

The newest threat to traditional media companies: Online aggregators who profit from their content and lure their audiences away. Here's how to beat them at their own game.

Abstract:

Traditional media companies face fast-growing challenges from small, often one person online content aggregators, who can channel content from hundreds of sources and draw ever-increasing audiences away. By implementing an online aggregation strategy themselves, traditional media companies can use their credibility and resources to reinforce their online presence—and add to their own growth. This executive brief presents an overview of content aggregation practices and provides practical information for implementation.

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November 2009

The Trend in Offline Content

Last year, 2.5 million fewer people watched live network programs, daily newspapers experienced double digit declines in circulation, radio stations reported that advertising rates dropped 6.5 percent, and consumer magazine advertising pages averaged a dramatic 11.7 percent decline.

The trend began five years ago, with daily newspapers leading the way. Since 2004, print circulation has continued a steady decline, with newspapers selling fewer new subscriptions and spending more than ever to acquire each new subscriber. For example, the cost of each new subscriber increased from \$28.20 in to \$64.05 in North America between 2000 and 2006.

According to the Newspaper Association of America report 2007 Circulation Facts, Figures & Logic, most publishers have rationalized the increased per-subscriber cost because it was offset with improved retention. However, after 2008, it seems unlikely that this outlook will remain. According to the Audit Bureau of Circulations, most major newspapers experienced steeper and accelerated declines: The Boston Globe, down 10.1 percent; The Philadelphia Inquirer, down 11.0 percent; The Miami Herald, down 11.8 percent.

While the trend is more pronounced among daily newspapers, it is not exclusive. Newsweek lowered its guaranteed circulation rate from 3.1 million to 2.6 million; Niche publications like Discover and Popular Science are down as much as 50 percent; Conde Nast announced it will shut down Domino. Networks, across the board, have dropped ratings expectations to a new low, with a mere 3 to 6 million viewers being enough to justify the continuation of programming.

Newspapers and other news outlets might be recapturing some revenue with Internet advertising, which grew 18.8 percent to \$3.2 billion in 2006, but they are not recovering enough to replace lost print advertising revenue. Last year, Internet advertising represented only 7.5 percent of total revenue for most content providers despite many reporting a larger online audience than their print or broadcast products.

Specifically, there are two basic operating models for news content online: Content creators (such as CNN, Fox News and MSNBC), and content aggregators (such as Google News, Yahoo! News, and Drudge Report). Despite the symbiotic relationship between these two models, content aggregators tend to attract larger audiences than the content creators whose material they compile.

This brief proposes a new model for content creators, combining news content, to reinforce their online brand and presence, with content-aggregation techniques that will help content creators better monetize both online and print products. There are two distinct approaches to take advantage of aggregation.

- Aggregating related content from other sources of information.
- Employing aggregation techniques to develop original content.

The Art of Aggregation

Aggregation can be simply defined as summarizing content from another site and presenting it on the publication's site, usually with some mechanism for prioritizing that information through editorial discretion or consumer selection. It requires general copyright acknowledgement, including proper attribution, citation, and links to the originating source.

The benefit for readership is that in addition to original content, the aggregated content provides a broader view of the topic, industry, or subject matter. The best aggregators include a summary of what seems noteworthy within the aggregated content and a mechanism to read the entire original piece (such as a link).

For the publisher, the benefit of combining content creation with content aggregation is increased reader loyalty. However, unlike exclusive content aggregators, the publication has a strategic advantage because it also creates original content.

Keys to successful aggregation include:

- **Editorializing aggregated content.** Editorializing aggregated content retains the voice of the publication, builds reader trust and positions the publication as "plugged in" and authoritative.
- **Allowing opposing viewpoints.** Controversial opinions and stories continue to hold reader interest.
- **Seeking out entertaining extensions.** Funny, interesting, or rare photos, video clips, or content continue to draw interest.
- **Following trends.** Online aggregation helps keep the audience interested in developing stories even when not covered by the content creator.
- **Being timely.** When breaking news cannot be covered, it's often enough to be among the first to aggregate the breaking news before following up on it.
- **Leveraging the brand.** Print publications still command more authority than other content sources, even if the content is aggregated.

The Impact On Content Creation

By building private content aggregation models, which is covered in the “how to” section of this brief, journalists and editors will be able to develop new leads to create original content.

Adding aggregation functions to the responsibilities of journalists, editors and reporters will better equip them to observe content popularity trends and then develop exclusive stories around that content. Specifically, it will help them capture real-time communication across news outlets, industry-specific bloggers, social networks and other online platforms, which they can then use to develop their own exclusive content by leveraging select sources or local experts.

With a small number of social media or real-time communication tools, aggregation allows journalists, reporters, and editors the opportunity to cast a large but customized dashboard across entire topics, industries, or geographies. As a result, print publishers and their teams can prioritize stories that will appear in print around the interests of the readership they serve.

Some companies are employing several of these techniques to stay up to date in their industries, track competitors, monitor industry blogs, and follow specific Websites. Over time, this strategy can help a well-managed media outlet secure its position as a primary source of information. What's more, depending on the objectives of the publication, this approach can help develop new relationships with industry insiders or people touched by specific events. Those relationships can, in turn, become an important part of the publication's online presence, a topic that will be covered in a future brief.



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