

2018

LMA Innovation Mission Report



New York City | Seattle

The Innovation Mission includes visits to some of the world's most innovative media and technology companies. It is the signature event of the Local Media Foundation.

Release Date: May 30, 2018

Price: \$299

LocalMedia
association

Top Local Media Trends in North America

Presented by Nancy Lane, President,
Local Media Association

WAN-IFRA WORLD NEWSMEDIA CONGRESS

ESTORIL, PORTUGAL

JUNE 6, 2018

LocalMedia

Not your
average association



About Local Media Association

An umbrella organization that represents ALL local media including newspapers, TV stations, radio stations, directories, online-only news sites, etc.

Over 2,800 newspapers/TV stations/radio stations, etc. are members of the organization.

**We Are Intensely Focused on Helping Local Media
Companies Discover New & Sustainable Business Models**





Top Trends:

Digital Subscriptions

Digital agencies transforming into full-service agencies

Creation of innovation labs and hubs



Innovation Mission Participants at Gannett – May 2017

Featured Companies:

The Seattle Times
Dallas Morning News
TEGNA
Gannett
Victoria (TX) Advocate
McClatchy
BH Media

The Seattle Times: It's Everyone's Job to Grow Digital Subscriptions



- ▶ 60% of their revenue comes from audience not advertising
- ▶ Digital paywall: started at 15; now at 4
- ▶ Newsletters drive digital subscription conversions
- ▶ Goal of newsletters – force readers to hit the paywall (20+ links)
- ▶ 25X conversion rate from newsletters vs. Facebook
- ▶ Incentivizing the newsroom for driving digital subs
- ▶ They are now #2 in the U.S.

Dallas Morning News: Digital Subscriptions Are the Future!



- ▶ CEO Jim Moroney changed his mind last August and pivoted to digital subscriptions as the top priority in the DMN's transformation strategy.
- ▶ He now believes that digital subscriptions are the future. He is still bullish on digital marketing services, but will put less resources there going forward.

Digital Agencies Transforming Into Full Service Ad Agencies

“The top performers across all markets are starting to look a lot more like full-service ad agencies than traditional media companies,” – Gordon Borrell, CEO, Borrell Associates

Who's Doing It?

Omnicom – they restructured in January and now sell all products that make the most sense – whether they own them or not. They have shifted to a customer-centric approach. Churn is down; revenue is up.

The Victoria Advocate – it's been their model from day one; they are approaching \$100M in revenue in a VERY small market. They recently spun off their agency from the newspaper.

Many others moving in this direction.





Innovation Labs are Fueling Growth at Media Companies Across North America

TEGNA – Innovation Hubs w/ Support from the Highest Levels in the Company

TEGNA

Reaching approximately
30 million
Americans on digital platform
each month

Corporate & TV Station Innovation Labs & Hubs

KING5 Innovation Lab: actively fields ideas from employees. When one is chosen, the department head has to grant the involved employee(s) time off to dedicate to the new venture. They don't have to monetize right away with these projects. They give them time to succeed.

TEGNA, parent company of KING5, also runs a pilot program that brings together innovators from across the company three times a year. "We let them go to work," said Frank Mungeam, Vice President Digital Audience Engagement (pictured right), "They come up with ideas and some of them get funded. Some have been successful failures that we have learned from but did not continue. We see value in that."



TEGNA

TEGNA, they are walking the
k. They are innovating all over.
saw it. You felt it. Frank
Mungeam's 'we start our sessions
what are we going to stop
g' was so refreshing to me." -
n Conway, General Manager,
ital Broadcasting



Part of the innovation structure at TEGNA is knowing what to stop doing. "We start all of our sessions with '**What are we going to stop doing?**'" said Mungeam.

When Cheryl Carson, news director of KING5 in Seattle, launched a completely different kind of news show, she didn't have to worry about failing. "**Our leadership told me to have courage and don't be afraid to fail,**" said Carson,. "That took a lot of pressure off." Carson went on to say that there were a lot of people in the building who weren't happy about the new format. Being a risk-taker is not for the faint of heart.

Jason Jedlinski @JasonJedlinski · May 24

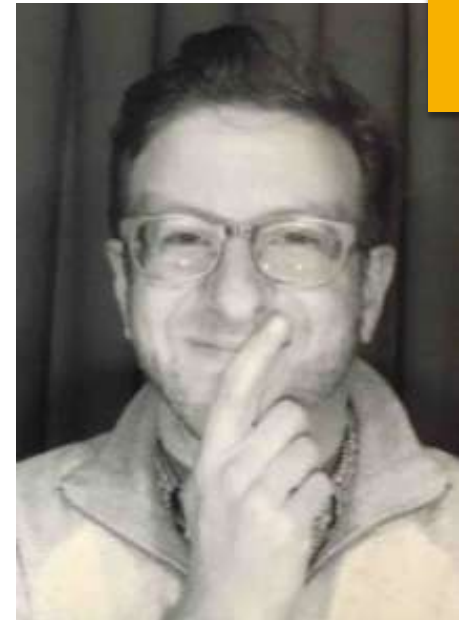
"Comfort is the enemy of progress." Prominent reminder of the need for **#innovation** in a **@KING5Seattle** news conference room. (Bonus appearance by **@frankwords**.) Thanks for having us! **#LMAIM** – at KING 5

McClatchy Doubles Down on Video

The McClatchy Video Lab serves as an innovation hub for the company. As a result, their culture is more like a startup than a legacy media company.

According to Andrew Pergam (right), VP, Video and New Ventures:

- We operate as a lab – some working on existing business; some on emerging sectors. We have a solid notion of where things are going, and more to test.
- We're startupy – with mission-driven folks on-board
- We're collaborative – with markets, partners and as a team
- We're diverse – in our revenue lines, to grow safely, and in our solutions, to prepare for the unknown.



The Video Lab and McClatchy welcome the LMA Innovation Mission!





Gannett Innovation Lab

Big Bet on VR

Led by Director of 360/VR Robert Padavick (top right), this team has 2 areas of focus:

- 1.) Passive VR: USA Today Network platforms, YouTube, Facebook, Samsung Gear VR
- 2.) Interactive VR (headsets that provide a fully-immersive experience): Google Daydream, Oculus Rift, HTC Vive, PlayStation VR. They are also starting to provide VR as part of branded storytelling programs.

Why VR?

“We do it because it lets the industry and advertisers know that we’re not just a newspaper, that we’re a digital company. A recent write-up in Forbes recognized us as the leader in this space – that gets us in the door for advertisers that we couldn’t talk to before.” – Michael Krinzman, (bottom right) VP of Video Revenue & Strategy



Gannett Innovation Lab

Other Major Projects:

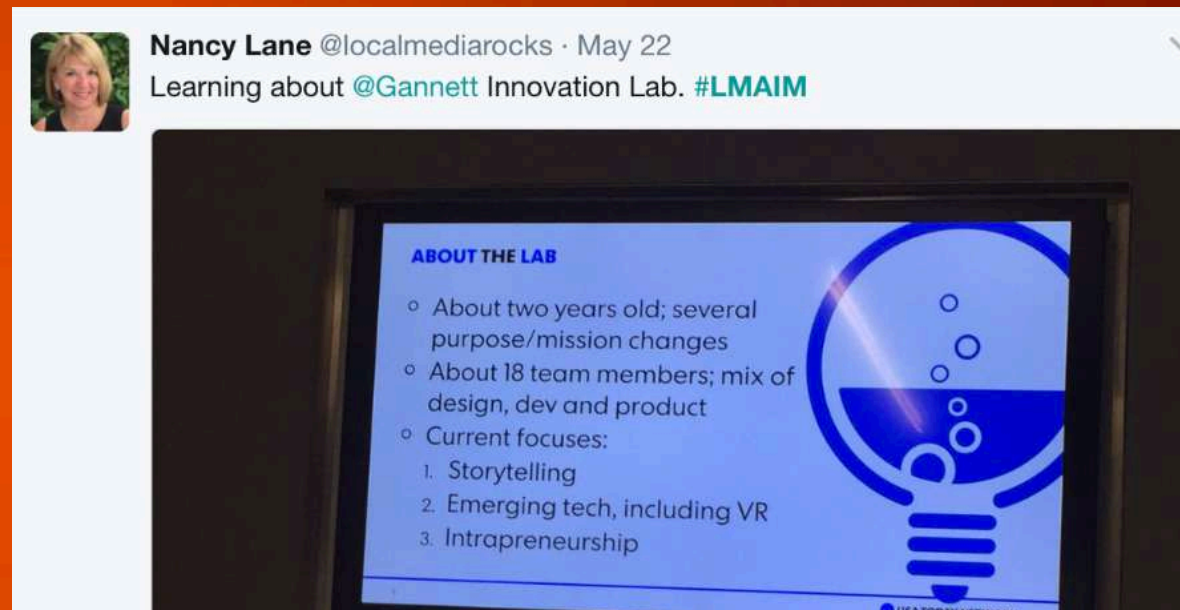
Podcasts: they produce 60+ across 110 markets

Voice Assistants: running tests on Alexa and soon Google Home ("can we deliver conversational user experiences?")

Experimenting with Chatbox technology

OTT - just signed a contract with Roku to test in local markets

USA Today - all in with Facebook Instant Articles - more successful than monetizing on mobile web



BH Media – Building Out a Transformation Team

- ▶ Rick Thornton took on the role of Chief Transformation Officer in January 2017. His charge: build a small team at BH Media's Omaha headquarters that will help their local properties (31 daily newspapers in 10 states) with their innovation/transformation strategies.
- ▶ The transformation team is being assembled. It will include a project manager, designer, UX specialist, data analyst, product role/manager and consumer revenue specialist.
- ▶ “We publish an inter-company blog to keep everyone informed and engaged,” says Thornton, “Transparency is very important.”
- ▶ At the heart of their strategy is putting the customer first and creating an outstanding user experience. Top areas of focus include: building a data warehouse, consumer UX and virtual assistant.



Thank You!

Email me at:

Nancy.lane@localmedia.org

For a FREE copy of the LMA
2018 Innovation Mission Report

