

# **Social News Organizations**

## How Search & Social Media Are Changing the News Media

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## Introduction

Digital media continue to affect newspapers ad revenues in three ways. First, digital content has eroded the demand for daily print content, reducing newspaper circulation and the value of newspaper ad space. Second, free online classifieds have virtually eliminated a major newspaper revenue stream. Finally, advertisers in general have moved more of their budgets to online media where real estate is cheaper, targeting is more accurate, and performance metrics are readily available.

What each of these trends indicates is that the conventional newspaper distribution and revenue models are obsolete -- i.e. that they both fail to address modern market realities. However, the market demand for authoritative, journalistic content remains clear and present. Newspapers, then, can adapt to a predominately digital landscape by evolving into **social news organization (SNOs)**.

Essentially, the newspaper business model focuses on (1) producing authoritative content so that they can (2) sell advertising. There is nothing in that model that necessitates that content be printed on actual paper or that readers pay for their subscriptions. There are several channels, moreover, that newspapers can use to adapt their product to the digital landscape and evolve into SNOs -- including SEO, social media, and mobile web apps.

## Social News: Public Parks vs. Walled Gardens

Both newspapers and SNOs are in the business of producing authoritative content (their product) so that they can sell advertising (generate revenue). Whereas newspapers rely on print distribution for subscription and ad revenues, however, SNOs rely on digital channels for distribution and ad revenues, and have no subscription-based revenue stream.

Consequently, SNOs are more like **public parks** than **walled gardens**: all SNO content is still protected behind a registration wall, but there are no costs associated with registration. So while newspapers might restrict access to their online content through subscription fees or micro-payments, SNOs still enforce subscription-based access to content, but **do not** charge for those subscriptions.

In this respect, there are three defining aspect of an SNO. First, an SNO is simply a journalistic outlet that disseminates authoritative content across various digital media. Second, an SNO leverages those digital media to acquire unpaid subscribers/registered users. Finally, SNOs uses the data available through registered user profiles to diversify their ad offering and better target media placements.

An SNO also uses up to four channels to grow and maintain its registered user-base and generate revenues: (1) SEO is used to increase digital visibility and grow audience; (2) social

media is used to retain readers, attract new ones, and gather data to better understand them; (3) the mobile web is used to further enhance reach and retention, as well as bolster ad offerings; and (4) an *optional* (free) print edition might be used to drive additional users to digital content.

In essence, SNOs are focused targeting users as accurately as possible with both custom content and personalized advertising. While the customer content better engages users, personalized advertising increases the value of advertising space and makes it a better value proposition for advertisers.

## SEO & Social News Organizations

Search engines play a vital role within the SNO business model -- they increase the visibility of SNO content so that SNOs can attract new users. Consequently, search engine optimization (SEO) is an integral part of SNOs' distribution model.

Conversely, some newspaper owners [have accused](#) search engines of scraping their content and using it to make money. In fact, Rupert Murdoch's NewsCorp recently closed its content off from Google.

Shutting out search engines, however, represents an impractical approach to the content delivery market. As the [Pew Internet & American Life Project](#) recently found, the internet has surpassed national and local print newspapers to become the 3rd most popular news platform in American, with 6 in 10 (59%) Americans getting "news from a combination of online and offline sources" (Purcell et al).

## First Click Free & Social News Organizations

SNOs can reconcile the need to obtain registered users with maintaining their search engine visibility through SEO tools such as Google's **First Click Free (FCF)**. Through FCF, newspapers can allow search engines in behind their registration wall to index content. Then, if users click on a story in Google's search results, they can access that one story, but have to register if they want to consumer more content. As [Google's Webmaster Central explains](#), FCF is designed to:

1. To include highly relevant content in Google's search index. This provides a better experience for Google users who may not have known that content existed.
2. To provide a promotion and discovery opportunity for publishers with restricted content.<sup>1</sup>

To further assist publisher such as newspapers, moreover, [at the end of 2009](#), Google modified FCF to allow publishers to limit access to their content though FCF to **five accesses per user per**

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<sup>1</sup> Google. *First Click Free*. 2010.

day.<sup>2</sup> SNOs, then, can leverage FCF to attract new readers looking for authority, journalistic content, and potentially convert them into new subscribers.

FCF also represents a particularly significant opportunity for news networks that operate several portals and sites. Such news networks can merge the user databases of their various portals/sites and offer users universal access with a single registration. This will both help increase user registration and, more importantly, reduce the need for additional registrations by the same user. It will also give the SNO -- or Social News Network (SNN) -- added insight into users' content consumption patterns.

## Case Study: First Click Free & TheHeart.org

The effectiveness of FCF to convert searchers into registered users is significant. For example, the cardiology news site, TheHeart.org, a property of WebMD, implemented FCF in July 2009. Users were now allowed access to one article after clicking through from search results, and then had to register. Registrations to the site **more than doubled** in one week and, to date, have remained at the new, high level.<sup>3</sup>

There are two key characteristics of the registration process at TheHeart.org: (1) registration is free, and (2) no email confirmation is required. While free registration increases the likelihood that users will begin the registration process, the lack of email confirmation ensures that users will complete it.

The incentive that users have to offer accurate user data is that doing so allows them to customize their experience. For instance, by providing an accurate email address and information of what sort of medicine they practice, TheHeart.org users can ensure that they continue to be alerted of and gain access to breaking news and new study finding in their field.

## SEO & User Acquisition

Just as relying on the physical, printed medium is an outdated distribution strategy, so is the idea of resisting search engines. The internet has become a choice medium for consumers, and users rely on search engines to navigate the near infinite expanse of online content.

Publishers now operate in a market that's guided more by the [economics of abundance](#)<sup>4</sup> than of scarcity, and there's no business opportunity in offering consumers less convenience through an increasingly obsolete medium. Besides, many [publicly traded companies already rely on Google](#) for the revenues.<sup>5</sup>

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<sup>2</sup> Google. *Changes in First Click Free*. 2009.

<sup>3</sup> Moore. *Personal Interview with Louis Delage*. 2010

<sup>4</sup> Anderson. *The Economics of Abundance*. 2006.

<sup>5</sup> Burham. *The Google Dependency Index*. 2010.

So it makes perfect business sense for content producers to leverage search engines as *one* of their primary distribution/acquisition channels. Not only can search engines deliver new readers, but also deliver ones that are targeted (through their search queries), interested, and engaged.

## Social Media: Retention, Acquisition, and Ad Targeting

An SNO also employs social media tools to reach over 70% of all internet users (and over half of all Americans). First, social media offers SNOs an effective way to better engage and retain existing users. Second, social media can help SNOs to grow their audience by leveraging the personal social networks of existing users. Finally, social media can offer SNOs more precise user data that can be used to better target advertising.

As an SNO acquires new users via FCF, they need to offer those users a very engaging experience to retain them. While SNOs will offer customizable user profile options, users are unlikely to complete their SNO profiles, so SNOs rely on **social media APIs** to acquire and retain users.

Popular services, such as Twitter and Facebook, have APIs that allow SNOs to easily integrate their site and content with users' personal networks. These social media APIs can be used to (1) reduce registration barriers, (2) provide an engaging user experience, and (3) bolster an SNOs ad offerings and revenue stream.

First, social media APIs allow new SNO users to login with the pre-existing social media account of their choice (Twitter, Facebook, etc.), eliminating any registration barriers that might deter new users. Second, such APIs allow users to instantly and easily share SNO content with their personal network, helping the SNO acquire additional users with related interests. Finally, these APIs give SNOs access to users' data and **social graph**, allowing them to better understand their audience and advertising opportunities.

With access to users' data and social graphs, SNOs can improve their product on two fronts. First, they can craft their editorial around their readers' actual interests and demographics. Secondly, they can offer advertisers more targeted advertising, which increases advertiser confidence, the value of SNO ad space, and the SNOs revenue potential.

Indeed, there is already a clear and present opportunity to market content through social networks and acquire new registered users. As the [Pew Internet & American Life Project](#) found:

71% of all internet users [get news forwarded to them through email or posts on social networking sites]. When news is passed along to them, 38% of this cohort read the material all or most of the time [...]

Of these internet users who get news online, 50% say they pass along email links to news stories or videos to others. (That represents 48% of all internet users.)

[...] 57% of online Americans use social networking sites [...] and 97% of them are online news consumers. Some 51% of the social networking users who are in the online-news population say that on a typical day they get news from people they follow on sites like Facebook. That amounts to 28% of all internet users who get news via social networking with friends.

[...] Some 44% of these online news consumers [also] say that one of the factors they use in choosing where to get news online is whether it is easy to share the site's content with others through emails or postings on social networking sites.<sup>6</sup>

Social media integration, then, allows SNOs to reach more than half of the US population with their content and grow their subscription base. This segment of users, moreover, is not only likely to share SNO content with their personal network, but will often consume SNO content when it is shared with them.

Finally, by integrating social media experiences into their content, SNOs can also gain access to invaluable sets of data that allow them to better target their advertising. On the one hand, SNOs gain first hand data through the profiles information that users provide directly -- including location/IP address and content consumption patterns. More importantly, however, through social media APIs, SNOs can gain access to the mountain of personal data that users have volunteered through these services.

As users interact on social networks, they leave behind an immense amount of personal data. Not only do users often fill-out personal interests fields, but they "connect" with other users with over-lapping interests, interact with them to varying degrees, and share and consume different kinds of content. All of this data amounts to a "**social graph**" that SNOs can use to offer (1) advertisers a more targeted audience, and (2) users a more personalized content experience.

If SNOs successfully target users with advertising that actually pertains to their interests, both users and advertisers benefit. Users continue to enjoy quality content with less intrusive ads, and may even discover a product or service that's of interest to them. Advertisers, on the other

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<sup>6</sup> Purcell et al. *Understanding the Participatory News Consumer*. 2010.

hand, receive a better ROI on their marketing investment, allowing SNOs to demand higher rates per ad placement.

## Case Study: Facebook Connect & Social News Organizations

In April 2010, Facebook announced a number of new features to Facebook Connect that offer publishers enhanced social media engagement. New features included the ability to seamlessly integrate Facebook functionality to third-party sites as well as more extensive access to user data. Prior to these new features being available to the public, moreover, a number of mainstream publishers, such as CNN, ESPN, and IMDB, had been selected to pre-integrate these new features.

Facebook Connect is a set of Facebook APIs that publishers can mix and match to offer their users access to a variety of Facebook functionality. Specifically, [Facebook Connect offers](#) publishers:

**Registration + Login** — With a single dialog, you can access data including a user's real name, email address, profile picture and list of friends. Replace or supplement your user account system with Facebook to help drive signups and improve data quality.

**Engagement** — With Facebook users comes their friends; incorporate these connections to make your product more engaging. Social plugins like the [Like button](#) and the [activity feed](#) enable you to offer social experiences with just a line of HTML. The [Graph API](#) enables you to integrate the social graph into your site in deep and compelling ways.

**Growth** — You can publish content from your site into the social graph to reach your users' friends. The [Like button](#) enables users to share your site's content back to their Facebook stream with one click. In addition, you can integrate pages deeply into the social graph via the [Open Graph protocol](#).<sup>7</sup>

So the first benefit of Facebook Connect is that SNOs can eliminate registration barriers by letting users login and access SNO content through their pre-existing Facebook account. SNOs will also gain access to user information that users might not otherwise volunteer through a separate SNO accounts.

Secondly, Facebook Connect allows SNOs to seamlessly integrate Facebook social functionality to their site. This allows SNOs to (1) save on development resources and time, and (2) attract new users by promoting their content to existing users' personal social networks. As [TechCrunch's MG Siegler noted](#), adding Facebook's like-button to a site:

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<sup>7</sup> Facebook. *Facebook Connect*. 2010

[...] allows users to show their approval of any piece of content on these sites with one click. [Users] can also include a little note saying why [they] like the item [...] These likes are then transported back to Facebook and integrated into users' profiles.<sup>8</sup>

In fact, several major media companies have already [reported significant positive outcomes from integrating Facebook Connect](#). While Lollapalooza claimed a "99% increase in pageviews since implementing Facebook Connect," Gawker reported that "[r]egistrations increased 45% week over week with Facebook Connect."<sup>9</sup>

Finally, Facebook Connect offers SNOs access to extensive user data through the *Open Graph* -- i.e. Facebook's own social graph. This data can be used to guide editorial decisions and better target advertising campaigns. As [TechCrunch's Erik Schonfeld reported](#) about the latest Facebook Connect features:

Facebook has redesigned its Graph API for developers so that not only can they see the social connections between people, but they can also see and create the [connections people have with their interests](#) — things, places, brands, and other sites. Zuckerberg calls it the Open Graph (as opposed to the Social Graph). It is really an Interest Graph.

Facebook wants developers to create subsets of the Open Graph around interests and things. [...]

And to remove the friction of interacting with this Open Graph even further, no login is even required. [...] Imagine coming to TechCrunch and seeing every story your Facebook friends have "liked" or going to Amazon.com and seeing the same thing for products.<sup>10</sup>

Facebook Connect, then, offers SNOs several tangible advantages. **First**, they can get more conversions out of FCF by simplifying the registration process and allowing users to access their restricted content with Facebook credentials. **Second**, access the Open Graph allows them to more strategically craft content and better target their advertising. **Finally**, SNOs can further grow their user-base by leveraging users' personal social networks to reach additional users with similar and targeted demographics.

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<sup>8</sup> Siegler. *Facebook*. 2010

<sup>9</sup> Facebook. *Facebook Connect*. 2010.

<sup>10</sup> Schonfeld, Erick. *Zuckerberg*. [TechCrunch](#). 2010.

## Mobile Content & Social News Organizations

The mobile web is also an priority distribution and acquisition channel for SNOs. Through mobile web channels, SNOs can (1) reach some of the most engaged and voracious consumers of news, (2) increase reader retention, (3) enhance their ad offerings, and (4) offer advertisers added confidence through enhanced ad targeting.

### The Mobile News Consumer

The opportunity for news content producers to engage/retain readers and bolster ad revenues through mobile channels, moreover, is considerable. As the [Pew Inter & American Life Project](#) found, "[one] quarter (26%) of all Americans say they get some form of news via cell phone today – that amounts to 33% of cell phone owners."<sup>11</sup> The same study also found that the range of content being consumed via mobile devices is diverse:

- 72% check weather reports on their cell
- 68% get news and current events information on their cell
- 49% have downloaded an application that allows them to access news, weather, sports, or other information on their cell
- 44% check sports scores and related information on their cell
- 35% check traffic information on their cell
- 32% get financial information or updates
- 31% get news alerts sent by text or email to their phones
- 88% say yes to at least one of the above<sup>12</sup>

The mobile news consumer, moreover, demonstrates a level of engagement that is likely to appeal to advertisers. "In addition to seeking out advanced features in their news sites, [mobile news] consumers are also especially likely to contribute material or actively share it with others. Almost half of [mobile news] consumers (46%) [...] engage in one of the following activities:

- Tagging or categorizing online news content
- Contributing their own article, opinion piece, picture or video to an online news site
- Commenting on a news story or blog they read online
- Posting a link to a news story or blog on a social networking site
- Using Twitter to post or re-tweet a news story or blog<sup>13</sup>

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<sup>11</sup> Purcell et al. 2010

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

So as well as representing a highly engaged user-base, mobile news consumers also refer additional readers to SNO content. This makes the mobile web integral to retaining, acquiring, and monetizing an SNOs user-base.

## Mobile News Apps & Social News Organizations

SNOs rely much more on mobile apps than WAP portals to engage and retain mobile users. First, mobile apps allow users to access custom content in a convenient format. In addition to offering apps that feature the latest headlines, SNOs can also offer apps for each of their content verticals -- e.g. headlines, sports, weather, etc.

Second, mobile apps allow SNOs to reach half of US mobile news consumers. As the [Pew Inter & American Life Project](#) found, 48% of mobile news consumers have "downloaded an application that allows them to access news, weather, sports, or other information on their cell."<sup>14</sup>

Finally, mobile apps allow SNOs to engage users on a consistent basis. In an interview in February of 2010, [Dave Coleman](#) of [Spread](#), a company that builds mobile content apps, [reported that](#) the Globe and Mail was already serving 7.5 million views per month through its iPhone apps alone.<sup>15</sup>

User engagement on the Globe and Mail mobile news apps, moreover, was similarly high. Coleman has since indicated that, on average, users open their apps 2 times a day, 4-5 days a week, and read an average of 4 articles per session. That's a total of 8-10 articles per user per day.<sup>16</sup> These kinds of metrics can not only bolster overall ad impressions, but also allow the Globe and Mail to substantiate the precision and loyalty of its user base.

## Mobile Data & Ad Targeting

Mobile users also provide an added level of personal data that can be used for content targeting: geo-location. This data can be used to recommend additional content to users, as well as better target advertising.

Indeed, many retailers already target time-sensitive mobile offers according to location, and news organizations are already using geo-location to target content. The Canadian free daily newspaper franchise, Metro, for instance, has already established a [partnership with the mobile social app, FourSquare](#), to deliver restaurant reviews based on a FourSquare user's location:

As part of the partnership, Metro has created a robust [Foursquare presence](#) that includes restaurant reviews, city tips, to-dos and even articles that mobile app users can stumble upon as they traverse Canadian points of interest. Metro

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<sup>14</sup> Ibid.

<sup>15</sup> Moore. *How Newspapers are Using Mobile Apps*. 2010

<sup>16</sup> Moore. *Personal Interview with Dave Coleman*. 2010.

readers and tourists alike can think of the editorial content inside Foursquare as a travel guide book that highlights useful articles and unlocks the best a neighborhood has to offer.<sup>17</sup>

The Metro news organization, then, has effectively leveraged both social media and the mobile web to grow its audience. As mobile users consume Metro content, Metro gains access to geo-location data, allowing them to geo-target additional content and the advertising alongside that content.

## **Diversified Ad Offers & Social News Organizations**

Just as SNOs rely on a variety of digital channels to acquire and retain users, they employ a variety of ad offers to generate revenues. There is several aspects to a SNOs diversified ad offer: (1) actual media placement/real-estate, (2) enhanced ad targeting, (3) varying ad models, and (4) multi-tier advertisers.

### **Ad Placements & Social News Organizations**

SNOs customize ad placement/real-estate according to distribution channel and content vertical. This includes specialized ad placements for each of their sites, email notifications, and mobile apps, as well as each of their content vertical (news, sports, business, etc.). Such ad variations allow SNOs to offer advertisers specialized and premium media placements that are actually seen by readers. For instance, mobile ads are integrated into the core user experience of each of the SNOs mobile apps rather than being lost to the low resolutions of a WAP site.

### **Ad Targeting & Social News Organizations**

SNOs also leverage the user data available through each channel to better target ad campaigns and packages. First, social graph data help SNOs better understand what opportunities they can offer advertisers. This data can inform SNOs as to what kind of advertisers to approach, as well as reassure advertisers as to what kind of audience their message is reaching.

SNOs also leverage an additional layer of data available from mobile users to hyper-target ad placements: geo-location. By monitoring the geo-location of users as they login into apps, SNOs can offer advertisers an opportunity to reach users with geographically relevant message.

For instance, users that are close to a point-of-sale (POS) can be targeted with an added-value-proposition -- such as a time-sensitive in-store promotion. This level of hyper-targeting, then, also offers advertisers the opportunity to deploy incentivized messages and drive actual foot-traffic to a POS.

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<sup>17</sup> Van Grove. *FourSquare's New Frontier*. 2010.

Indeed, the mobile facet of an SNO is very much the logical extension of its social media integration. Both channels allow an SNO to expand its advertising offers and diversify them. Through mobile social media integration, SNOs gain access to additional user data that they can use to offer advertisers hyper-targeted media placements at a significantly reduced risk for both themselves and the advertiser.

## **Ad Models & Social News Organizations**

SNOs will also use hyper-targeting data to embrace a variety of ad models. Through varied ad model offers, SNOs can appeal to a wider base of advertisers, offer more custom ad packages, and increase advertiser confidence.

There are three general ad models available through digital channels:

- ❖ CPM - cost per thousand impression
- ❖ CPC - cost per click
- ❖ CPA - cost per action

Many mainstream publishers prefer CPM advertising because it makes it easier to manage ad revenue projections -- i.e. impression packages are sold in advance. However, such ad buys offer advertisers little confidence because pre-paid publishers have less incentive to accurately target ads or integrate them into their user-experience where users will notice them.

Alternatively, some mainstream publishers render CPC ads on unsold real estate, but such ads represent an opportunity cost if users don't click on them. As these ads tend to be targeted only content and not by user demographics, moreover, click prices are low and the potential opportunity cost is considerable.

Lastly, CPA offers advertisers the most security because they pay only for an ad when it converts into a sale. Mainstream publishers, however, are reluctant to adopt the CPA model because it leaves them assuming all the risk.

The hyper-targeting available through user data, however, offers SNOs three opportunities to diversify their media placements and bolster their ad revenues. First, it helps them determine whether an alternative ad model is a calculated risk. For example, if an SNO has determined that a user is a health food enthusiast but there are currently no relevant CPM advertisers, the SNO can then render a CPC or CPA ad that pertains to healthy living in general.

Second, it provides SNOs with data that allows them to develop multi-model ad placements -- i.e. a blend of CPM, CPC, and CPA. Essentially, as SNOs accrue data on users and how they interact with various ad placements, SNOs are able to determine the risks associated with selling advertising based partly on impressions, partly on click, and partly on conversion. Such ads offers

will help protect the interests of both SNOs and advertisers, and boost the value of SNO advertising space.

Finally, SNOs can further bolster their ad revenues by engaging multi-tiered advertisers. Essentially, the confluence of hyper-targeting and varied ad models opens up mainstream advertising to all levels of advertisers.

For example, a local, neighborhood café would be able to buy advertising through a national news outlet's mobile app and target only users within a certain geographic radius. Such mobile placements could be further enhanced through CPA offers, such as a lunchtime mobile coupon. All such ad diversification helps SNOs (1) gain additional opportunities to generate revenue -- from either a click or a commission from a sale and (2) preserve the confidence of its advertisers, writ large. This increased advertiser confidence and ad space efficiency will help SNOs both increase the value of their ad space and improve their relationship with advertisers.

## **Print Editions & the Social News Organizations**

A considerable challenge facing news publishers in their transition from print to SNOs is their plant infrastructure. Not only has considerable capital already been invested in printing facilities and print distribution channels, but these publishers are often bound by long-term contracts with suppliers, unions, and the like. This facet of their operations, however, can be phased out gradually, and in a way that actually supports their mandate as an SNO.

A free edition of an SNOs print edition can be used to both satisfy pre-existing contractual agreements and convert more of their subscribers into digital users. Continuing to distribute a free print edition will allow SNOs to fulfill the term of their paid subscription customers. It will also provide the pretense to fulfill contracts such as consignment deals and collective agreements. Most importantly, however, free print editions can assist in migrating more users online.

By producing a "news brief" print edition, SNOs can stimulate additional interest in their more complete online content. In addition to headlines, readers would also enjoy limited content on the news item. To access complete stories, however, users would have to go online.

These free print editions would also feature QR codes to assist the user locate the online content via their mobile phone. Once a user scanned a QR code with their phone, they would then be directed to the WAP site or prompted to install the SNOs mobile app. Once that action was complete, the SNO would have access to their geo-location and could target them with relevant ads for nearby offers, stores, or promotions.

## The Evolution of a News Species

There still remains a market demand for authoritative, journalistic content. The reason that the newspapers industry has experienced such a tumultuous transition in recent years, rather, is because its distribution and revenue models have become obsolete. By transitioning into SNOs, however, newspapers would be able to modernize both their distribution and revenue channels. Digital media have created a content *economy of abundance*. So much content is available online for free that users are reluctant to pay for content, even when it's quality, authoritative content. This has rendered conventional print editions obsolete as a distribution channel for authoritative, journalistic content.

As a result, the three main facets of newspapers' revenue stream have also become obsolete: (1) falling print circulation has decreased overall ad sales; (2) digital advertising has decreased the market demand for print ad space; and Finally, (3) paid subscriptions have proven incompatible with digital channels.

An SNO, however, uses completely different distributions and revenue channels to address market realities.. First, SNOs are more like public parks than walled gardens: content is protected behind a **free** registration wall. Second, SNOs leverage SEO to increase the visibility of that content and drive registrations.

Third, social media is used to reduce registration barriers, drive registrations, engage users, and access their personal data that is used to guide editorial decisions, customize user experiences and deliver highly target advertising. Fourth, SNOs employ custom mobile apps as an added distribution channel, source of data, and hyper-targeted ad delivery medium.

Finally, SNOs use a blend of CPM, CPC, and CPA advertising to monetize to maximize the value of their ad space. As SNOs use user data to better target advertising, they are able to (1) charge more per impression and/or click, (2) leverage CPA ads with much more confidence, and (3) develop customized ad packages that blend all three models. Overall, advertising confidence is restored and SNOs reduce the volume of "dummy ads" they render.

In essence, the SNO is a new, emerging species of publisher. The media marketplace on both the supply and demands sides, and SNOs are evolving to survive in this new ecosystem. To adapt to new supply-side conditions, SNOs have adapted their distribution model, and to survive demand-side conditions, they have adapted their revenue model.

## Growing Pains

The transition from conventional newspaper to SNO, granted, will likely not be a simple one. Incumbent hierarchies will struggle with new logistical models and slow adaptation. Existing printing contracts will also tie up scarce resources and slow progress. More organizations will likely fold in some way.

What's important is that newspapers are not alone, and the changes they are facing are also being faced by the publishing industry as a whole. Digital media is increasingly the channel of choice for content consumers, and digital publishers continue to find new ways to monetize these channels.

Where newspapers really differ from many other publishers, however, is in their overhead: fact-checkers and editors are an integral component to producing authoritative journalistic content. In this respect, news organizations must explore other ways to shed obsolete infrastructure -- such as using mobile journalists to reduce office space costs.

So while the future of the news media remains unclear, what is clear is that certain distribution and revenue channels are obsolete. So newspapers need to adopt and adapt to new digital channels, and [becomes less like newspapers and more like news organizations](#).<sup>18</sup> After all, endangered technology and business models rarely return from the brink of extinction.

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<sup>18</sup> Foremski. *Some Ideas on Reinventing Newspapers*. 2009.

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