

The Media Audit

NEWS RELEASE

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CONTACT: Robert Jordan

(713) 626-0333

CONTACT: Phillip Beswick

(914) 398-8000

International Demographics, Inc.

3355 West Alabama, Suite 500

Houston, Texas 77098-1718

1-800-324-9921

Monster May Have Kicked the Sleeping Dog: Online Newspapers Experience Dramatic Growth

Houston - (5/07/02) - It may have been Monster.com's assault on their recruitment advertising income, or the extraordinary events that drove millions to their web sites for news.

Whatever the motivation, in 2001 the country's daily newspapers finally embraced the Internet.

In the 85 metro markets surveyed in 2001 by The Media Audit, 28 daily newspaper web sites attracted more than 20 percent of the adults in their immediate market "during the past month". Only seven newspaper web sites attracted 20 percent or more the previous year. In 2001, 100 daily newspaper web sites attracted more than ten percent of adults in their market. Only 48 newspaper web sites attracted ten percent in 2000. The data is from The Media Audit, a syndicated survey of 85 metro markets with a collective population of approximately 128 million. The survey results are based on 700 to 1800 interviews per market or more than 122,000 interviews throughout the 85 markets (www.themediaaudit.com).

Web Vs Print Product

"Attracting 10 or even 20 percent of a market doesn't sound like a significant achievement until you compare those numbers to the daily newspaper print product readership numbers," says Bob Jordan, co-chairman of International Demographics, Inc., a 31-year-old research firm that produces The Media Audit. "In more than a few major markets the local daily newspaper is struggling to keep 45 to 50 percent of the adults as readers. And they've had the print product on the streets for generations."

In 2001, 45.3 percent of the respondents surveyed in all 85 markets said they were not exposed to a daily newspaper on an average weekday. That's up from 40.1 percent in 1998. The newspaper industry has experienced a steady decline in readership for 30 years. "The Internet," says Jordan, "may turn out to be the lifeline the newspaper industry has been seeking."

The Washington Post, based on The Media Audit data, operates the most successful newspaper web site in the 85 metro markets surveyed. They attracted 40.2 percent of the adults in their immediate market to their web site. The same survey data shows that approximately 34 percent of those surveyed in the D.C. market say they are not exposed to a daily newspaper on an average weekday. "The Post is attracting to its web site 40 percent of the adults in a market where only 66 percent of the adults regularly read a daily newspaper in print. It's a remarkable achievement," says Jordan.

The success of the Washington Post web site has apparently also improved the attitudes of employees at the Post. In their recent book, *The News About The News*, two editors of the Washington Post said, "the success of the Post's site altered the culture in our newsroom. By the morning of September 11, 2001, it was second nature

for Post reporters to immediately start filing information to WashingtonPost.com."

Bonus In The Numbers

"And there is a bonus in the newspaper web site numbers," says Jordan. "As the web audience continues to grow it becomes more and more democratic in its composition," he says, "but, access rates remain higher among the young and affluent. That's exactly the demographic group newspapers have struggled - with little success - to attract to their print products. The web may be the vehicle that extends and broadens their reach in the communities they serve." .

Jordan says he sees increasing signs that the newspaper industry is viewing the Internet as an opportunity rather than a threat. "In 2000," says Jordan, "a few newspapers were demonstrating that they could succeed on the web. But, in 2001 it seemed that there was a growing conviction that daily newspapers can - and must - operate the dominant web site in their community. The biggest remaining obstacle - in my view - is the hesitancy on the part of newspapers to invest in advertising, outside their own medium, to promote their web sites. Convergence or partnering and strong promotions seem to be at the heart of the success that some newspapers are enjoying on the web. Newspapers still have that enormous competitive edge: content. But, Monster.com and similar sites have shown that content alone will not permit newspapers to dominate the local classified market."

Top Newspaper Web Sites

The 28 newspapers that attracted more than 20 percent of the adults in their immediate market to their web site are: Washington Post, 40.2; Omaha World-Herald, 27.4; San Antonio Express-News, 27; Charlotte Observer, 26.6; Hartford Courant, 26.1; Minneapolis Star-Tribune, 25.5; Orlando Sentinel, 25.2; Sacramento Bee, 24.8; Daily Oklahoman, 24; Kansas City Star, 23.5; New Orleans Times Picayune, 23.4; Raleigh News & Observer, 23; Ann Arbor News, 23.4; Lexington Herald Leader, 23; Atlanta Journal-Constitution, 22.4; Virginian Pilot (Norfolk), 22.3; Houston Chronicle, 21.9; Seattle Times, 21.8; San Diego Union-Tribune, 21.4; St. Louis Post-Dispatch, 20.8; Jackson Clarion Ledger, 20.8; Charlotte Observer, 20.7; Des Moines Register, 20.7; Arizona (Phoenix) Republic, 20.6; Buffalo News, 20.4; Albany Times-Union, 20.1; Florida Times-Union, 20; Wisconsin State Journal, 20.

The audiences for newspaper web sites "are in many cases even larger than our numbers indicate," says Jordan, "because many newspapers have more than one site or more than one web address for the same site." As an example, the Washington Post's primary web site (WashingtonPost.com) attracts 40.2 percent of the adults in its market. A second site (MyWashingtonPost.com) attracts 21.1 percent.

"When a newspaper or any other enterprise has more than one web site," says Jordan, "the audience numbers can not simply be added to reflect a total audience. In combination the Washington Post numbers total 61.3 percent but, the true net reach of both sites - after eliminating the duplication of those people who are logging on to both sites - is only 41.5. Almost 94 percent of those who logged on to MyWashingtonPost.Com also logged on to WashingtonPost.com. As a result, the net gain is 1.3 percentage points. The gain of 1.3 percentage points is not insignificant. It represents 44,000 adults in the DC market that would not have been reached otherwise. "

Jordan also points out that The Media Audit surveys "only the impact of the web sites in the local markets. We measure each newspaper's impact, both print and web site, on the local market only. All our research is at the local market level."

Traditional media - print, broadcast and outdoor - have used The Media Audit data in sales, marketing and management for more than 30 years. In 1998, the surveys started providing data on local media web sites. The surveys now contain more than 400 fields of qualitative information in addition to quantitative measurements of local web audiences.

The Media Audit is a product of International Demographics, Inc., a 31-year-old Houston firm that is engaged exclusively in syndicated, multimedia surveys conducted at the local market level.

Note: If you would like to periodically receive market survey data from The Media Audit, please contact Bob Jordan by email (bjordan@themediiaaudit.com) and leave your name, title, company affiliation and your mailing and/or email address.

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