

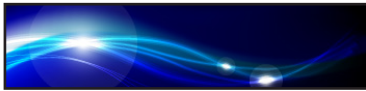


Digital Journalism Study 2010

Blogs, Apps and Paywalls – How the Digital World is Changing the Way Journalists and Publishers Work



ORIELLA
PR NETWORK
www.oriellapnetwork.com



For the past three years, the Oriella PR Network has carried out a survey of over 350 journalists across Europe to determine what impact the advent of the Internet and wide availability of broadband had had on the world of journalism. Last year, we found that the combination of the 'digitisation' of the media and the recession had resulted in fewer publications, longer hours and increased demands for content. However, the majority of those polled were either happy or happier in their roles. In 2010, we wanted to see if journalists have acclimatised further to these digital environments and how they have managed their way through the challenges and threats posed by the economic turbulence of the past two years.

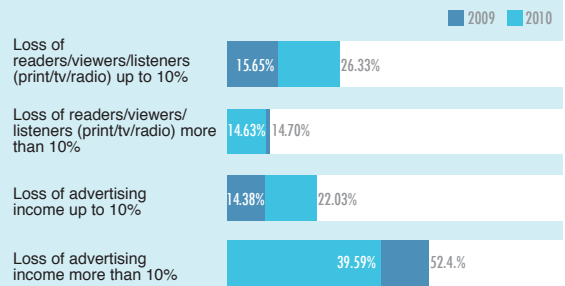
In May and June 2010, the Oriella PR Network carried out a survey of over 770 journalists across 15 countries to find out how digital media has changed the nature of news-gathering. The study found that journalists are gradually acclimatising to the pressures of juggling the demands of web and print media and, for the first time, view new media as an asset, not a hindrance, to news-gathering and presentation.

For the first time, the survey includes responses from outside Western Europe and includes journalists from Eastern Europe, the US and Brazil – making the report a genuinely international endeavour.

Confidence creeping back?

In last year's study, the main impact on journalism was, unsurprisingly, the economic crisis. Many feared for the survival of their respective publications and over half believed that they expected a loss of advertising income of more than 10%. This year's take on advertising has brought a mixed result. 39% of respondents still expect a loss of more than 10%, but this is considerably fewer than last year. The return of optimism to the advertising sector is reflected in projections from media giant WPP, and media consultancy Carat, both of which have recently hiked their projections for 2010 growth. Meanwhile, online advertising has still grown despite the recession. So, while there is still uncertainty about the state of advertising, there is undoubtedly more hope than this time twelve months ago.

In which way does the actual economical crisis and the structural changes of the media landscape (shift to online) affect your media?



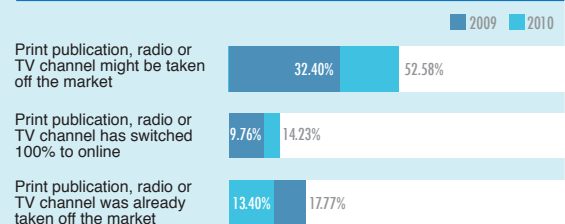
source: Digital Journalism Study 2010 - Oriella PR Network

Meanwhile, concerns about the viability of journalists' "traditional" media channels (print, radio or television) have intensified. When asked about the future of their respective publications, over half of those polled believe that these channels may well fold and be taken off the market (note: no timescales were specified in the responses). This is a sharp rise from last year when only one in three journalists surveyed believed this would happen. Nearly one in six confirm this has already happened to their publication.

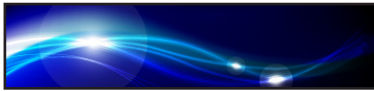
In Sweden, the situation is even graver: nearly one in three admits this fate has already befallen their traditional publication formats. Now, almost one in six publications has made a complete switch from traditional to online, up from one in ten last year.

Twelve months ago, we speculated that the robust health of the online advertising sector, at the expense of print and screen advertising, could well boost transition to online-only models. This trend appears to be continuing, but the question for the next twelve months is whether the recent uplift in traditional advertising will mean the number of transitions levels out.

In which way does the actual economical crisis and the structural changes of the media landscape (shift to online) affect your media?



source: Digital Journalism Study 2010 - Oriella PR Network



We asked journalists to predict what impact the budgetary restrictions within editorial offices are having. The main conclusion here is that confidence is starting to return but there is still a great deal of uncertainty. 44% agreed that the number of printed media will shrink dramatically. While this may seem a high proportion, this figure is down from 60% in 2009. There are both positive and negative conclusions to draw from journalists' opinions to this particular question. From a pessimistic standpoint, 41% and 43% of respondents respectively believe online media are still far from profitable and the quality of journalism could erode due to lack of editorial resources. However, both these figures are reductions from the previous year where over half believed this to be the case.

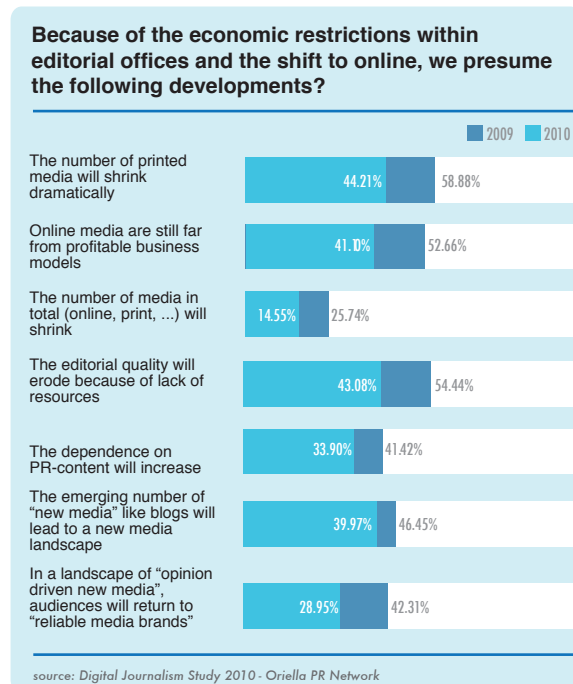
The study also yields some more positive insights. Last year, only a quarter thought the number of media in total would shrink. This figure has diminished further in 2010 with only 14% now adopting this view, highlighting the avenue of survival the online world offers today's media. Additionally, 40% feel the number of emerging "new media", such as blogs, will create a new media landscape. The optimism was greatest in the UK, Spain, the US, Brazil and Eastern Europe where over half of those polled support this view.

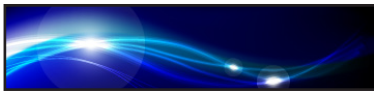
Planet of the Apps

One of the biggest phenomena to hit journalism in 2009 was Twitter. Its ability to quench the thirst for instant news and views of business people and consumers alike became a very attractive channel and by the time we revealed this study last year, 35% of publications already offered Twitter feeds as part of their online offering. This number has increased this year, but maybe not as dramatically as one might have thought. Our study shows a rise of just 6% to 41%. Considering the widespread use of Twitter and its attempts to monetise its API, it would have been reasonable to assume this number would have been higher. It is true that over half of publications in the UK, US and Brazil do offer this. The number of those polled who offer Twitter channels is highest in UK, US and Brazil.

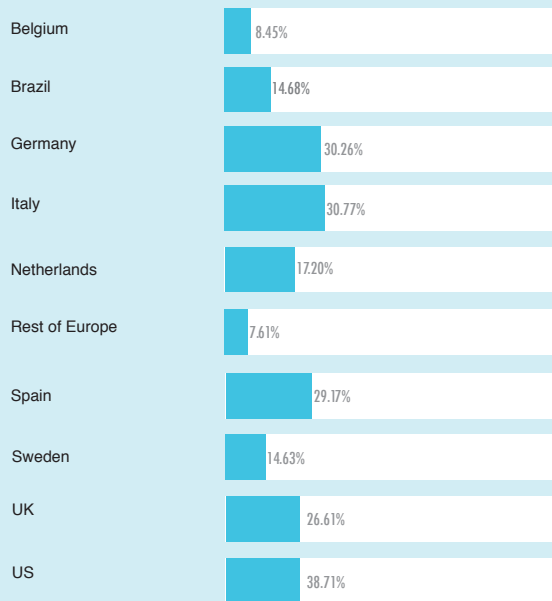
The explosion of smartphones over the last 18 months has brought the option of an entirely new business model to journalism. Twenty-two per cent of those polled say that they are providing or are looking into the provision of paid content via smartphone apps.

According to Gartner, 316.7 million smartphones were sold globally in the first quarter of 2010 alone. The sudden ubiquity of these devices has opened up a whole new area to journalism – the development of apps. Already, one in five publications has a mobile app in place for its audience – and this is closer to one in three in Germany, Italy and the US. One could speculate that there is a correlation between the slowing in Twitter use and the increase in app development. Are publications more focussed on developing content that they can charge for via apps, rather than publishing work via Twitter, where revenue generation is less of a certainty? Given the continuing financial pressures faced by the media, it would make sense for media to focus their energies on producing content for channels that will bring revenue.





Does your publication offer content via a mobile app?

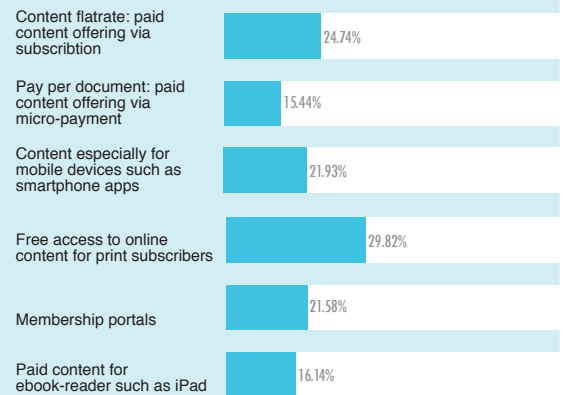


source: Digital Journalism Study 2010 - Oriella PR Network

The emergence of the App Economy has brought about a new revenue stream for the media and, in the face of very low advertising rates, this has undoubtedly become an attractive option. The Financial Times and Wall Street Journal have had a subscription model for their online activity for some years now, but others are starting to follow suit. News International ruffled many feathers this year by announcing that it is to charge £1/\$1.50/€1.2 a day for access to its online versions of The Times and The Sunday Times. The reasoning behind this strategy, according to Rupert Murdoch, was to “to stop people like Google or Microsoft or whoever from taking stories for nothing”. While this statement appears to completely contradict what a great deal of people believe the Internet stands for, Mr Murdoch is by no means alone in his desire to monetise his content.

According to our study, a quarter (25%) are using or considering implementing a business model offers content via a paid subscription. 30% are offering online access only if you have a print subscription, and nearly a quarter (22%) are using or looking into paid content via smartphone apps.

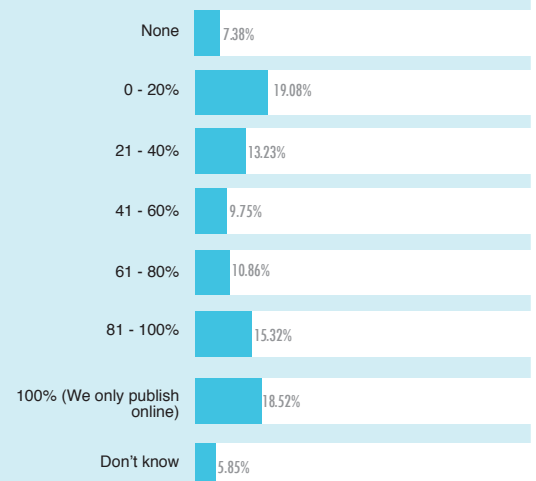
Is your publishing group/media using or considering new online business models or tools to generate new sources of revenue?



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When one considers that 45% of publications reveal that 60-100% of their online content is new, not just repetition of existing offline content, one can see why these paid models are increasing in popularity.

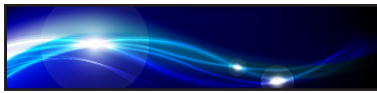
Approximately how much of your online content is new (i.e not repetition of existing offline content)?



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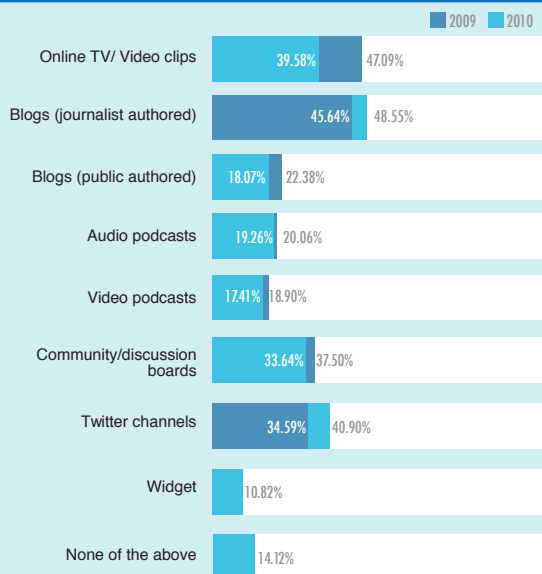
The knock-on effect

While the desire to implement online editorial content on mobile platforms and charge accordingly for it is in the ascendancy, there is an evident detrimental effect on other areas of media output. In 2008, one of the main trends noted was the emergence of video content. 41% offered online TV clips then and this rose to almost 50% in 2009. When asked this



year however, the number has dipped to only 39%. There are a number of reasons why this could be. Firstly, this year's survey naturally polls a much broader base – 774 journalists compared to 361 – across a wider number of countries. Alternatively, cutbacks on video may have been made due to reduced budgets as a consequence of advertising cuts and sheer time pressures to produce news. Other formats that have diminished in popularity in the last 12 months include public authored blogs (down from 22% to 18%) and community discussion boards (down from 38% to 33%).

Which of the following formats do you offer online?

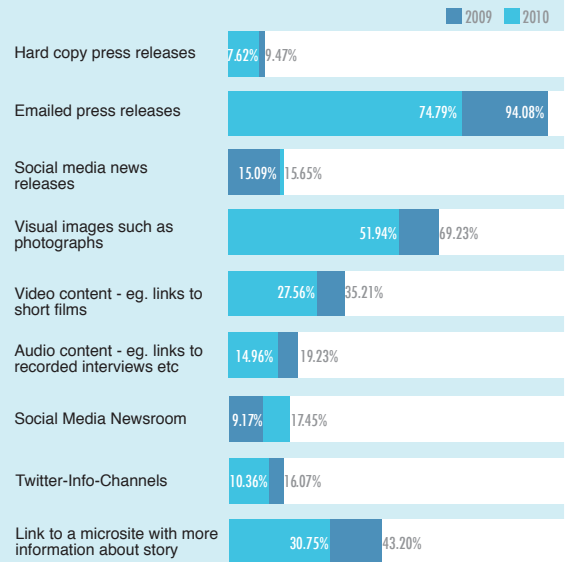


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A slowing-down in publications' adoption of new online formats is also evidenced in the content journalists expect to receive from communications professionals. In particular, demand for multi-media content has levelled off or begun to fall. Demand for social media news releases (SMNRs), chosen by 19% of journalists in 2008's survey, and 15% in 2009, has levelled at 16% in 2010. Meanwhile, video content has fallen to 27.5% from 35%, and audio / podcasts have fallen to 15% from 19%. It is possible that these decline are caused by the fact that publications now have the capabilities to produce their own multi-media content whereas previously they were more reliant on content from 3rd parties. By contrast, interest in traditional news content remains healthy: 75% like to receive emailed press releases, and 52% want to receive stills photography. While the communications landscape has become increasingly complex,

journalists continue to rely on PR professionals to address the basics of news gathering in the content they produce. Communicators that overlook this essential need do so at their peril.

Assuming the content is high quality and well targeted, which of the following do you find useful to receive from public relations officers?

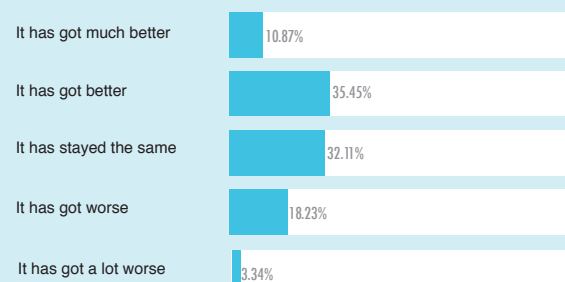


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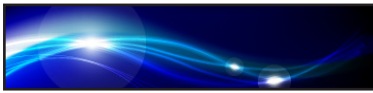
The impact on the job

The advent of new media is showing no signs of making the journalist's job less intense. Nearly half (46%) admit they are expected to produce more content and nearly one in three (30%) feels they are working longer hours. A third feel exclusives have become more important and 28% admit they have less time to research stories in person.

How would you describe the impact these changes have had on the quality of your organisation's journalism over the last two years?



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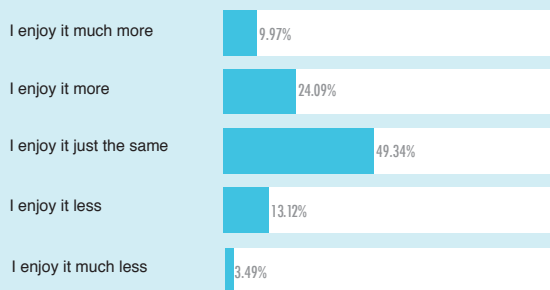


However, despite this added pressure, only one in five (21%) feel the overall quality of journalism has decreased and only one in six (16%) actually enjoy their job less as a result. It demonstrates that consumers' appetite for rapidly evolving technology is reflected just as much within the journalist community. The various new technologies that the media can exploit that have emerged over the past year are seen as an aid rather than another layer of administration. The survey ran just before the availability of the iPad – it will be interesting to see what impact this product has when we return to the survey in 2011.

Implications for PR professionals?

- This year's study, our largest to date, shows the influence of 'new media' within news organisations reaching, at least for now, a plateau. In turn, demand for more 'traditional' news content remains strong. Releases and photography continue to be key content assets for journalists
- The additional information supplied via UGC and in Social Media News Releases needs to be as relevant as the main release. PR Officers (PROs) need to react by ensuring the content they send to journalists is concise and easy to translate into deliverable news
- Time pressures remain – it is down to the PR community to facilitate access to relevant stories so they can turn it into a compelling story as efficiently as possible
- Paid content means the quality of journalism will have to improve further to justify charging. This requires a degree of selectivity from PROs when considering which stories to send to journalists
- See all these developments as an opportunity – content is going to increase, thanks to the enduring presence of print, the continued growth of online and the emergence of smartphones

How would you describe the impact these changes have had on your job satisfaction over the last two years?



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With special thanks to

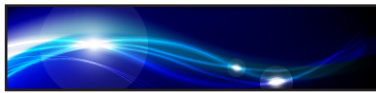
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About the Oriella PR Network



The Oriella PR Network is an alliance of 15 communications agencies in 20 countries around the world. Our partnership of independent agencies was built upon a set of global best practices and close working relationships not offered by others of its kind. The network was founded by Brands2Life and Horn Group with the support of agencies around the world with whom they have worked successfully on client projects - in some cases for many years. Oriella partners exist in major and secondary markets throughout The Americas, Europe, Middle-East and Africa and Asia/Pacific.

The Digital Journalism Study was compiled in May and June 2010, using an online survey of 774 journalists from broadcast, national, regional and trade media across Belgium, Brazil, Eastern Europe, Germany, Italy, Spain, Sweden, The Netherlands, The UK and The US. NB This year sees the inclusion of journalists from Brazil, Eastern Europe and the US for the first time.



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