakersfield Californian.

To respond effectively, it's necessary to understand what motivates the audience to use and get involved with different media and platforms, as well as negative factors that inhibit them from using them more.

"It's fine, and necessary, to measure usage behavior but that doesn't really give you insights into the "why" of behavior, nor can it lead to much creative thought about how to affect usage," Nesbitt said.

Over the past 24 months, a number of organizations have developed and launched measures aimed at capturing audience engagement. The ComScore Visits Metric, Businessweek Reader Engagement Index, and Media Management Center's Site Usage Measure and Reader Behavior Score are examples of these measures.

In the report "How Engaged are your Customers?" Forrester Consulting **recommends that companies limit the number of metrics they track,** saying, "Companies are better off focusing their measurement efforts on the behaviors and opinions that best represent the ideal form of customer engagement, and tracking just a few key pieces of data for each one." The operational metrics which are most used to track audience engagement include:

- Number of readers / visitors
- Number of pages viewed or sections read
- Time spent
- Repeat usage
- Recommendation to other readers
- Loyalty within the category

Based on the experiences of some newspapers, it is important to note that in order to effectively measure engagement, the measures tracked should be considered holistically and those interpreting the measures should understand the underlying reasons for the interrelation of conflicting measures.

In other words: don't declare victory based on one or two positive results that are considered in a vacuum. Imagine that a newspaper redesigned its Web site in order to better facilitate usability and search engine optimization (content showing up more often and higher in search engines). Three months after the redesign is launched, the marketing team proudly announces that the redesign accomplished its goal: unique visitors have increased. As an added benefit, page views are also increasing at a rapid pace. Good news, right?

Not necessarily.

The research director notes that while two important metrics are showing positive gains, repeat visits by users are dropping quickly. He is concerned that although the redesign did accomplish its goal of bringing in new users, it also created usability issues that require users take several extra steps to find relevant content on the site.

So, while more unique visitors are coming to the site, all users are forced into several additional clicks to accomplish tasks that used to require fewer clicks. The result is indeed more unique visitors clicking on more pages, but the extra work required to accomplish basic tasks is leaving users with a poor experience and compelling them to find another source next time, hurting, rather than improving, engagement in the long run.

A framework for evaluating your engagement strategy: the five rungs of the engagement ladder

In talking with newspapers that represent some of the best practices in improving audience engagement, it appears that the most effective activities to drive engagement can be categorized into 5 basic areas:

1. **Building a solid foundation.** Ensuring the right content is being developed and the right platforms are being utilized.
2. **Removing speed bumps.** Eliminating impediments and obstacles that prevent readers from finding the content they seek and having a good experience with the brand.
3. **Connecting the dots.** Helping the audience find additional areas of interest and value that extend the time they spend and trust they maintain with the products.
4. **Creating buzz.** Creating programs that drive repeat usage and build viral products.

5. **Becoming social.** Deploying platforms that allow the audience to participate in content creation and in social engagement.

Although not organized as pure prerequisites, the content areas above are arranged primarily in order from activities that support lower levels of engagement (finding and reading content of interest) to activities that support higher levels of engagement (participation and ownership in products). Making the right decisions and creating the right activities in the initial rungs of the ladder (content and platform decisions and speed bump removal) can improve the return on activities at the higher rungs of the ladder.

As **Steve Witkos**, director of product development for Freedom Communications put it, "Our viral programs get news readers to find out about us. Getting them to stay is the job of everything else we do."

Rung 1: Building a solid foundation.
It seems all discussions of audience start with content and platform, but for engagement strategies, this topic is even more important. Moving the audience to the higher levels of engagement requires developing content that readers are not merely interested in, but content they are passionate about; content that readers are willing to discuss, debate, share and keep.

In making decisions on content and platforms that provide the most opportunity in a given market, nothing substitutes for deep in-market knowledge of reader's needs and behaviors in combination with standard information sources available, such as Scarborough data for print and ComScore or Nielsen Online data for online, that can be consulted in combination with original research as a part of the process. There is one available tool for each print and online, however, that is designed specifically to be used as a guide for making decisions around what content to focus on and what platforms to include in order to improve reader engagement and increase usage, developed by the Media Management Center at Northwestern University. The MMC User Engagement Study identified 22 user experiences as drivers of usage of newspapers and newspaper Web sites and could be leveraged to increase user engagement. According the MMC, those 22 identified experiences are:

- Entertains and absorbs me
- Looks out for people like me
- Regular part of my day
- My personal timeout
- A credible, safe place
- Connects me with others
- Touches me and expands my views
- Makes me smarter
- Turned on by ads
- Easy to use
- Helps and improves me
- Worth saving and sharing
- Tailored for me
- Guides me to other media
- Makes me feel I belong
- A way to fill my time
- Gives me something to talk about
- My guilty pleasure
- Tries to persuade me
- Too much
- Worries me
- Annoyed by ads

By combining unique usage measures created for each print (Reader Behavior Scores) and online (Site Use Measures) property with the results of the Engagement Study, MMC further broke down the usage drivers into those unique to online and those unique to print.

Although some of these metrics and tools are new, The Readership Institute's Nesbitt notes that much of the information needed to build a proper foundation is already available to most newspapers.

"I think the newspaper first has to make some strategic decisions about the audiences it wishes to target on its different platforms and through its portfolio of products," Nesbitt said. "The basic question is 'Who are we trying to reach/serve/engage?' and the answer should rarely, if ever, be 'everybody.'"

Knowing the psychographics, demographics, lifestyles and media behaviors of the target group(s) goes a long way toward helping figure out relevant kinds of content and relevant platforms. Research done by different organizations in different ways over the years seems to be pretty consistent in identifying interests and preferences (both for content and means of delivery/access) — little differences here and there but directionally congruent.

That part of it isn't too difficult or arcane, but it doesn't always follow that having the right content in the right place at the right time leads to engagement and repeated use of the brand."

Rung 2: Eliminating speed bumps

Speed bumps come in two flavors: internal and external. Internal speed bumps are the organizational impediments created by structure, culture, training and technology that prevent a newspaper from responding to changing reader needs or evolving, adapting and innovating fast enough to stay competitive.

External speed bumps are the user impediments, created by usability issues or other inserted obstacles (like rich media ads or registration barriers), which can delay or prevent the audience from completing tasks or create a poor experience for readers.

In either case, speed bumps can serve to tarnish the image of the organization and move the audience further away from engagement with the brand. As Nesbitt puts it, "you have to give people what they need, when they need it — and in a way that is easy to use."

Morris Communications is removing internal speed bumps by using the open source framework Drupal to rebuild its site management system to be faster, more flexible and more open. Yelvington likens the new system architecture to the transformation in content, saying "it reflects the broader social change, the same openness that you see broadly in news where everyone can participate in a social process."

In addition to being better technology, the new Drupal-based system will also help to remove organizational and cultural impediments to newsroom integration and change, as it provides an easier and more accessible way for Morris journalists to gather, report and participate in the discussions about the news in multiple formats and through multiple platforms.

In 2007, prior to Belo splitting newspaper and TV station operations, Belo Interactive began work with Usability Sciences to conduct a series of usability tests on several of the company's news sites, including The Dallas Morning News and KHOU. The goal of the usability project was to improve layout, navigation, and design of the site to be more intuitive and allow users to complete tasks in a more timely and direct manner, with one of three stated objectives being the improvement of user engagement. After testing, the Belo properties redesigned their site around the findings of the study and the results were impressive.

According to **Michelle Strong**, director of audience development at Belo Interactive, the usability-led redesign led to KHOU improving homepage page views by 21 percent. By improving the experience on the homepage, which for many users is the launching point for all other content, KHOU was able to feed a ripple effect that increased overall page views by 24 percent. The improved usability also brought users back more often, with KHOU showing at 10 percent improvement in monthly visits per unique visitor.

Rung 3: Connecting the dots

One of the biggest challenges newspapers continue to face in engaging users is helping to make sense of the sheer volume of content that is developed and published daily. The content visible on the front page of the newspaper and/or on the home page of the newspaper Web site at any given time is a very small percentage of the total content that is available to the audience.

As technology advances, the industry is finding new ways to expose readers to additional valuable content on all the newspaper's brand expressions. Using technology to add metadata to content through tagging, geotagging, and contextual text mining, allows newspaper audiences to connect the dots between content that interests them without burdening writers, editors and other staff with manually making these connections.

The addition of metadata to content enables newspaper Web sites to automatically make content connections in a number of ways, including:

- **Topic pages** which automatically assemble pages based on an entity or topic
- **Inline links** that create hyperlinks to topic pages whenever an entity (such as a person, location or organization) or topic appears within a story
- **Content suggestions** that reference similar stories that users might be interested in reading
- **Teasers** that appear when stories with similar topics are being displayed
- **Topic maps** that show hierarchies or other relationships between entities or topics
- **Tag clouds** that display graphically and in real time the most popular terms in a current set of content

Matthieu Delorme, chief technology officer at Gesca Digital, Gesca Limited's online publishing arm that produces sites such as cyberpresse.ca, LaPresseAffaires.com, says that suggestion mechanisms can be a real key to driving user engagement.

"We saw a substantial increase in time spent as we are now second in overall news sites (just after CNN)," Delorme said. "We also had an increase in page views."

The Text Mining Engine from Nstein Technologies being used by Gesca not only makes connections between content for users on the online site, but it is also beginning to help editors find and expose content that helps print readers make contextual connections for stories being read.

"In the back-end, we are now able to create "dossier" [specific files on a subject] very easily by using taxonomy concepts," Delorme said.

Rung 4: Creating Buzz

One of the primary benefits of an engaged audience is the propensity for them to help market the newspaper brand. Through word of mouth and forwarded links, engaged audience members help distribute a product, and do it voluntarily. According to Yankelovich Research, a recommendation from a friend is powerful: consumers trust friends above others when it comes to product recommendations (65 percent trust friends, 27 percent trust experts, 8 percent trust celebrities).

There are a number of tools available to newspapers that are proving to be very effective at driving deeper levels of audience engagement and facilitating viral spread of both the content and the brand. Three of the more successful tools so far are:

- **Contests.** At the Orange County Register, **Robin Gray** is using the contesting tool from UPickEm to run between three to five contests per month and using them to drive user engagement. According to Gray, just one contest, "My Dog's Face," generated 7 million page views. A tight working relationship between marketing and interactive teams helps drive the success of the contests.

Freedom's Witkos says that contest traffic is inherently highly engaged, and that the Northwest Daily News in Florida recently received 1.2 million page views from contests, equal to the level of traffic on the homepage. Witkos says that it is not uncommon on Freedom sites to see 30 – 100 pageviews per unique visitor on a contest.

- **Photo galleries.** According to **Felicia Haynes**, director of Web development for Morris

DigitalWorks, their Spotted photo gallery product is driving up to 20 percent of all page view traffic at Morris sites. In addition, each visitor to Spotted generates an average of 27 page views per month, as opposed to 5.5 page views per month to the online news sections.

The key to their success, says Haynes, is to offer both an opportunity for users to upload their own photos and for the staff to get out in the community to take pictures and give cards to those at the events, letting them know when and where the pictures will be posted.

For a more detailed look at Spotted, see NAA's Spotted Snapshot.

- **Events.** The Bakersfield Californian is using events, such as sponsoring concerts, launch parties for branded compilation CDs, and other targeted gatherings, to drive connection with the community. Fulton credits events with driving audience engagement.

  "Event marketing has played a big role with our niche products," says Fulton, adding that being out in the community at events shows that the "brand you are creating is perceived as meaningful in the community. People turn out to affiliate themselves with a brand or event."

Rung 5: Becoming Social

Although it may feel as if we may have buried the lede, newspapers are finding that the most effective way to drive user engagement is through user-generated content (UGC) and social media. A recent study by the Marketing Executives Networking Group (MENG) shows that newspapers aren't alone in this belief. **[For more information, please see Chapter 5: Cost-effective marketing strategies"]**

Of the 137 marketing executive surveyed, 85 percent cited "Customer Engagement" as the main benefit of social media. These capabilities range from allowing users to comment and rate stories and content, to being able to submit content, to being able to connect and communicate with each other. Fulton says this "dynamic participatory media" is 20-25 percent of their local Web traffic.

With its Bakotopia site and print publication, The Californian has been an industry leader in exploring the engagement benefits from pure social media. Among other things, the Bakotopia site allows users to post profiles, maintain a blog, upload pictures, videos and events, and to communicate with each other through the site. [See NAA "Innovation in Action: Part 2" Case Study.]

In a turn on the traditional print-to-online process, Bakotopia publishes a bi-weekly magazine comprised of the best content from the Web site. The addition of the print magazine to the Web site has allowed Bakotopia to grow reach to both audience and advertisers, an important measure for assessing the success of the product.

Fulton explains that although there are other free social media tools users could access, the potential of having your content in the print magazine provides additional incentive to post content to Bakotopia, which drives the content for both the site and the magazine. Additionally, the magazine extends the reach to readers who wouldn't access it on the Web and it "meets the advertisers where they are."

Many local advertisers still prefer print to online, so the magazine gives the newspaper an opportunity to capture revenue from those advertisers.

The results confirm the strategy. According to Fulton, after launching the print version of Bakotopia, "The Californian was able to triple its audience reach with the product and double its advertiser reach, with 78 percent of Bakotopia advertising being unique to the product [that is, they don't advertise in any other Californian product]."

In speaking about social media and the roles that the newspaper can play in the community with the new technologies available to it, Yelvington describes three primary roles:

1. **Town Crier.** Newspapers have a history of town crier, reporting the news and announcing the events of day.
2. **Town Square.** There has been some adoption by more newspapers of the role of town square, becoming a place where the community comes to interact with each other and the newspaper and develop connections with the community.
3. **Town Expert.** This is the area where Yelvington sees the most opportunity for newspapers. The expert role, he says, would be a place where users can get answers to any question they might have about living in or visiting a community. The content would be generated by a combination of the newspaper and its users, open to community participation, and expressed through a variety of tools including repurposed newspaper content, wikis, blogs, and Q&A.

"The biggest barrier to consumption of news is that people don't care," Yelvington said. "The newspaper can and should make a goal to increase people's engagement with local news and civic projects. We need to change from covering the news to building a local society where citizens are engaged with the news and have a stake in the process."

WORKSHEET

1. Increase audience engagement on news sites by:

a. Understanding what content and experiences drive engagement

b. Inviting reader submissions (and make it simple to submit materials)

c. Developing content that creates "buzz"

i. Contests
ii. Photo galleries
iii. Events and branded marketing

d. Allowing readers to vote on top stories (Ex: the Reader's Choice tool) and then run the winning stories on the front page

e. Providing a platform for users to interact with each other

2. Increase opportunities for readers to discover content through:

a. Inline links

b. Teasers

c. Tag clouds

d. Geotagging of content

e. Content suggestions

3. Make it easy for visitors to recommend content to friends and for those friends to find their way to the recommended content

4. Look beyond the raw traffic numbers – track the user behavior on your site

5. Eliminate "speed bumps"

a. Internal: organizational culture, training or technology

b. External: rich media ads or registration that slows page loads and/or content access

6. Publishing the content in a print product as an incentive to drive participation with the online product and obtain content for the print publication

Erik Johnson is the General Manager of cubeless, the enterprise social network and community environment that allows company employees or organization members to collaborate, share best practices, answer questions, support each other, and build culture in a secure, closed environment. Most recently Johnson served as Director of Interactive Strategy for The Dallas Morning News, where he built an interactive strategy that more than doubled the property's user base in less than a year and led to the development and launch of two hyperlocal social networking sites for the media company. Prior to The Dallas Morning News, Johnson built and managed the teams that were responsible for consumer traffic and user experience for Verizon's SuperPages.com online yellow pages site, a property that grew to be one of the thirty most-visited Web sites in the world during his tenure. Johnson is a frequent speaker and writer on the topics of building an authentic interactive audience and the enterprise use of Web 2.0 concepts. Johnson received journalism and political science degrees and an MBA from Southern Methodist University in Dallas, Texas. He is married with two children.

Supporting and Managing your Portfolio

Chapter 7: To truly transform the news industry, it is necessary to change not just the form and function of the products that we put out on the market, but to reach deep into the underlying framework of the traditional newspaper organization.

This chapter looks at the a variety of structures at four different media companies – three newspapers, and one new media company whose disruptive publishing model shows what can be done when you take user-generated content to the next level.

While researching this story, Janine Warner gained new appreciation for the value of inviting your audience to participate, and how hard it is to adapt traditional news structures to the collaborative model needed to nurture user-generated content.

Who's in Charge of Whom?

Emerging Organizational Structures for Supporting and Managing Your Portfolio

What is it?

Building the best organizational structure is key to developing the more audience-focused, team-based business model needed to compete in today's rapidly shifting media landscape.

Why should I care?

In the midst of the most draconian cutbacks in staff that newspapers have ever faced, building the best organizational structure is more important than ever, especially if you want to maintain the brand, credibility, and profitability of your traditional newspaper while developing the new products and services that will be successful in the future.

How can I use it?

Discovering what has worked and what hasn't in other organizations can help you find the best model for your newspaper.

By Janine Warner

In today's increasingly diversified world of specialty magazines, hundreds of cable TV channels, and millions of niche Web sites, media companies need to put a higher priority on understanding and serving their audiences, as well as marketing new products to ever-more-segmented audiences.

To achieve these new goals, newspaper companies are being forced to reexamine the basic structure of their organizations and reconsider how they allocate resources and divide staff into separate departments.

There are no perfect models, but in this chapter, we'll explore how four different media companies are experimenting with changes to the traditional publishing model and highlight a few ideas that seem to be working.

In years past, many newspapers conducted reader surveys every year or so, and only occasionally did special market research for new sections and special projects. But today's market segmentation and increasingly fickle audiences require news organizations to create and launch new products faster than ever before.

Some of the most successful media companies in the world have adopted a more team-oriented, innovative business structure, including Schibsted Media, whose success in niche Web sites has helped the Scandinavian company expand into new markets in Europe, South America, and elsewhere, and made it a model for media companies all over the world. Schibsted's success in empowering employee-driven innovation is covered in the NAA case study, Schibsted Media: A Model for Global Innovation.

Another company that is responding to the trend of developing greater audience focus is the Sacramento Bee. Since late 2007, the Bee's Publisher Cheryl Dell has made understanding customers and creating new niche products a top priority.

She started by transforming the circulation department into Audience Development and Membership Services and turning subscribers into 'members.' She's also made the newsroom and advertising departments responsible for all their content, no matter how the products are delivered, and launched four new niche Web sites in the process.

We'll explore in this chapter some of the changes Dell has made at the Bee and why the resulting organizational structure has attracted the attention of other newspaper executives around the country.

One of the biggest challenges many media companies face as they develop new organizational structures is how to manage writers and editors for the print and online versions of the paper. When newspapers first started launching Web sites in the mid-90s, most created new online departments that were almost exclusively focused on putting the news online, but had little, if any, role in creating content in the first place.

Some companies, including Knight Ridder, even spun their online departments off into separate businesses, offering stock options to online employees and planning what executives at the time hoped would lead to a separate IPO. Knight Ridder abandoned those plans even before selling off its newspaper chain, reflecting a trend that continues today, as more and more papers merge their online business back into the core newspapers. (Full disclosure: this writer served as the Online Managing Editor of The Miami Herald, and later director of online operations during the time that the online departments of all of Knight Ridder's 33 papers were spun off into a separate business unit.)

We'll also explore the relative advantages and disadvantages of having an integrated editorial staff versus a separate online department through the eyes of an online manager who has served her time in the trenches, experiencing both models first hand. During her years at the Times Picayune, Cory Haik worked in a separate online department (and earned credibility as part of the team that won a Pulitzer for its coverage of Hurricane Katrina). Today, she's at the Seattle Times, where her online team is 'embedded' in the newsroom, a change that has made it possible for her to get more involved in the creation of news, not just how it's displayed on the newspaper's Web site.

Before we delve deeper into these three newspaper models, we'll take a look at Demand Media to discover how a small team of entrepreneurs created an intentionally disruptive publishing model that has grown to a company of content-driven Web sites with an estimated valuation of $1.5 billion in the past 3 years.

Creating Demand for a New Kind of Media

Just two blocks from the Pacific Ocean and the Santa Monica Pier, the headquarters of Demand Media welcomes visitors past the palm-trees that line the street into its modern offices. An expansive reception desk and a stylish waiting room keep visitors comfortable as they watch staff come and go from a well-stocked kitchen and lounge area.

Framed articles about Demand Media and its executives adorn the walls. An article in the Los Angeles Times described the company this way:


Los Angeles Times | Business

You are here: LAT Home » Business

News/Opinion
California | Local
National
World
Business
Sports
Washington
Science
Environment
Opinion

Arts/Entertainment
Entertainment
The Guide
Arts & Culture
The Envelope
TV Listings
Movie Showtimes

Living
Travel
Health
Autos
Home & Garden
Food
Image
Books
Living Green

Data Desk
Video
Photography
Obituaries
Crosswords/Sudoku
Your Scene

TECHNOLOGY

THE BUSINESS AND CULTURE OF OUR DIGITAL LIVES, FROM THE L.A. TIMES

« Activision's Quantum of Solace and Guitar Hero games due this fall | Main | Around the Web 7.16.00: 'Dr. Horrible' crashes site, Intel posts strong quarter and EU investigation »

Demand Media's formula: semipro content + networking = $$$

5:00 AM, July 16, 2008

For years, analysts have predicted that the Web might bring forth a media titan from nowhere, a completely different kind of entertainment and information company. Some people see a candidate in Demand Media Inc. of Santa Monica, which has stealthily built up one of the largest Web networks you've never heard of. Demand CEO Richard Rosenblatt (above), the guy who sold MySpace to News Corp., has a secret -- and profitable -- formula.

With blinding speed and little notice, [Richard] Rosenblatt's two-year-old Demand Media Inc. has become one of the largest buyers of articles and video clips for the Web. It expects revenue of nearly $200 million this year and, more surprisingly, a healthy profit.

When you delve into the organizational structure of Demand Media, what's most likely to surprise executives from other media companies is not that the company exceeded $225 million in revenue a year after the Los Angeles Times article was published, but that they do it with such a small advertising and editorial team.

Demand Media's official policy is not to release a detailed organizational chart, but during a series of interviews, executives confirmed the numbers and percentages of staffing included in this chapter.

Demand Media was founded by Richard Rosenblatt, a 39-year old USC law school graduate, who is credited with selling MySpace to Rupert Murdoch for $580 million when he was chairman of Intermix.

Quinn Daly, SVP of corporate communications for Demand Media, said she was sold on the company's user-generated content business model for the same reasons Murdoch was sold on MySpace. Describing Rosenblatt's meeting with Murdoch, Daly said, "When Rich finally got to sit down with Murdoch to sell MySpace, he said: 'Think of it this way, you have people creating content for you for free. All you need to do is sell the ads.'"

Using what he'd learned at MySpace, Rosenblatt set out to create a new business model that was completely disruptive to traditional publishing. The result is a company that runs a network of more than 60 niche Web sites with a full-time editorial staff of 10.

"We call it pushing to the edge," said Daly, describing an organizational structure that relies heavily on freelance content producers and consumer-generated content.

Shawn Colo, founder and head of M&A for Demand

Media, credits much of the company's success with developing a highly efficient technical platform that makes it easy to launch new sites and new applications. More than 40 percent of the company's 450 employees are programmers or other tech developers.

Along the way, Demand Media has acquired a number of smaller companies, including Pluck, a brand familiar to many newspaper executives who use their social media software.

Pluck's client list includes: USA Today, Conde Naste, Gannett, Belo, and Hearst Newspapers, as well as Whole Foods, Kraft and the Dallas Cowboys.

On the Pluck Web site, the company describes its signature product this way: "As the leading enterprise-class social media platform, SiteLife's integrated tools power more than 2.5 billion interactions per month on 300+ leading digital destinations."

That impressive client list continues to grow, Daly said. "We just announced on Monday we're doing a deal with Trinity Mirror to power a bunch of their newspaper sites in the UK and Ireland."

Demand Media, which started with about $300 million in venture capital, also acquired many of its niche Web sites, including Livestrong.com, a health and fitness site built on the celebrity of cyclist Lance Armstrong. Other successful niche sites include GolfLink.com and Trials.com. With each acquisition, they've built the business by upgrading the social media technology, and then pouring on their 'secret sauce' to drive to new levels of traffic and revenue, often improving traffic by a factor of 10 in less than a year.

Today they report a total audience of nearly 80 million unique visitors across all of their sites, according to Google Analytics. Comscore (known for much lower traffic counts than Analytics) confirmed 24 million unique visitors and ranked Demand Media as the 38th largest network of sites on the Web by the end of 2008.

Another part of the organizational structure that is likely to surprise most newspaper executives is that less than a dozen people work in advertising. For the first few years, the company relied exclusively on advertising from partners, negotiating special rates with Google and Yahoo to deliver ads across their network of sites. They also run advertising from Right Media and Intellitext. After three years of profitability with that model, they are finally starting to build their own advertising team to sell advertising directly.

In addition to smart technology and easy access to advertising, Daly and Colo credit their success with their extraordinary efforts to develop community, as well as recruit and train an army of freelance contributors.

Freelancers must apply and are carefully screened to ensure a certain level of quality, Daly said. All of the articles on the site are put through a rigorous review process, and the company has developed extensive training materials for writers and producers. They're even starting a mentoring program so that more experienced freelancers can help teach new contributors.

For example, once approved, a freelance video producer can check out assignments for specific stories, such as a gardening story on planting spring flowers. It's the freelancer's job to find a local gardening expert and shoot an interview. Most videos are short, and although they don't pay much for each video, some freelancers are making as much as $60,000 a year by creating hundreds of videos for their sites each month. An ever-changing list of topic assignments provides steady work.

"We're trying to push as much of the production as possible out to the community itself," said Colo. "What we're doing is creating technology and tools to enable efficient creation of content from all of this excess skilled capacity that exists in the market."

Colo talks about humans the way he talks about technology. When he says 'excess skilled capacity,' he means the seemingly endless supply of talented writers, editors, and video producers the company has recruited to work on their sites.

Using a gardening site as an example, Colo described how Demand Media works differently from more traditional media companies. "If the Los Angeles Times creates a gardening supplement," he said, they'll probably have staff writers produce the content and they might produce videos or they might not, but the production costs are going to be fairly significant."

In contrast, Demand Media uses freelancers to create content at very low rates. In addition to writers and video producers, they also use freelance transcriptionists to generate the meta data that makes their content more Search Engine (SEO) friendly.

"Instead of relying on one or two editors sitting down and saying 'This year I think people are going to want to talk about roses,'" Colo said, Demand Media carefully monitors traffic to their sites, comments in discussion forums, and search data, to determine what content is likely to be most attractive to each niche audience. Using a complex algorithm — which they protect the way Coca Cola guards its secret recipe — they are able to predict what people are interested in and develop content to meet those needs.

"The beauty of the Internet is that you have real time, instant information about what people really want to read and what people are actually searching for, so you don't have to guess what people want," Colo said. "We've created a lot of science and technology to extract that information."

Once they identify a niche that they believe has a good potential audience, they do an analysis of how competitive the market is for that topic, and then factor in the potential for advertising around the topic. If it looks like a good bet, they build a new niche site, or acquire an existing one and apply their magic touch.

Many of their niche sites are highly targeted, focusing not on big niche categories such as pets, but on micro-niches they perceive as underserved, such as the care and feeding of reptiles.

In addition to their team of freelancers, many more writers work in exchange for a small percentage of the advertising income earned by their stories. On eHow.com, one of the company's most popular sites, anyone can contribute how-to articles. The more traffic the article attracts, the more the writer gets paid. Daly describes it as a win-win that has inspired an army of freelancers who create 30,000 pieces of content every month for all of their sites.

Many contributors to eHow are Midwestern housewives, Daly said, adding one of their most successful contributors makes about $1,500 month. A writer's income varies because it's based on a percentage of the advertising Demand Media makes across all of the articles she's written. Writers are paid as long as they continue to attract an audience, so evergreen content can bring commissions for years.

That kind of audience contribution – and reward – has built a highly loyal and engaged audience.

"What's really unique about eHow is that we built, from the bottom up, a very social-media centric site," Daly said. eHow now reports 29.6 million unique visitors per month, based on Google Analytics.

Daly described her interaction with another contributor who is making about $600 per month: "At first she was using it to splurge on the kids, but her husband runs a construction company that's not doing too well, so now that money goes toward the mortgage."

Compare that level of audience participation with the popular site About.com, run by the New York Times. At the top of every page on the eHow site is a prominent link that takes readers to detailed instructions for how to write for the site, how stories are edited and reviewed, and tips for promoting your own stories once they're published.

On the front page of About.com are the words; "750 experts here to help you," but if you want to contribute to the New York Times-run site, you'll first have to click on a small text link at the bottom of the front page labelled: "Work at About." At the time of this writing, a second click on "Freelance at about," found the message: "We currently do not have any freelance positions available, please check again for updates."

Daly said Demand Media's practice of constantly recruiting new writers and assigning them stories based on search and traffic data has made the company very nimble. "Just yesterday we put together a new announcement because we found that over the last six months, our traffic around articles related to the economy have increased significantly."

The model is to create a trusted brand like eHow, seed the discussion with freelance articles that are vetted and edited for accuracy, and then carefully manage the community to create comments and discussion.

Colo readily admits that their business model and tech-heavy organizational structure may not work for covering city council meetings or doing investigative news reports, but it's a winning model for niche sites, such as their highly successful humor and video site Cracked.com, and their science fiction fan site, Mania.com.

Cracks.com has a kind of an edgy voice, Colo said, "so we don't filter out the profanity, but if we were running a parenting site on the Miami Herald, we might do something different. You want to filter by topic."

Managing community involvement requires a tailored approach to each site. "Good community management is not a skill that's been around for that long," Colo said, noting many of their community managers started out in casual gaming and got good at managing community "because people were playing online and just kind of started chatting."

One of the keys to building community involvement, Colo said, is authenticity. "That's another word we use around here a lot. Is it authentic? Does it resonate? Because anyone can put technology on a site and call yourself a social network, but it doesn't mean it's real, it doesn't mean it's authentic."

Colo and Daly are both quick to point out that Demand Media doesn't run any news sites and that they don't see newspaper companies as competition.

"We consider newspapers our partners," Colo said.

Although newspaper executives would almost certainly be making a mistake if they completely changed to Demand Media's user-generated model and laid off their entire news and advertising teams, there are clearly many good lessons to learn from their success.

Not only can these strategies be applied to the growing list of parenting, pet, and other niche Web sites being launched by newspaper companies, it's also possible to imagine that newspapers could use a similar approach to acquiring or partnering with local community sites and bloggers.

"In years past we could have gotten away without really serving the needs of our consumers and advertisers. In today's environment, we can't."

Successful local news sites, such as the West Seattle Blog, by Tracy Record and Patrick Sand, and LA's Blog Downtown, are already attracting the attention of newspaper executives. Perhaps one way to add local news content in the midst of layoffs, is to acquire, or at least partner, with local bloggers and apply a model similar to the one used by Demand Media.

The Path to Customer Focus at the Sacramento Bee

Since the end of 2007, the Sacramento Bee's publisher Cheryl Dell has transformed the company's organizational structure, making the newsroom and advertising departments responsible for all of the company's products, no matter how they are distributed, and making everyone more aware of the needs of the audience. She started by transforming the circulation department into Audience Development and Membership Services.

"It's a long name," admits Daniel Schaub, the former VP of circulation, who now heads the new department. Schaub, who has been with the Bee for more than six years, notes that a key part of Dell's strategy is to put customers first and make market research an ongoing part of the business.

The organizational charts shown here illustrate the changes to the management structure of the circulation department at the Sacramento Bee.

The Bee's new model has gotten some buzz in the world of newspaper publishers. "We've had dozens of newspapers come and look at our model," he said.

As part of the transformation, the Sacramento Bee purchased a wide variety of consumer data and began doing regular audience surveys and focus groups, building up a database of more than 800,000 households in the Sacramento market.

"We know who plays golf, who has a pet, who takes a vacation. We talk to customers every month," he said.

Schaub's department routinely surveys 200 to 1,000 people for each product. "Online is easy because we use online polling," he said. "In print it's tougher, and we're talking to more like 200 people per month. Our folks are not experts at content," he added. "We're experts at telling you what consumers feel when they arrive, and did they get what they want."

Before the reorganization, the paper had a separate New Business Development Group, he said. The news team was responsible for some content, but not all of it, and advertising had specialized sales people. Now, as part of the reorganization, all content — for print and online—is created in the newsroom. And advertising is responsible for selling across every platform.

One of the results is that their ad team now takes a far more consultative approach.

"Advertisers need options," he said. "Our brand needs to be the one that can bring all of the options to them. When you start saying, 'I can't talk about that option, I'll have to have someone else get back to you,' that's Old School. We wanted to get the team here to recognize that although the print product is our staple today, we've got to embrace other products and go to market with the same priority, enthusiasm, and commitment. Some households are never going to see value in the print paper," he said, "but they may see value in our wine site. We've shifted to a company that has a whole portfolio of products."

Today, Schaub said, the organization has three pillars: content, advertising (business to business) and audience development (business to consumer). "Everyone understands that we're now a portfolio of products and every product matters.

"The biggest challenge, he said, "starts with the reality that 80 percent of the revenue still comes from only one of our products. If we abandon the core too soon, we're not doing the right thing. You have to balance the short and long term. If you put 80 percent of the innovative folks on 20 percent of the revenue, you can hurt yourself."

Part of Dell's plan was to create a series of new niche Web sites. In 2007, the company launched two new Web sites: a mom's site called SacMom.com and a political site called Capitol Alert. In 2008, they followed up with a pet site, Sacpaws.com, and a wine site, SacWineRegion.com.

To identify the best niches in their market, Schaub said they drew on their in-depth knowledge of the market, including their many databases of information, traffic information, search statistics and many other resources.

It was the job of the Bee's Market Analysis Group to identify each niche. Then the other divisions of the company weighed in on whether there was enough content to support the site, how much of an advertising opportunity they could expect, and what kind of audience they might be able to build, he said. Once all of these groups agreed that a niche site showed promise, they moved forward.

"We looked at consumers in the market and affinity to different types of products," he said, noting it was easy to determine that moms represented a large potential audience that would be valued by advertisers.

When asked about their success, he said, "We're not walking on roses, the economy is tough, our housing market in California is a disaster. This is probably the most challenging time I've seen in this business, but last week our audience had increased by 100,000."

That's an increase of about 9 percent, he said, quickly noting that some of that audience may be duplicative across their five Web sites and multiple print products. But it speaks to another big change. They used to only report print circulation, now they look at their reach across all of their products.

On the Advertise page at SacBee.com, the company reports a weekly audience of 968,863 adults, 61.7 percent of the market, and a monthly audience of more than a million, or 71.4 percent of adults in the market. If you look at the combined reach of all of their products, including direct mail and a Hispanic publication, Schuab said, "We touch 99 percent of households."

Another big change is their online loyalty and member benefits program, he said. Subscribers to the print paper get free membership and anyone else can buy a membership for $12 a year.

Member benefits include discounts from advertisers, tours of the newspaper (a popular choice), and a series of events where people from the community could come to hear from experts, including the paper's photographers, columnists, and IT staff, as well as community leaders, like the local NBA basketball coach.

"The basketball coach was the most popular session when the basketball team was hot," he said, "but now they're not playing so well, and more people want to know about how to run a cost-effective household."

A key part of the strategy, Schaub explained, is making sure the entire organization can react quickly when the needs of readers and advertisers change. That works best when everyone is focused on the audience and working on all of the company's products together.

Another big change is the way the Bee handles customer complaints. "It used to be that if you had a complaint about our Hispanic product, you went to one phone line, if you had a complaint about the Web site, you went to another phone line or to an email address."

Now all complaints go to the membership services group and the membership services manager has the authority to resolve issues quickly and decisively. "If a customer needs a credit, she gives them a credit. If a customer can't log in to the membership site, she can change their authorization and access. It used to be that stuff got buried," he said, "and we were messing around all day long with customers that had little issues."

There was some resistance at first to centralizing how the paper handles complaints, but now he says, most people are saying: "Why didn't we do this before? It frees them up."

Should you 'embed' online journalists in the newsroom or cast them out on their own?

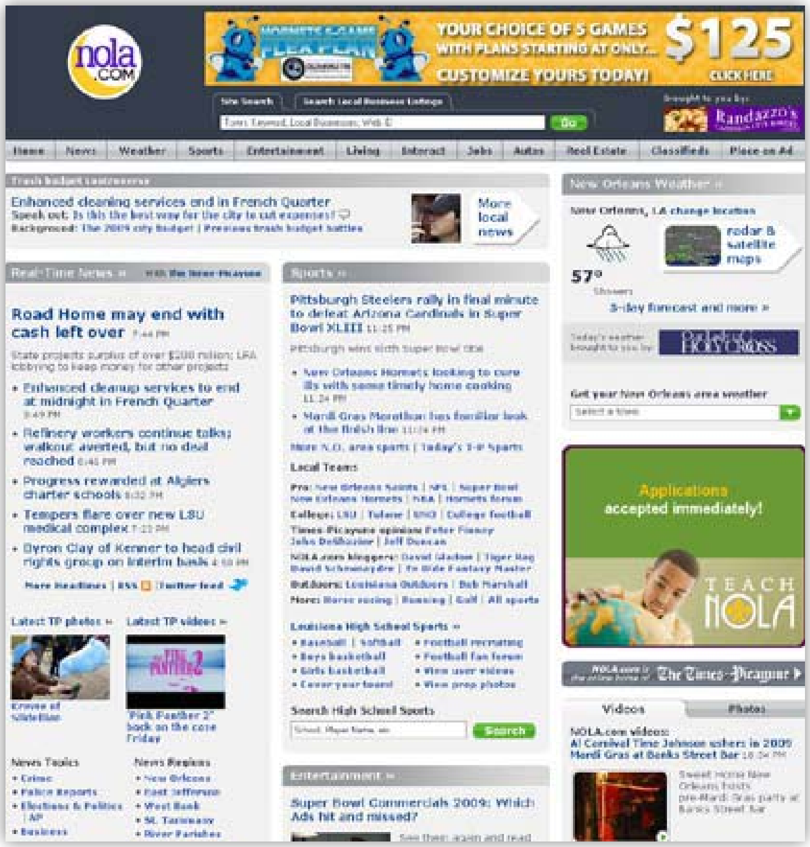
Cory Tolbert Haik is the director of content for SeattleTimes.com, her latest "made up title" and her first experience as an embedded journalist in a newsroom. Haik seems to enjoy making up names in a profession where, she says, "It's really important to deconstruct people's titles and ask them exactly what they do."

One of her favorite tasks is "Weberprising," a term she coined to describe the process of working with reporters, photographers, and editors to find the best way to present a story online.

Being able to participate in the development of a story is one of the greatest advantages of being an embedded reporter, she said, contrasting her experience in Seattle with what her life was like when she worked as the managing editor at NOLA.com in New Orleans. Haik was part of the Pulitzer prize-winning team who worked at the Times-Picayune in New Orleans during Hurricane Katrina.

Speaking at a seminar at the Maynard Institute in Oakland, Hiak, who also serves as a board member for the Online News Association, spoke candidly about the differences between working in an online department that was in a separate building from the newspaper in New Orleans with working in the middle of the newsroom in Seattle.

"You have more editorial control if you're separate," she said. "You don't have the ME walking over and saying 'I don't like the treatment you're giving that story.'"



You can run stories as you please, work more efficiently, and be more nimble and savvy about Web development, she added. But working independently from the news organization can create a huge disconnect.

"The newsroom staff can get frustrated because they don't have any input," she said, adding reporters and editors often don't understand the decisions made by online staff.

As an example, she recalled a day at the Times Picayune when a reporter was upset because a special report that was important in the paper didn't get much play online, but a promo for a New Kids On the Block photo slideshow was at the top of the page.

"There's a double standard," she said, one that can make people on the Web team frustrated. "Print folks want online staff to come to their meetings and get sign off on how things should be presented online, but the second you turn the tables on a print person and tell them they have to have someone from the Web help them decide what they're going to do with the new Living section…."

"People on the Web are still considered 'the crazy idea people.' Most of our control over content comes after the fact."

Working in the newsroom in Seattle, Haik said she's had more success changing that double standard and helping shape how news is covered from the start, because her team sits in the same room as the paper's reporters and editors. Her best days, she said, are when she gets to help tell a story in a different way, "when a reporter comes to me and says, 'I have a story…' and we can work together from the beginning before the story is even fully conceived."

The hardest thing to teach about online journalism isn't the technical skills, she said, it's what she calls 'online sensibility.'

When Haik gets to work on a project from the beginning, she gets to help determine if the story would be best covered with video or audio or a simple online slide show. "I want to further the medium," she said, adding you have to constantly ask questions, such as "Does this Flash graphic really help tell the story?"

When online staff are in the newsroom, they find more opportunities to share that sensibility, but it's not a skill set that can be developed quickly. In the meantime, she said, "I want to work for someone who doesn't understand what I do and lets me do it anyway."

In the end, it's about building the best team

Although most media executives now agree that a more audience-focused, team-based approach is the best model, one should never forget that no organizational structure will work if you don't have the right people working together.

"It's not about where they sit, it's about how you structure the newsroom to empower innovators," said **Ken Riddick**, vice president of digital media at Hearst Newspapers. "At the end of the day, it's about your team."

"As a manager, when I go to structure my business, the first thing I consider is the dynamics of the personalities in the room. You want the people who complement each other to drive your business," he said. "It's about where the greatest ideas are going to come from and where the challenges to those ideas are going to come from."

"I'm committed to learning how consumers want to consume our products," said Riddick, who also serves as president of NAA's Digital Media Council. "We need to recognize that people have choices today and that is a fundamental market difference. We need to develop a way of constantly responding to our audience and innovating on an ongoing basis, because the environment is constantly changing, the rules are constantly changing. By the time we get a new technology in place and get everyone trained on it, the early adopters have probably already moved on to something else.

"Our job is to bring the fragments together. Newspapers have always thought of this monolithic audience, that everyone is all the same, but that's all changed. The challenge is to get the right ideas and the right people in the right mix."

Best Practices

Develop an ongoing process of identifying opportunities based on audience-focused data

Good ways to gather audience-focused data include:

- Reviewing traffic trends on your current Web sites
- Buying and/or building consumer databases
- Search engine reports from keyword services
- Conducting regular online surveys
- Gathering focus groups to review new products and make changes to old ones

Provide training and editing for freelancers, contributors, and community managers

- Create how-to guides for contributors that are posted on your sites
- Provide clear guidelines about the editorial process and what contributors can expect
- Empower your best writers and editors to train and mentor newcomers

Reward contributors and community managers with tangible benefits, such as:

- Prizes and awards
- Titles, increased responsibility, and other forms of recognition
- Cash (cash payments can be tied to traffic to ensure compensation is commiserate with what your business is earning from the content)

Get reporters and editors thinking about the Web before they cover a story

- Pair print reporters with online staff to share ideas about how best to cover stories
- Make reporters more responsible for developing their stories online as well as in print
- Include online staff in decision-making about the print product, as well as vice versa

Invest in technology to better manage niche products and user-generated content

You can supplement your own team by licensing technology from companies such as:

- Pluck.com – social media platform and tools
- nStein – known for its experience with the Symantec web, which can help newspapers automate the process of gathering niche content for new web sites, as well as optimize that content for better search engine results

Additional Resources and Reports

NAA Horizon Watching Report: Achieving Strategic Alignment

NAA's Innovation in Action Cast Study: Schibsted Media: A Model for Global Innovation

NAA's Innovation in Action Case Study Series, Part II: Gannett Going 24/7 With Local Information Centers

Janine Warner. I often joke that I'm a journalist turned "geek." I'm a passionate supporter of newspapers and I especially enjoy consulting with media companies.

I started out as a reporter and editor and still love the smell of newsprint, but I got interested in the Internet in the mid 1990s and have focused more on digital data ever since. In 1998, I was hired by The Miami Herald, first as their online managing editor and a year later, as Director of New Media. That changed to Director of Operations for KnightRidder.com when the company spun off the online department. I left that position to run CNET's Latin American operations in Miami.

Since 2001, I've run my own consulting and writing business. I've authored more than a dozen books about the Internet, including "Web Sites Do-It-Yourself For Dummies," and "Dreamweaver For Dummies," now in its 8th edition, and I've created several training videos on Web design for TotalTraining.com.

I've had the honor of speaking at conferences, events, and universities in places as diverse as India, Russia, and El Salvador. Because I speak fluent Spanish, I regularly travel to Latin America and Spain. I've also taught online journalism at the University of Southern California and the University of Miami.

I have three web site: my profile site at www.JCWarner.com, my web design and consulting firm at www.ArtesianMedia.com, and a web design training site I created at www.DigitalFamily.com.

Evaluating Success And Failures

Chapter 8: Newspaper industry observers, viewing the history of doomed projects that became bottomless money pits, while promising initiatives were smothered in their cribs, can perhaps be forgiven for feeling like the Biblical Job: "Why do the wicked flourish, while the just perish?"

This chapter examines the evolving ways that media companies are looking past the simple P&L numbers, to new and more complex benchmarks that provide a better means by which to predict future success or failure. The dos and don'ts here are a handy way of responding to short-term feedback "at Internet speed" while not losing sight of the long-term strategic goals.

Since writing this "Know when to hold 'em, know when to fold 'em" chapter, Kevin Featherly says he cannot get that Kenny Rogers song out of his head.

Digital Initiatives

Hold 'em, or Fold 'em?

What is the point?

You must look beyond just your profit-and-loss statements to determine whether to save or kill off a new digital product.

Why should I care?

Because newspaper companies have a spotty record when it comes to killing off products it should have saved, and allowing products that deserved to die to linger on too long. Too many organizations aren't really making full or effective use of the traffic data they get from Google Analytics, Omniture and MetaTraffic.

What can I learn from this?

That—unfortunately—there is no single magic-bullet metric that will tell you what to do. Instead you will have to draw from a synthesis of ideas and numbers to develop a holistic approach to success and profitability in your digital initiatives.

By Kevin Featherly

It may seem counterintuitive, but here is what newspaper companies need to know about the success or failure of digital products: It is crucial to look beyond the matter of whether the ink is flowing red or black when measuring the success of digital products and initiatives. The issue of money cannot be ignored, of course, and Harvard Business School professor **Clayton Christiansen's** statement still rings true: "Managers must be patient for growth, but impatient for profitability."

Impatience, however, does not equal attention deficit disorder, and the first half of Christiansen's statement is as important as the last. Making money may be the ultimate benchmark for success of a digital initiative, and certainly the history of newspaper companies is rife with online experiments that languished far longer than they deserved to—Viewtron, anyone? No one wants a new resource drain.

Nonetheless, there are other important benchmarks besides instant profitability to consider:

- What do the online traffic numbers look like?
- How is user engagement going?
- Is the product providing a valuable user experience?
- Are users commenting on your stories, or forwarding stories to friends?
- Is the content appropriate to the medium?
- Are advertisers showing interest?
- With just a bit of patience and persistence, can a revenue model emerge?

This report draws on the experience of several organizations that have looked at metrics beyond whether the numbers on the lower right-hand side of the spreadsheet are red or black. Some have achieved some early successes, and one has gone bust. All of them have interesting insights and experiences that might hint at answers to the questions of when to hold 'em, when to fold 'em, and what metrics to watch while you're trying to decide.

Interviews with media-company leaders were conducted in preparing this report, which draws on their lessons to reach its conclusions. Three are ongoing news initiatives, one has decided fold up the tent, and the last works in publishing outside the news business—in the equally traditional hidebound education industry. They include:

- **Gatehouse Media**, Fairport, N.Y., and its online-only news Web site **The Batavian**. (Batavia, N.Y.) The Batavian is a direct challenge to The Daily News, a Batavia Newspapers Corp.-owned publication that has operated in the city for many decades. Gatehouse owns no newspaper in Batavia and decided not to launch one. TheBatavian.com is attached to no mothership publication, and must live or die by its own devices.
- **The Enthusiast Group**, Boulder, Colo., was an entrepreneurial endeavor headed by well-known *Editor & Publisher* columnist **Steve Outing** as an experiment in social media and user-generated publishing. The company built five thematic Web sites around mountain biking, rock climbing, cycling, running and equestrian sports. It showed some promise in terms of audience reach and participation, but the company couldn't reach its goals and sold out after one year.
- **Minnpost.com**, Minneapolis, Minn., is a nonprofit news organization founded by former Minneapolis *StarTribune* publisher **Joel Kramer**. MinnPost was launched on the strength of $1.25 million in foundation grants and private and corporate donations, and is the home base of a bevy of former Twin Cities metro reporters who have been laid off or bought out by the two competing local dailies. MinnPost is Kramer's effort to prove his theory that high-quality journalism, in today's evaporating market, can flourish only in a nonprofit setting.
- **Publish 2, Inc.**, Reston, Va., has created a new "link journalism" platform for journalists—including freelancers, news bloggers, citizen journalists and student journalists, that aims to create a journalist-powered news aggregator. Several newspapers, including the Dallas Morning News Web site, have adopted the platform as a means of aggregating quality content from around the Web and directing their readers to it. Ultimately, entrepreneur **Scott Karp** wants to create a platform that will challenge the Associated Press by providing online news aggregation that, far from exacting the steep fees the AP charges, would furnish participants with a new ad-based revenue stream.

Some of these companies are more willing than others to share inside information on the metrics that they think would make or break their fortunes. But all have interesting and valuable insights into their own operations, and the future of digital media.

What they all suggest is that there are non-monetary data points that should be integrated into any evaluation of a digital initiative. Integrating these into your analysis might mean that a newspaper company can save a digital product that would eventually make money, or, conversely, to quickly kill off a product that, while looking good short-term, might threaten to morph ultimately into yet another resource black hole.

The Batavian

Long-term Goals, Not Long-term Plans

The Batavian

The Batavian is a community news site in Batavia, N.Y., owned by Gatehouse Media, a company that owns and operates nearly 400 local newspapers, and 265 news Web sites in small- and medium-sized markets concentrated in the Midwest and East Coast.

Says **Howard Owens**, Gatehouse's director of digital publishing, "We still have a lot of faith in our papers—especially in our markets—but at the same time, we see what is going on with the industry and what the trends are." If those trends are working their way down to smaller newspapers, Gatehouse wanted to be prepared.

The Batavian was born when Gatehouse Media started asking a few simple but profound questions:

1. What should we be doing online that we're not doing?
2. What should we be doing that is separated from the traditional newspaper? How do we transition the company to more of an online sort of thing?
3. What would that look like?
4. How do we get there?
5. What's the model?

Batavia, N.Y. was chosen as the location precisely because Gatehouse has no print-based newspaper there, though another company in the western New York mill town did publish a daily. Gatehouse's idea was to start an online publication that would operate without serving as a junior partner, or worse, as a content dump for an incumbent newspaper. And to see if such a site could make money. The site's business formula involves keeping costs down to quickly achieve profitability.

In that spirit, the site has hired just two full-time staffers, a news editor and a sports editor who cover news on their respective beats while marshalling and responding to the site's voluminous user-generated content. Because there is no print component, staff salaries and modest marketing costs comprise the bulk of expenditures.

The site takes a "blog the news" approach to newswriting that Owens sees as the most appropriate voice for the Web. It's a more personal approach than is generally allowed in print. "The blog format, I think, is superior for reading news online," Owens says. "People can comment and post their own news, and seem to like that. And because of the efficiencies of online publishing, we're able to produce more and varied content than thedailynewsonline.com."

For Gatehouse, raw traffic—not revenue—is currently the key progress metric. "Our metrics show that we're reaching on a monthly basis about 10,000 people in Genesee County," he says. That, he says, is satisfactory. By contrast, the daily newspaper has a circulation in the county of about 11,000.

Owens doesn't bother breaking his traffic numbers down demographically. He knows that the site's average reader is better educated and more affluent than his or her peers, and younger than the average newspaper reader. So the site caters to that group. Anecdotally, he says, he sees the site hitting its stride locally. In a few cases, users have valuable generated "citizen journalism" stories, while in others, the give and take between staff and users has helped News Editor **Phil Anselmo** chase down hard-news pieces that the local daily was then forced to pursue in response.

The Batavian does not track precise data on the number of users who are commenting on stories, or forward links to their friends, but both those activities are key. "We have some good conversations, and with little of the rancor and noise you sometimes see on newspaper Web sites," Owens says. A new "e-mail-to-a-friend" link that was posted in early December had been used about 40 times in its first two weeks. Best of all, the site is generating local buzz.

"I'm really pleased, when I go into community events and talk to people, with the reception that we get," he says. "People who have found they love the site, and that's really exciting."

Owens says that newspapers over the years have taken a beating for failing to invest enough R&D money to invent YouTube or Facebook, to get out in front of burgeoning social-media trends. He disagrees. TheBatavian.com was not an expensive launch.

Now, however, it's time to turn the site's attention to revenue. TheBatavian.com, which launched in mid-2008, has yet to earn any money, much less turn a profit. The focus in the early going has been on building up the site. "I'm habitually a restless person, but I'm pleased with our growth so far," he says. "I think we've gotten to the point where we're getting enough traffic that I think we should be able to sell advertising to that, so that's really the next focus."

Gatehouse has mapped out a timeline for site profitability, but Owens would not discuss it for fear of tipping off the competition. He is currently working on a new sales plan, and is optimistic about closing several accounts in January 2009. "It's just a matter now of getting advertisers comfortable with dealing with us," he says.

As to the site's long-term prospects, Owens makes no predictions. "Is there any such thing as long-term on the Web? First of all, we've got to get this right today," he says. "I think we're all kind of learning from it, getting ideas that some day maybe we can incorporate with our more traditional product offerings."

The Enthusiast Group

Editor & Publisher columnist **Steve Outing** is passionate about the news business. He is also a fanatical mountain biker. One day, he decided to combine those interests. He got a partner from Boulder, **Derek Scruggs**, who had done some previous Internet start-ups, and they forged a plan to launch a network of social media Web sites for sports enthusiasts, relying largely on user-generated content.

"We wanted to create a place that all these people would come together, people that were really passionate about a sport," Outing says. "We thought that it would be a really cool and more modern alternative to getting your climbing magazine in the mail." The idea attracted some investors, and before long they procured several hundred thousand dollars to launch The Enthusiast Group.

Five sites were launched in 2006, devoted to the individual sports of mountain biking, cycling, rock climbing, equestrian sports and running. Outing says that the plan called for monitoring page views and site visits, but that the primary metric he and Scruggs watched most closely was the number of registered site users. After some debate, he says, they decided that users would have to register with each site individually in order to contribute and participate in their user forums.

Each site had its own editor, an "enthusiast-in-chief," brought in from the ranks of pro and semi-pro athletes. Those athlete-editors managed user content, exchanged messages with users and contributed editorial material—including some video and audio podcasts. Among the paid site editors was **Katie Brown**, a revered, world-champion rock climber.

"The idea was that there would be this star at the center of it, but then there were also all these tools to really encourage folks to share their photos and their videos

YourMTB.com, the first of five Enthusiast Group Web sites, concentrated on mountain biking.

and stories," Outing says. Outing hoped that users would interact, share sporting war stories and even use the sites as a gathering to plan group outings. That is exactly what happened in one case, when a group of Colorado Springs rock climbers found each other on the network and formed a rock-climbing club.

Unfortunately, the network soon ran into problems. None of the sites amassed the hoped-for 5,000 registered users; the mountain biking site YourMTB.com, the most successful of the five, managed to bring in only 2,000. In addition, generating ad dollars in the individual sporting space proved a huge challenge.

"A lot of the advertisers were different for each site," Outing says. "There were certainly some advertisers that would cross over into most of the sports we were doing, but there were a lot of companies that would only do climbing equipment and stuff, and that was really only relevant to that one particular site. So that part of it was definitely challenging." To make matters worse, expected revenue from Google AdSense contextualized ads never really materialized.

The main problem, however, was that the sites never really gained traction with users. One site, yourclimbing.com, did manage a promising 100,000 unique visitors per month, mostly on the strength of Katie Brown's star presence. But other sites drew far less traffic. Their editors weren't as well known, though they did uniformly good work. Perhaps the heaviest drain, however, was that user-generated content, while sometimes compelling, failed to gain any traction with the intended audience.

"You'd kind of go to the content and you'd see some stuff that was pretty good and some stuff that was kind of boring," he says. "A lot of people, I'm guessing, did not really get hooked on it because there wasn't enough great quality content."

Outing says he made one key miscalculation. He thought going in that there would be many more sporting enthusiasts who shared his own level of passion, and who would want to spend significant time engaging in online conversations. "I think that turns out to be a pretty small minority of any niche group," he says.

In 2007, with the seed money running out and incoming revenues too slim to make up the difference, Outing and Scruggs pulled the plug. Eventually they were able to sell to another entrepreneur who has maintained the five site URLs, but activity on the Enthusiast Group sites today is at a virtual standstill. Looking back, Outing faced the usual problem—he was unable to monetize traffic. Rather than point to a deficit in any particular user metrics, however, he blames a lack of truly high quality content for failing to ensnare site devotees.

MinnPost.com

"If I had it to do over again, I would go on with a model of trying to get a bunch of pro athletes for each sport involved," he says. "I think that could be really interesting." That, however, would have required more capital than the business had access to, he acknowledges.

Outing says that it's possible he and his partner might have been a little bit ahead of their time; social media is only now starting to take off. He says that if he had somehow received another round of investment money, he would have kept the operation going, because he thinks the idea—with some tweaks—is promising. He might have been even been able to grow the network and sell it to a large media firm—perhaps a magazine publisher with sports titles interested in delving into social media.

That didn't happen, of course. Still, Outing says, "I think there is perhaps something there. But if I had it to do again, perhaps I'd do it differently."

MinnPost.com

Former Minneapolis StarTribune Publisher **Joel Kramer** believes that in today's news-business climate, high-quality journalism can only be produced in a nonprofit environment. He's putting that theory to the test. Kramer announced the launch in August 2007, at a point when the two local metro dailies—the StarTribune and the St. Paul Pioneer Press—as well as the alternative weekly, City Pages, had completed several rounds of layoffs and buyouts.

Many newspapers, he says, still have good readership but their high debt-service, print and labor costs are swamping their ability to generate profits. That creates an opening for a local online publication for serious-minded journalism with a lower-cost, non-profit model.

MinnPost started out with $1.25 million in seed money raised from Miami's Knight Foundation, Minnesota's Blandin Foundation, and several corporate donors. The money allowed the site to pay for set up costs, hire several editors, and bring in 25 veteran Minnesota reporters to work for the site on a freelance basis at launch. Over the past year, two noted Twin Cities writers—**David Brauer** and **Eric Black**—have been brought in full time, and a half-dozen others are on retainer and paid a flat weekly rate to contribute.

Kramer and the MinnPost board of directors went into the project with a business plan that called for first-year revenue to comprise one-third advertising, one-third National Public Radio-styled user donations, and one-third foundation grants, plus reserves. It hasn't gone quite according to plan—so the percentage formula for next year is 35-35-30, with ad revenue comprising the smallest slice of the pie.

"We certainly did not break even this year," Kramer says.

"Next year we intend to break even, with the foundation grants. Our plan, though, is each year after that we will need less from foundations. So that by 2011, or at the latest 2012, we will be able to break even without the grants."

The challenge is steep. MinnPost spends more than $1 million a year on content—a lot for a startup. That is why the business has chosen to go the nonprofit route. Kramer believes that a for-profit model cannot support serious journalism in the Internet age.

"It is difficult to see how to make money with high-quality work," Kramer says. "It costs a lot of money to create that content, and with the advertising dynamic on the Web, it's very difficult to monetize the traffic adequately to cover high cost."

Intuitively, it would seem that MinnPost has made life even harder on itself by refusing to bring its ad rates down. "We're resisting the very deep discounting that is going on in the market, so we won't get as many ads, and we won't fill every space because we're more of a boutique advertising buy," he says. "We are aiming for advertisers who see real value in the quality and the tone of the site, and are willing to pay to be associated with it."

As a result of its strategy of keeping ads a high-value proposition, he says, the business has to work hard to develop a relationship with each advertiser. "We felt that kind of cultivation takes time," he says.

"The good news—and this is really good news, it's probably the best, most optimistic thing I can say—is that we are holding the rate," he adds, "and we are getting a lot of repeat customers. In other words, they are happy with the results."

That's true despite initially disappointing traffic. MinnPost projected it would get 400,000 monthly page views at launch, but the number was initially closer to 250,000, Kramer says. Nonetheless, the site over time has hit some important traffic metrics. It has increased page views by the anticipated five to 10 percent each month, to an average of 20,000 a day.

"We increased the unique visitors 75 percent in just six

Is Your Business Content or Distribution?

If you think you're in the business of creation, you've got a problem, according to **Scott Karp.**

Karp is a Washington, D.C. area entrepreneur whose Publish 2 platform ultimately hopes to supplant the Associated Press. It would do that by opening up its publishing platform any qualified journalist—be it a blogger, freelancer, staffer or student reporter—then making that content available to participating news organizations, all for free.

Newspapers could make money on the deal through an advertising arrangement that Publish 2 was still developing at the time of this writing.

Karp says that when a piece of content is published on the Web, its economic value as a standalone piece is lower than it was when it was part of a print package. He says while newspaper companies well understand this, they often fail to grasp what it means.

"I think a lot of newspaper companies, or other media companies, are looking at the Web as a content problem, but in fact the economics of their legacy business was never about content," he says.

It was all about the value of distribution, Karp says. "It was all about the feeling that you could package up the editorial content with lots of other things—with classified ads and movie listings and freestanding inserts, and to put it on a truck and deliver it. You were the only ones in your geographic areas who'd do that."

The Web destroyed that monopoly, he says. But no one seems to be talking about how to get back into the distribution business. The value of the content hasn't changed, he says. The context of distribution has. "I think a lot of the wrong questions are being asked."

Says Karp: "I think one of the difficult things for a newspaper company is that they see themselves in the content business. But they've never really been in the content business."

months, from April to October," he says. "So the traffic growth is very good. This year overall might actually have been ahead of the plan." Kramer says the site lived off its reserves in its first year. In 2009, it plans to bring in enough new foundation money, advertising and memberships to leave the reserves alone.

MinnPost tracks traffic patterns using Google Analytics, and Kramer says that the numbers have taught him crucial lessons about the kinds of stories MinnPost should publish. Readers clearly like the site's political and media coverage, he says. They also like their stories short.

"Short items get as much traffic as long items," he says. MinnPost has a fairly serious, educated audience, he says, but even serious and educated audiences have short attention spans online. "The data don't lie," he says. "You see it every day. You see what works."

So what's the long-term plan for the site? Editorially, Kramer says, there isn't one.

"In the Web world, I don't think we can do what you'd call long-term planning," he says. The reason for that is the instant feedback. You have real-time data about what works and what doesn't. And basically, because the Web is more 'written in water' than print, you can try things, and you can scrap them and do something else. We do lots of what I would call short-term planning."

However, MinnPost has definite business goals, he said. By 2011 or 2012, when the site breaks even, for example, he expects it will be funded 50 percent by memberships and 50 percent by ad sales—without any further grants. Growth metrics for traffic and revenue will continue to be analyzed. And if they stagnate or fall, the plug might have to be pulled. But no one is talking about that now.

"It's easy to pull the plug if you're not making any progress," he says. "And it's easy to be thrilled if you're exactly on it or better. Obviously the hard area is when you're making progress but not as fast as you wanted. Then you have to recalculate: Given what we've learned, if it takes us five years to get there instead of four years, how do we feel about that, and are we willing to keep investing? I think that's the way any business operates."

But MinnPost is making good progress, Kramer says. "People are feeling good."

Don't be Trigger-happy, But Don't Dither

The examples in this offer no clear conclusions on the main question—how do you know when to pull the plug on a digital product? Steve Outing bailed out on the Enthusiast Group after only one year after determining that the money was running out, the audience wasn't reaching a critical mass, advertisers weren't yet receptive to his product and the content was not quite good enough. With more money, he and his partner might have continued to make a go of it by hiring better-known star athletes as "enthusiasts-in-chief," but that was not to be.

At the time this article was wrttien, Gatehouse Media shows no signs of abandoning its efforts to make The Batavian a success. Asked under what circumstance the product might be killed off, Howard Owens replied: "If we saw any kind of serious decline in traffic, that would call into question any number of things about our content approach. If after several attempts, when we run out of ideas to try to get advertisers to accept what we are doing and don't make any progress, I would think that would be a bad sign."

MinnPost, as well, is going strong for the time being. Kramer and the MinnPost board have no plans to short-circuit their intentions of operating until at least 2011. But in the worst case, shutting down the operation is obviously an option.

"We have to be making progress every year toward the plan," Kramer says. "That's what our board looks at—does the plan make sense? Are you on the plan? Roughly? No one ever expects these numbers will be exactly what were in the plan, but in rough terms are you on the same schedule?"

While there seem to be few cohesive lessons to take away from these examples, we can suggest a few:

- Don't be too trigger-happy. The news industry is rife with examples of digital initiatives that weren't given a long enough germination period to show whether or not they were viable. MinnPost's board is giving Kramer a four-year window. The axe may fall at that point, but the operation will have been given its chance.

- Don't dither. Outing's Enthusiast Group had options, though they might not have been great ones. It could have sought more funding. There actually was a brief attempt to convert the organization by taking lessons learned doing social media and creating a social marketing company—but that was outside Outing's area of interest and expertise, and the effort was dropped. Outing still thinks that publishing social-media Web sites for sport enthusiasts, with some tweaks, might work. But the company did not have the resources to keep alive a business that was not showing the required results. So after only one year, the plug was pulled.

Randy Black, vice president of technology development at Voyager Expanded Learning in Dallas, Texas, works in a publishing world that caters to education, not news. And while these are disparate businesses, in many ways the two share important similarities. Both stand at the forefront of community education. Both are hidebound by long-standing traditions in business method and labor practices that make it difficult to adjust to rapidly changing customer needs. Both are turning to technology to serve their constituencies—and Black's publishing company, which creates digital education packages to assist students who have fallen behind—is trying to make money off of that shift.

Black says he doesn't have a lot of experience in abandoning digital initiatives once they are launched. In fact, he wonders if that is even a smart consideration. "Once a product is out and it has some viability in the market," Black says, "I really think evolving it is the right answer." However, he adds, "I don't know when you stop evolving it."

If he did, he suggests, he could become a very rich industry consultant. "I wish I had a crystal ball," he says. "Sometimes you don't know. It's a tough question. I wish I had the answers, because you could be way more successful if you did know. It is a learning process."

Resources

1. Track user statistics, rather focusing solely on profit and loss:
    - Number of comments on stories
    - Frequency of users forwarding content to friends
    - Time spent on site
    - Complaints from users
    - Complaints from advertisers
    - Number of registered users
2. Avoid building too much of the business plan around free contextual ad placements such as those provided by Google AdSense.
3. Seek out feedback in community at events and gathering places.
4. Track the amount of time editors and reporters are having to spend cleaning up user-generated content – there can be a real hidden cost to "free" content.
5. Maintain a flexible mind-set – if the numbers coming back indicate that the audience is responding to content that was not initially emphasized, be willing to change the strategy.
6. Celebrity involvement or "stunt" content generation can boost numbers, but is no substitute for consistent user engagement.
7. When you run out of reasonable ideas on how to jump-start a product, cut your losses and walk away.

Kevin Featherly left journalism briefly in 1992 in a vain attempt to transform himself into Jack London (a disastrous experiment in Bering Sea commercial fishing). Needless to say, the transformation didn't take, so back to journalism he went. Featherly worked at a several local newspapers in Southern California and Minnesota between 1988 and 1996 before leaving the print business to help found Channel 4000, a news Web site affiliated with WCCO-TV and WCCO Radio in Minneapolis, and later Channel 2000, a site affiliated with KCBS-TV in Los Angeles. He was managing editor at Washington Post Newsweek Interactive's Newsbytes.com service from 1999 until the site folded in 2002. He has also worked at various times as a Web editor at the St. Paul Pioneer Press, and a McGraw-Hill healthcare IT magazine news editor. Today he is a Twin Cities freelance writer, communications consultant and occasional blogger. He obstinately refuses to text, but does occasionally Twitter.