CHANGES IN DEMAND: THE PUBLISHERS' PERSPECTIVE

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This paper charts the impact of some of the structural changes that are taking place in media (from a newspaper perspective) driven by technology, consumers and marketers. It raises some significant questions for all in the arena of media research and offers some tentative answers.

It is hardly news to anyone working in media today that significant structural change is underway driven by, amongst other things, the growth in digital, shifting consumer behaviour and demand, and an ever-increasing demand for accountability from advertisers.

The way in which "newspapers" are breaking news and distributing content, how they are interacting with their audiences is changing dramatically - so dramatically in fact, that to refer to newspapers simply as news*papers* is no longer adequate. Their content is consumed on numerous channels in a variety of formats (print and online, mobile devices, video and audio, via email or RSS feeds etc.) to the extent that it seems incomplete to define them simply by one of their methods of distribution.

The old model of a single section, black and white newspaper has disappeared in just fifteen short years.

It is one of the reasons why traditional newspaper companies have started to change the way in which they describe themselves. The Financial Times, for example, has not referred to itself internally as a newspaper since 2000. Guardian Newspapers Ltd. changed its name to Guardian News and Media in 2006 to reflect the growing importance of the Guardian's digital audience, currently 16 million people globally.[1] Around about the same time, the publishers of the Telegraph became known as Telegraph Media Group and Times Newspapers became Times Media. And this is by no means a trend limited to UK based companies.

In newsrooms, the focus has moved to 24/7 operations with "web-first" reporting. And structures are altering accordingly to support the transformation from mono to multi-media. The modern newsroom is fully integrated with journalists providing content for print *and* digital in a variety of different formats. The cultural shift required to do this has been significant. Journalists are retraining; new staff with skills never before required are being hired; new systems put in place.

Newspapers are seizing the opportunity, taking full advantage of the possibilities offered by digital, and engaging with consumers on different platforms and in different ways.

Earlier this year Kurt Andersen, well known author and commentator, was quoted as heralding a new "golden age of newspapers" when he named "web video" as the new medium in the ascendancy in newspaper newsrooms.

When quoting Andersen in Media Guardian, Ian Reeves, former editor for the Press Gazette, singled out two stories in particular to illustrate Andersen's point. Of these he said; "it is telling that the two most compelling pieces of video news footage this year have been broken on newspaper rather than broadcast websites".

One was the shocking video of a 19-year-old black woman, Toni Comer, being beaten by police after a night out clubbing in Sheffield. The story broke exclusively on Guardian.co.uk with CCTV footage of the event, followed by a full expose in the Guardian print edition the next day. The story was rapidly picked up and covered by other media in the UK and around the World.

The other, equally compelling exclusive, was The Sun's (the UK tabloid) tragic "friendly fire" video footage taken from within the cockpit of the ill-fated US Airforce mission in Iraq in which British soldier, Lance Corporal Matty Hull was killed. This, according to Reeves, received more than 1.5m views on the Sun's website, with significant further viewing figures once the clip was posted on YouTube.

And if you take a look online, you can see what prompted such acclamation from Andersen and Reeves. Most of the UK based newspaper web sites are awash with video content. Guardian News and Media, is investing heavily in developing this area with video footage across its network of sites. The Financial Times runs daily video briefings for both the UK and US markets covering the major stories of note. Both the Times and the Telegraph have "TV" sections on their websites, while the Sun and the Mirror sites carry a variety of sports and entertainment led video content.

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[1] Monthly unique users, HBX, August 2007

Audio news too is making a startling impact on content delivery. Podcasting is one important way in which titles like the Guardian are extending their brands. The Guardian, whose weekly shows on topics like media and science now attract tens of thousands of people each week, started by offering the Ricky Gervais Show as a download back in 2005. The expectation was that it would receive around 50,000 downloads. In the end it was downloaded 4 million times. That's not counting additional subscriptions through iTunes. It was a fantastic success and a great example of how a brand can reach and engage with new audiences. A challenge going forward will be how to measure and quantify the value of new audiences like this.

User generated content (UGC) is another area that has grown exponentially. Since newspapers were first printed, people have wanted to interact with them and the letters page has long been an essential part of the newspaper offering. Digital has allowed interactivity to blossom and many titles have embraced it from the earliest stage. The Guardian, for example, has a dozen different blogs across its website spanning everything from sport to the arts, with *Comment Is Free* as the centrepiece with more than 500 contributors attracting tens of thousands of comments from a large and interested audience. Blog headlines feature heavily on the front page of guardian.co.uk alongside conventionally generated news stories. At the FT journalists and readers from around the World interact with countless contributions to Martin Wolf's online Economic Forum.

For news brands with strong identities and a loyal following, blogs enrich the relationship between media brand and consumer, providing a far more engaging experience through greater participation, creating and extending community, building trust and providing a platform for debate. As with video, UGC and its close cousin, *expert generated content* (EGC) have become, in many instances, vital in the business of breaking news and shaping events.

One example of this kicked off at 10.08am on the 16th of July 2007 when the editor of *Alphaville* (the FT's website for market traders) reported breaking news of "an eye popping" multi-billion dollar transatlantic deal under discussion. At 11.02am the names were disclosed on the *Markets Live* editorial blog. By 11.52am comments were coming in from around the globe on the *Comments* blog site and share prices were moving quickly for the companies in question. At 12.23pm the story – still an exclusive – was reported as an editorial piece on Alphaville. Seven minutes later it was on the main FT.com site. Within the next hour and a half it was picked up by the Wall Street Journal, New York Times and BBC and over the remainder of the day further analysis pieces, updates, and comments were posted on both Alphaville and FT.com by journalists and readers alike. The next day, the story headlined the *Companies and Markets* news section in print with an analysis piece in section one. By the following week, the "news" had become the basis for comment and analysis in a special corporate finance report, which ran both off and online.

And newspapers are constantly innovating, creating new ways of connecting and engaging with new (and existing) audiences. In June 2007, for example, the Guardian (long a sponsor of major musical and arts events such as Glastonbury) launched and hosted its own virtual music festival *Secondfest* in Second Life. This was a true media first and Second Life's largest ever event, with top bands such as the Pet Shop Boys and Radio One's Rob da Bank attracting an audience of 13,500 who, between them, visited the festival 34,000 times over the space of a weekend.

The sheer variety of channels and types of interaction raise significant questions for media measurement.

One question that should be asked is; if newspapers can't be described by their method of distribution anymore, doesn't it then follow that one can't measure them by distribution channel anymore either?

This is important because current measures based on the silo approach paint an incomplete picture. Consumers have relationships with media brands, not channels but perceptions of declining newspaper audiences continue to persist, despite a very different reality, simply because commentators and observers alike cannot divorce themselves from traditional measurement methods.

To illustrate this by way of example, in 1994 (before any of them had web sites) the UK national quality press had a UK reach of 12.1 million adults.[2] In 2006, combining the traditional print channel with digital, this had grown to 15.2 million.[3] And that doesn't even take into account growing audiences for those brands beyond UK borders. In other words, demand for quality news content has grown significantly over the last decade or so (although you wouldn't think so from the trade media coverage). Digital has improved competitiveness and attracted larger audiences.

These issues have changed both the focus and the nomenclature of the business we work in. Agencies now take a media neutral, consumer-centric approach to planning. Media owners, driven by their clients' and their own financial imperatives, have responded by focusing on delivering bespoke, insight based strategic and tactical communications solutions (over and above straightforward advertising) utilising all their resources and touch points with their audiences.

2 NRS Jan-Dec 1994

3 Guardian News and Media *Total Audience UK* Research Jan-Dec 2006

A second question that therefore needs to be asked is; how are the new ways newspapers are engaging with their audiences to be quantified? What is the nature and value of that interaction, not just to the media brands themselves, but also to the advertisers who ultimately fund all that activity? Current standard industry measurement tools simply do not measure all those touch points (either in terms of quantity or quality) which makes it significantly harder for media owners to monetise their activities.

Marketing as a discipline is getting more scientific by the day. Recent years have (rightly) seen a none-too subtle shift from an ethos of marketing spend to marketing investment. As competition has increased along with the demands of investors, companies, not unreasonably, increasingly want to understand what they get in return for their marketing outlay.

At the same time, connecting with audiences is getting exponentially harder as channels proliferate; the number of media brands and advertising options within those channels multiply; the number of brands vying for consumers' attention increase; and consumers, spoilt for choice and time poor, are harder to engage with.

By 2010, McKinsey estimates that television advertising could be only 35% as effective as it was in 1990.[4] This is entirely credible if you think that you have to buy more than three times as many spots during Coronation Street (British prime time show) today as you did in 1978 to achieve the same number of TVRs amongst ABC1's.

This is important because, as much as the media landscape has transformed and the pressures on marketers increased, we are still trying to use the same old tools to help them make sense of that landscape. And those tools are beginning to miss the point; if newspapers are growing their reach so significantly but the established measurement tools are showing the opposite, if they are diverting marketers away from the very area they should be investing in to generate greater returns, it must surely be time to re-evaluate.

In 2006 the European CEO of one of the world's largest investment banks asked the FT's CEO what he was getting for his money with their latest campaign. At that time they were advertising in the FT newspaper, had a significant presence on FT.com and were a sponsor of an annual business book award and a joint conference. He was happy, he said, that all of these things fitted with the strategic communications aims of his company, but how many people would his brand reach? And how would each of these communication channels differ not only in their reach but their effectiveness against his communication objectives? Oh and how would that differ by market?

In the absence of an industry solution, newspapers across the board have increasingly been under pressure to respond to relevant and important questions like these on a proprietary level. A number of initiatives are currently underway in different quarters with two notable front-runners.

In May 2007, the Guardian launched *Total Audience UK*, a single source, consumer-centric survey that measures consumers' use of media brands rather than channels. The data (collected by BMRB) was merged with TGI so that it is now possible to establish net print and digital UK reach of any national newspaper brand against all TGI variables. Basically, the new data allows the user to utilise TGI in the normal way with the additional functionality of being able to establish net reach. Perhaps unsurprisingly, this has been tremendously popular. All the main agencies are using it to establish things like the additional reach online adds to a print campaign; how campaigns should be weighted; the most effective combinations of brands on or offline to reach a given target audience; the differences between on and offline.

This has been an important development and the enthusiasm it has been met with amongst those with responsibility for achieving effective R.O.I. on behalf of their clients demonstrates the strength of demand there is in the market for looking at things through a more contemporary lens.

In an attempt to answer the questions raised by the afore mentioned CEO, the FT has been working with BMRB and Point Logic to develop *Business Compose*. Business Compose is built from a consumer project, entitled Compose, running in both the UK and US that offers agencies a channel-neutral solution to communications planning. It will measure all communications channels that might be considered for a business marketing campaign and assess how effectively they carry brand messages for different campaign objectives.

The questionnaire consists of three main components. The first part records actual consumption of a range of media opportunities, not merely print, broadcast and online but also attendance at conferences; travel and commuting patterns; readership of online/ offline mailings or promotional emails etc. The second examines the importance of a range of decision-making drivers within each of a number of distinct business product categories such as travel, technology, corporate finance. The third measures the perceived communications effectiveness both of media channels (such as newspaper advertising, posters, sports sponsorship, internet search, promotional mailings or radio ads) and named media properties (such as the Financial Times and the Guardian) against an almost identical list of performance indicators (ie. does that channel communicate trust; offer detailed information; communicate high quality etc). And the model at the end of all of this attempts to tie it all together to demonstrate how reach and frequency builds across platforms and how effective each of the platforms are in contributing to the communications impact as a whole. The pilot fieldwork is currently underway, carried out by Ipsos with re-contact interviews to the senior business EBRS audience.

Media owners have always produced proprietary research and, no doubt, always will. But projects like Total Audience UK and

[4] Boosting Returns on Marketing Investment, David C. Court, Jonathan W. Gordon, Jesko Perry. The McKinsey Quarterly, 2005, No.2.

Business Compose are going one step further. They are venturing into territory that has traditionally been preserve of industry currencies, not because they want to but because, in the absence of industry led solutions, they have to.

That is not to say progress isn't being made in some quarters. It is and should be applauded. The NRS, for example, is working towards being able to provide net audience figures for all relevant publications on the survey and their digital offerings for the first time. Touchpoints has been impressive in its bid to knit together multiple sources and the success of this project has been well documented at past symposia. But these initiatives are the exception rather than the rule.

Media research currently stands at a crossroads. Channel-centric audience measurement evolved against the backdrop of a very different media landscape to the one that exists now, and it is slowly and insidiously losing its relevance. The underlying changes have been so gradual that they have hardly been noticed. And yet that change has been seismic and potentially disastrous.

One can't help but be reminded of the cautionary tale of the boiling frog. Apparently, if a frog is dropped into boiling water it will (perhaps understandably) jump straight back out again but if it is placed in cold water, and the water is heated slowly enough, it will gradually and tragically allow itself be to boiled to death.[5]

Never has there been a greater need for a more holistic approach to audience research. Single source has long been held up as the Holy Grail, but despite this, measurement stubbornly continues to take place within silos. The industry must find new ways of thinking its way around some of these issues and, crucially *it must act.* Perhaps greater collaboration between the JICs offers one way forward (the NRS and JICIMS have shown how productive this can be). Could it even be time to discuss the concept of a "Super-JIC"?

One thing is for sure, now is not the time to say "come on in ….. the water's lovely".

[5] http://en.wikipedia.org/wiki/Boiling_frog