I’m Eric.
Hello! I'm Eric.
Thanks, Europe!
Why am I talking to you?
What I believe

Local journalism is essential to democracy.
Local journalism is in trouble.
Help is (finally) on the way.
What I believe

THE YEAR LOCAL PUBLISHERS GET SMART(ER) ABOUT CHANGE
1. The road to post-print
2. Table Stakes and ‘getting in the game’
3. The transformation in Philadelphia
4. Parallels with Europe + discussion
% of Time Spent in Media vs. % of Advertising Spending, USA 2011

Note: *Internet (excl. mobile) advertising reached $30B in USA in 2011 per IAB. Mobile advertising reached $1.6B per IAB. Print includes newspaper and magazine. $20B opportunity calculated assuming Internet and Mobile ad spend share equal their respective time spent share. Source: Time spent and ad spend share data eMarketer, 12/11, Internet and mobile ad dollar spent amount per IAB.
% of Time Spent in Media vs. % of Advertising Spending, USA, 2016

Source: Internet and Mobile advertising spend based on IAB and PwC data for full year 2016. Print, Radio, and TV advertising spend based on Magna Global estimates for full year 2016. Print includes newspaper and magazine. Internet (IAB) includes desktop + laptop + other connected devices. ~$16B opportunity calculated assuming Mobile (IAB) ad spend share equal its respective time spent share. Time spent share data based on eMarketer (4/17). Arrows denote Y/Y shift in percent share. Excludes out-of-home, video game, and cinema advertising.
Philadelphia Media Network headcount

1,232 employees at 2015 year end

Further cuts must come from print, not digital

- Production & Distribution: 51%
- News & Content: 24%
- Advertising & Circulation: 16%
- Finance, Systems, other G&A: 9%

Source: Lenfest Institute
**Transform newsroom**

Put audience thinking at the heart of all decision-making. Isolate print functions with a dedicated team.

**Shift revenue mix**

Move print revenue toward key publication days and convert print subscribers into digital loyalists.

**Reshape digital products and UX**

Eliminate bad ad experiences. Improve speed and usability. Be on the platforms where your users are.

**Reimagine print and reduce its expenses**

Once print revenue is focused on key days, reduce frequency and footprint to cut print costs.
How?
Enter Table Stakes
The primary objective of any change effort is performance, not change.

—DOUGLAS K. SMITH
Anatomy of a challenge statement

1. What will get done
2. How success will be measured
3. How it will get done
will dramatically grow subscription revenue by maniacally focusing on audiences, so that we shift our dependence from print motivated subscribers to digitally motivated subscribers, and ultimately mitigate impacts to erosion of our 7-day print business.

By March 2018, we will grow from 72,000 to 90,000 digital-only and Sunday-only subscribers, and grow our print subscribers’ use of digital products from 30% to 45%.

To do so, we will look at four stages in the subscription funnel: we will register anonymous users; deepen engagement of valuable, targeted audiences; convert non-paying users to paying subscribers; and retain loyal subscribers.
PLAN.  TRANSFORM.  JOURNALISM SAVED!
DO. →

Listen.
Learn.
Revise goals/assumptions.
THE GOAL:
Create a digital project focused on a younger audience that a sponsor would support for $100k.

THE SKINNY:
Chelsey covered 72 counties and produced an amazing project filled with great stories, photo galleries, regular videos and drone videos. She increased in Facebook followers and Instagram.

WHAT WE LEARNED:
Being audience focused in the conception phase helped us create a strategic project that was worth it to a new sponsor.

WHERE CAN WE GROW:
Don’t kill our reporters.
We still need to train our sales team.
The 7 table stakes

1. Serve targeted audiences with targeted content.
2. Publish on the platforms used by your targeted audiences.
3. Produce and publish continuously to meet audience needs.
4. Funnel occasional users to habitual and paying/valuable loyalists.
5. Diversify and grow the ways you earn revenue from the audiences you build.
6. Partner to expand your capacity and capabilities at lower and more flexible cost.
7. Drive audience growth and profitability from a “mini-publisher” perspective.
The gap

How Philly created and leveraged dissatisfaction in 2016.

3. Produce and publish continuously to meet audience needs.
4. Funnel occasional users to habitual and paying/valuable loyalists.
Sharing what we’ve learned

Better News offers strategies and case studies to help transform newsrooms.
Fueled by the American Press Institute and the Knight-Lenfest Newsroom Initiative.
Funded by the John S. and James L. Knight Foundation.

betternews.org
A Call To Arms

This report is a wake-up call to everyone at the Inquirer, Daily News and Philly.com. We will not survive unless we make major changes to the way we tell and share stories. We are now in danger of losing what we’ve spent 187 years building — our audience. Our readers are increasingly moving online, and we are failing to capture their attention. We need to do a much better job of engaging readers in the digital realm — particularly younger readers, minorities, and new immigrant communities. We are simply not reaching them.

This report is a wake-up call to everyone at the Inquirer, Daily News and Philly.com.

resonating with our online readers.

The rhythms, structure and culture of our newsrooms are still tightly tied to print. This has to change — now.

To move meaningfully toward replacing our projected loss in print revenue, we will need to
double our digital audience and our digital revenue by 2020. We need to figure out what our
audience wants and needs — and then deliver it to them.

Industry-wide, print advertising revenue and circulation volume are shrinking about 10 percent a
year. This will only get worse as we raise newstand and home delivery prices and our core
2 years of evolution in Philly

3 newsrooms into 1
Product improvements (redesign, mobile apps)
Skills development + digital-first publishing
Audience-focused newsroom reorganization
Digital subscriptions launch
<table>
<thead>
<tr>
<th>Claudia Vargas</th>
<th>Alfred Lubrano</th>
<th>Tommy Rowan</th>
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</thead>
<tbody>
<tr>
<td>AGENCY ACCOUNTABILITY</td>
<td>CLASS</td>
<td>PHILLY HISTORY</td>
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<tr>
<td>Kathy Boccella</td>
<td>Jason Nark</td>
<td>Stephanie Farr</td>
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<td>INNOVATION</td>
<td>RURAL AND EXURBAN LIFE</td>
<td>PHILLY CULTURE</td>
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<tr>
<td>Mensah M. Dean</td>
<td>Peter Dobrin</td>
<td>Suzette Parmley</td>
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<td>UNJUST SYSTEMS</td>
<td>BUSINESS OF THE ARTS</td>
<td>SHOPPING</td>
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<tr>
<td>Jonathan Lai</td>
<td>Mari A. Schaefer</td>
<td>Ronnie Polaneczky</td>
</tr>
<tr>
<td>FREEDOMS</td>
<td>WELLNESS</td>
<td>DIGITAL OPINION</td>
</tr>
</tbody>
</table>

“I curate news, columns, and opinion pieces that are all about wellness and explore our changing understanding of them. Topics include freedom of expression and other subjects that make life better.”

“As a columnist working in the digital-opinion group, I take on advocacy projects, which will include public events to bring real..."
2 years of evolution in Philly

3 newsrooms into 1

Product improvements (redesign, mobile apps)

Skills development + digital-first publishing

Audience-focused newsroom reorganization

Digital subscriptions launch

Formal challenges in Table Stakes

Regular updates + knowledge sharing
‘Overheard at the office’*

*Not really, but it could have happened!

FROM THIS...

“Digital readers are freeloaders with lousy taste in news.”

“Print is all that matters because it’s the only thing we get paid for.”

“Without this new blinking ad unit, we will miss our revenue goals.”

“What am I selling when every platform has a different business model?”
‘Overheard at the office’*

FROM THIS...

“Digital readers are *freeloaders* with lousy taste in news.”

“Print is all that matters because it’s the only thing we get paid for.”

“Without this new *blinking ad unit*, we will miss our revenue goals.”

“What am I selling when every platform has a different business model?”

TO THIS...

“Digital readers *pay my salary*, so I’d better listen to them.”

“Digital subscribers are more *profitable*.”

“I can’t let a bad ad experience *stand in the way* of reader revenue.”

“I sell a cross-platform news experience to *loyal users*.”

*Not really, but it could have happened!*
A new north star

The user
It’s working

The Boston Globe: ~100,000 digital subscribers
Star Tribune (Minneapolis): ~50,000 digital subscribers
The Seattle Times: ~80,000 ‘digitally motivated’ subs
The Philadelphia Inquirer: ~20,000 digital subs in 5 months
‘Work is never over’

—DAFT PUNK
Thank you.
@eulken
eric@ulken.com