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## Planting New Ideas:

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After hearing Tuesday's news conference, some people hit me (once again) with the "sky is falling on newspapers" story line. Here's what I said to them: 95% of 18-29 year old Michigan residents read a print or online newspaper every week.\*

We're in a state of transition from a single print product business model that's worked pretty well for 400 years, to a model that deploys a variety of products—print, online and mobile—to deliver content that's tailored to a wide array of niche audiences.

Clearly, some newspapers are struggling to bring their operations in line with this new market, but we can all take a cue from the music business: people are still buying music; they just aren't buying record albums in record stores. So it will go with information: people will still buy or at least search out certain types of news, they just may not all buy it printed on newsprint.

Different companies are responding to this challenge in different ways. In my view, the successful ones will be those that are willing to leverage their brand to deliver local-centric news in multiple formats. But in order to do that, you have to make changes in your organization. Guess what SONY's first product was: electric blankets! They're not in the "electric blanket business" any more... but they are in the consumer electronics business. Not all "newspapers" may always be in the "news on paper" business... but many will be in the news business.

Mike MacLaren  
Executive Director

\*Results are based on a study released in 2008 by American Opinion Research. Find out more at [MichiganPress.org](http://MichiganPress.org).

## Detroit Media Partnership takes bold steps

The decision to scale back home delivery of the *Detroit Free Press* and *the Detroit News* drew a mixed reaction Tuesday from several analysts who follow the newspaper industry.

Emphasizing the most popular days in print and further boosting Web sites could be a financially viable business model that other publications end up following, the analysts said. But the move also carries risks, such as losing many loyal print subscribers.

"What we are seeing is the acceleration of the transformation from print to digital," said Ken Doctor, a news industry analyst at Outsell Inc., a Burlingame, Calif., research and advisory firm.

He said the Detroit papers are hedging their bets by holding onto the lion's share of print advertising revenues while hastening the move to digital distribution. The *Free Press* will deliver to homes on Thursdays, Fridays and Sundays, but those days generate half or more of newspapers' print revenues, said Rick Edmonds, media business analyst at the Poynter Institute, a journalism school in St. Petersburg, Fla.

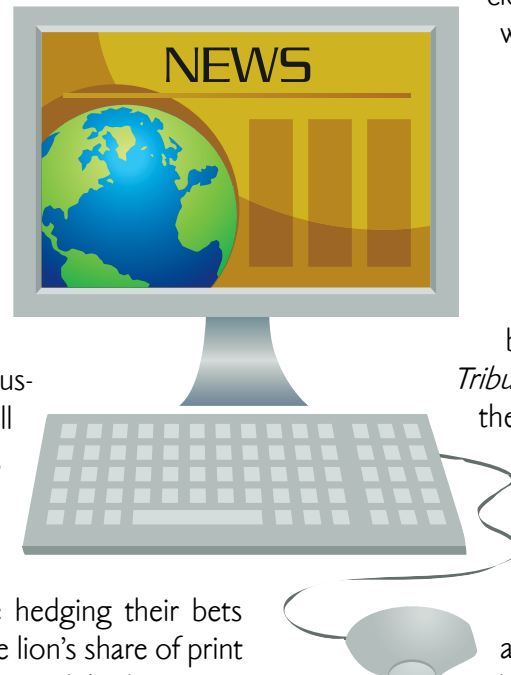
John Morton, an industry consultant, warned that the changes could harm circulation revenues. But he lauded the papers' intention to preserve newsroom jobs.

"It will be an interesting effort to try to rein in costs in a declining environment and yet at the same time maintain journalistic efforts," Morton said.

Analysts said the industry will watch closely what happens with the Detroit papers because they are the biggest publications so far to move away from a traditional model.

Some papers—the largest so far being the *East Valley Tribune* in Mesa, Ariz., and the *Christian Science Monitor*—have plans to cease publication on some days, with the *Monitor* becoming a Web-based publication with a weekly print edition.

Most newspapers have been battling dramatic declines in circulation and advertising revenues by reducing pages, shrinking the size of their staffs and raising prices. But these methods haven't worked, and the business climate next year isn't expected to improve.



# Circulation changes may yield more readers

Excerpts from *NAA.org*

With audience reach expanding in different mediums, newspapers are beginning to restructure circulation departments for increased efficiency by focusing on audience development goals to generate new revenue.

For some, streamlining operations has meant outsourcing traditional customer service and distribution tasks. For others, it has involved consolidating marketing, advertising, and new product development resources under one umbrella.

Once new audiences are identified, it has resulted in new products ranging from niche online publications to free limited distribution print publications. The targeted segment may be identified by life stage, occupation, ethnicity or other demographic categories.

These restructured circulation departments are then charged with delivering those audiences to advertisers.

## Embracing an audience-centered model

In 2005, *The Sacramento Bee's* customer service department switched from the idea of selling “newspaper subscriptions” to a model of selling and servicing memberships. This included the creation of an online portal called The Press Club, which gave members access to a variety of services beyond the printed paper.

The move changed the way the newspaper views its relationship with readers and users. In November 2007, the circulation division took the next step of converting the entire division to a new model, and was renamed Audience Development and Membership services.

In September 2008, *The Bee* reorganized with three divisions taking on new responsibilities:

\* News, now controls content across all platforms;

\*Advertising, responsible for selling and bringing in the revenue for products, and

\*Audience Development and Membership Services, charged with bringing in audiences for each product in the portfolio, print and online.

*The Bee's* portfolio includes the core print product, core Web site (SacBee.com), four niche Web sites, several newsletters, direct mail, a weekly Spanish language newspaper, NIE, and several monthly or quarterly niche publications.

As newspapers look to build new and younger audiences, audience development departments are working to reach non-newspaper readers in their markets through the mediums that work best for their readers and users.

At *The Florida Times-Union*, Amy McSwain, director of marketing and audience development at the paper, was hired to transition the existing marketing department into an audience development department in April.

McSwain, who has a circulation background, says the new department now acts like an advertising agency, dedicated to serving each brand under the *Times-Union* umbrella.

“We’ve made a lot of changes in the way we do business and market our products,” McSwain says. “We’re always seeking new revenue streams. We’re trying to take a grassroots approach to things.”

For example, a cause marketing project called “Think Pink” was a month-long breast cancer awareness project that kicked off with a special section chronicling the stages of the disease with stories contributed by readers in the paper and online. The project culminated with the entire October 18 issue of the paper being printed on pink newsprint.

## Michigan Ideas:

### A little training now pays off down the road for high school customers

Carey Schoolmaster, commercial print sales representative at the *Kalamazoo Gazette*, invited students and advisers from five high school newspapers to a two and a half hour training session at the *Gazette* at the beginning of the school year. The papers are printed at the *Gazette*, the students met with a page designer who reviewed good—and bad—design, industry expectations in the design field along with some nitty-gritty details like how to design a header. An advertising rep. reviewed ad content and design, sales techniques, how to present to a potential customer and gave the young journalists a prospect list and “lots” of fact sheets. The students also received hands-on computer training, including how to upload their content to the *Gazette's* FTP site. The sessions end with a round-table discussion.

Next year, Schoolmaster says, she'll expand the program to include a tour of the printing facility. Another change, given the yearly student newspaper staff turnover—she'll invite a small group of students from each school to the seminars so they can interact with one another and share story ideas, sales techniques, design highlights. Schoolmaster says she'll also ask the students and advisers what else they'd like to include. “The sessions were fun because the kids are excited about what they're doing as journalists.”

Besides the five high school newspapers, the *Gazette* prints two collegiate papers. For more information, contact Schoolmaster at [cschoolmaster@kalamazoo Gazette.com](mailto:cschoolmaster@kalamazoo Gazette.com); 269-388-8597.