

marketer

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SMPS

Society for Marketing
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Silent Presses

BY ROBERT BROWN, ABC; STEVE FREEMAN;
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Thirteen died from New York to California on one single day in April 2009, but their names won't appear in the obituary columns: They were A/E/C publications. This viral epidemic is destroying the magazine and newspaper industry as we know it. How will this new era impact your marketing and public relations activities?

New paradigms, processes, and technologies are collapsing the traditional business model for journalists, publishers, and PR pros who supply them with news. Marketing and communications professionals need to explore the answers to these key questions: Where will the newspaper/magazine industry be in 10 or 20 years? Will there be print publications? Will there be reporters and editors? What will the landscape look like for media professionals? Will every publication simply be online?

“...Internet is a level playing field. Anybody can become a reporter and can post stories.”

—Roman Kikta



News

Harsh Truths

Time magazine stated 8 of the nation's 50 largest newspapers could possibly cease publication in the next 18 months.

Roman Kikta, a venture capitalist and managing partner of Genesis Campus Funds and Mobility Ventures in Dallas, TX, is an expert on market trends and the role of technologies on society from an anthropological, sociological, and psychological perspective. Kikta predicts that, while a few major national or regional newspapers (i.e., *The New York Times*, *The Wall Street Journal*, and so forth) will remain in print form, within 20 years most local newspapers and magazines will only be online.

Recently, *The Seattle Post-Intelligencer*, a 146-year-old newspaper, decided to stop printing and go to an online-only daily edition. This is struck close to home for Jake Batsell, an assistant professor in the Division of Journalism at Southern Methodist University in Dallas, TX. Having experienced tumultuous changes in journalism in the past decade, Batsell is committed to helping journalism students prepare for a changing world. He has been instrumental in developing a multimedia, online news platform for his students, smudailymustang.com, which runs from a "convergence" or multimedia newsroom opened last October.

What Happened?

Kikta sees the decline of print media as a result of the emergence of a digital society where everything now has a sense of urgency. He says, "People want information today as it happens. By contrast, the news in today's newspaper is already 24 hours old."

Scott Bennett is a veteran journalist and public relations professional. Through reinvention, he is now the president of the management consulting firm Change Agent Media as well as a partner at the venture capital firm Mobility Ventures.

As newspapers continue to scale back costs, Bennett predicts many newspapers will stop publishing daily and will rely on an online version to cover daily news, printing one or two weekly publications.

Regarding magazines, Bennett says he does not see much future for the print versions of the news weeklies like *Time* or *Newsweek*. Nevertheless, he does see an ongoing niche for specialty magazines with art and photo layouts, such as nature, art, or photography magazines. He provides a caveat, though: "I think there are too many of these kinds of magazines out there, and there will definitely be a thinning of their ranks. The quality publications will remain, at least until reading devices such as the Kindle or the new device Fujitsu is coming out with have developed enough to faithfully render in color the full-page text and graphics of these higher-end magazines."

“Bennett says he does not see much future for the print versions of the news weeklies like *Time* or *Newsweek*.”

How We Use Our News

The difference between online and print publications is visually distinct, but the greatest difference lies in how we use and absorb the information we're given. In a newspaper, people look for news that interests them. They don't necessarily look at a paper to gain specific information. Many people read the headlines and then decide whether to read the entire article, the first few paragraphs, the subtitles, or none of it.

Online, this type of reasonably abstract pick-and-choose-your-news behavior is not as easy. For example, on the front page of one day's *Dallas Morning News*, there were 29 options of stories to read or items that push you to open the paper, such as a teaser headline followed by a notice for you to read more about that item on page A7. In contrast, if you go to www.dallasnews.com, the online version of the *Dallas Morning News*, the home page offers more than 200 options.

This selection overwhelms many people. As a result, rather than use the news as a form of entertainment, where you read the paper to see what you don't know, many people use the online version solely to search for specific information, like traffic reports or stock prices or sports scores. They may not even look at the rest of the online publication. Other readers, however, come from the opposite direction. People who would never pick up a newspaper are highly engaged in learning through online publications.

As newspapers become news without papers, remember the original intent of a newspaper and the value it is intended to create.

A newspaper is a publication containing news, information, and advertising, usually printed on low-cost paper called newsprint. General-interest newspapers often feature articles on political events, crime, business, art/entertainment, society, and sports. Most traditional papers also feature an editorial page containing columns which express the personal opinions of writers. Supplementary sections may contain advertising, comics, coupons, and other printed media. Newspapers are most often published on a daily or weekly basis, and they usually focus on one particular geographic area where most of their readers live. . . . Despite recent setbacks in circulation and profits, newspapers are still the most iconic outlet for news and other types of written journalism.

—Wikipedia

Avid newspaper and magazine readers appreciate the medium as a tactile experience as well as an intellectual one. “I still skim *The Wall Street Journal*, *Financial Times*, and *Dallas Morning News* every morning because I am of the generation where this was our morning ritual,” Kikta says. “Even so, I find myself relying more each day on online news sources such as Google or Yahoo. Instead of having these magazines cluttering my desk and office, it's just easier to go online and quickly find what I want to read.”

There is a flip side, however. Bennett refers to his 24-year-old godson, “Even though he is constantly online, he prefers a printed magazine when reading something more in-depth.” It will be interesting to see if the next generation finds the novelty of print media more compelling than Twittered headlines on their cell phones.

Three Issues Marketers Need to Consider

If you're planning to be a corporate marketing leader in the next 10 years, then you need to think about these issues now.

1. What sustainable new business models will be created to support local news coverage?
2. If one of your marketing department success indicators is how many articles you place in publications, what new measurement alternative could take its place? Will online articles have equal or greater perceived value to employees, clients, and senior management?
3. Is it time for you to suggest management invest in a Director of Social Media? Who on your staff is monitoring and engaging with rogue Web sites, Twitter, Digg, Flickr, Facebook, the blogosphere, wikis, competitor Web sites, client Web sites, MySpace, LinkedIn, YouTube, etc.?

The New Primadigm

Primadigm is a composite word created by the authors of this article to express a new type of paradigm: *prima*, meaning ‘something new,’ and *digm* meaning ‘thought/model.’ What we're seeing is a new type of journalism emerging to complement—and sometimes circumvent—the traditional publishing model.

According to Steve Outing of *Editor & Publisher* magazine, there is potential for “a quality product that's actually better than the old newspapers—because its reporters have completely cast off we-tell-you journalism in favor of the news-is-a-conversation model, where readers have relationships with their favorite journalists.”

In deference to the format and function of Internet news, articles tend to be shorter but with linked references to others' comments. “I am seeing less news analysis and opinion pieces,” Kikta says. “The print media is recognizing their readership's behavior has changed—their attention span is shorter.”

A lot of screaming (what we call “biased ranting”) takes place on the Internet, in blogs and other forums. Newspaper reporters and editors have credible professional experience in creating informed, measured explanation and analyses. Therefore, it’s logical that journalists will still be needed to develop credible content. But many voices will continue to rise.

Who to Believe?

Citizen journalism, a phenomenon revolutionizing the way we gain knowledge, refers to public participation in collecting, reporting, interpreting, and disseminating news and information. “The intent of this participation is to provide independent, reliable, accurate, wide-ranging, and relevant information that a democracy requires,” according to the report *We Media: How Audiences Are Shaping the Future of News and Information*.

Kikta says, “...Internet is a level playing field. Anybody can become a reporter and can post stories. These stories may not all be necessarily of good quality, but they tend to make the news more honest, more democratic. No longer can a handful of media sources control what they wish to report on.”

Bennett offers a different view. “Crowd journalism is a fad,” he says. “Citizen journalism is okay, but it will never have the quality provided by professional journalists. It’s the same with bloggers. They are wonderful fact checkers, but they don’t generate news. They simply comment on the news that others generate. Somebody has got to generate the news that people need to rely on.”

“There will be consolidation and restructuring, and we do not know yet how it will turn out,” he adds, “but people will still rely on these [international news gathering agencies such as Reuters or Associated Press] services to provide them the information they need, even if it is only online.”

The Narrowing Funnel to the Bottom Line

While the situation is grim, Bennett says the smarter news operations are readjusting their business models. “The days when newspapers could assign scores of reporters to investigative projects designed to win Pulitzer prizes are gone. Newspapers are discovering that they do not need huge staffs to cover the daily news online.”

Kikta sees the Internet’s potential for advertising revenue. “New (online) media can present information relevant to your interests,” he says. “Traditional print media cannot do this. You must skim an entire newspaper or magazine to find the information you need. New media can deliver information to personalized segments, and this is very attractive to advertisers.”

Mike Orren, president and founder of Pegasus News, the largest single-market pureplay local news and information site in the United States, also has launched the nation’s first neighborhood-level, location-aware mobile advertising model. Orren previously worked as a publisher for American Lawyer Media. He says recent difficulties in the auto industry have had dire consequences for print newspapers, as car dealers provide much of their advertising revenue. To make matters even worse, most of the rest of classified advertising, a main source of revenue for newspapers, has migrated to Internet sites like Craigslist.

“Newspapers spend more money marketing subscriptions than they receive through those subscriptions,” Orren says. Yet one reason subscriptions are still important enough to prop up is because advertisers want to see high numbers of readers or they won’t advertise in the first place. Many mid- to small-sized newspapers simply give away their products now and count the distribution as readers.

The Pros and Cons of New News Journalism

| OLD NEWS WORLD | NEW NEWS WORLD | RESULT |
|--|---|---|
| Reporters push content out to readers requiring no reader response. | Reporters encourage reader involvement through blog responses. | Allows for enhanced balance in reporting because more views, opinions, intellects, and resources can offer input. |
| “We-tell-you” journalism | “News-is-a-conversation” model | Interactive medium allows information greater exchange and expansion. |
| Information is published the day after it is written. | Information is shared in real time. | Higher level of relevancy for current events/ breaking news |
| News was vetted for truth and accuracy by editors, senior editors, managing editors, and publishers prior to printing. | Vetted information is reacted to via blog postings and article comments by people whose information is not necessarily fact-checked or confirmed. | Opportunities for misinformation and misrepresentation of facts increase. |
| Content is media driven and users make reading choices based on what types of stories are available. | Search functions allow users to make reading decisions before viewing available content, thus going directly to the topic of their choice. | Removes the <i>push</i> of information to the reader and allows the <i>pull</i> of information by the users to more directly define what gets read. |

—Steve Outing, Editor & Publisher

Where Will This Lead?

A possible winner of such a shift away from mid-sized metro dailies could be glossy, often-free, regional monthlies focused on real estate, brides, entertainment, upscale lifestyles, etc. *Business Week* suggests that “a gazillion new independent online endeavors” will give reporters and editors new opportunities through blogs and comprehensive regional informational Web sites.

And the need for news will not end.

Batsell’s main message to his students is that there is definitely a future for journalists and media professionals. He says convergence journalism is based on the premise that today’s journalists no longer expect to have a career restricted to one media platform. Today’s media professionals must be adept at presenting their stories in as many ways as possible, including digital media as well as traditional print.

“There is more demand than ever for news; we just need to deliver it differently,” Batsell says. “This is a good time to start a career in journalism, because in 10 to 15 years, when they [students] have reached the prime of their careers, the new business models will have been figured out.” Batsell believes it will be at least five years before the new business models start emerging.

Batsell also hopes that there is some Google-caliber mind working on a new business model for disseminating news. He notes that *The New York Times* recently issued a challenge to software developers to come up with a viable mechanism for monetizing information on the Internet.

We Are the Web

Orren says media and communication professionals must make a paradigmatic change: “Instead of thinking that we’re *on* the Web, we now must think that we are *of* the Web.”

Business communication decisions may have one or more World Wide Web components. These need to be added to the marketing and PR conversation every time an issue comes forward—whether a new project announcement, an office closure, or a corporate leader’s upcoming speaking engagement. It’s a new era of news delivery, and computers and cell phones are the new delivery systems.

The Implications for Marketing and Public Relations

Does the new media fit in your future marketing strategy? “The Internet allows you more opportunities to connect with your audience segments,” says Orren. Bennett agrees. “The whole evolution of the Internet is good for PR [and marketing]. We now have a 24-hour constant flow of information, which is disseminated almost infinitely,” he says.

Marketers also need to understand the technology. Orren dubs the rapidly dawning Internet age “Web 3.0.” “Web 2.0 was all about cool interactive Web sites,” Orren says. “Web 3.0 is characterized by the frenetic rise of social networking; ...it no longer matters where the information ‘lives.’ Once you post something, it will be quickly disseminated via social networks to those users who care about the information.”

To penetrate social networks with information effectively, Orren says professional marketers should make sure their clients’ Web sites, Facebook pages, and other portals undergo search engine optimization (SEO) by a qualified expert in this new field.

“I’m starting to see more ads placed that consist of a 10- to 15-second video clip, with a link that takes you to the full-length 5- to 7-minute video,” Orren says. He also sees a move away from traditional online advertising such as banner and pop-up ads and towards special promotions, contests, live events, direct e-mails, and e-mail newsletters. In addition, emphasis on social networking means spending more on staffing and monitoring social networks.

What’s Happening?

- The *Christian Science Monitor’s* Web site changed when the daily print edition went totally online in April 2009. Now the publication only prints one paper, on Sundays.
- *The Seattle Post-Intelligencer*, founded in 1863, went from a print publication to an online newspaper on May 17, 2009. It was up for sale before going online, but there were no offers.
- Amidst 23% population growth in the past two decades, U.S. newspaper circulation has dropped 20%. Craigslist is siphoning off \$7 billion worth of classifieds.
- In 2008, magazines sales on newsstands fell 12%. Gross ad pages so far in 2009 have dropped 22%.
- Time, Inc. magazines have reduced headcount through layoffs by 1,400 since 2004.
- The Newspaper Association of America reports that ad revenues declined to \$45.4 billion in 2007, followed by quarter-by-quarter falls of 12 to 20% during the catastrophes of 2008.

Marketing Mavens Online

“Today’s media professionals have to be smart about technology and find the best ways to follow what people are saying about your clients online,” Orren says. “For example, I can be sitting in my favorite coffee shop and send out a message that I think the coffee here is the best on the planet. My friends trust my opinion; I have credibility with them; so this is the best kind of marketing/advertising any business can get.”

There are promotional advantages in the technology itself. After a coffee shop in New York City took advance orders on Twitter, business increased exponentially. “People love the ‘coolness’ of using the technology in a new way and have spread the word via Twitter to their friends,” Orren adds.

Know Your Business

It’s a brave new world ...are you ready to take it on? This article is meant to help you think about issues you’ll face as media changes in the days to come. However, it is merely an excerpt of a comprehensive white paper about the future of media that was developed by the authors and is available for you to download at www.twi-pr.com/blog. In addition, the authors will be preparing a follow-up white paper on this topic and would welcome your input and ideas via blog postings to this site. [m](#)

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Questions You Must Answer

As marketing and communications professionals, you can’t afford to get caught in a situation that could endanger your brand, reputation, or perceived value. Be sure to take the following scenarios into your marketing meetings and find team solutions that will improve your potential to compete successfully both online and offline.

SCENARIO 1

Today, reporters are wearing their technology: video cameras, audio recorders, PDAs, etc. Some are even allowed to post updates to their blogs without their content being vetted by a senior publication executive. What if a reporter snaps a photo of your project, writes something unflattering about the project, and posts it to his blog? How will you know it’s out there? How will you respond to it in a way that will assure that readers get the full story? How will your senior managers respond to this type of publicity and its ramifications? It’s no longer as easy as writing a letter to the editor and posting a correction. Role-play this scenario and determine how your marketing staff will react to an event like this.

SCENARIO 2

Using social networks is an effective way to get fast feedback on how your company is doing. However, tracking and responding to comments can become very labor-intensive. For example, if a company is receiving 400 mentions per day on Twitter and of these 398 are positive comments and 2 are complaints, what type of process do you need to create to decide which responses are worthy of response?

Nevertheless, social networking tools such as Twitter and Facebook can help companies become aware of problems or successes more quickly. How will your marketing team monitor social networks? What processes will you develop for responding to positive or negative comments?

SCENARIO 3

Print publications are dropping like flies during a late-summer cold snap. However, there is more information posted online in the Internet “cloud” than ever before. What’s more, the art and science of Web analytics and search engine optimization is advancing by leaps and bounds every day. Absent your traditional trade publications, how will you ensure that your information gets to their target audiences? How will you define and segment your audiences in a meaningful way, and how will you evaluate the effectiveness of your efforts?