

Executive summary

“Local” used to be all about geography. For newspaper readers worldwide, the most relevant stories and advertising are local in theme – impacting them in the communities where they live and work. Now, the editorial and advertising content on digital media allows “communities of interest” to readers and users that are relevant and sought-after on a regular basis, regardless of geography.

Newspapers worldwide have built their businesses serving their communities with local news and advertising. The Power of Local Focus report chronicles how market forces, and the resulting initiatives by forward-thinking media companies, signal an industrywide shift into high gear for the local roots of newspapering.

The catalysts for the shift are the ever-changing media landscape, new competitors, and the evolving news and information needs of consumers. The result of the shift is that in the past few decades, the definition of “local” has taken on new dimensions in the media world, which has in turn expanded newspapers’ locally focused strategies.

Geographically based information is still, and will continue to be, the most sought-after local content. But as the media landscape becomes more crowded with niche publishers across the spectrum of media, the notion of “communities of interest” is becoming an important part of newspapers’ strategies. Consider these opportunities for expansion into communities of interest:

- Language, culture, political persuasion, sexual preference, gender, age and other demographic details represent communities of interest and are worthy niches for local publishers about which to build new products
- Readers may be interested in reading, listening, viewing and interacting with content about their favorite sports or hobbies
- Certain brands or goods may not be available in local stores, but Web shopping makes them available to anyone within shipping range. Some media companies are exploring ways to provide these services
- International and national news can be “localized” when a person from the

Local Redefined: The Four Ns



Source: Shaping the Future of the Newspaper 2007

newspapers' distribution area is connected with national or international news. For example, when a local soldier is injured in Iraq, or when the national government passes a law directly impacting the media company's community.

The reality of a new definition of local requires a new local media strategy. The four components of a local strategy are the "Four Ns": Newspapers, Neighbours, Niche and Network.

- Newspapers: The foundation of the strategy, with locally and regionally focused news and advertising
- Neighbours: Hyper-local focus, to the apartment building or city-block level
- Niches build readership with "communities of interest"
- Network of aggregated local newspapers or online newspapers

The Power of Local Focus report details each facet of the "Four N" strategy in individual chapters.

Innovative newspapers worldwide are breathing new life into their local strategies by adding new products, new local features, more intensive local focus and more resources for developing local content. The newspapers profiled include Romerikes Blad in Norway; Fairfax Media in Australia; Daily Herald in USA, and Vorarlberger Medienhaus in Austria.

A variety of new print and Web products launched in the last two years are hyper-local –

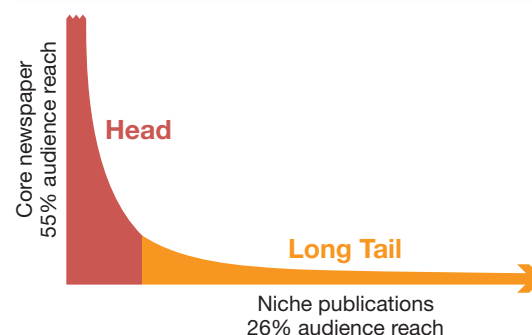
focused on news, events and people who readers might actually recognize as friends and neighbors. Some of these projects are already profitable. Hyper-local strategies are being implemented at a variety of newspaper companies, including Dallas Morning News, Bluffton Today; Naples Daily News, Bakersfield Californian, YourHub.com and Fort Myers News-Press in the U.S.; Johnston Press and Trinity Mirror in the UK, and Schibsted in Sweden and Norway. These cases are detailed in the report.

Publishers are finding success in a niche strategy, otherwise known as the "Long Tail", "Audience Aggregation" or "Audience Portfolio." The concept is to aggregate niches of demographically specific audiences to build the media company's overall market share. Some of the niches might include print and/or Web products for specific age, gender or social class groups. Among those media companies profiled are the San Antonio Express-News and the Arizona Republic in the U.S..

Networks provide a way to drive more exposure to local advertising and editorial content on a national scale. Since 2000, several national networks have been launched distributing and cross-promoting content and advertising. In this report, we will detail the strategies, structure, business models and scale of several networks, including the Yahoo!-US newspapers deal; Google Print Ads; FINN.no; ClassifiedVentures.com; 47News.jp; Fish4.co.uk; ShopLocal.com; and Topix.net.

The report captures the global media phenomenon of community-generated content for print and online, and local online communities including blogs, photo galleries and social networking. SFN will profile how

The Long Tail: Arizona Republic



Source: SFN Analysis; *The Long Tail*, Chris Anderson, 2006; *Arizona Republic*, 2005

media companies are leveraging the trend for growing revenues, particularly given that citizen-generated content has a high-traffic history and future potential, and how this fits with the newspaper's own local strategy.

The importance of locally-focused content is consistently reported around the world. In India, for example, respondents living in small towns and cities in reported in an annual survey that local content is the among the most important information on online newspaper sites, and that native-language content also is an important factor in seeking local news online.

The report also will detail how publishers are increasing market share by adding new, targeted local newspapers for ethnic communities, specific neighbourhoods, age groups, genders and hobbies. Despite circulation declines among local newspapers in some parts of the world, some countries are experiencing surges in numbers of regional newspaper titles, particularly in Central and Eastern Europe.

Worldwide: Fastest growing number of regional titles*

| | Number of titles | | % change |
|-----------------------|------------------|------------|--------------|
| | 2001 | 2005 | |
| Austria | 8 | 10 | 25 |
| Belgium | 15 | 18 | 20 |
| Czech Republic | 59 | 75 | 27.1 |
| Chile | 42 | 46 | 9.5 |
| Denmark | 21 | 22 | 4.8 |
| Hungary | 21 | 22 | 4.8 |
| Italy | 68 | 71 | 4.4 |
| Russia | 222 | 468 | 110.8 |
| Romania | 11 | 33 | 230.0 |
| Turkey | 16 | 25 | 56.3 |
| United Kingdom | 92 | 94 | 2.17 |

*Based on available data

Source: National press associations, World Press Trends, 2006

Digital channels provide the opportunity to expand local content. This report will provide case studies of successful regional and local online editorial and advertising efforts on each continent. Some of the viable online strategies for local newspapers include:

10 Local Online Content Ideas

- High school sports sites
- Party Pages with pictures of local party scene
- Reader surveys via Mobile
- Citizen generated blogs and photos
- Podcasts of local content
- Videos of local content
- Interactive graphics about the community
- Blogs by community officials
- Community discussions on civic issues
- Products targeted at working mothers, ethnic populations or youth

10 Local Advertising Ideas

- Join/build ad or content network
- Niche websites for communities of interest
- Directory of local businesses using keyword search advertising
- Searchable database of print ads online
- Multimedia database of entertainment offerings nearby with map mashup
- Identify non-advertisers in community and pitch them for advertising
- New products for community targets
- Community mobile contest to build mobile database for sales campaigns later
- Build self-service advertising
- Print and Web community-generated publications, by town

“Local” continues to be newspapers’ most valuable asset. The Power of Local focus will provide case studies and the results of research reports that will provide ideas to local publishers to thrive as the definition of local expands to include non-geography based strategies.