



STATE OF THE MEDIA REPORT 2012

Evolving and Merging

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Welcome to the State of the Media Report

In 2009, we saw traditional media's darkest hour. Newspapers and magazines dropped in droves. Broadcast entities struggled to produce news reports with minimal staff. Digital had begun to dominate. Those news entities slow to adapt were left picking up the pieces.

Then, however, a new story emerged: the ability of traditional media to adapt and survive.

By 2010, adaptation had picked up speed. News models started to take new shape as newspapers contemplated the paywall and other concepts began to grow in popularity. Social media's impact on journalism also became evident. It continues to alter the news cycle, give rise to more citizen journalists, and change the way reporters do their jobs.

Meanwhile, all four traditional mediums began integrating mobile devices into future news plans. The need to embrace digital or face extinction had become clear. As a result, 2010 became the year of adapting, reviving and surviving.

This set the stage for 2011: a year of revising, cultivating and implementing. Although not exactly glowing with health, the industry had begun something of an evolutionary revival, and 2011 saw an extension of this recovery.

As we enter 2012, the ad revenue dilemma has yet to be solved, and significant layoffs continue, yet the survivors of traditional media continue to adapt. The industry's struggles over the past several years make this an exciting period and a transformative time.

In our third annual State of the Media Report, the expert journalists of the Vocus Media Research Team have put the last 12 months into perspective and offered their predictions on what the next 12 months will bring.

We hope you'll enjoy and make use of this report.

State of the Media Report 2012

Compiled and written by Katrina M. Mendolera



THE MEDIA'S PAST, PRESENT & FUTURE:

What happened in 2011 and what's to come in 2012

Newspapers

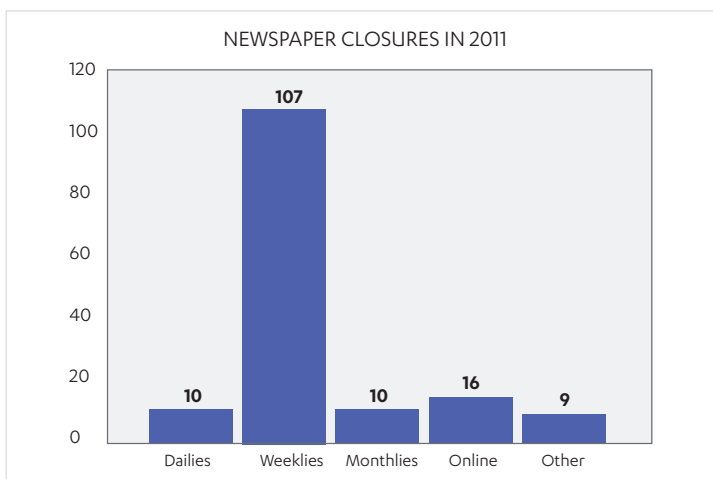


For the first time in three years, no major newspaper closed due to industry issues in 2011. In 2009, the Rocky Mountain News and Baltimore Examiner closed their doors. In 2010, Honolulu's Advertiser and Star-Bulletin merged to become the Honolulu

Star-Advertiser. Be it providence or merely a sign of better times, no major daily newspaper closed last year.

In 2011, 111 newspapers folded with an additional 41 papers lost in newspaper mergers. At a total of 152, the number of newspapers closing was almost even with 2010's 151 newspaper folds. Despite the industry's focus toward providing hyperlocal news, roughly two-thirds of closures in 2011 were weeklies.

"The focus in newspapers, both online and print, is about local news, but that doesn't mean smaller operations in smaller areas are necessarily going to survive," says David Coates, managing editor of newspaper content at Vocus Media Research Group. "There still has to be a market for what the publication is offering."

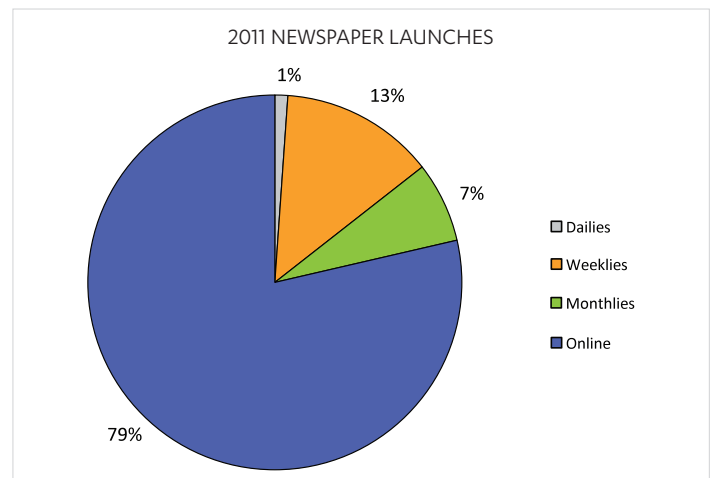


Only seven newspapers went online-only, a drop from the 18 papers that scrapped print editions in 2010. This may be

because newspaper publishers are increasingly incorporating both print and online into business models, notes Coates.

In 2011, approximately 20 bureaus were shut down, including Reuters' Dallas bureau, the Miami Herald's Fort Lauderdale, Fla. bureau and the Washington Post's Southern Maryland bureau. "Larger newspapers continue to close their bureaus, and with good reason," says Coates. "It is not cost-effective to pay rent or own a satellite office anymore. Reporters and editors can do a lot of their work from their home office or remotely from a local coffeehouse or the small media room at the statehouse."

Launches slowed down in 2011, but that's primarily because Patch.com's growth significantly dropped. In 2010, Patch.com's launches approached 700, adding to the overall online total. Out of 2011's 201 launches, 158 were online and 43 were print – an increase from 36 in 2010.



Of course, the main trend in launches is "location, location, location," notes Coates. These days, the newspaper business is all about local. This is evident by the number of newspapers that have started putting resources toward more local news, and the number of online hyperlocal sites that continue to pop up around the country.

Patch.com is the obvious online bearer of local news, but there is also Main Street Connect, which launched a healthy 41 sites focusing on Connecticut, New York and Massachusetts. In 2012, Sun Spots by Elauwit Media also promises to join the hyperlocal online trend. Meanwhile, Aol's Patch.com slowed down its launches and announced in December that it was actually merging several of its sites. "The one thing we noticed and questioned about these hyperlocal news sites was their sustainability due to the fact that they are so hyperlocal," says Coates. "For instance, if a county in Connecticut has 50 towns, do we really need 25 Patch sites in that county? Ten sites encompassing the news of five towns would suffice. Local news is important, but sometimes there isn't enough news to go around to fill the news hole continuously."

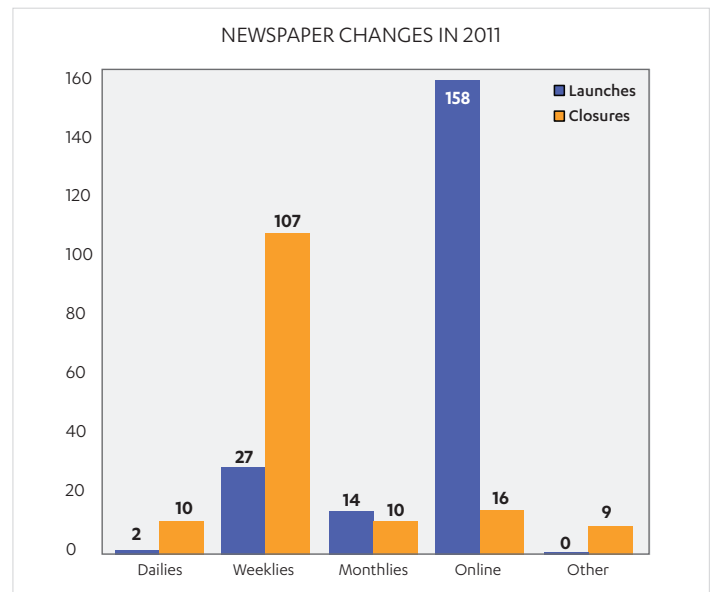
Unlike MainStreet.com's model, which employs a bigger staff, other online entities such as Patch.com may only have one person running the entire site. "The biggest concern about the one-man newsroom is that the person has way too much to do in order to cover his or her area properly," says Coates. "The rumor running rampant in the newspaper business is that Patch overworks its editors."

The trend for smaller newsrooms continues among bigger papers as well. Although the number of launches in 2011 was encouraging, layoffs at newspapers numbered well into the hundreds. Gannett cut 700 jobs, while the Tampa Tribune, Orlando Sentinel and Denver Post also pruned their staff. Plenty of mid-sized papers also went through rounds of layoffs. "Two years ago I thought newspapers had trimmed as much as they could, but it appears it will continue until they have skeleton staffs," says Coates. "Newspaper staffs are getting leaner and younger these days. The ink-stained wretch has been replaced by the digital savvy geek. We are seeing more and more editors in their 20s and 30s who have a grasp of the importance of digital and social media."

Social media has become more integrated into the daily news cycle. Looking ahead into 2012, Coates says newspapers will continue to use these channels both to distribute news and to interact with readers. "In the past, newspapers used to dictate to the readers, but now with social media and the exchange of ideas, newspapers are finding out what readers want and giving it to them," says Coates. "That's the kind of marketing that can lead to profit in the newspaper business."

Paywalls also helped to shape 2011 as newspaper publishers continued to experiment with the model in hopes of making money from websites. This included the New York Times, Commercial Appeal and Richmond Times-Dispatch, to name a few. Meanwhile, digital influence on the media has also been strong in tablets and smartphones, which now allow readers to download their favorite apps wherever they are. "I used to think commuters would much rather have a newspaper in their hands on the train, rather than read off their laptop, but the tablets and smartphones make it much easier to pull off," says Coates. However, newspapers are going to have to find a way to generate more money from these apps, he noted.

"It seems like the logical step to take," he says. "The concern in the past was that the older generation that still loves its daily print newspaper routine would miss out. My father is 79 years old and he complains about how his local newspaper is only half the size it was 15 years ago," says Coates. "My father isn't going to change, but the baby boomers who are 15 or 20 years younger seem to have embraced technology, either by necessity or through their children. They are not averse to reading news on a smartphone, tablet or desktop."



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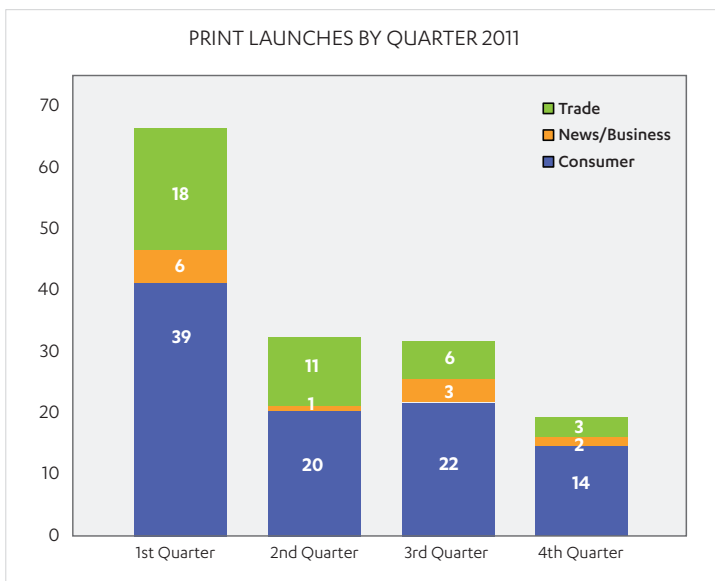
Magazines



To an extent, 2011 in the magazine industry mimicked 2010, with more launches than closures and moderate layoffs in magazine newsrooms, says Rebecca Bredholt, managing editor of magazine content at Vocus Media Research Group.

Reader's Digest terminated positions and Condé Nast shuffled staff. When Hearst bought Hachette Filipacchi Media, there were some layoffs. However, magazine titles saw little of the newsroom gutting that the newspaper industry experienced.

Meanwhile, exactly 50 new online-only magazines appeared in 2011. However, unlike in 2010, when more trade titles closed, consumer magazines took the (moderate) hit this time. Including online magazines, 195 titles launched and 124 magazines went under. Closures included Continental Magazine, American Printer and World of Warcraft: The Magazine.



“Modern media consumers favor regional and localized content, excepting nationally recognized television networks like HGTV, which launched a hugely popular print magazine with articles written by its hosts,” says Bredholt. “Since HGTV has a very well-known brand, it was able to launch a national print magazine successfully. In fact, the first run had to be re-printed because it sold out so quickly.”

“The bulk of new magazines, though, are hyper-niche like YUE Magazine, which caters to Chinese readers in New York City buying luxury goods,” she says. “Successful national magazine launches stand out these days because there are so few of them.”

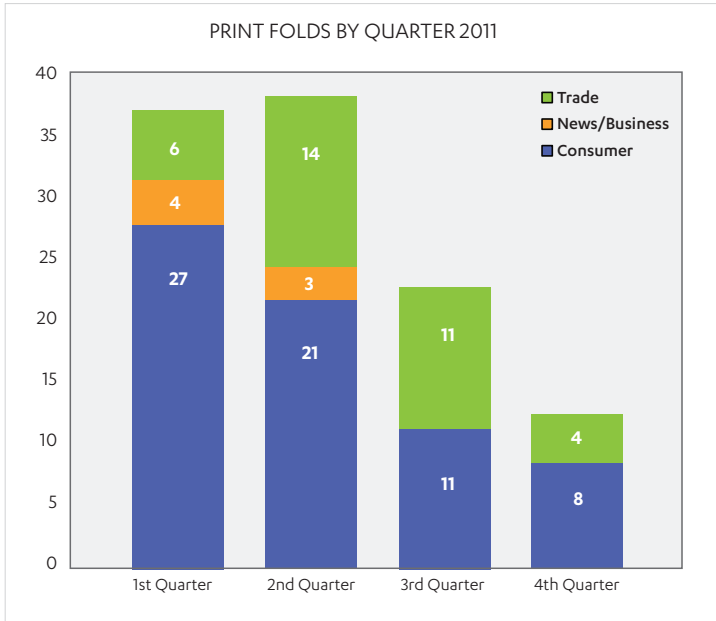
National print launches included Lucky Peach, Hispanic Retail 360 and The Social Media Monthly. Meanwhile, regional business magazine launches, like Crain's Michigan Business, increased in 2011.

Bredholt notes Social Media Monthly as being one of several significant events of 2011. “The launch of Social Media Monthly, a print magazine about social media, just goes to show that the print landscape is less cluttered,” she says. “It's easier to stand out and get people's full attention with a curated hard copy.”

Also worthy of mention was Time Inc.'s selection of Laura Lang as CEO. The former CEO of Digitas, a global integrated branding agency, is a newcomer to publishing and her appointment by Time Inc. baffled media professionals. Bredholt believes that Lang will follow the same path that Justin Smith did at Atlantic Monthly, which made headlines this year for turning a profit.

“Justin Smith is a media professional who understands content, so when he launched Breaking Media, and took top talent from Advertising Age and made a profit, people paid attention,” says Bredholt. “When Smith was hired at Atlantic Monthly, they had been in the red for years. He is said to have taught everyone how to play together nicely: in print and online; in sales and in editorial. That's what it's going to take for media empires to thrive in 2012.”

Bredholt suspects that Laura Lang understands what Smith did and that Time Inc. has hired her to teach them the same things. “It feels like they are all trying to unlock a secret code or formula to making money as a magazine publisher,” says Bredholt. “Tina Brown, editor-in-chief of Newsweek, seems to think that putting the best things about print and the best aspects of digital media together under one roof is the answer. And she might be right.”

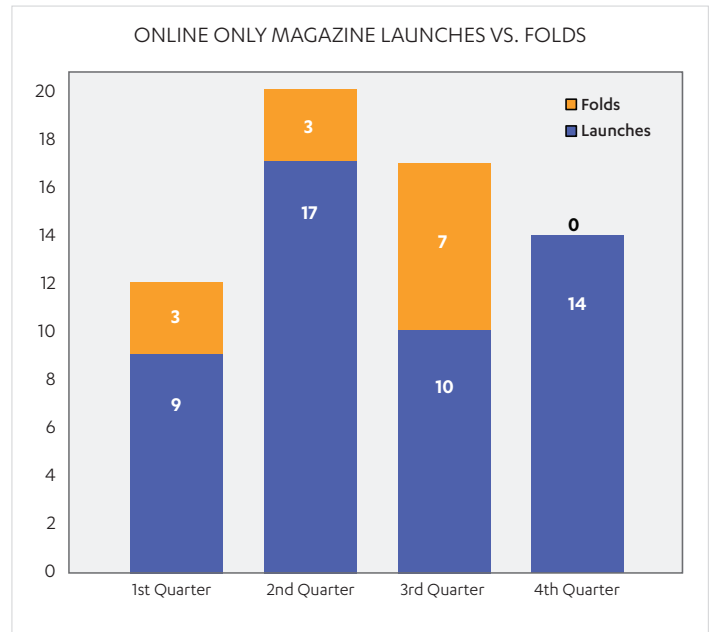


Former Newsweek president Mark Edmiston exhibited true media savvy in 2010 when he launched the tablet-only Nomad magazines. This was before the tablet had truly become popular. In 2011, his investment proved sound when the tablet magazine’s popularity increased. One Nomad title is Real Eats, which employs former Bon Appétit editor Barbara Fairchild as editor in chief.

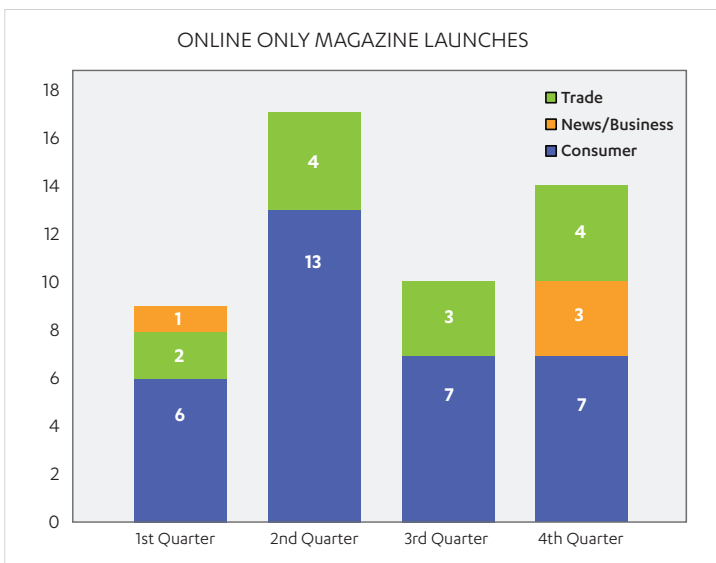
“I think tablets have reached a tipping point,” Bredholt says. “U.S. World News & Report reported that they were one of the top gifts for the holiday season.”

Since apps for tablets are a great way for magazine brands to create more content, Bredholt believes that apps are the way to go in 2012. In fact, the reason many titles made it onto Adweek’s Hot List of magazines is because they have popular apps, she says.

It has been almost two years now since the iPad launched. Since then, magazines have increasingly been digitalized for tablet consumption. And yet, in 2010, Bredholt notes, people were asking if the iPad would actually be the end of magazines. “The irony is that the iPad seems to be saving magazines as people need content to consume on the device,” she says. “When people hold a tablet in their hands and seek content to consume, they are willing to pay for it. Tablets haven’t made print versions of magazines irrelevant either, since most publishers are giving away free access to tablet versions with the purchase of a print version.”



“The brand must continue to go digital,” says Bredholt. “It used to be about making an eye-catching cover that stood out among the many titles on the newsstand or having a subscription offer you couldn’t refuse. That was back when commerce took place mostly in a physical realm, you could only put a certain number of blurbs on the cover and you could only have one newsstand cover. Now you can change your magazine cover to cater to whichever tablet you’re on, in whichever city you get uploaded in. Now, with newsstand sales down almost to



their 1990 rates, if you aren't embedded in your readers' digital lives, you're not on anyone's radar."

Eventually, magazine publishers' worst fears are bound to come true: an end to the print edition and a move toward online-only content, Bredholt predicts – but not just yet. In fact, she believes that 2012 has the potential to be boring.

"In 2008, when there was a lot of cash changing hands, we saw the amount of mergers and acquisitions spike," she recalls. "For most of last year, that number was down. Investors or businesses with a lot of cash have been holding onto it for fear of what the economy is going to do. The economy is growing at a super-slow rate and investments will echo that. Nobody is pulling their money out of their investments (in magazines, in advertising) so I don't expect to see any big crashes in 2012. But nobody is making big bets either, so I don't expect to see any big announcements/launches/new companies forming. I expect an even-keeled 2012. The high notes will likely be news of individual professionals excelling in the magazine publishing industry."

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Television



In 2011, TV growth into Hispanic markets continued. Several major TV networks launched websites targeting the Hispanic population, including CNN, which launched CNNenEspañol.com in November. Fox News launched Fox News Latino, while NBC is slated

to launch NBCLatino.com in 2012.

“Fox sees great potential in the Spanish-speaking market,” says Julie Holley, managing editor of television content at Vocus Media Research Group.

In April, Fox’s parent company, News Corp., launched Fox Hispanic Media, which includes networks such as Fox Deportes, Utilisima and Nat Geo Mundo, a Spanish-language National Geographic channel. NBC followed suit when it launched an integrated sales/marketing division and research platform called Hispanic at NBC.

Meanwhile, Hulu announced the launch of Hulu Latino, which will offer Spanish soap operas and other shows from Spanish-language networks like Univision, Estrella TV, Galavisión, Azteca America, and Telefuturo.

“Meanwhile, the growth of Spanish TV at the local level has leveled out,” says Holley. “With the additions of past years, all the major markets and the heavily Hispanic markets now have at least one Spanish TV network available either as a station or as a sub-channel of a local station.”

2011 saw the trend of resource-sharing between newsrooms continue as stations looked to enhance news coverage while saving money. Citing TVNewsCheck, a website that follows the broadcast business, Holley points out that nationwide, there are 175 ‘duopolies’, a situation in which two stations owned by the same company share the same market. With CBS already owning WCBS-TV in New York City, its purchase of WLNY-TV added another duopoly to the count. Duopolies are closely monitored by the FCC to ensure they do not impede competition in the region.

Holley also notes that ‘virtual duopolies’ may be on the rise again. “These often involve unofficial agreements to share resources without a change in ownership,” she

explains. “We’ve seen a lot of these agreements pop up since the beginning of the economic downturn, with the bulk of them occurring in 2009.”

Online streaming of television shows and newscasts also increased over the last year. “It’s not at all strange to find one’s favorite TV show available to view online either from the network directly or from sites like Hulu,” says Holley. “This will no doubt continue.”

As well as news sites posting content already aired, they now offer extras to encourage broadcast viewers to visit the website for more information. This includes long-form interviews and content not shown during the TV broadcast.

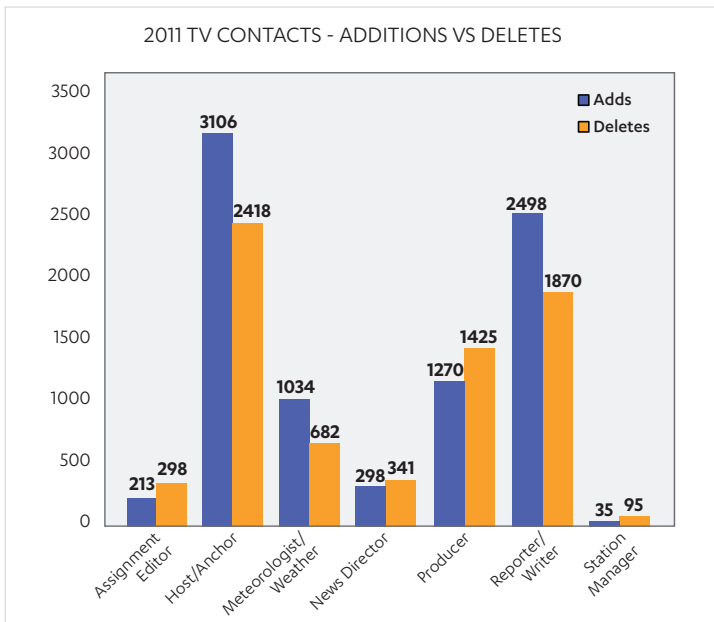
“TV is using the Internet to serve the role newspapers once served,” says Holley. “TV websites are becoming a place for people to get the background details and perspective that TV did not have time to offer in the past.”

Although new media practices are definitely on the rise, the television industry also returned to its roots in 2011 with a resurgence in investigative journalism. In Washington, D.C., NBC-owned station WRC-TV announced in October that it would be putting together an investigative reporting team. Meanwhile, Scripps Television sent staff members to training and hired new employees to add more investigative journalism to its local stations. So far, that training has been put to use at KNXV-TV in Phoenix and WXYZ-TV in Detroit. In total, the Vocus Media Research Group added 40 investigative television journalists to its database this year, including anchors, reporters and producers.

“The economy has a lot to do with it,” says Holley. “In a time when many Americans are struggling financially, viewers feel vindicated when government officials who are wasting tax money get in trouble, and businesses who take advantage of customers get what’s coming to them. There’s no time like now to find a viewer base for this type of journalism.”

Meanwhile, NBC is now required by the government to partner with local nonprofit organizations to increase

investigative reporting in its 10 major markets. “The requirement was imposed as a part of the FCC approval process during the Comcast-NBC Universal merger to ensure that viewers would not lose access to local news coverage,” says Holley. “It is expected that these partnerships will allow stations to offer more local and investigative news without adding more staff.”

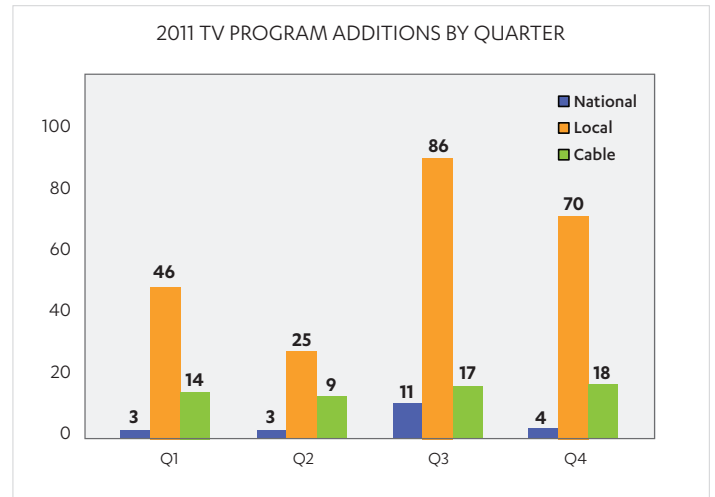


Instead of the mass layoffs of previous years, journalists kept their jobs in 2011 by taking on additional duties in addition to contributing on multiple platforms. “For example,” Holley explains, “a reporter is expected in many cases to turn in a live shot or package, tweet, update the station’s website or blog, and update the story as events change – even after work hours.”

“In a way, things have come full circle,” she says. “Reporters from the ‘60s and ‘70s often tell of how they had to turn three stories in a day, using film - not video - that they had to manually edit themselves by cutting the film and splicing it together. Now, reporters are finding themselves in a similar situation: lots of work and not enough time.”

The television industry also continues to adapt its content to mobile devices. Many stations have created apps to share newscasts, news updates or expanded coverage on stories. Spanish-language network Univision has announced the launch of Videos.Univision.com, a site targeted at mobile users featuring entertainment, sports

and news from Univision shows and stations. “I think we will continue to see more of this as time goes on, as average Americans continue to purchase smartphones and other smart devices,” says Holley.



Looking forward into 2012, Holley believes that competition between television and other forms of news offered by the Internet and social media will continue to be fierce.

“This means two things,” says Holley. “Companies are trying every way they can think of to lure people back to TV and away from their computer or tablet. And it means that many are acquiescing, offering their content online in order to build a brand that does not necessarily require TV viewing. Now that TV outlets have realized they can make money by adding commercials to the content they post, it’s changing the way they conduct business. I think we will see even more content available for hand-held devices, computers and tablets in the coming year.”

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Radio



Time and again radio has proven itself a survivor, and 2011 was no different. In some areas, the ever-adaptable medium is transforming so extensively as to change the very definition of radio itself.

“It is not just sound. It’s video, it’s text, it’s digital, it is events and coming local attractions, and comments,” says Kyle Johnson, managing editor of radio content at Vocus Media Research Group. “Some industry analysts are predicting that the traditional space we now call radio will someday be just a vehicle to promote what they’re doing on the digital space.”

All four quarters of 2011 showed that radio listeners are on the rise. Early in the year, Arbitron found that the number of people 12 and older listening to radio on a weekly basis was up by over 240 million, an increase of more than a million from 2010. In Q2, Arbitron figures showed an increase of nearly 1.9 million radio listeners aged 12 and over, compared to Q2 2010.

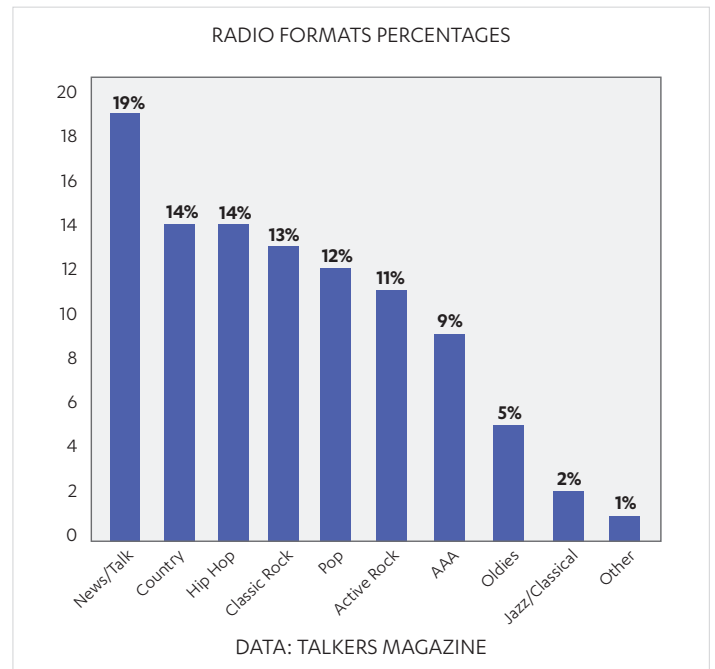
Meanwhile, a Q3 report from Alan Burns & Associates found that women aged 15 to 54 who listen to Adult Contemporary radio are more entertained by radio personalities than the average listener. “This is significant on a couple of fronts,” says Johnson. “One: these women are less likely to listen to online streaming services like Pandora or Spotify, which have no on-air personalities. Two: they are more likely to affect ratings because they listen an hour-and-a-half longer than the normal AC radio listener.”

Finally, a Q4 report from Arbitron found an increase of 1.4 million listeners in December compared to December 2010, as well as an increasingly diverse audience with growing African-American and Hispanic listenership.

“While listenership on the AM and FM dials remained constant or increased, the number of people getting their news from traditional radio appeared to decline,” Johnson reports. “A PEW report found that only 16 percent of people identify radio as their primary source for news – down 16 percent from the previous year. However, the survey also found the percentage of people ‘very interested’

in online radio in the car to be 27 percent – up 17 percent from the previous year.”

The most popular radio format is News/Talk, notes Johnson, citing Talkers Magazine’s Radio Research Project 2011. According to this industry report, the Talk Radio audience makes up 19 percent of radio listeners, followed by Country Music, Hip Hop/R&B, Classic Rock, Mainstream Pop, and Active Rock.



The biggest threat to terrestrial radio appears to be streaming music services - or so the discussion went at the Worldwide Radio Summit in Los Angeles earlier in 2011, where one key discussion centered around whether or not streaming music services are actually radio.

“Some argued that since services such as Pandora and Spotify are not personality-driven, they shouldn’t be considered radio,” says Johnson. “Others say that if they take ad dollars away from radio, they’re radio. Either way, they definitely demand attention based on their increasing number of subscribers.”

Pandora Radio usage is up between 13 and 25 percent in the top 10 markets, notes Johnson, who predicts that Pandora will increasingly find its way into cars. “It’s also probably good news for other streaming music sites who think their futures are also bright,” he adds.

For now though, the AM/FM dial still appears to be king in the car. In a survey released by Arbitron in conjunction with Edison Research and Scarborough Research, 84 percent of respondents report listening to AM/FM radio in the car, while 68 percent also report still listening to CDs. However, that may change.

“While only six percent say they listen to Pandora on their cell phone in their car, there is significant interest in the digital audio options being developed,” Johnson points out.

One such device is the Bluetooth Internet Radio Car Kit, which could mean bad news for satellite radio, says Johnson. Designed to bridge the gap between a car’s sound system and a smartphone’s radio compatibility, it plugs easily into a car’s cigarette lighter and a smartphone. The free Livio Car Internet Radio app offers 300 stations, while the premium version offers 45,000.

Satellite radio, for its part, appears to be doing well, Johnson notes. With 21 million subscribers and record revenues up six percent at \$763m, Sirius/XM had a relatively good year. The company plans to raise monthly rates from \$12.29 to \$14.49. The satellite radio giant also had a hard time getting new car buyers who initially got the service for free to subscribe: 44 percent did so in 2011 - down from 2010’s 48 percent. “It will be interesting to see if people balk at the price hike in 2010,” says Johnson.

Meanwhile, HD radio isn’t doing so hot, says Johnson. According to a PEW study, only 31 percent of Americans have even heard of it and the number of stations adding HD signals has dropped.

The radio industry is also proving no stranger to resource sharing. In 2011, one of the biggest mergers in history took place when Cumulus bought Citadel Broadcasting for \$2.5 billion. This created the second largest radio ownership group in the country with about 570 stations.

“Even these two rivals are forming a partnership, featuring two of the fastest-growing trends in media,” says Johnson. “Clear Channel has agreed to run ads for Cumulus’ Sweet-Jack, the daily deals program similar to Groupon and Living Social. In turn, Cumulus will join iHeartRadio, Clear Channel’s streaming app.”

In 2012, Johnson predicts that radio will try to continue filling the digital space. “The best radio stations are the ones that are on AM/FM, HD radio, have a website with multiple platforms, stream audio, send email and text alerts (to those who want them), are on Twitter and Facebook, and have mobile apps,” he says. “They recognize that the AM/FM signal is just one way to reach an audience, and that the other ways are becoming more popular and have the most potential.”

Meanwhile, people are increasingly listening to radio via mobile devices in shorter increments of time. “A study by Summus Limited found that people use their mobile devices as many as 10 times a day to interact with the Web, but they do so in increments of five minutes or less,” says Johnson. “Programmers need to adjust their content accordingly.”

“Look for radio to become more interactive,” Johnson says in conclusion. Regardless of where radio can be found, it is still a vital medium, and, according to Arbitron, 93 million Americans still listen to radio every week.

“Radio’s demise has been predicted since before the age of television, but it has continued to thrive and adapt,” he said.

“The best radio stations are the ones that are on AM/FM, HD radio, have a website with multiple platforms, stream audio, send email and text alerts, are on Facebook and Twitter, and have mobile apps.”

Blogs



Blogs and bloggers may not be considered traditional media, but the role they play in the overall industry is significant. Television outlets, for example, offer exclusive content on blogs, while popular TV personalities put their pen to good

use by connecting with viewers through blogging. Many newspapers have invited local bloggers to share their Web pages in order to engage the community. Meanwhile, magazines and newspapers are expanding company blogs by moving to platforms like Tumblr and Pinterest, which are ideal for displaying visual content.

Blogs have also created more competition for the traditional media in the online arena. Not only do journalists covering breaking news have to scoop social media-savvy citizens, but bloggers have also been known to beat traditionalists to the punch. Bloggers, who are not necessarily constrained to the editorial rules that apply to mainstream journalists, also contribute to the landscape by offering alternative points of view. As a result, niche blog writers who are passionate about a topic have also accrued big followings.

In 2011, blog growth was mainly seen in the consumer sector, with those focusing on domestic life, parenting and cooking coming out on top. This includes Mami's Time Out, Dad of Divas and 5 Dollar Dinners. Coming in second were trade and industry blogs, which seem to have risen in popularity due to the number of professionals and companies who are now blogging about their areas of expertise.

Meanwhile, independent blogs are growing increasingly open to product pitches, public relations efforts and brand campaigns. But similar to mainstream journalists, bloggers want to be pitched by professionals who have done their homework and know what the blogger covers.

Bloggers may sometimes still struggle to be recognized as legitimate journalists, but blogs and the people who

write them are undisputedly a fundamental element of contemporary media – old and new.

“Not only do journalists covering breaking news have to scoop social media-savvy citizens, but bloggers have also started beating traditional reporters to the punch.”



How Business Models Changed in 2011

During 2011, the media industry continued to ride out experiments from 2010 while trying new attempts to keep the business afloat, especially on the print side. The paywall became a matter of course, with newspapers like the New York Times, Dallas Morning News and Baltimore Sun all starting to charge readers a fee for online material.

Large and small papers alike took to the idea of paywalls this year, with MediaNews Group rolling out paywalls for all of its small to mid-sized papers. The Commercial Appeal went to a paid model, along with The Modesto Bee and Chicago's Daily Herald. The Boston Globe offered a hybrid model by dividing its website into Boston.com and BostonGlobe.com – one free and the other paid.

Meanwhile, in an attempt to offset print costs, the Times-Standard of California announced it would stop printing a Monday edition but drop its website's paywall on Mondays so readers can view the news there instead. "This is another innovative way of marrying print and digital," says David Coates.

In 2012, newspapers will most likely continue to try paywalls in hopes of bringing in much-needed revenue, Coates predicts. "If the modern-brand newspaper hopes to survive and make money, paywalls are necessary," he says. "Newspapers continue to hold onto their printed roots, but the printed versions of these newspapers are getting thinner and thinner. It is just a matter of time before we see only a handful of printed newspapers."

Across all media, local engagement has become an important part of the business model, either through the use of social media or other means. Staff on the Journal Register Company's Register-Citizen now mingle with community members in their newsroom café, opened in late 2010. The Winnipeg Free Press in Canada also opened a newsroom café in 2011.

Coates believes this concept may continue to catch on. "You cannot market to readers unless you know what they are thinking," he says.

He also points out that John Paton, CEO of MediaNews Group and the Journal Register Company, is considered the leading authority on newspapers making the move from print to digital, an indication that papers owned by the two media giants such as the Denver Post and Salt Lake Tribune will also exhibit changes under Paton's influence.

Meanwhile, local bloggers are increasingly showing up on newspaper websites as the industry embraces community participation. When it launched in 2010, Allbritton's TBD.com was perceived by many as the future of journalism. Unfortunately, the experiment failed and the website now exists as a shadow of its former self. However, the idea of community engagement has caught on and more newspapers are trying to incorporate it into their business models.

As all four traditional mediums continue to try to meet the needs of the growing Hispanic population, some local news sites are now offering alternative sites in Spanish. The El Paso Times, for example, launched SomosFrontera.com in August. Patch.com also offers several Latino editions in Southern California. Meanwhile, magazines are increasing their investment into Hispanic markets and launching new magazines, like Cosmo Latina.

In an effort to enhance their brands, magazine publishers have taken to emailing subscribers on a regular basis with additional content. National Geographic now sends out "best of" photography emails on a weekly basis, Food & Wine sends out recipes and tips on food pairing, and Better Homes & Gardens offers emails on how to redecorate rooms of your house. Meanwhile, Body + Soul has changed its title to Whole Living and added Martha Stewart's name to the title.

In the digital realm, tablet-only Nomad editions let writers keep a percentage of the profits their stories bring in instead of paying them a regular salary.

"Nomad is trying to prove that tablets can be platforms for new as well as existing brands," says Rebecca Bredholt. "Rather than convert existing titles to tablet, it taps journalists to devise new titles. Along with it comes an

interesting new model: for pay, each editor takes five percent of subscription income, while writers split 30 percent between them.” However, the most widely recognized model change, she says, has been the Daily Beast and Newsweek merger. “I guess the lesson here is that it’s better to experiment some than not at all,” she says.

Digital apps, mobile devices and interactivity continue to change the industry irreversibly.

“There’s a company called Zambig which has created a product, an app, that allows listeners to use their own voice to request a song or give an opinion via their Facebook page,” says Kyle Johnson. “It goes directly to the station’s Facebook page in either written or recorded fashion. The station could ultimately use that recorded portion on the air.”

Television viewers can now view made-for-smartphone newscasts on their phones, while new news apps are constantly being created. Traditional newspaper publisher Rupert Murdoch tried his hand at a tablet-only newspaper with The Daily, which continues to exist almost a year after its launch. Merging with digital is a constant endeavor and continues to transform the traditional business model.

The Growing & Changing Use of Social Media

The adoption of digital practices may have initiated the need for the 24-hour news cycle, but the advent of social media forced traditional journalists to be more vigilant than ever. Today, news doesn’t need a journalist to do the breaking. Now every man and woman can break news, making citizen journalism a significant element of contemporary media.

In May 2011, Sohaib Athar, an IT consultant in Pakistan, rose to fame when he live-tweeted the raid on Osama Bin Laden’s compound. His tweets effectively provided details that traditional media would never have captured because they weren’t at the scene of the event.

When the East Coast earthquake hit last August, the lines

of Twitter and Facebook were abuzz before any traditional source could possibly have broken the news. Earlier in 2011, the effectiveness of social media was demonstrated when the 8.9 magnitude earthquake hit Japan in March. Not only was the news spread this way, but families used social media to check up on loved ones in Japan.

The power of social media is undeniable, and has changed the media in a variety of ways. It has added to journalists’ daily duties, created new avenues for storytelling, and made real-time reporting an essential part of the news day. It has even been reported that social media has taken away the media’s emphasis on breaking news, and instead placed the focus on providing in-depth news analysis that can’t be found by turning to social media streams.

Aside from some of the challenges social media has posed to the traditional industry, many journalists and outlets have fully embraced the benefits of social media and are enthusiastically putting it to use.

“There is no doubt the New York Times is one of, if not the, most influential newspapers in the country and its staff understands that,” says David Coates. “Everyone seems to tweet – editors, reporters, specific sections. Andrew Ross Sorkin, business reporter and columnist, has over 360,000 followers, Paul Krugman, op-ed columnist, has over 670,000 followers and op-ed columnist Nicholas Kristof has just over a million. The most-followed New York Times staffer is technology columnist David Pogue with over 1.3 million.”

Despite differing ideologies on when to tweet and when not to tweet, the Washington Post, Los Angeles Times, Wall Street Journal and Associated Press all use social media well.

2011 saw a social media milestone for magazines as the first year that roughly half of all magazines had a Twitter handle. This has served to amp up specific brands, like Newsweek, which now has followers who never subscribed to the print magazine. “Fans of the magazine will find and follow their editors and writers,” says Rebecca Bredholt. “That’s how word needs to spread about the product – the editors need to encourage the fans to get

their followers to buy/download the magazine. Fans of the magazine will find and follow their editors and writers.”

Meanwhile, social media is proving useful for more than luring readers and viewers, especially for television reporters. Finding social media sources for real-life perspectives on events is helping reporters create emotionally compelling stories, says Julie Holley.

Television industry professionals using social media to its fullest include CNN’s Jack Cafferty, who has turned to Twitter for commentary. Rick Martin, an anchor from CNN in Atlanta, also solicits comments and story ideas via Twitter. News networks like the Weather Channel, ABC and CBS have teamed up with Twitter to create content that benefits both entities during major news events, while entertainment divisions at networks have integrated Twitter into interactive programs like Fox’s X-Factor.

WTOP in Washington, D.C., has been getting it right when it comes to social media - and so has its staff - notes Kyle Johnson. “The station’s own people are using social media, using Facebook to give headlines of what’s happening in the world and then driving people to the website or to the FM signal,” he says.

Social media is obviously a game-changer, and its impact will continue to confound and assist journalists in the year to come.

The Evolving Media Industry & Its Impact on PR Pros

The media industry’s changing news cycle continues to impact the PR industry in a variety of ways. One significant change has occurred as a result of the trend of dwindling newsrooms, which has created a demand for PR pros to be quick and reliable resources. Another major change has been social media and the transition to digital.

By now, PR professionals should be aware that multimedia is key. Radio industry professionals, for example, are now interested in more than just soundbites.

They want pictures and video. In the same vein, print professionals are looking for more than just text.

But that doesn’t mean we should forget old adages like the three C’s, notes Kyle Johnson: PR pro’s should make content clear, concise and compelling.

Nor does social media mean that the old rules have changed, says Rebecca Bredholt. “I keep thinking of that line from *The Princess Bride*: ‘Inconceivable!’ The character uses it so much that someone finally calls him out on it and replies, ‘I do not think that word means what you think it means.’”

“Know that social media is a means to an end and not the end in itself,” she says. “This is how the media are thinking of it – a platform, not a product. Social media is one of many platforms of communications and establishing relationships. Despite the fabulous changes in technology, all the old rules of being a human should still apply. Treat people as individuals, which is what editors and reporters are. Be polite: introduce yourself first and ask questions later. I would highly recommend investing in an iPhone or iPad or both. It’s hard to promote your clients on a platform you don’t know firsthand. And please, please do not send pitches out over social media platforms.”

Although a journalist’s medium preference for receiving pitches varies, several polls and surveys have found that the majority of reporters still favor email. “Social media is a good way to get to know reporters, but it is not the most preferred way to pitch,” says Coates.

Although journalists often use social media to gather sources or story ideas, the typical news release is still valuable, notes Holley. But social media has also upped the ante, so there is no way around it: if you’re not using social media, you should be. “We have said it before and will say it again; you must become part of the community and the conversation. Do this by following reporters and commenting on their stories. Get to know their coverage area. Also, be sure you are interacting online with the people who you want to receive your message,” says Holley.

Another old media axiom still holds true in 2012: know your reporter. “In order to learn about people you have to interact with them. We always encourage PR professionals to read what newspapers and websites are printing and what specific reporters are writing and tweeting about,” says Coates.

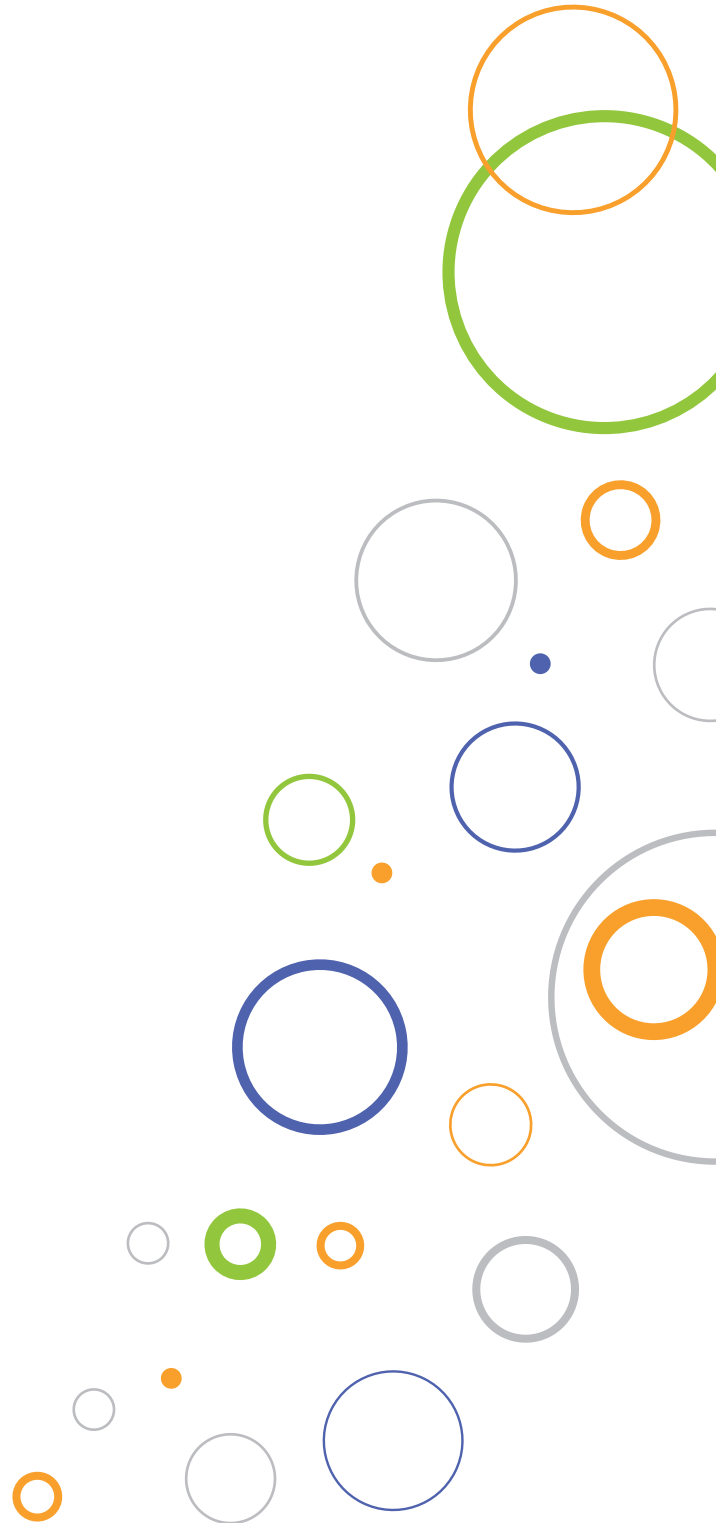
Time is also something journalists have little of, and so truly good stories are in high demand. “The easier a PR professional can make it for a reporter to write a story, the better chance that story will be written and a good working relationship between the PR pro and reporter will blossom,” says Coates.

Conclusion

The media will continue to transform in 2012 as each medium merges digital and social media into the overall plan. Now, more than ever, we are seeing a crossover between mediums. Although many entities may cling to traditional roots, evolution is vital and has led to the development of media hybrids. It may be just a matter of time before traditional media is wholly unrecognizable from its origins. But change can be good.

In 2012, innovation will continue amongst media-minded gurus. The fat will be trimmed from current experiments, and new media practices will be honed. But while change is certain, some things will always remain the same. Despite new vehicles for communication, relationships between PR and media professionals will always be key. Meanwhile, the media still values and aspires to original and honest journalistic traditions.

In 2012, cultivation and implementation are sure to continue, and fresh ideas and initiatives will certainly lead to new trends. In a world where the word “traditional” is swiftly losing all meaning, print and broadcast entities will continue to exist, but as shinier, newfangled versions that now incorporate all the elements of new and social media.



About the Research Team

David Coates | Managing Editor, Newspaper Content

David Coates had 15 years of newspaper reporting and editing experience before joining Vocus in November 2004. He came to Vocus from the Washington Times, where he was the assistant sports editor and oversaw a staff of more than 20 writers and editors. He assigned stories, attended editorial meetings, edited copy and coordinated the daily production of the newspaper's sports section. Prior to joining the Washington Times in 1999, he spent 10 years at the (Newark) Star-Ledger in New Jersey as a sports reporter, covering national and local golf as well as New Jersey high school sports. He has worked in media relations at Sports America, a sports marketing firm in Rockville, Md, and holds a bachelor's degree in journalism from the University of Maryland.

Rebecca Bredholt | Managing Editor, Magazine Content

In addition to being the managing editor of magazine and online data, Rebecca Bredholt is an editor for the Research Team's website, inVocus, and the liaison for promoting HARO to journalists. She has worked for more than half a dozen trade magazines, edited two national magazines and, in one quarter, launched 18 localized versions of one magazine. She has worked in every magazine department, art directing cover shoots, managing editorial, supervising printing, and managing marketing/public relations. She participates in industry conferences from New York to California, holds a bachelor's degree in journalism and a master's degree in liberal studies, has taught writing seminars in Florida and Ukraine, is a frequent guest speaker in the University of Maryland's public relations department, and tweets as [@mediachick76](https://twitter.com/mediachick76).

Julie Holley | Managing Editor, TV/Blog/IRO Content

Julie Holley joined Vocus from WUSA-TV, the CBS television affiliate in Washington, D.C., where she was a newscast producer. Prior to that, she served as a newscast producer for the 24-hour cable station and ABC-affiliate Newschannel 8. Before becoming a producer, she worked in a number of newsroom positions including assignment editor, field producer and guest booker. She also has experience in technical positions in television including audio operator, feed room operator, photographer and video editor. She holds a bachelor's degree in communications from

Washington Adventist University in Takoma Park, Md. In her spare time, Ms. Holley volunteers as a public affairs officer for the U.S. Air Force Auxiliary and has served as a judge for local television Emmy awards and for the U.S. Army's annual Soldiers Radio & Television Awards.

Kyle Johnson | Managing Editor, Radio Content

Prior to joining Vocus, Kyle Johnson spent 18 years at WTOP Radio, the all-news CBS affiliate in Washington, D.C., where he served as assistant editor, drive-time editor, traffic reporter, weekend anchor, and general assignment reporter. His last seven years at the station were spent as primary reporter for the state of Maryland, including the state legislature in Annapolis. He covered many high profile stories for the station, including the terrorist attacks on Sept. 11, 2001, and the Million Man March. He has also worked in television as an assignment editor at WUSA-TV, where he fielded pitches and dispatched news crews to breaking events. He has also worked as a freelance PR professional for the Media Network, a broadcast and social marketing company in Silver Spring, Md. He holds a bachelor's degree in broadcast journalism from American University.

Katrina M. Mendolera | Editor in Chief, inVocus

Katrina Mendolera took the helm of inVocus as editor in chief in 2009, having written news and provided editorial support since its creation in late 2008. Before joining the Vocus research team as a senior media researcher in 2007, Ms. Mendolera worked in daily and weekly newspapers in Rochester, N.Y., with Messenger Post Newspapers, specializing in covering education and religion. Prior to that, she covered indigenous cultures across the globe for an anthropological magazine in Cambridge, Mass. She is a graduate of the S.I. Newhouse School of Public Communications at Syracuse University with a master's degree in journalism and writes as a freelancer in her spare time. You can find her tweeting all the latest media moves at [@invocus](https://twitter.com/invocus).

Additional Contributors

A special thanks to Erica Thompson Briggs from the Vocus Media Research Team for her contribution to the Blogs portion of the report.

***Source for all graphs:** Vocus Media Research Group

About Vocus

Vocus is a leading provider of cloud-based marketing and PR software that helps organizations reach and influence buyers across social networks, online and through the media. Vocus provides a suite of software for online marketing, social media and PR that makes it easy for organizations to generate online visibility, build their social networks and attract new customers in today's new customer-led buying cycle.

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