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Challenges in News Migration to Digital Media

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INTRODUCTION

Over a decade after the initial launch of local newspaper and TV websites, few entrants are finding success in both audience and revenue. In fact, most local TV station websites lack the critical audience that might enable them to achieve financial success, as in most cases the local TV share of online audience is far behind their local newspaper competitor. As a result, these local TV stations have not been able to tap in significantly to the digital advertising revenue streams. Conversely, local newspapers in most cases have the larger audience, but they too are not yet able to support their substantial news gathering organizations based on online advertising revenues.

A major question then, for both newspapers and TV stations, is how to build, mold and image their enterprise into a profitable digital business going forward. Both media are developing their digital platforms with the idea of creating more audience overall and a more loyal audience around a variety of content offerings. Some of these offerings are editorial content, others are sales-oriented verticals—both integrated inside and outside their brands, designed to compete for digital advertising revenues being developed both locally and nationally.

A critical question for all these new digital news brands is what is working and what is not working. Currently, success is measured largely by audience "traffic" and individual page views. For most TV stations and newspapers, little effort has been put into understanding what is working perceptually, that is, what aspects of these sites are creating lasting images in the minds of consumers, the underpinnings of a long-term successful brand and business. What are the drivers of usage? How and when do consumers use these digital brands? Understanding the hows and whys consumers use a brand is the key to developing a long-term competitive advantage. For example, it does a TV station little good to invest in its journalistic credibility if that journalism is not valued by consumers and if it does not become a driver to future usage.

It does a newspaper little good to invest in a business or editorial vertical if that vertical does not get recognized as valuable by consumers and advertisers. From this perspective, local TV and newspaper companies need to approach the development of content as a marketing and business decision. They need to understand which positions are valued by consumers and are not already owned perceptually by national or local competitors. They also need to be able to monitor the perceptual development of each new piece of content. After investing thousands of dollars, do consumers use the brand for that content, and is it a part of the value of the brand?

To answer these questions, Coleman Insights conducted a series of focus groups and in-depth interviews among traditional news audiences and digital media users. The focus groups and individual interviews were conducted in markets with different alignments of strong and weak online brands, specifically Washington, DC, Philadelphia, Pennsylvania and Raleigh-Durham, North Carolina. These are our findings in this latest "Quick Look" investigation.

LEADERS FIND AUDIENCE SUCCESS WITH DIFFERENT BRAND STRATEGIES

We chose to research digital news consumption in the Philadelphia, Washington, DC and Raleigh-Durham markets because the leading digital brand in each market is different from the leader in the others. For example, in two of the three markets a newspaper-owned site is the leader. In one, Raleigh-Durham, a TV station is the online leader. (This is uncommon as newspaper sites lead in most U.S. markets). In addition, in Philadelphia, the Philadelphia Inquirer owns and runs Philly.com, the leading news site in that market. Yet, it does this with a different brand name and does not use the Inquirer name prominently. Certainly Philly.com relies heavily on Inquirer content, but it does not go out of its way to promote its link to the newspaper. In contrast, in the Washington, DC market, washingtonpost.com is largely a web version of the newspaper.

What our research tells us is that each approach results in a different perceptual position in each market. That is, each of the leading online outlets we studied has developed a unique set of images that form the essence of its developing brand, and that set of images is quite different among the three leaders. This suggests that there are a number of different models for success in the digital news arena.

Washingtonpost.com leads usage in DC based upon credibility, comprehensive coverage and perception that it is an online newspaper

Consumers perceive the Washington Post online, for example, to be very much like the newspaper, for both good and bad. In their view, washingtonpost.com has tremendous credibility as a source for local and regional news. Consumers perceive it to be far superior to local TV sites, including an aggressive effort by WJLA-TV.

Further, consumers think of washingtonpost.com as comprehensive, offering longer articles and deeper analysis, and covering a wide range of topics, like its parent newspaper. In addition, digital consumers find it more convenient and easier to use than the paper.

Other consumers complain that washingtonpost.com is nothing more than an electronic version of the paper, lacking the visual attractiveness and graphic appeal of some other sites. Yet, it remains the most visited news site in Washington, DC, besting both the local television stations and the radio news leader in online traffic. Local Washington, DC television stations fail to generate substantial online traffic because consumers think of them solely as broadcast TV brands and do not expect them to have online versions. The local TV station brand is often blurred by the images of the variety of programming it carries beyond local news. Thus, the stations and their websites are associated with a wide range of images including entertainment shows, sports and the full array of network programming.

Attempting to overcome confusion with its television brand, WJLA-TV, the local ABC-TV affiliate in DC, launched an independent news site with the tentative name "TBD.com." That site has not gained any significant level of awareness, however, and as a result has not been able to establish any important images among news consumers. The few consumers who know of TBD.com think of it as washingtonpost.com "lite" suggesting it is nothing more than a much weaker version of what is already available to them on washingtonpost.com.

Finally, consumers see the highly successful all-news radio station in DC, WTOP, as an important source of traffic and news—but only on the radio. The traffic and news image does not translate to WTOP.com. As we saw with the local TV stations, consumers generally think of this brand as a broadcast source, not an online one.

Philly.com garners highest usage in Philadelphia based upon entertainment and lifestyle images and minimal association with a traditional newspaper

Whereas washingtonpost.com leads in the Washington, DC market based upon its credibility, comprehensiveness and wide range of topics, Philly.com dominates the Philadelphia market based upon development of a very different set of images. First, it should be noted that Philly.com generally minimizes its association with the parent newspaper both in name and content. It chose a name that is completely independent of the Inquirer name. While the homepage of Philly.com features logos of the Inquirer and sister Daily News, there is no endorsement by the papers or any suggestion that the site is the online edition of either paper. (Indeed, both papers have separate, paid online editions for subscribers.) And while some writers and columnists are shared with the papers, the site features experts from numerous other sources in Philadelphia as well. The site includes top news stories, but it does not attempt to replicate the printed newspaper.

Consumers perceive Philly.com to be an independent outlet for entertainment, restaurant and local activity information along with some top headlines. Consumers do not think of Philly.com as an online version of the newspaper. Indeed, most online news consumers are completely unaware or do not think of its association with the Philadelphia Inquirer. Consumers recognize that Philly.com covers a wide range of topics including traffic, weather, coupons and sports, but the site has not developed a strong image for much more than entertainment, restaurant information and top headlines.

The TV station websites that compete with Philly.com suffer similar weaknesses as those we examined in Washington, DC. What is most surprising in the Philadelphia market is the deep connection many consumers describe having with WPVI-TV, known as Channel 6 or 6ABC, yet the lack of translation of that relationship to its online counterpart. Consumers describe "growing up" with Channel 6 and thinking of their anchors and reporters as "family," a connection that has been going on for generations in Philadelphia.

Online, however, 6ABC is lumped in with all of the other television stations such as NBC10, Fox29 and CBS3—all perceived as "just TV stations" that consumers do not expect to have an online presence—the same reaction we heard in DC to local TV station websites. Channel 6 television news has been a long-time leader in Philadelphia largely due to its strong news credibility and weather images, yet for a variety of reasons these important images do not carry over to its online incarnation. Early commitment and focus on the part of Philly.com may explain some of this disconnection. While Channel 6 struggled to find its online strategy— whether to pursue a local, broader image or follow the lead of its network and simply repurpose its TV news programming—Philly.com focused hard on its entertainment plus local headlines approach. 6ABC's problem may also have been worsened by confusion over website addresses and name changes over the past decade as many consumers describe looking for the Channel 6 website online, only to find themselves inadvertently landing on an ABC TV Network site.

In any case, 6ABC online lacks any of the critical news images that have traditionally formed the foundation of a strong news media outlet. For example, consumers most often attribute online news credibility—the source they most trust for news stories and go to first—to Philly.com. The image for weather and traffic does not appear to be owned by any online outlet at the moment in Philadelphia. Radio news leader KYW, well-imaged for both traffic and weather over-the-air, fails to generate any strong image for these two attributes online. Thus, Philly.com emerges as a leader by owning one critical news image combined with additional entertainment, restaurant and activity images.

WRAL.com leads Raleigh-Durham usage based upon weather and top headline images

Despite the weakness of TV station websites in the other two markets we studied, in RaleighDurham, TV station WRAL dominates online usage with its WRAL.com. The parent TV station has been remarkably successful in that market for decades, principally the result of focusing on the weather image as well as long-term investment in credible anchors and commitment to the local market. Our research reveals that WRAL.com has become an online leader in that market based upon most of those same images—weather information and credible top headlines.

WRAL.com's success stands in sharp contrast to the experience of the highly successful local TV station we examined in Philadelphia, 6ABC, and more universally, nearly all local television stations around the nation. What accounts for this unique success? WRAL clearly made an early commitment to its online presence, assigning staff to WRAL.com and promoting the site over-the-air very early in the development of this media. In addition, rather than relying upon a network "template," WRAL.com designed its own site that presented a broader array of offering than the typical over-the-air headlines and few other features.

Nevertheless, WRAL.com is similar to newspaper-owned leaders in the other two markets we examined in its inability to cultivate more than one or two dominant images. Consumers mainly think of WRAL.com as the best online source in their area for weather and headlines, although in reality, WRAL.com offers a much more comprehensive array of content. Thus, the leaders we examined in all three markets have developed images for just one or two attributes despite broader offerings on all of the sites. What is also significant is the finding that a different set of images propels the success of the online leaders in each market as will be discussed more fully below.

Other online outlets in Raleigh-Durham fail to capture any significant images. Consumers think of the local newspaper site in Raleigh-Durham, newsobserver.com, as an online edition of the paper with lengthy articles—often more than they care to read online—and deeper analysis. In this regard, it is similar to the Washington Post in the type of images it possesses, but it is very different in the strength or pervasiveness of these images. In fact, the newsoberver.com brand has no dominant image. It has some association with news credibility, but it is mainly thought of for depth of analysis. As a result, it is only used by consumers when depth is needed and is not used as the everyday, “go-to” source for local news. Consumers also have insubstantial perceptions of TV station websites other than WRAL.com in the Raleigh-Durham market.

MOST SITES HAVE SINGULAR IMAGES THAT DRIVE USAGE AND DO NOT GET CREDIT FOR THE DEPTH OF THEIR OFFERINGS

As noted above, each leading site has different images in the eyes of consumers. One is perceived as the credible news source (washingonpost.com), another first and foremost as the site for local information but not necessarily for hard news (Philly.com), and the third (WRAL.com) is seen mainly as the place for weather and headlines. However, none of these sites is credited with all that they offer. For instance, each site offers content on local and state politics, but only the Washington Post is perceived as offering this content. All offer coupon services, but only Philly.com gains any level of association with this service. And all three sites offer parenting advice, yet none is associated with such content. There are many more examples of unique content beyond these that each site offers, but for which none get credit.

It must be emphasized that there is little commonality in the specific images that drive usage of the most-viewed sites in each of these three markets, reinforcing the point that there appear to be numerous routes to success in online news delivery.

Despite a good deal of effort to create more than a couple of significant reasons a consumer would use a site, it does not appear that many secondary or tertiary images are developing. In order to increase usage of each site and to make them better carriers of commercial marketing messages, the content beyond each key attribute must be recognized by consumers.

One has to question whether or not each outlet has identified the best or ideal set of drivers for their web offerings. If consumers do not perceive Philly.com as having the same type of news credibility as the Washington Post, is that OK? Has Philly.com developed the best model? Are the handful of images it is developing ideal? What other business verticals is it developing that are not a part of its brand image that it should make integral to the brand? More generally, how will any of these sites know if they are accomplishing their goals?

THE IMAGES OF THE TRADITIONAL BRAND INFLUENCE FOR BETTER OR WORSE PERCEPTIONS OF THE NEW MEDIA VERSION

Not surprisingly, we see that consumer perceptions of most digital news outlets are strongly influenced by the image of the traditional parent. Thus, consumers believe that the Washington Post and Raleigh News & Observer websites will include long-form articles and analysis, not quick headlines. A newspaper site, in their view, is likely to be more comprehensive in scope, covering more subject areas than a television site. Some consumers also assume newspaper sites will not be updated as frequently as television outlets, but rather on the once-a-day schedule of the printed version.

Furthermore, consumers are likely to feel that a newspaper site's content will share a similar editorial view as the print edition.

Consumers perceive that local television station websites—if they believe the station has one—will be focused on headlines, weather and traffic, again much like their broadcast parents. They feel local TV station websites rely more heavily on video content than other news sites for these same reasons, and they may be more likely to post "breaking news" first as opposed to a newspaper site.

Thus, regardless of the actual content on a local TV news site like WRAL.com in Raleigh Durham—which in fact may be much more expansive—consumers perceive it to be a place for quick headlines and weather because of their long-standing image of the parent WRAL-TV. These images have helped WRAL-TV develop deep brand roots in the market, and they carry over to WRAL's digital offerings. At the same time, these shared images may be limiting in that they impede consumers from thinking of WRAL.com as a more comprehensive news source online, or more in tune with the content they seek online versus on television.

If these carry-over images are indeed out of sync with the needs of digital news consumers, then the online outlet is likely to suffer as a consequence. As we have discussed above, the broadcast outlet WPVI-TV in Philadelphia, for example, enjoys a long history of success in that market. Its "Action News" format has built a reputation for on-the-scene video reporting, often of fires and car accidents. Yet, when consumers look for news online, they suggest they are often at their desk during the workday and have less interest in video or for fire and accident stories, and 6abc.com is less of a draw on most occasions because of this carry-over image. Consumers indicate, on the other hand, that when a tragic event befalls Philadelphia like the duck boat accident a year ago, 6abc.com may be their go-to site because they know they will quickly see video reports.

WRAL-TV developed a much different news reputation in Raleigh Durham over the years, with emphasis on news credibility rather than superficial coverage of just “flash and trash” video of fires and accidents. WRAL-TV’s carry-over images, therefore, seem to provide a much stronger foundation for migration online.

Philly.com largely avoids these limitations by its choice of a separate name and some distance from its parent newspapers. Thus, Philly.com sidesteps the images of the Philadelphia Inquirer (long-form articles and analysis) and sister Daily News (tabloid news). While an independent identity provides a clean slate for developing a site’s own images, this course requires substantial information-gathering resources as well as promotional and advertising investment. It also means the loss of all of the credibility established by the newspaper brand over many decades. The implication is that an online outlet that wants to enjoy a broader image than its original broadcast or newspaper parent must choose a different brand name, like Philly.com. Or, it must realize that establishing a broader image will be much more difficult under the shadow of a shared name.

CONSUMERS EXPRESS LIMITED ENGAGEMENT WITH ONLINE MEDIA OUTLETS, UNLIKE THEIR ATTITUDE TOWARD SOME TV STATIONS

In contrast to their attitude toward some TV stations, consumers express limited engagement with online news sources. At present, these sites appear to be little more than utilities where users go to gather one or two pertinent pieces of information, before moving on to another site. Most users express very little bond or connection with these outlets, hampering the development of a deep, lasting brand relationship.

When describing some TV stations, on the other hand, consumers express a sense of "family" relationship with the TV anchors and reporters, helping to build a long-term relationship of trust. Consumers in Philadelphia, for instance, talk about their favorite Channel 6 TV anchors in terms of a lifetime relationship, a feeling as if they "grew up" together, know each other well, and are all friends and family.

It appears that the advantage of this "personal relationship" that has benefited local TV news for many years does not translate to the web, however. Those same consumers who express such strong connection to the over-the-air TV brands communicate nothing of the sort when thinking about the online versions of those stations. It is not clear whether this lack of connection is a product of the digital form or the manner in which these offerings have been produced to date. This is an aspect of online news delivery that will certainly evolve over time. One must ask: Are there techniques available today that would allow digital news outlets to create deeper engagement with consumers?

TAKE AWAY POINTS

Page views should not be the measure of success. Rather, image development should be the goal.

Long-term success in digital news delivery will require building a brand with deep roots that consistently delivers on consumer expectations. Ownership of the images that matter most to consumers—such as news credibility, breaking news, most reliable weather and traffic information—will establish an outlet as an enduring media outlet for years to come. Focusing on page views as the single metric to evaluate success alone appears misguided at this stage in the development of this category since those statistics provide no measure of the level of consumer engagement in any particular page, or whether those views help or hurt the longterm brand image.

Start from the perspective of consumer needs.

Many of these digital news outlets got started by re-formatting or re-purposing their existing content, whether television news or print articles for the web. Simply extending those models onto the internet assumes that consumers want the same content in these digital environments as they do on TV or in print, and that appears to be a fallacy. Successful online news sites should start with a thorough understanding of what the consumer wants when seeking news online, including where and when they consume this content and what images are most important to them.

Each news outlet needs to find the images that work best for its brand online. As this study reveals, the images of the overall brand influence perceptions of the online outlet. These influences should be kept in mind when choosing the best images for your digital presence. For example, a TV station famous for weather credibility would likely find success online with a weather-centric site. A TV station known for “flashy news coverage and trash” on the other hand would likely have a difficult time establishing an image for long articles and deep analysis online. The history of the parent brand has impact on the images that will work and those that will not online.

In addition, specific images may already be owned by other online outlets in your market. Another TV station may have already firmly planted its flag on the “online traffic” hill, making it much more difficult for your site to get credit for this image, despite its alignment with your overall brand image.

How consumers use your broadcast or print product along with its digital counterpart may impact your choice of images as well. If it is revealed that most consumers visit your site during the workday on an office computer, you might consider tailoring your offerings accordingly—by featuring more stories about career and employment, for example, or offering a choice of video or text. Or, if you learn that a good number of consumers visit your site at the same time they watch your broadcast television news, you might consider developing a companion feature that complements and emulsifies the individual stories as they appear on the air.

Communicate your site's unique position.

As we learned, only one or two images drive usage of each of these sites. These online news outlets cannot hope to be all things to all people and generate a unique position in the marketplace. Once you have determined the optimal images for your site, communicate that unique benefit and become famous for it. A site could build its image around "breaking news" for example, and promote this unique benefit—breaking news, updated every ten minutes or sooner.

Make these sites more compelling by adding more entertaining design and production, better technical elements and reporters.

Consumers have not yet developed a deep engagement with these online news outlets. At present, these sites are nothing more than utilities where users grab an article or two and quickly move on. News presentation in other media forms is often seen as entertaining in addition to being informative. Local television news casts, for instance, feature personable hosts in attempt to create a sense of family and trust with the audience. Digital news providers have not yet found their footing in terms of entertaining design and production.

Some of this could be accomplished by including more alluring technical elements, like those employed by Rupert Murdoch's "The Daily" iPad news app, for example, including large photos, galleries and carousels that allow the user to flip from story to story. Featuring reporters and writers more prominently—not just in the bylines, but as storytellers so that relationships can develop—may be another technique to make these sites more compelling.

Consider developing verticals as independent sites.

Consumers have little awareness of the sub-brands many of these news outlets are attempting to build, such as "GoAskMom" on WRAL.com, "Phrequency" on Philly.com or "ArtsPost" on washingtonpost.com. Building a sub-brand within a service that itself has not yet fully developed an image is a very difficult task. Because consumers are not deeply connected with the overall site, their ability to form any sort of bond with another concept within that site is very limited.

A better strategy might be to develop the specialty service independently as its own site, separate and apart from the news outlet. The parent outlet could, of course, promote and drive traffic to the independent specialist. Developing the specialty brand on its own site will allow it to develop credibility without being overshadowed by the images and reputation of the parent brand.