

American Newspapers and the Internet: Threat or Opportunity?

July 19, 2007

THE **b**IVINGS GROUP
strategy.technology.impact

Table of Contents

Executive Summary.....2

Key Findings.....3

Graphs and Charts.....4

Methodology.....12

Introduction.....13

Features.....14

 RSS.....20

 Blogs.....22

 Video and Podcasting.....24

 Freedom of Content.....25

 Interactivity and Participation.....28

Conclusion.....30

Appendix.....31

Works Cited.....34

Executive Summary

The Bivings Group conducted the following study to evaluate how well American newspapers are taking advantage of new Internet technology. In today's era of grassroots and interactive media, it is important for news outlets to engage readers in new ways, inviting feedback and communication between consumers and news providers via the Internet. Most newspapers, however, have struggled to develop viable models for both the economic and strategic aspects of their websites.

This research, in tandem with last year's report on the same topic, aims to measure the degree of success newspapers are having with using various online technologies. In recent years, newspapers have been experiencing declines in both print readership and circulation. Specifically, daily circulation losses have totaled 6.3 percent over the past three years, and daily readership declined by nearly two percent in 2006.¹ These problems can be partially attributed to the emergence of a variety of new trends in the media industry. Among these are the expansion of news websites, new technologies such as online video and audio, and changing consumer attitudes. While many industry experts fear the further evolution of online news and predict that it will eventually mean the end of traditional printed news, our team at The Bivings Group argues that the Internet does not have to be solely a threatening competitor for newspapers. Certainly, newspapers are facing competition from online news outlets. However, as newspaper websites differentiate themselves from their printed counterparts, websites can be a tool for newspapers to expand their reach and revenue. For this to occur, however, newspapers need to develop new business plans.

In this research, our team at The Bivings Group examined the websites of America's top 100 newspapers as measured by circulation and evaluated them based on the presence or lack of many online features. This paper will present this data in anecdotal and graphical formats, showing changes that have occurred in the past year and illustrating in detail new industry standards.

Overall, we found that the use of interactive features by newspaper websites increased across every category from 2006 to 2007 with the exception of blogrolls (list of external links). The research shows that while newspapers became more open to sharing their content with external sites through external bookmarks in 2007, they are still relatively unwilling to link to other sources, even if this process may enhance the user experience. In addition, many newspapers continue to keep their content behind (free or paid) registration walls, preventing users from accessing articles without first disclosing personal information.

Despite these trends, it became clear in this year's research that newspapers are continuing to take advantage of tools offered to them by new technology. The use of online tools such as video, podcasts, and blogs supplements the information readers can obtain in a printed newspaper and helps publications evolve away from the "online repository" format—where newspaper websites provide regurgitated story content from print editions—and move toward a more full-featured model of news. Because these tools enhance user experiences and provide value beyond just written material, newspaper websites are beginning to evolve beyond their printed counterparts and become a distinct product in their own right. The continuation of this

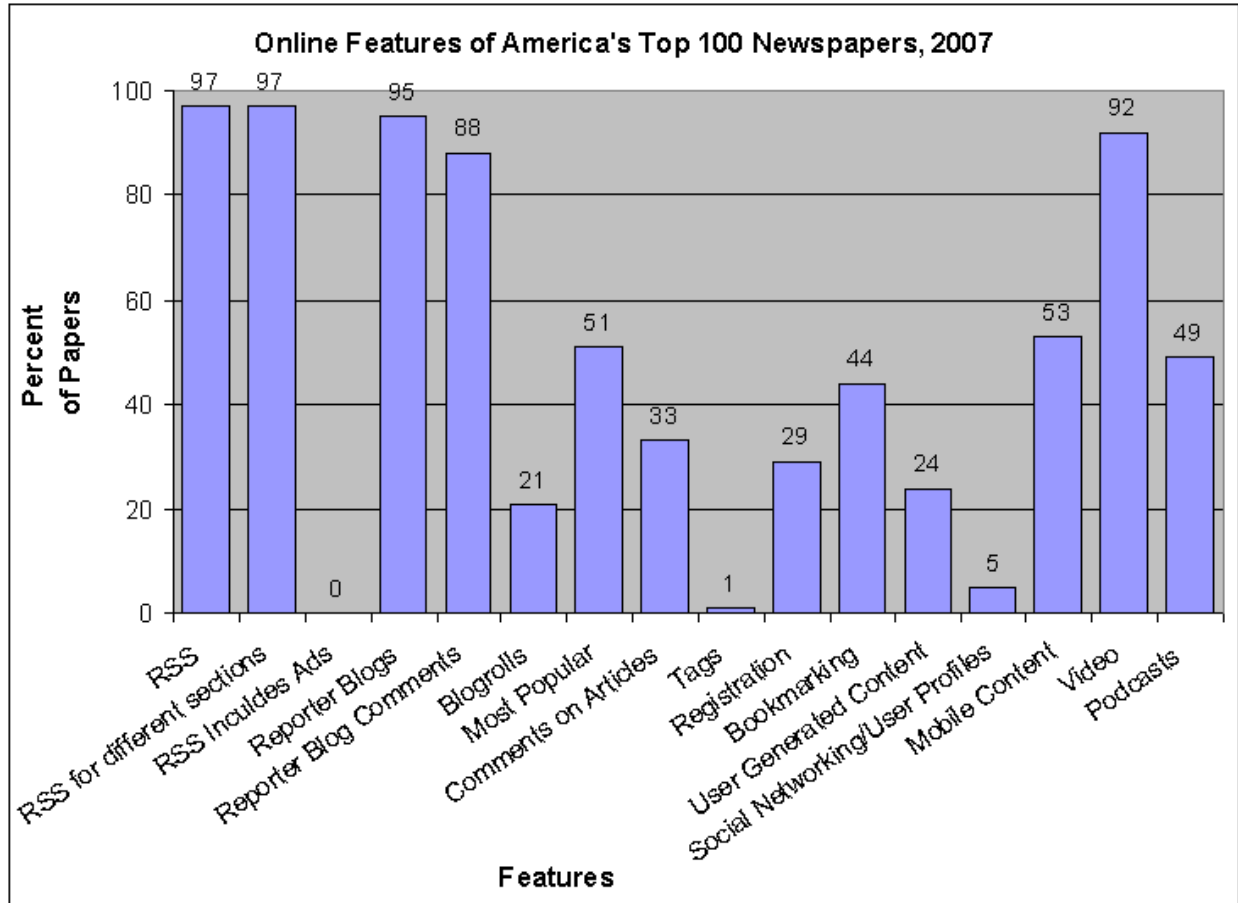
¹ Journalism.org, "State of the New Media 2007", "Overview" and "Newspapers", <http://www.stateofthenewsmedia.org/2007/>

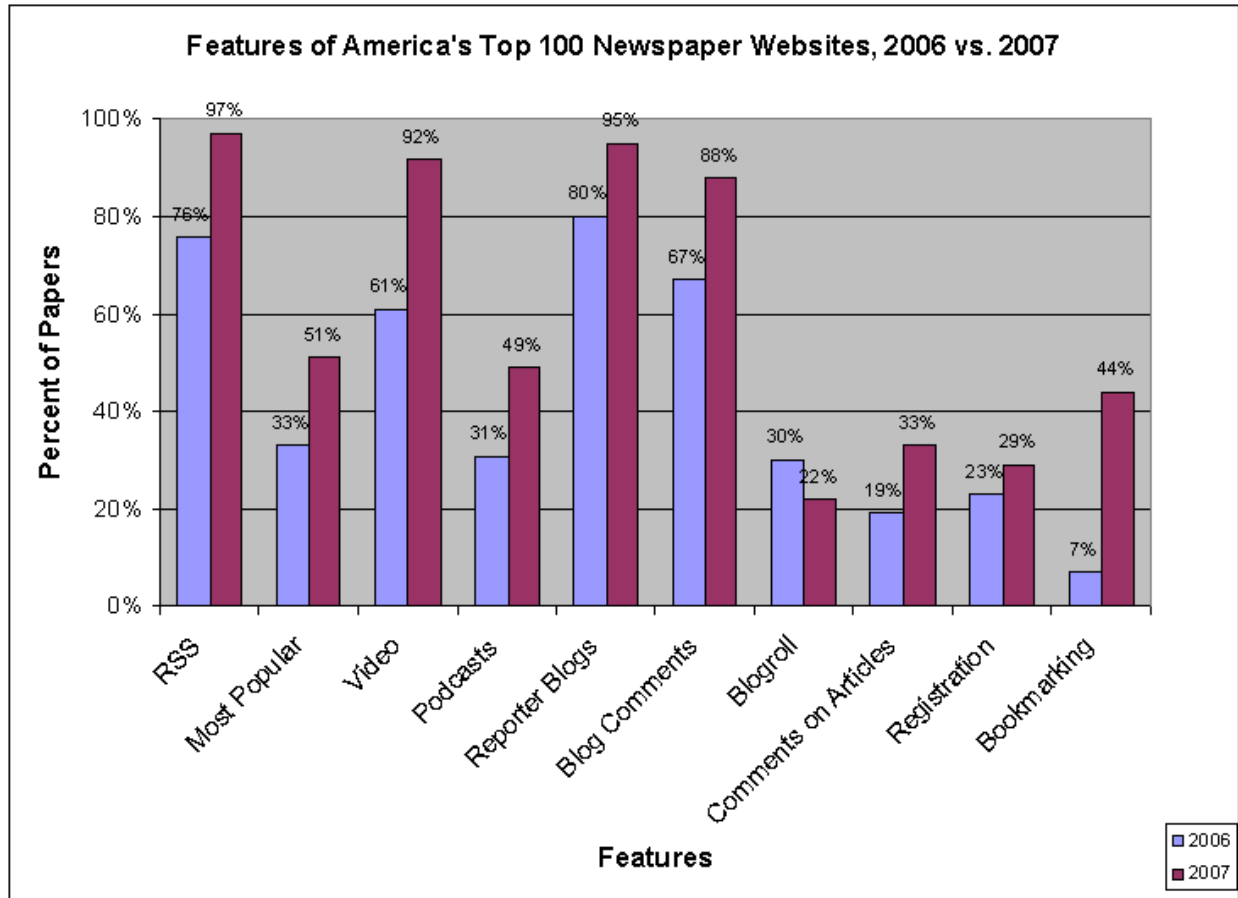
trend will be positive for newspapers, which will benefit from an environment that can accommodate both print and online news.

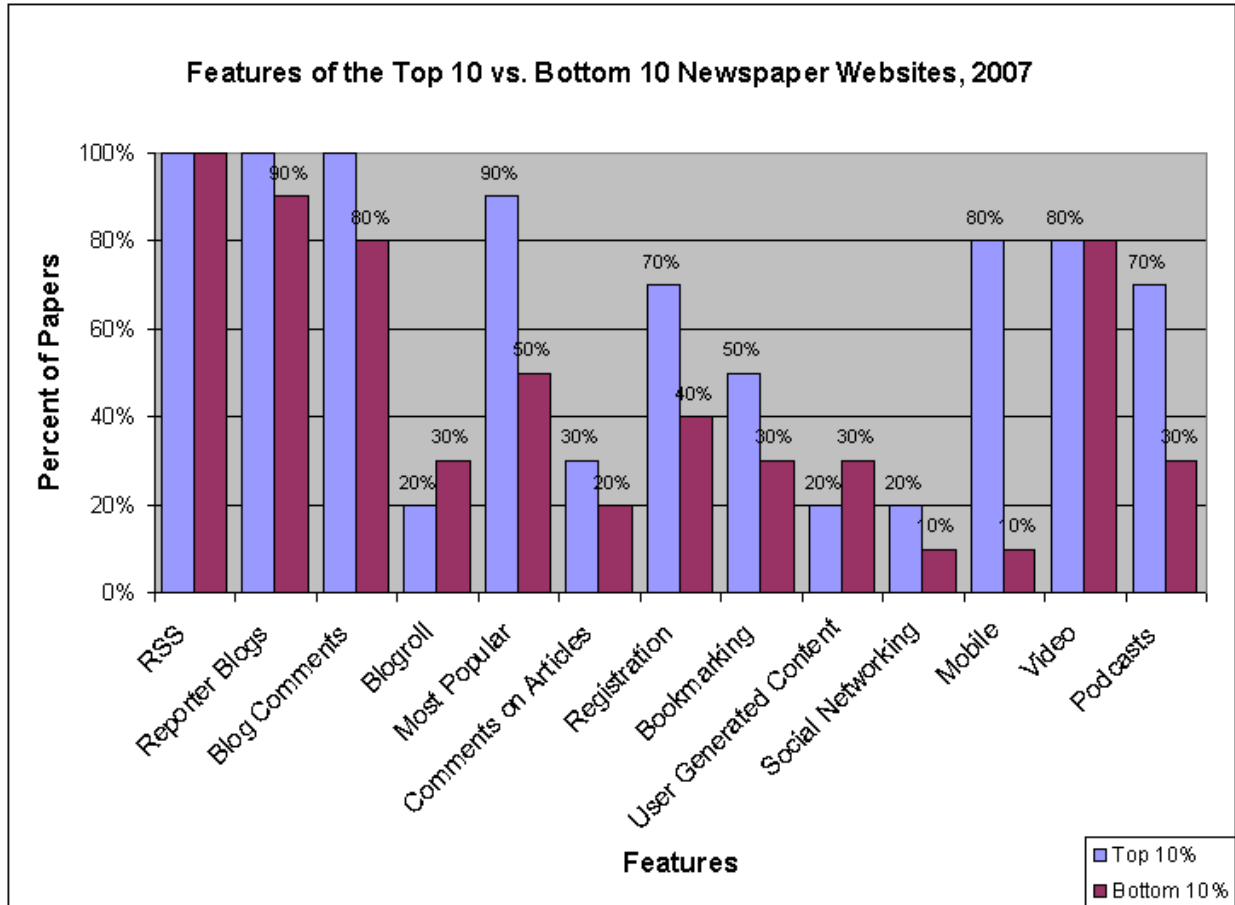
Key Findings:

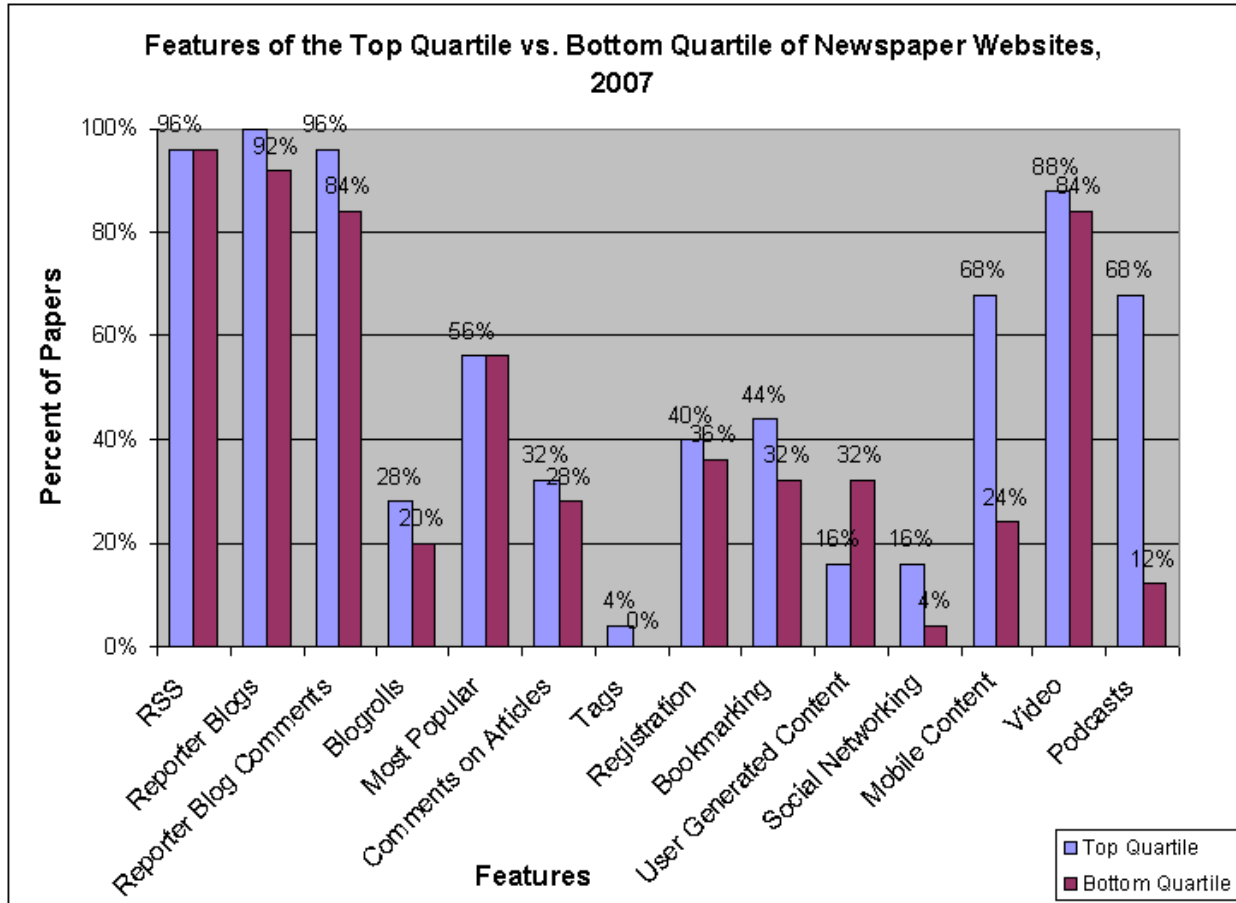
- The use of *RSS* increased in 2007 by 21 percent since 2006. Now 96 of the papers we researched are using this technology. Within this group, 93 papers offer partial text feeds, while three offer full text *RSS* feeds. No papers have begun embedding advertisements in their *RSS* feeds.
- Ninety-two percent of America's top 100 papers now offer video on their websites. This represents a significant jump from 2006, where just 61 percent offered video. In this group, there is a mixture of local, Associated Press, and original content available on newspaper websites. Thirty-nine papers offer original content, 26 use AP video streams, 13 offer video content from local news outlets, four papers use all three technologies, and 10 papers use a mixture of two different types of video.
- The number and quality of reporter blogs also improved in 2007. Now, 95 percent of papers offer at least one reporter blog. Ninety-three percent (88 papers) of these blogs allow comments. In 2006, 80 percent of the papers offered blogs, with 83 percent (67 papers) allowing comments.
- One-third of newspapers now allow comments on articles. This represents a 14% improvement on 2006 statistics, when only 19 percent of papers allowed comments on articles.
- The number of papers requiring registration increased by six percent from last year's results. Twenty-nine percent of the nation's top 100 papers now require users to register before gaining full access to their website. Of this group, three papers required a paid subscription, while 26 papers required free registration.
- Bookmarking experienced the most significant increase from our results in 2006. Forty-four percent of newspapers now provide some form of bookmarking, using external sites (39 papers), internal mechanisms (4 papers), or both (1 paper). In 2006, just seven percent of newspapers provided bookmarking capabilities.
- Almost half (49 percent) of newspapers now offer podcasts online. In 2006, just 31 papers had podcasts.
- When considering the grouping of the top10 papers and the bottom 10 papers, growth in the presence of features happened at a relatively consistent rate, with both categories of papers changing by nearly the same percentage from 2006 to 2007. However, when the top and bottom quartiles are examined, no clear pattern can be established: in some categories, the top quartile added features at a faster rate than the bottom quartile, but in almost as many categories, this trend was reversed.

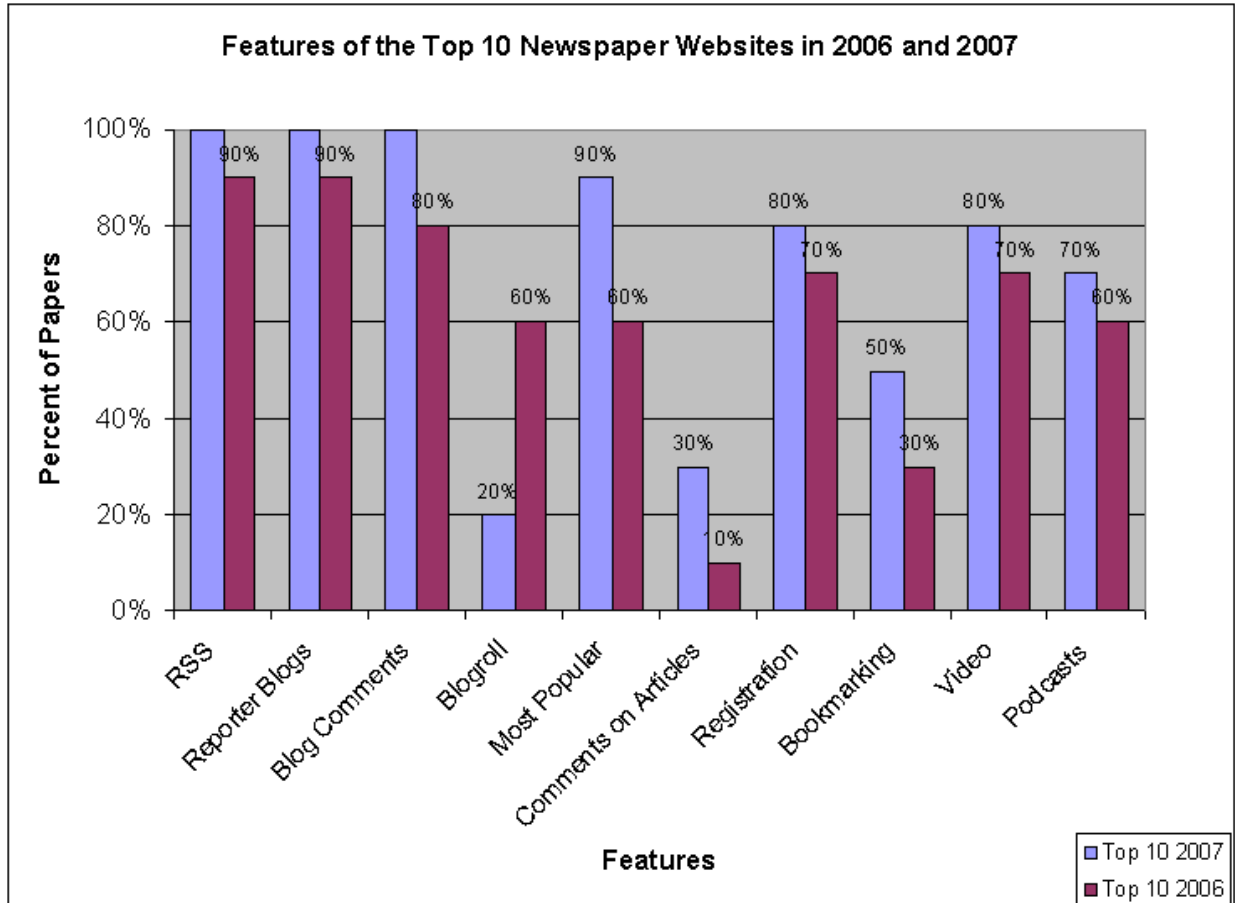
The following graphs summarize these results. More information will follow.

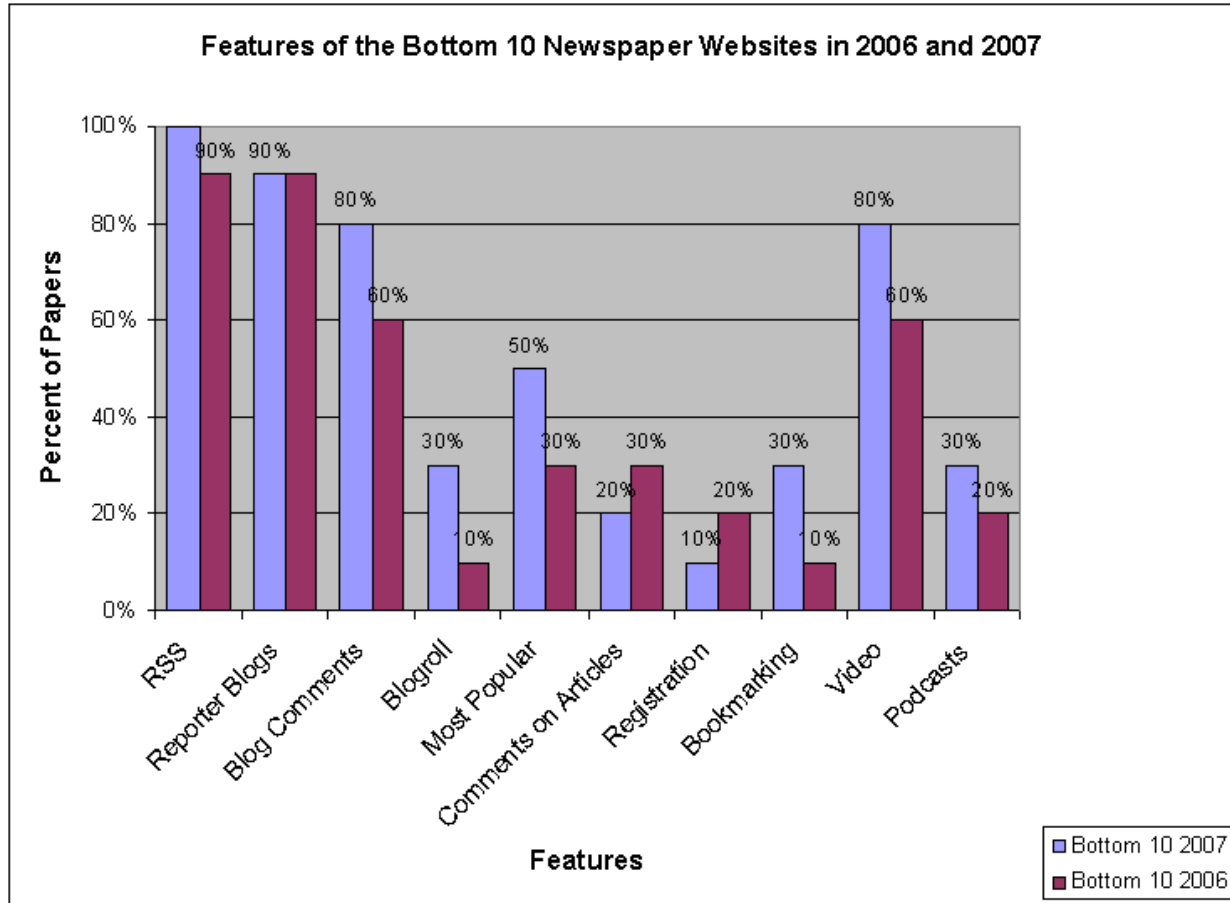


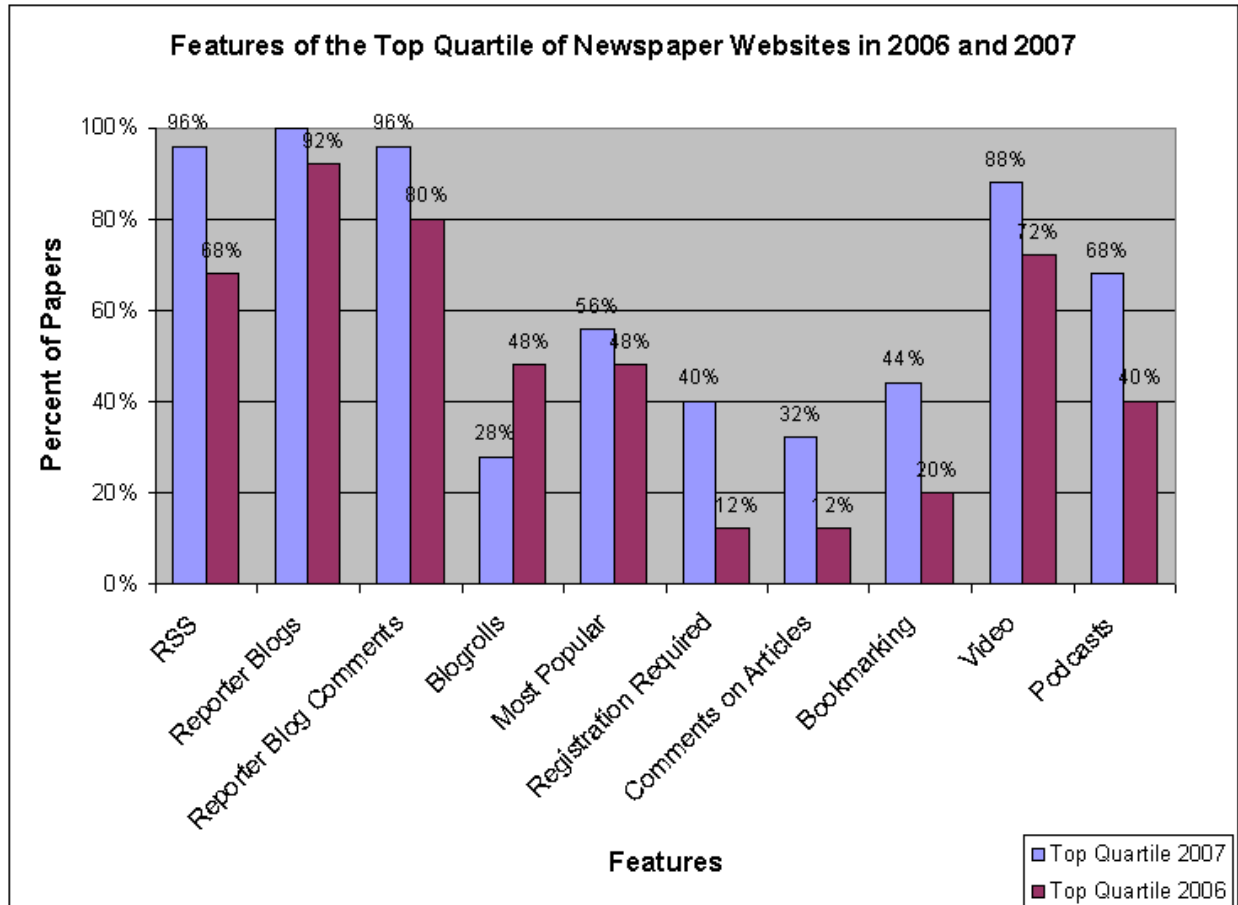


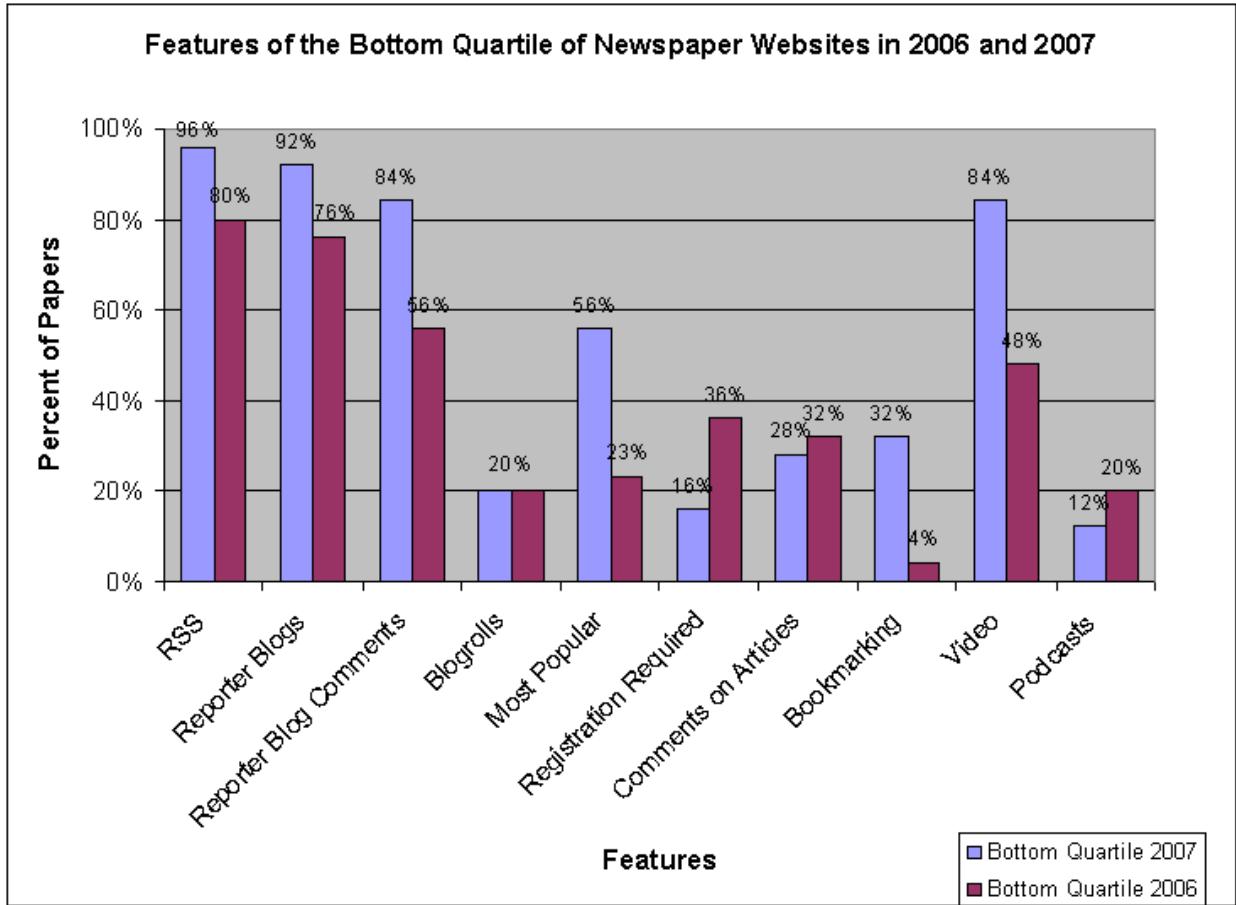












Methodology

The research team at The Bivings Group analyzed the websites of the top 100 most widely circulated newspapers in the United States. In order to determine the degree to which these newspapers have implemented Web 2.0 tools on their websites, we evaluated them based on the presence or lack of the following elements:

- **RSS Feed:** Does the site offer an *RSS* feed?
- **Partial/Full Text:** If a site has *RSS*, does the feed include only headlines and teasers (partial) or full text?
- **RSS Feed for Different Sections:** If the website offers *RSS*, does it divide the feeds into different sections?
- **RSS Feed Includes Ads:** Does the *RSS* feed include embedded advertisements?
- **Most Popular:** Does the website offer a “*Most Popular*” function? This is any dynamically created function that keeps track of the most viewed, most read, or most emailed (etc.) articles.
- **Video:** Does the site offer *video* content? If so, is this content original, from the Associated Press, or a feed from the local news?
- **Podcast:** Does the site offer *podcasts*?
- **Tags:** Does the site use *tags* or *tag clouds* to organize articles?
- **Bookmarking:** Does the site use *bookmarking* tools? If so, are these tools external (i.e. del.icio.us, digg, etc.) or internal (a feature that allows people to “save” articles)?
- **Social Networking:** Does the site offer any *social networking capabilities*? This includes features that allow users to create online profiles or build relationships with other users.
- **User Generated Content:** Does the site allow users to *contribute* video, photos, or other content to be published on the site?
- **Reporter Blogs:** Does the site have *reporter blogs*?
- **Reporter Blog Comments:** Can users *comment* on reporter blogs?
- **Blogroll:** Do reporter blogs have *blogrolls* or *links* to external blogs?
- **Comments on Articles:** Can users *comment* on articles?
- **Registration Required:** Is *registration required* to get full access to the site?
- **Mobile Content:** Does the site offer any content for *mobile devices*?

Circulation data was obtained from the Audit Bureau of Circulations for the period ending March 31, 2007 and can be found at this URL: <http://www.accessabc.com/products/top200.htm>. A list of all the papers The Bivings Group researched, as well as circulation information, is listed in the appendix of this report.

Data for newspaper websites was collected between June 15, 2007 and June 27, 2007 and represents a specific point in time rather than evolving trends. When analyzing the websites of these newspapers, researchers spent a reasonable amount of time exploring each website, and attempted to view at least one article from every section offered. There were a number of websites that were difficult to navigate, with cumbersome navigation and thus, hidden content. If our researchers could not find the content they were looking for, we counted the website as failing to offer that particular tool.

Introduction

In today's environment of digitized media, consumers are inundated with a variety of ways to obtain news. As a result of this, faltering customer attitudes towards news outlets, the prevalence of free dailies in big cities, and the availability of content on the Internet in the form of news aggregators, blogs, and other sources, printed newspapers are suffering in both circulation and readership. According to Journalism.org's *State of the News Media 2007*, daily papers saw their circulation drop by almost three percent in 2006, with Sunday circulation dropping by about four percent.² When coupled with 2005's circulation losses, totaling 2.6 percent for daily papers and 3.1 percent on Sundays, this becomes especially problematic.³ Over the past three years, daily circulation losses have reached 6.3 percent, marking a constant stream of daily and Sunday circulation losses since 1990.⁴

Worsening the situation is that circulation is not the only statistic that is suffering. Readership declined by 1.7 percent in 2006, marking the transition of readers to other news sources and a new trend of older people, usually a reliable source of readership for newspapers, failing to pick up a newspaper.

The Bivings Group's 2006 study, *The Use of the Internet by America's Newspapers*, revealed that despite the problems experienced by the print newspaper industry, newspapers have begun to use the Internet and Web 2.0 features at a varying rate. In 2006, newspaper websites, while beginning to adopt tools like RSS and blogs, generally still resembled repositories for archives—online places where newspapers could republish information from print editions or from generic news outlets—rather than as a medium for innovation. Most newspapers in 2006 viewed the Internet as a threat for readership and business rather than as a tool that these companies could leverage to improve their status in a suffering industry. In 2006, newspapers kept a close grip on their content by requiring registration and failing to use features like RSS and bookmarking, which allow content to be shared and spread.⁵ Failing to see the benefits of reader participation and the sharing of article content throughout the web, newspapers

² Journalism.org, *State of the News Media 2007*, "Overview".

http://www.stateofthenewsmedia.org/2007/narrative_overview_intro.asp?cat=1&media=1

³ Journalism.org, *State of the News Media 2006*, "Newspapers".

http://www.stateofthenewsmedia.org/2007/narrative_newspapers_intro.asp?cat=1&media=3

⁴ Journalism.org, *State of the News Media 2007*, "Overview",

http://www.stateofthenewsmedia.org/2007/narrative_overview_intro.asp?cat=1&media=1

⁵ Erin Teeling, "The Use of the Internet by America's Newspapers", August 1, 2006. *The Bivings Group*,

<http://www.bivingsreport.com/2006/the-use-of-the-internet-by-america%E2%80%99s-newspapers/>

maintained an online strategy that originated in the 1990s, and by 2006, little had changed in the realm of newspaper websites. As a result, newspapers had inadvertently given their readers an ultimatum: “Either subscribe to our newspaper in print *or* read it online.” There was little or no incentive for readers to do both of these actions because the print and online versions of newspapers were nearly identical and contained the same content.

In 2007, some of these trends have begun to change. Newspapers are beginning to use more and more web tools, thus enhancing the experience they give to readers on the web. As a result, a June 2007 study by Scarborough reported that a large overlap between the use of print and online versions of newspapers has developed. Eighty-one percent of readers surveyed reported that they consult *both* the print and online version of newspapers on a regular basis. These crossover users turn to the web for breaking news, weather updates, and to reread previously seen articles.⁶ This demonstrates that, contrary to popular opinion, the Internet does not *inherently* pose a threat to newspapers. Rather than spell out newspapers’ doom, as many critics of new media believe, the Internet can present an opportunity for newspapers to expand their reach. In order to maximize benefits from the Internet, however, newspaper websites must continue to evolve beyond their root printed product. Tom Callinan, the *Cincinnati Enquirer’s* vice president for content and audience development seems to realize this, stating in a June article that “We realize we’ve got to change or die,” referring to newspaper web operations.⁷ There is a definite need for a new economic and strategic model for newspaper websites, which the industry currently lacks.

Advertising

At the core of newspapers’ business is advertising. Journalism.org reports that on average, advertising accounts for about 75 to 80 percent of a newspaper’s total revenue, with classified ads representing a huge chunk of this. According to a July 2007 article in *Presstime*, a publication of the Newspaper Association of America, classified ads “represent more than a third of annual print ad expenditures in newspapers,” with spending on these ads reaching \$17 billion in 2006.⁸

In contrast, online ads, despite maintaining a 30 percent growth rate for the past five years, are still only responsible for “six or seven percent of ad revenues.” Sixty to 70 percent of these online ads come in the form of classifieds. Already much less profitable than their printed counterpart, the online classified industry is facing ever-increasing competition from free classified sites such as Craigslist, which are easy to use and readily meet customers’ needs. The efficiency of these sites makes potential advertisers less willing to pay high fees to place classifieds on newspaper websites. Thus, there is an inherent problem for newspapers because as readers shift from print editions, home to the highly profitable ad industry, to online news, which has a yet unproven model for generating advertising revenue, newspapers are losing out. Due to the manner in which users read the news on newspaper websites, often in the form of skimming articles or seeking out specific sources of information, online newspaper ads are worth less than their print counterparts.⁹

⁶ Erik Sass, “Scarborough: Big Overlap in Newspaper/Web Use”, *MediaPost Publications*, June 18, 2007, http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=62475

⁷ Cliff Peale, “Newspapers Pin Survival Hopes on User Content”, *The Cincinnati Enquirer Online*, June 27, 2007, <http://news.enquirer.com/apps/pbcs.dll/article?AID=/20070627/BIZ01/706270332/1076/BIZ>

⁸ John Heys, “Survival Instincts”, *Presstime*, July 2007, <http://www.naa.org/Home/PRESSTIME/2007/July/PRESSTIMEcontent/Survival-Instincts.aspx>

⁹ Journalism.org, State of the News Media 2007, “Newspapers”.

A shift of readership from print to online cuts several ways for newspapers. The commitment of time and attention is so much less that online readers do not command the premium rates print can charge. Paul Ginocchio, a Deutsche Bank analyst, estimates that a print reader is worth \$350 a year to a newspaper, an online reader 10% to 15% of that.¹⁰

Logically, advertisers are unwilling to pay as much for online ads as they are for print ads, where the reach and benefit is much more well defined. One major problem for newspapers trying to attract online advertisements is that getting an accurate measurement of website visits and traffic is difficult. While print circulation is based on the amount of copies purchased every week, web traffic has traditionally been measured in page views per month. Not only does this make for a difficult comparison, but there are also questions about how accurate this model is. Most recently, one of the leading online measurement services, Nielsen/NetRatings, has changed its model for ranking websites from a page view base to a model based on how long users spend on a given website. Based on the way people now use the Internet—often for watching videos or streaming media—Nielsen reported that total minutes is a much better gauge for traffic than page views.¹¹ This new model will also be more valuable to advertisers who are trying to maximize not only the number of people who see their online ads, but the amount of time this audience spends viewing the ads—an important factor for measuring the impact that advertising will have on consumers.

The key is to reinforce the link between online readership and the value of ads. To do this, newspapers must increase traffic, lengthen the “stickiness” (time readers spend online) of their sites, improve online newspaper ads to make them more valuable than those on free sites, or all three.

In order to battle the flailing condition of online newspaper ads, several trends have emerged in late 2006 and the first half of 2007 that indicate that newspapers are progressing forward and attempting to use new tools to better their online services and revenues.

For example, the *Austin American Statesman* has departed from typical classified ad pricing to a model that bases the price paid by advertisers on the success they have from using the paper’s classifieds. Another plan employed in this paper is a bundled ad offering that groups “online positions with reduced rates for run-of-paper display ads in the Monday, Tuesday and Wednesday editions of the newspaper.” In this plan, the paper provides potential advertisers with reach statistics from Scarborough Research that allows advertisers to compare online ads with print, television, and radio buys.¹² This is an innovative idea, as it lowers the prices for print ads that an advertiser might purchase anyway and groups them with a new category—online ads. Advertisers can measure the success of their new advertising medium and may be willing make future online ad purchases.

A more widespread trend that evolved in late 2006 is the cooperation of newspaper websites with search giants Yahoo! and Google. In the fall of 2006, newspaper companies in the US struck a deal with Yahoo! and agreed to post their classified ads on Yahoo!’s HotJobs website. This agreement has since expanded in size and scope:

¹⁰ Ibid.

¹¹ Anick Jesdanun, “Nielsen Scraps Web Page View Rankings”, *WashingtonPost.com*, July 10, 2007, <http://www.washingtonpost.com/wp-dyn/content/article/2007/07/10/AR2007071000547.html>

¹² John Heys, “Survival Instincts”.

The effort now includes 12 publishing companies, representing 264 US newspapers, that have agreed to collaborate with Yahoo in selling advertisements and will feature Yahoo's search engine on their online editions, locking out Internet rival Google. The newspapers will offer their advertisers a chance to buy space on Yahoo's website and will accept online display ads sold by Yahoo...Yahoo's cooperation with the newspapers will be phased in during the next 20 months and eventually will include display advertising and ads targeted to Yahoo search results, according to the executives.¹³

Newspapers will be able to use both Yahoo!'s paid search technology and its graphics-based ad technology, enabling these publications to reach "a combined audience of local newspaper readers and online Yahoo! users." This program developed after and independently of a plan developed last fall by Google to allow Google advertisers to buy print ads in newspapers. By April 2007, 50 newspapers had become part of the Google program.¹⁴

An international example of this trend was explained in January in the *Wall Street Journal*. In the United Kingdom, large newspapers are actually purchasing Google AdWords for popular news items, hoping to push Internet surfers to their news websites.

Newspapers are buying search words on Google Inc. so that links to their websites pop up first when people type in a search. The *Daily Telegraph*, for example, bought the phrase "North Korea Nuclear Test" after the country detonated a nuclear device last October. People in the United Kingdom and the US using English-language Google who type the phrase into the search engine saw an ad for the Telegraph website on the top right of their screen.

While it was noted in the article that several US papers, including the *New York Times*, the *Washington Post*, and *USA Today* have experimented with this tactic, it has yet to become a major trend. In contrast, British papers have taken up this tactic consistently with the *Times of London* buying up to 10 keywords per week.¹⁵

These programs represent the exact kind of improvement newspaper ads need in order to distinguish themselves from free competitors. It can be expected that using the technology of Yahoo! and Google, the Internet's search experts, for newspapers' online ads will not only improve the quality of ads through targeting, but as a result will also improve the value of these ads, distinguishing them from their free—and inherently passive—counterparts. While people must intentionally visit sites like Craigslist, and, formerly, newspaper classifieds, for the purpose of viewing ads, the new ads carried out by Yahoo online will help newspapers increase the reach of their ads without requiring any effort by consumers. With this agreement, online newspaper ads will now be viewed by much larger audiences.

Keys to Leadership

¹³ Alan Sipress, "McClatchy Newspapers Join Yahoo's Ad-Sharing Alliance", *washingtonpost.com*, April 17 2007, McClatchy Newspapers Join Yahoo's Ad-Sharing Alliance

¹⁴ David B. Wilkerson, "Yahoo expands Newspaper Ad Deal", *MarketWatch.com*, April 16, 2007, <http://www.marketwatch.com/news/story/yahoo-expands-newspaper-ad-deal/story.aspx?guid=%7B14B9118F-F19B-4E6D-8B11-0026666CE371%7D>.

¹⁵ Aaron O. Patrick, "Google This: U.K. Papers Vie to Buy Search Terms", *WallStreetJournal.com*, January 12, 2007, http://online.wsj.com/public/article_print/SB116855178228674343-iKtivGyD_syoFvinKCdY4IE9kRM_20070123.html

In a time when it is most imperative for newspapers to distinguish themselves from other news sources, newspapers are experimenting with methods of differentiating themselves from competitors. The *Washington Post* is one example of a newspaper that has truly leveraged its website to boost profits. Eleven percent of the paper's revenue comes from its website, nearly double the 2006 average of six percent, and 25 percent of its readers use both the print and online versions on a regular basis.¹⁶ The *Washington Post*, while it does in fact repeat much of its printed articles online, goes much further than most other newspapers on its website. The company has created several interactive databases of information that cannot be found in its print version. These databases, including "Faces of the Fallen," a special report of Americans that have died in battle in Iraq and Afghanistan¹⁷, and "Campaign Tracker," which features a listing of events for 2008 presidential candidates mashed up on a Google map¹⁸, are examples of creative content that draw people from the print version to the website and back again. By referring readers to these features in the printed paper, the *Washington Post* not only makes supplemental information accessible online, but also connects its print and online versions in such a way that encourages readers to use both mediums for obtaining news. Similarly, the *New York Times*, which has the second highest crossover audience at 21 percent, offers similar features on its website, including its database that tracks 2008 presidential campaign contributions.¹⁹

Another successful tactic for driving online traffic is leveraging citizen journalists through blogs or niche local news sites. The *Cincinnati Enquirer* has tried such a tactic through its site GetPublished.com, "which solicits user-submitted content at more than 230 neighborhood-centered 'microsites.'" In May 2007, GetPublished recorded some impressive statistics: Page views had declined 16 percent from April 2007 to May 2007, but were up by 61 percent compared to May 2006 at 157,619. In May 2007 alone, "there were 1,180 stories, 523 photographs, and 864 events submitted through GetPublished by 1,604 users."²⁰ This is a great example showing that if given the opportunity, citizens will connect and participate with their local media.

Obviously, there are risks in this strategy, including poor quality of content, the posting of objectionable or offensive content, and the simple worry that the site might not get enough traffic. However, Steve Outing notes in an article in *Editor and Publisher* that in today's world of newsroom layoffs and shrinking reporting staff, citizen journalists can be invaluable for newspapers by filling in holes created by losses of reporters and other personnel.

Should a newspaper – dealing with recent editorial and budget cutbacks – worry about covering things that don't register in the 'grand scheme of things'? Is a bike race that attracts 1,500 passionate souls in your community worthy of tapping into that smaller budget to cover? From a practical standpoint, probably not. It's not worth assigning a reporter from your thinned ranks to spend a day watching a bike race that's not a national championship. But from the standpoint of serving your community, definitely. You should figure out how to cover it without taking reporters off more significant

¹⁶ Journalism.org, State of the News Media 2007, "Newspapers".

¹⁷ <http://projects.washingtonpost.com/fallen/>

¹⁸ <http://projects.washingtonpost.com/2008-presidential-candidates/tracker/>

¹⁹ http://www.nytimes.com/ref/us/politics/2008_EG_FINANCES_SEARCH.html

²⁰ Cliff Peale, "Newspapers Pin Survival Hopes on User Content".

assignments...A local news organization should acknowledge the passions running within its community. It sends a bad message by ignoring things.²¹

Outing argues that citizen journalism for hyperlocal events and issues, which may include poorly written content, is “better than nothing.” To him, the job of editors would be to distinguish good content from the bad and to label articles properly so that readers are keenly aware of stories that are written by fellow citizens versus those written by newspaper staff:

Something along the lines of a byline like this is appropriate: ‘By Jane Jones, citizen correspondent’, where the title is linked to an explanation that this person is not a professional journalist and the newspaper does not vet or warrant her submission.²²

Despite the problems being experienced by the newspaper industry today, all is not lost. The Internet, while a significant competitor to print papers, has also shown these publications some hints of success:

For the most part, newspaper sites have succeeded in attracting visitors. Overall, in most markets, newspapers have the best-trafficked websites. The *Atlanta-Journal Constitution*, for instance, has extended its weekly reach by about 10 percent through its website. Many major papers, such as the *New York Times* and the *Washington Post*, now have more daily visitors than they sell copies of the paper each day, though most of those are the same people.²³

We can conclude from these testimonies that attracting online visitors is not the problem currently facing newspaper companies. Rather, the problem lies in several other, more specific areas:

- Lengthening the amount of time users spend on newspaper websites;
- Expanding the purpose behind newspaper website visits;
- Converting page views and stickiness into revenue;
- Improving advertiser incentives for purchasing online ads on newspaper websites.

Basically, the core issue facing newspapers is developing an economic model that can help their online programs make up for the losses that are occurring in the print sector. In the view of The Bivings Group, the foundation for this economic model is creating websites that are strategically and visually better than those of competitors. For small newspapers, this means veering away from recycling AP and generic content to their websites, as consumers can find this information anywhere. Instead, newspapers should make a strong push to offer their customers hyper-localized information on their websites that is difficult to find elsewhere. In this way, newspapers can offer their customers unique information, filling in the gaps of national media. This is where most newspapers are really struggling: shifting their traditional views on maintaining control over their content and information to a world of Web 2.0, where sharing, interactivity, and niche reporting are the buzzwords.

²¹ Steve Outing, “How Citizen Stringers Can Help you Hyper-Localize”, *EditorandPublisher.com*, July 2, 2007, http://www.editorandpublisher.com/eandp/columns/stopthepresses_display.jsp?vnu_content_id=1003606415

²² Ibid.

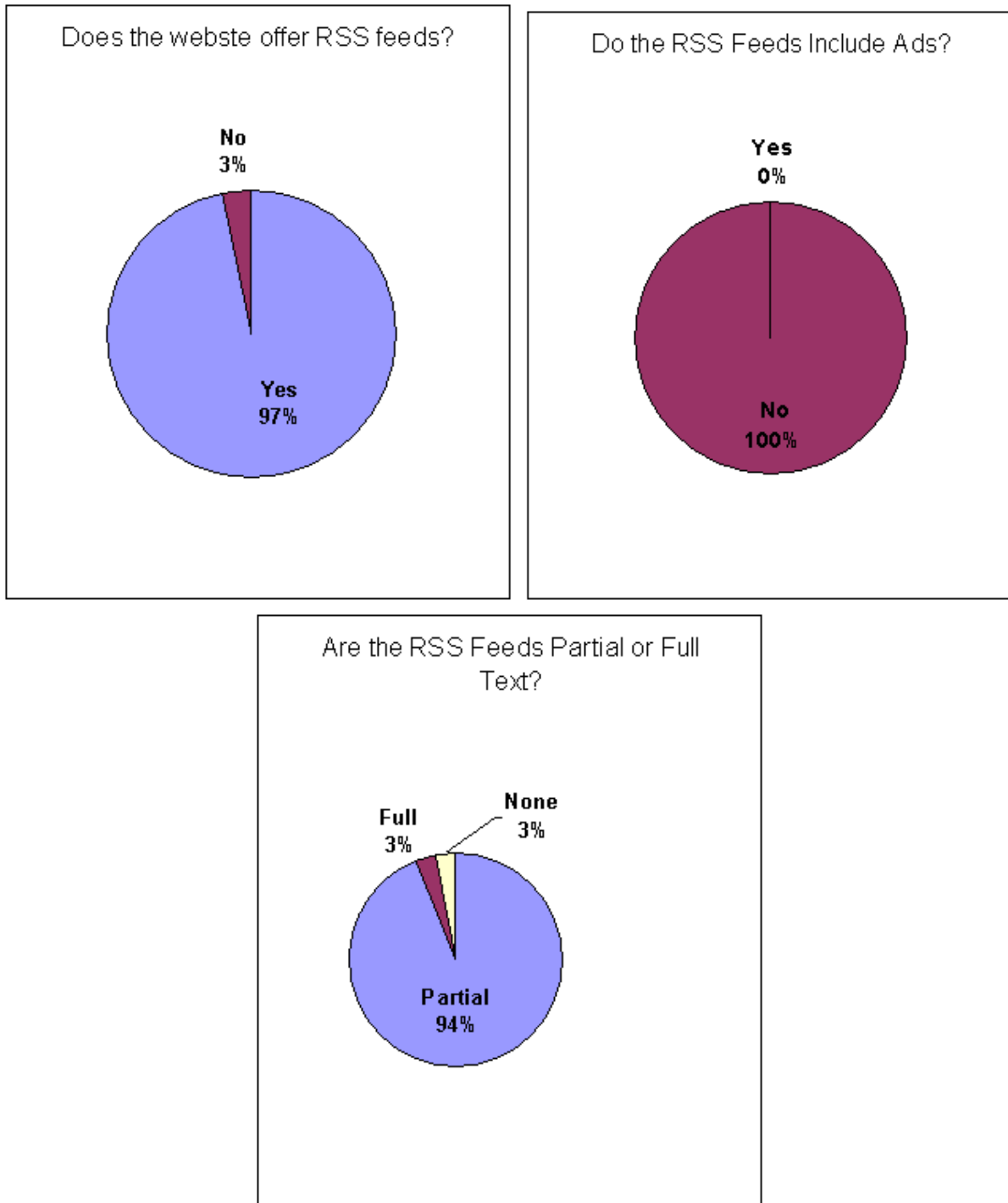
²³ Journalism.org, “State of the News Media 2007”, Newspapers.

The following data provides an in-depth look into how newspaper websites are changing for the better by incorporating new tools and strategies, as well as how these sites are still struggling to communicate their ideas in a Web 2.0 world.

Features

Following is a detailed breakdown of the information The Bivings Group found in its 2007 research.

I. RSS



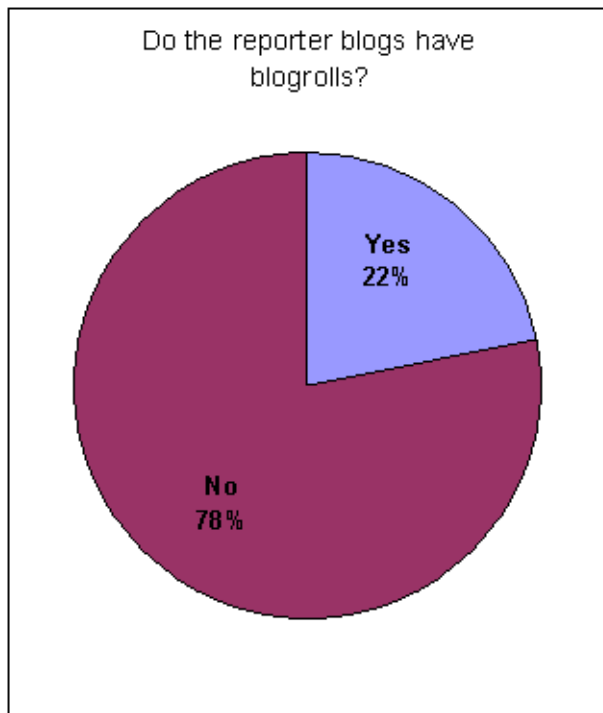
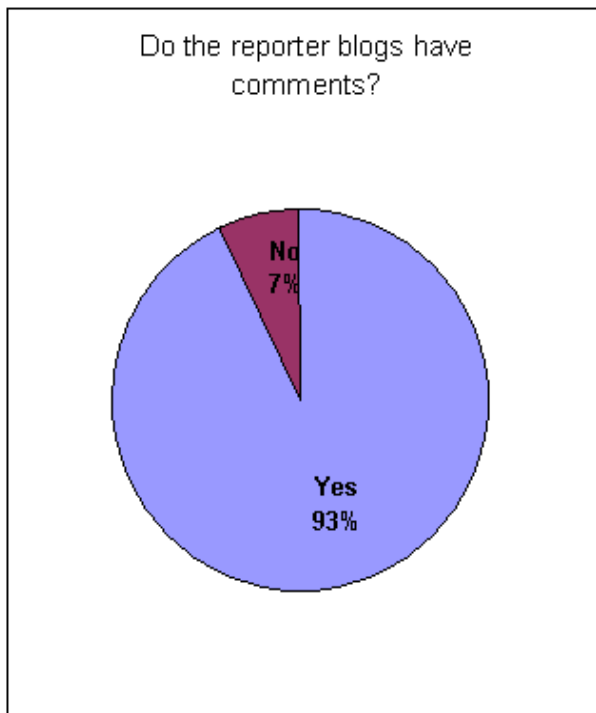
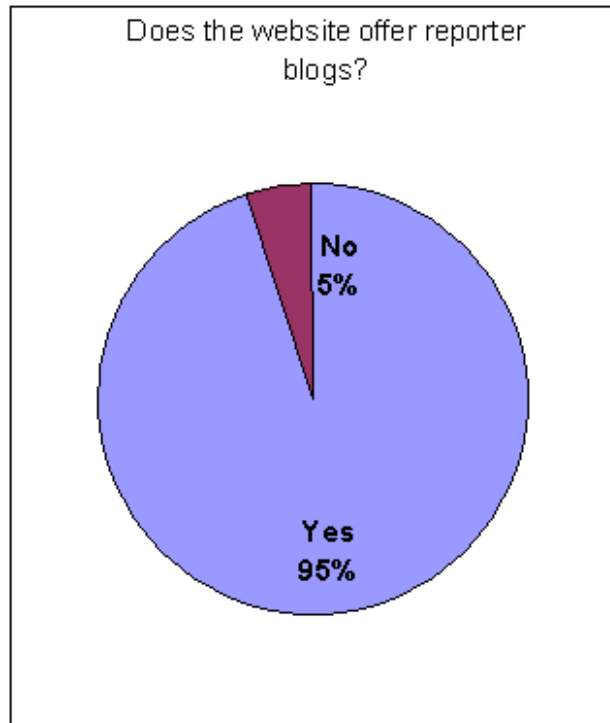
In this year's research, The Bivings Group discovered that 97 percent of the nation's top 100 newspapers are offering RSS feeds for news articles. This represents a very large increase upon last year's results, when just 76 percent of the top 100 newspapers offered their readers RSS feeds. This jump in the use of RSS is not surprising, as more and more people begin to use web tools that enable them to read online content on their own terms--through feed readers

or email updates. Newspapers that have been hesitant to offer their readers RSS feeds have prevented a loss in page views by only offering partial text feeds, in which readers can view headlines and teaser text, but not full articles. Ninety-four percent of the nation's papers are using this tactic—luring visitors to their site by offering them a sampling of what the paper's news is on any given day.

Much like last year, however, newspapers are failing to take full financial advantage of RSS feeds. RSS feeds offer newspaper websites, which are in need of ad dollars to make their model work, another medium for displaying ads and collecting ad revenue. Yet, just as in the 2006 study, none of the papers we researched are taking advantage of the monetization opportunity presented by RSS technology.

Some large blogs, such as [Wonkette](#), [Gawker](#), and [Engadget](#), are beginning to give their readers the option of viewing RSS feeds in partial text with no ads or in full text with ads embedded. This is a great idea because the website wins in both circumstances: if a reader chooses the partial text feed, he or she will still have to visit the site to view articles. Thus, the site does not lose any traffic. If the reader chooses to view the RSS with ads embedded, the site gains an opportunity to make some extra profit. This is one area where newspapers could learn a lot from blogs and gain a method of monetizing their content.

II. Blogs



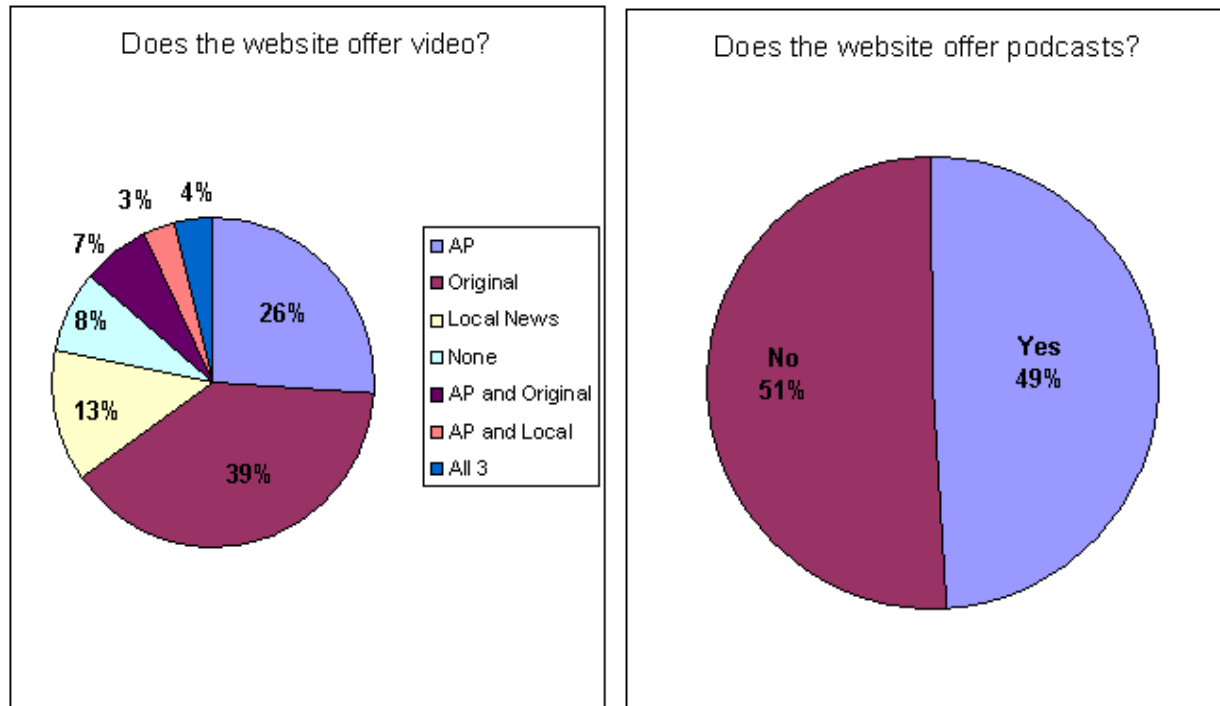
The value of newspaper blogs has been questioned often, and rightfully so. The merits of blogging for newspapers are quite obvious, and include the engaging readers in new ways, allowing journalists the freedom to discuss topics not otherwise covered in the news, facilitating the discussion of hyper-local or niche issues, and of course, increasing the site's page views. Despite the benefits of interactive blogging, last year's research showed that 80 percent of the nation's top 100 papers offered blogs, with just 67 percent of these blogs allowing comments. The quality of newspaper blogs, measured by the degree to which they allow readers to build discussions and interact with supporters, suffers not only from a lack of resources, but also from restrictions placed on bloggers by their supervisors. One restriction in particular that stands out is a "no-linking policy," whereby newspaper bloggers are not allowed to link to source material, located either at other newspaper sites, other blogs, or other news sites.²⁴ Obviously, not all papers have such a policy. But for ones that do, this "no-linking policy" strips newspaper blogs of their ability to create connections with other bloggers, which often helps a blog become more popular.

A second restriction that limits the value of newspaper blogs is a "no-comment policy," whereby blog readers cannot leave comments on blog posts. This combination of restrictions strips newspaper blogs of their "blog" designation and makes them resemble online columns rather than actual blogs.

This year, our research suggests that both the number and quality of blogs has improved since the 2006 study. The percentage of newspaper sites with blogs has increased from 80 percent to 95 percent, with 93 percent of these blogs allowing user comments. Despite these improvements, however, the percentage of newspaper blogs using blogrolls, or links to external blogs, decreased from 30 percent last year to 22 percent this year. This seems to indicate that while newspapers may be more willing now to accept reader feedback than in the past, they still are not comfortable with the concept of "sharing" their readership, a factor that is vital to creating a successful blog network.

²⁴ Erin Teeling, "The Plight of Newspaper Bloggers", *The Bivings Report*, April 23, 2007. <http://www.bivingsreport.com/2007/the-plight-of-newspaper-bloggers/>

III. Video and Podcasting



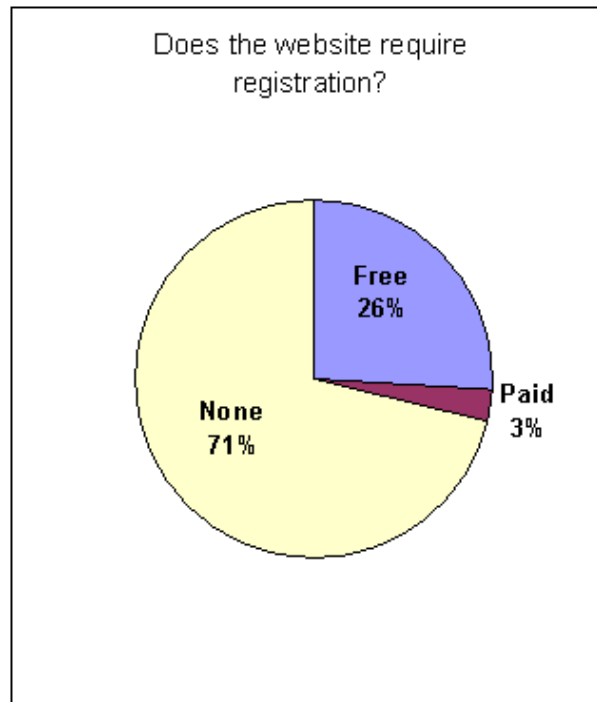
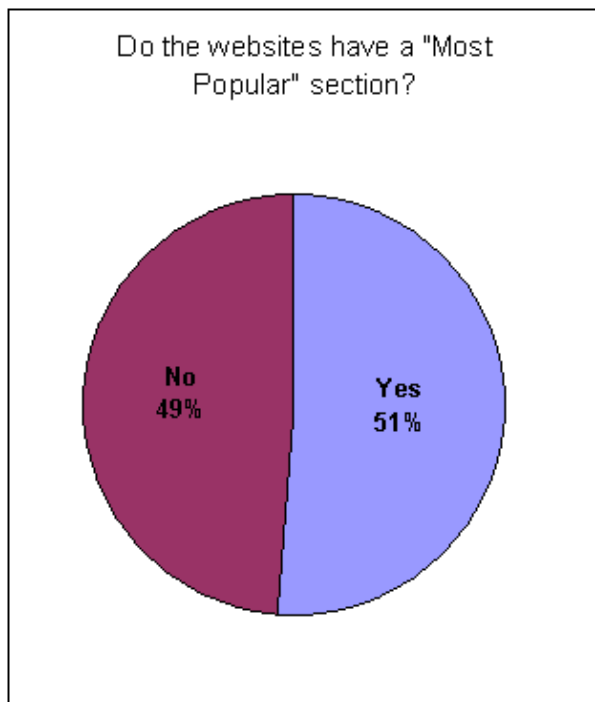
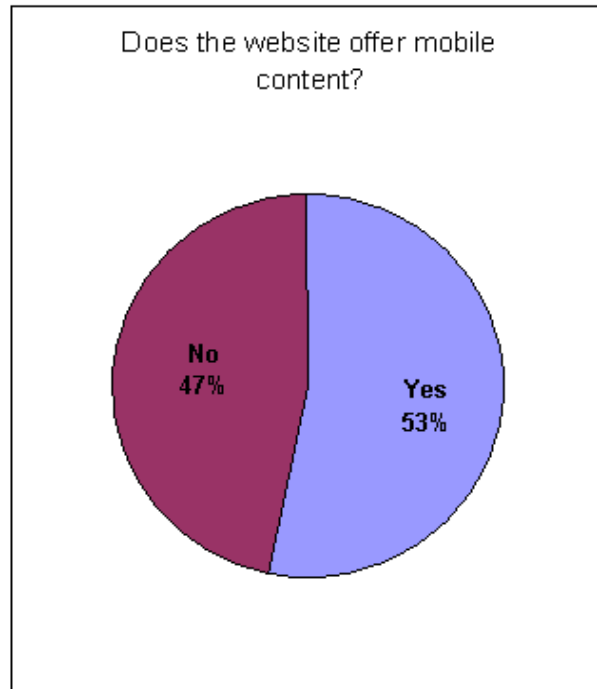
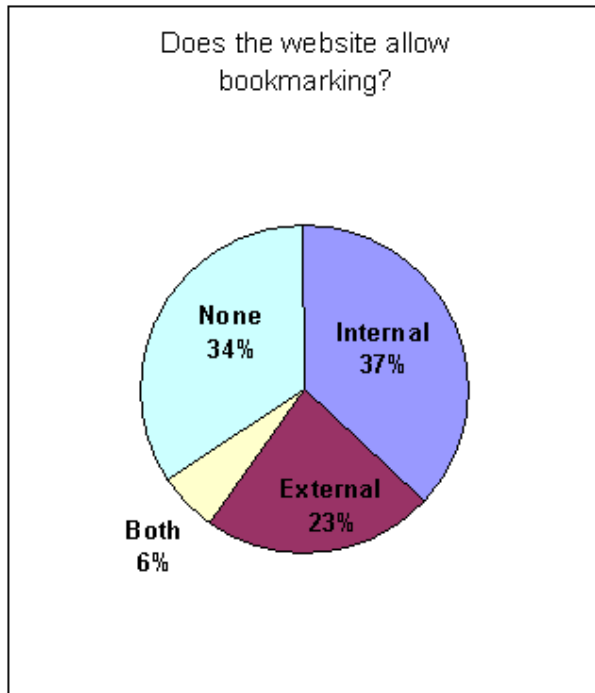
The video and podcast categories have shown significant growth since last year's study. In 2006, 61 percent of papers offered video, while just 31 percent offered podcasts. As shown by the graphs above, all but eight percent of the top 100 newspapers now offer some form of video on their website. Podcasting also improved, with nearly half of all sites featuring podcasts online.

This is always an interesting category to investigate, as audio and video are two features clearly outside of newspapers' core abilities. While blogging builds on newspapers' core competencies, offering video and podcasting on newspaper sites requires a development of abilities that do not otherwise exist.

In 2006, the majority of video on newspaper websites was content fed from the Associated Press (AP) or other sources. In 2007, we saw the development of several other types of video. In particular, 39 percent of the papers incorporated some sort of original content on their websites. Fourteen percent of the papers were able to combine AP, original, and local news content to provide relatively large libraries that include a variety of different types of video.

Podcasting and video offerings are two key components for newspapers' online strategies. By their nature, these technologies contribute a significant amount of value added to a website that helps differentiate it from its print counterpart, giving readers to make use of both the digital and print versions of a publication.

IV. Freedom of Content



This section deals with the freedom of newspaper content and considers whether or not newspapers allow their readers to make use of alternative content views for reading articles.

Encouraging in this section are the data for “most popular” and “bookmarking,” which show significant growth since the 2006 study. In the case of “most popular” features, which includes any dynamic function on a website that displays the “most read,” “most emailed,” or “most commented” (etc.) stories on a given day, websites that feature this tool increased from 33 percent in 2006 to 51 percent in 2007. Similarly, “bookmarking,” which indicates the degree to which users can share articles with outside aggregator sites, such as digg.com or del.icio.us, or save them in their account on the newspaper’s website, increased from just seven percent in 2006 to a whopping 77 percent in 2007. These features are significant because they allow users to view newspaper articles in different venues and in different formats that might be better suited to individual users. In addition, allowing articles to be shared with aggregator sites like digg.com popularizes newspaper articles or blog posts, and, in some cases, can help a newspaper site earn higher traffic.

Another interesting factoid is that more than half (53 percent) of the top 100 newspapers offer content for mobile devices. This is not a feature our staff researched in 2006, however, we reported in a study of Japanese newspapers that mobile content was not a “noticeable” or “stand out” feature of any American newspapers, while nearly all Japanese papers offered this feature.²⁵ With the evolution of cellular devices in the United States, including the iPhone and Blackberry, among others, the availability of mobile content has become an important feature of websites in recent years. Whether or not people can view websites on their smart phones may in fact be a deciding factor for people when they determine which news websites to visit.

Despite these advancements, newspapers seem to have regressed in terms of registration requirements. Twenty three percent of websites analyzed in 2006 required some form of registration. This number increased in 2007 to 29 percent. While just three percent of papers required paid registration, the prevalence of registration barriers to content seems counterintuitive to the advancements in bookmarking.

Registration, both free and paid, serves little purpose for newspapers. According to Journalism.org, the success of programs like TimesSelect, where the *New York Times* charges for premium content, “have been limited” and fail to cover the “most expensive aspect of journalism—basic news covering.”²⁶ Free registration, while possibly the source of somewhat valuable demographic consumer information, blocks content from spreading virally around the web and turns away many potential readers who feel uncomfortable disclosing their email addresses. In an age where content travels quickly and can be found in many places, attempting to protect content through registration is bound to be futile. Many can dodge the process by using phony email addresses and passwords generated by sites like bugmenot.com, or will simply just find another location to view the content.

Our researchers believe that a pay-to-read model could be successful if, *and only if*, a newspaper has unique, niche content that cannot be found anywhere else. In this case, a newspaper might be able to entice a large enough paying audience. This is similar to the model employed by companies like *The Wall Street Journal*, Bloomberg, and MarketWatch, who have valuable financial data that people need. Another example of this model is Rivals.com (recently purchased by Yahoo!), which offers users inside college sports information for a monthly fee. This niche content site has 180,000 active subscribers and generates 3.5 billion page views per

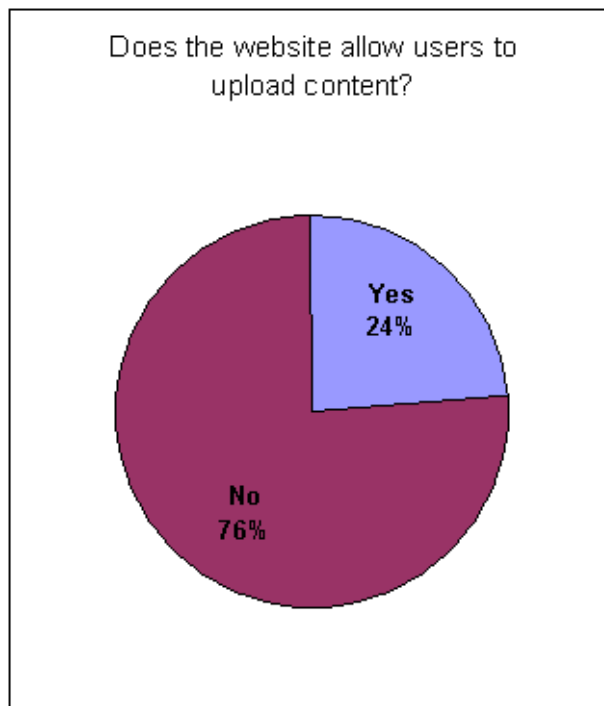
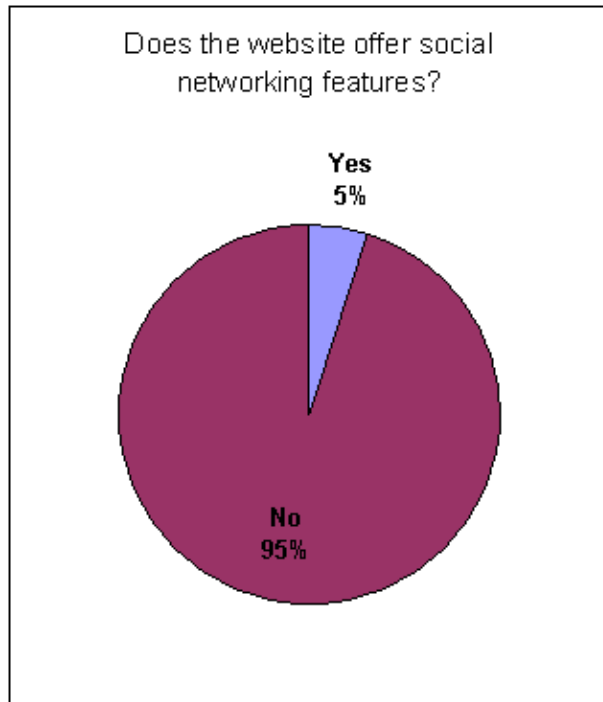
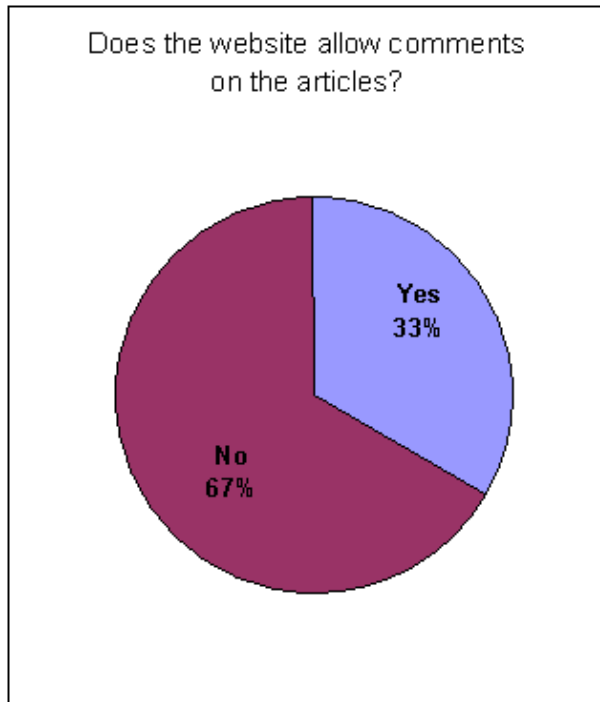
²⁵ Erin Teeling, “The Use of the Internet by Japanese Newspapers”, *The Bivings Report*, August 17, 2006, <http://www.bivingsreport.com/2006/newspaper-study-translated-into-japanese/>

²⁶ Journalism.org, “State of the News Media 2007”, “Online”.

month.²⁷ Therefore, while paid-for subscription models can be somewhat successful, attempting to get people to pay to register, or even to register at all, for newspapers that do not offer such information is not in the site's best interest.

²⁷ Rivals.com, "About", <http://www.rivals.com/content.asp?CID=36178>

V. Interactivity and Participation



User participation has become a key determinant in the way people obtain news. Rather than simply be fed headlines, many consumers now want to interact with news outlets and reporters. As a result of the evolution of blogs and online discussion networks, user expectations have risen in recent years, with the general public requiring more from their media outlets.

To measure how newspaper websites are adjusting to this trend, we investigated three specific categories. The first, allowing commenting on articles, was also discussed in the 2006 study. In 2007, we saw an increase in the percentage of papers offering this feature, from nineteen percent to twenty-three percent. Given the proliferation of grassroots and citizen media, this figure seems low. However, the improvement is encouraging. It seems that gradually, newspaper sites are becoming more willing to let down their control over their site's content and are beginning to welcome user participation. This can also be seen in the increase of publications allowing comments on reporter blogs, which increased significantly since 2006.

Two new categories our staff investigated are user-generated content and social networking. With the explosion of sites like YouTube, Flickr, and other content sharing websites, more and more people are looking to not only create content, but share it with others. With this in mind, we found that nearly a quarter of the newspaper websites are accepting content from readers in the form of photos, videos, or articles. For newspapers with shrinking staffs, this seems like a great way to fill in holes for the coverage of local events.

Another new trend is the development of social networking features or the ability to create profiles on newspaper websites. Five percent of the sites we researched had these features, including *USA Today*, the *Denver Post*, the *Atlanta Journal Constitution*, the *Washington Post*, and the *Arizona Republic*. All of these sites integrated a variety of features, including allowing users to blog through the site, messaging features, user profiles and others. This is a great way to secure online readership, encourage people to return to a newspaper's website, and to connect users with others in their community. Our staff's prediction is that more newspapers will follow the example set by *USA Today* in March of this year.

VI. Conclusion

When considering the trends in newspaper websites in 2006 and 2007, it is evident that newspapers are working to transition to a web 2.0 format that allows for user feedback and interactivity. Gradually, newspaper websites are becoming unique sources of news and multimedia rather than just an extension of the printed newspaper product. This transition, however, is far from complete.

Hampered by shrinking news staff, the costs associated with developing creative web programs, and the relatively unproven nature of online strategies for advertising and disbursement of information, newspapers have been somewhat slow at adopting online tools that have become so commonplace in today's world of blogs and social networking. This slow and gradual pace has cost newspaper websites in terms of ad dollars and users, who have turned to other sources for classified ads and generic news content.

In order to counteract the struggling nature of the print news industry, newspapers should use their websites to expand their reach and profit opportunities. New techniques such as monetizing RSS feeds and improving online classified ad sections are two adaptations that will improve newspapers' success on the web. Expanding the library of online functionality and improving user experiences through the design and layout of newspaper websites are two more.

The Internet, while a direct competitor for newspapers, can also be a powerful tool. For the benefits of the web to be realized, however, newspapers must adapt their strategies and open their sites up to user participation.

Appendix

The following newspapers were examined during our research. Circulation data was obtained from the Audit Bureau of Circulations.²⁸

Newspaper	Circulation
USA Today	2,549,252
The Wall Street Journal	2,047,127
New York Times	1,623,697
Los Angeles Times	1,172,005
Denver Post	1,039,340
Chicago Tribune	937,907
The Washington Post	930,619
New York Daily News	780,196
New York Post	708,561
Houston Chronicle	692,586
Philadelphia Inquirer	682,214
Minneapolis Star Tribune	596,333
Boston Globe	587,292
The Newark Star-Ledger	580,640
Atlanta Journal Constitution	523,968
The Arizona Republic	503,953
Long Island Newsday	474,750
The Plain Dealer	446,487
San Francisco Chronicle	432,957
The Seattle Times	423,275
St. Louis Post-Dispatch	418,262
Milwaukee Journal Sentinel	401,379
The San Diego Union Tribune	390,310
St. Petersburg Times	386,661
The Baltimore Sun	380,701
Portland Oregonian	375,757
The Miami Herald	361,846
Kansas City Star	355,578
Pittsburgh Post-Gazette	354,966
Indianapolis Star	348,784
The Detroit News	348,297
The Columbus Dispatch	345,525
Orange County Register	337,088
San Antonio Express-News	329,757
The Sacramento Bee	318,101
Orlando Sentinel	317,226
Birmingham News	315,744
South Florida Sun-Sentinel	304,841
Fort Worth Star-Telegram	302,684
Cincinnati Enquirer	288,030
The Daily Oklahoman	282,709

²⁸ <http://www.accessabc.com/products/top200.htm>

The Tampa Tribune	278,411
Little Rock Arkansas Democrat-Gazette	270,635
The Buffalo News	267,922
The Charlotte Observer	266,651
Louisville Courier Journal	264,732
Hartford Courant	264,539
San Jose Mercury News	251,454
St. Paul Pioneer Press	245,597
Des Moines Register	237,871
Tennessean	235,257
Omaha World-Herald	228,344
Investor's Business Daily	217,515
Democrat & Chronicle	214,908
Richmond Times-Dispatch	213,418
Providence Journal	212,971
Astin American Statesman	212,744
Raleigh News & Observer	209,024
The Boston Herald	205,995
Memphis Commercial Appeal	204,278
Las Vegas Review-Journal	202,850
Asbury Park Press	197,956
The Record	195,047
The Palm Beach Post	184,443
The Grand Rapids Press	182,625
Contra Costa Times	179,446
The Press-Enterprise	178,788
The Fresno Bee	177,934
Tulsa World	172,410
Los Angeles Daily News	170,434
The Post-Standard	167,609
Akron Beacon Journal	166,154
Dayton Daily News	165,953
The Blade	162,980
Tribune-Review	158,001
The Honolulu Advertiser	157,683
Arizona Daily Star	156,694
Daily Herald	154,477
The Salt Lake Tribune	149,405
Allentown Morning Call	149,264
The Knoxville News-Sentinel	147,236
Albuquerque Journal/Tribune	145,277
Patriot-News	145,039
Wisconsin State Journal	144,679
Times Union	140,182
The State	138,980
Wichita Eagle	138,885
The Journal News	137,415
Lexington Herald-Leader	134,829

Wilmington News Journal	133,924
The News Tribune	131,844
La Opinion	127,648
Republican	124,287
Advocate	120,730
The Philadelphia Daily News	120,007
Journal Gazette	119,842
Spokesman-Review	119,231
Maine Sunday Telegram	114,373
News-Journal	114,178
Herald-Tribune	111,555

Works Cited

Audit Bureau of Circulations, <http://www.accessabc.com/products/top200.htm>.

“Campaign Finance Tracker”, NewYorkTimes.com,
http://www.nytimes.com/ref/us/politics/2008_EG_FINANCES_SEARCH.html

“Faces of the Fallen”, Washingtonpost.com, <http://projects.washingtonpost.com/fallen/>.

Heys, John. “Survival Instincts”. *Presstime*. July 2007,
<http://www.naa.org/Home/PRESSTIME/2007/July/PRESSTIMEcontent/Survival-Instincts.aspx>

Jesdanun, Anick. “Nielsen Scraps Web Page View Rankings”. *WashingtonPost.com*.
July 10, 2007,
<http://www.washingtonpost.com/wpdyn/content/article/2007/07/10/AR2007071000547.html>

Journalism.org, “State of the New Media 2007; An Annual Report on American Journalism”, <http://www.stateofthenewsmedia.org/2007/>

Outing, Steve. “How Citizen Stringers Can Help you Hyper-Localize”. *EditorandPublisher.com*.
July 2, 2007,
http://www.editorandpublisher.com/eandp/columns/stopthepresses_display.jsp?vnu_content_id=1003606415

Patrick, Aaron O. “Google This: U.K. Papers Vie to Buy Search Terms”. *WallStreetJournal.com*.
January 12, 2007, http://online.wsj.com/public/article_print/SB116855178228674343-

Peale, Cliff. “Newspapers Pin Survival Hopes on User Content”. *The Cincinnati Enquirer Online*.
June 27, 2007,
<http://news.enquirer.com/apps/pbcs.dll/article?AID=/20070627/BIZ01/706270332/1076/BIZ>

“Presidential Candidates Event Tracker”, Washingtonpost.com,
<http://projects.washingtonpost.com/2008-presidential-candidates/tracker/>

Rivals.com. “About”, <http://www.rivals.com/content.asp?CID=36178>

Sass, Erik. “Scarborough: Big Overlap in Newspaper/Web Use”. *MediaPost Publications*. June
18, 2007,
http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=62475

Sipress, Alan. “McClatchy Newspapers Join Yahoo’s Ad-Sharing Alliance”.
Washingtonpost.com. April 17 2007,
<http://www.washingtonpost.com/wpdyn/content/article/2007/04/16/AR2007041600540.html>

Teeling, Erin. “The Use of the Internet by America’s Newspapers”. *The Bivings Group*, August

1, 2006, <http://www.bivingsreport.com/2006/the-use-of-the-internet-by-america%E2%80%99s-newspapers/>.

Teeling, Erin. "The Plight of Newspaper Bloggers". *The Bivings Report*. April 23, 2007. <http://www.bivingsreport.com/2007/the-plight-of-newspaper-bloggers/>

Teeling, Erin and Yukako Nishihara. "The Use of the Internet by Japanese Newspapers", *The Bivings Report*. August 17, 2006, <http://www.bivingsreport.com/2006/newspaper-study-translated-into-japanese/>

Wilkerson David B. "Yahoo expands Newspaper Ad Deal". *MarketWatch.com*. April 16, 2007, <http://www.marketwatch.com/news/story/yahoo-expands-newspaper-ad-deal/story.aspx?guid=%7B14B9118F-F19B-4E6D-8B11-0026666CE371%7D>