

***A New Perspective
on Online “Content”***

Suburban Newspapers of America

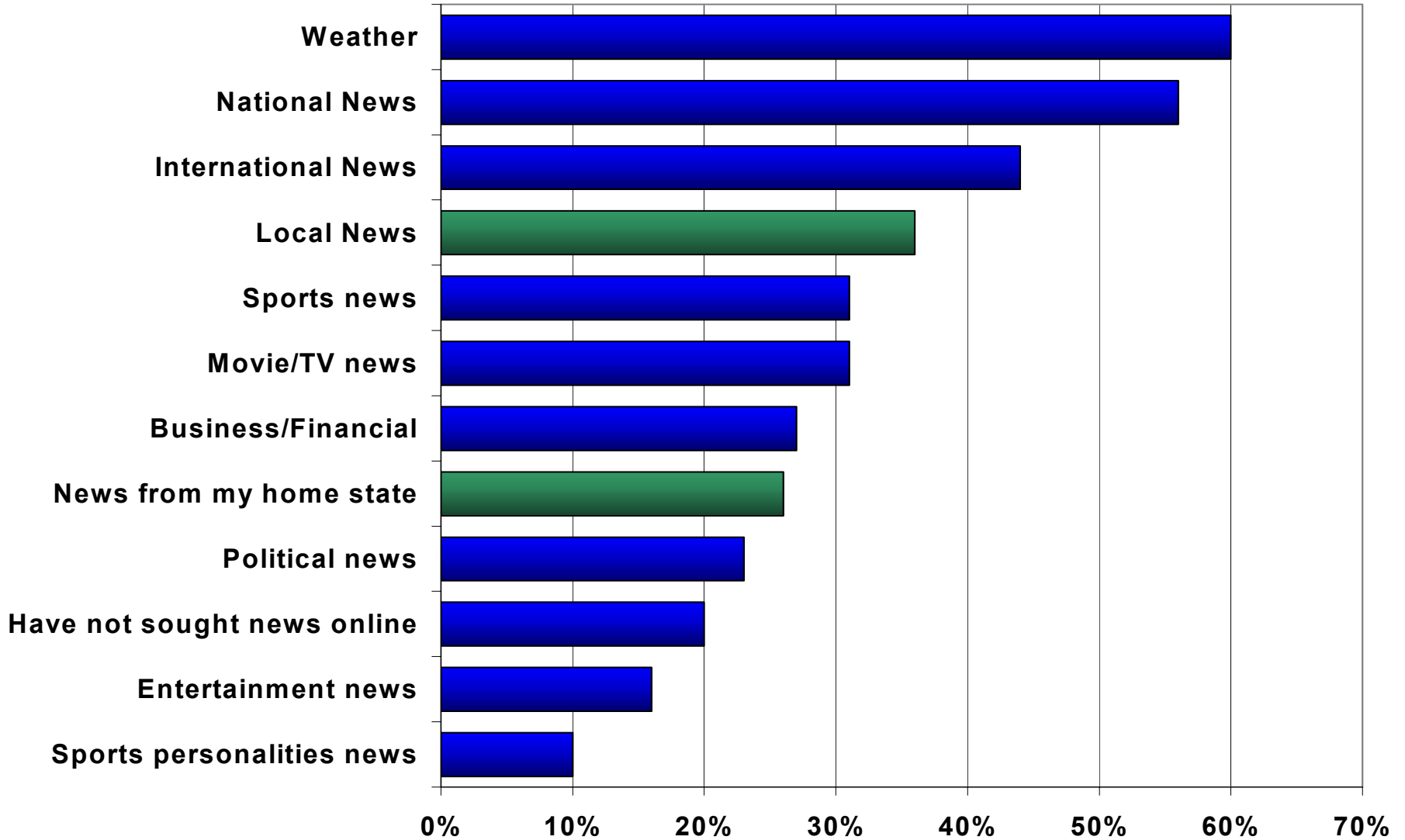
June 11, 2004

Goals for Today

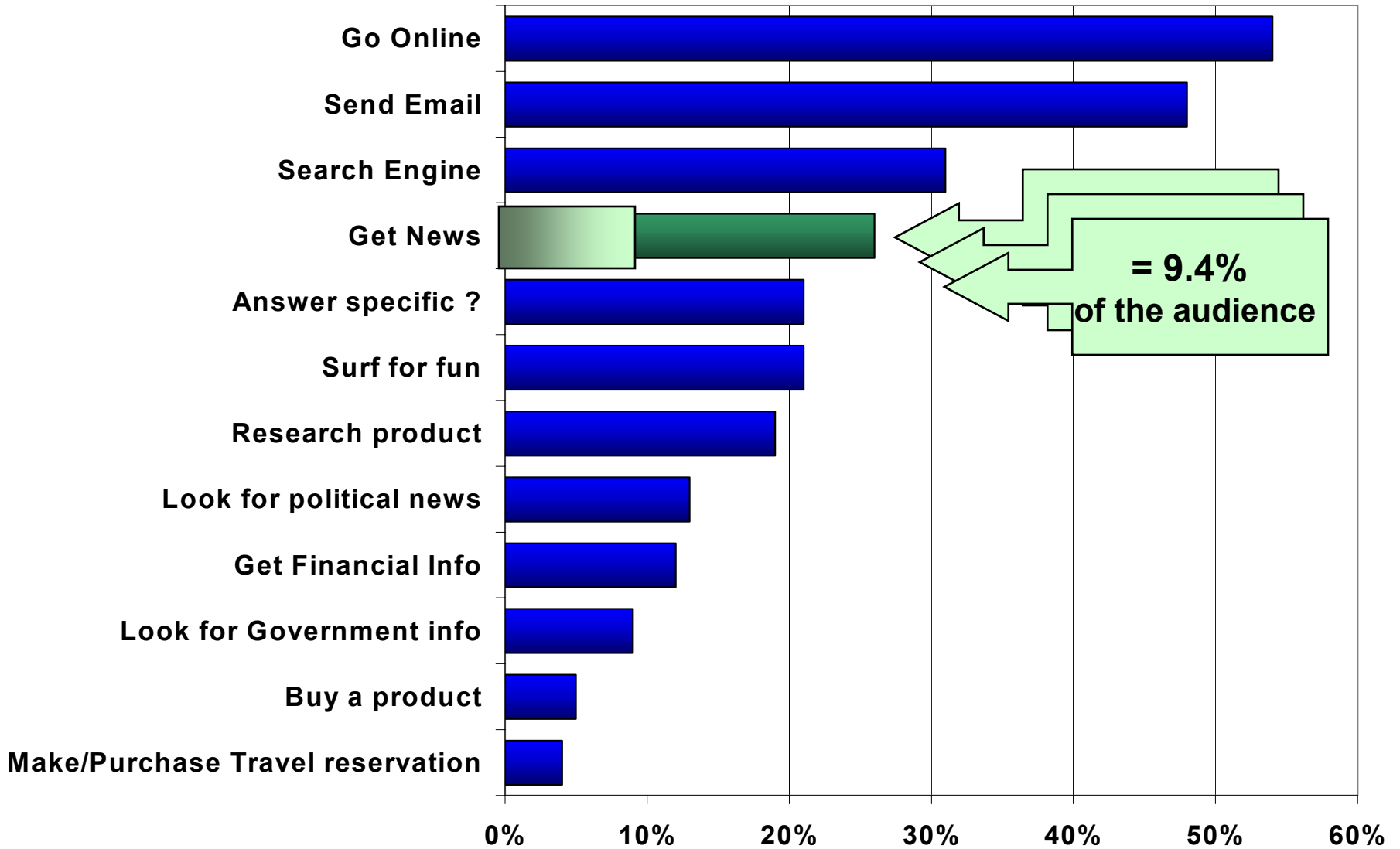
- **Talk a little about content**
- **Dispel some content myths**
- **Talk a lot about \$**
- **Discuss charging for access**

CONTENT

News-Seeker Activities



All Online Activities



***The Good News:
Newspapers Have the Lead***

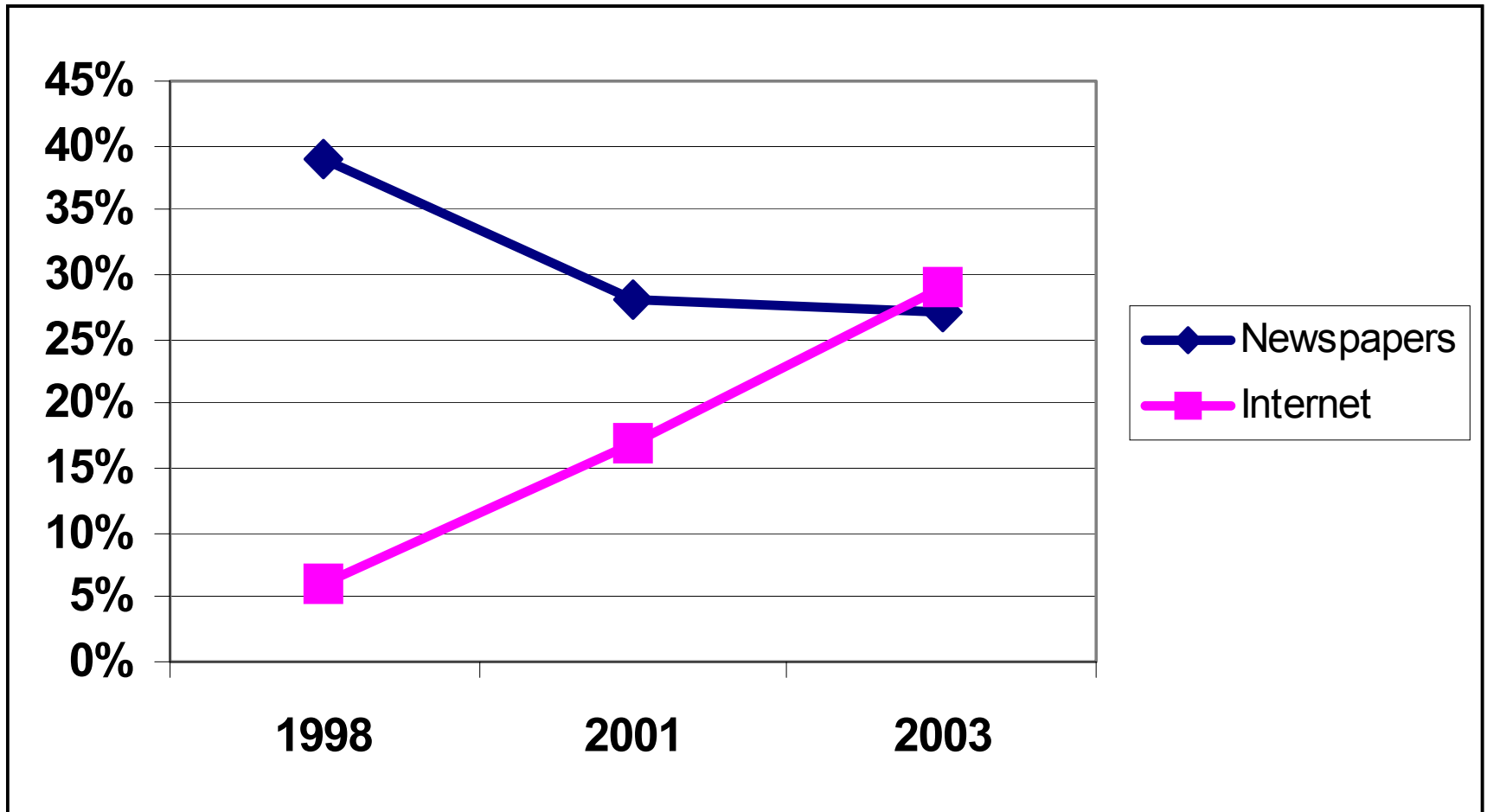
Preferred Media Sources, 2003

	Internet	TV	Newsp.
Movie Listings	33%	8%	50%
Personal Ads	38%	5%	42%
Real Estate Listings	35%	3%	52%
TV Listings	17%	33%	35%
Job Listings	41%	3%	48%
Sports News	29%	37%	27%
News	26%	41%	27%
Business info	65%	5%	13%
Product Info	65%	7%	8%
Stock Quotes	66%	7%	21%

Source: Forrester Consumer Technographics Study, 2003

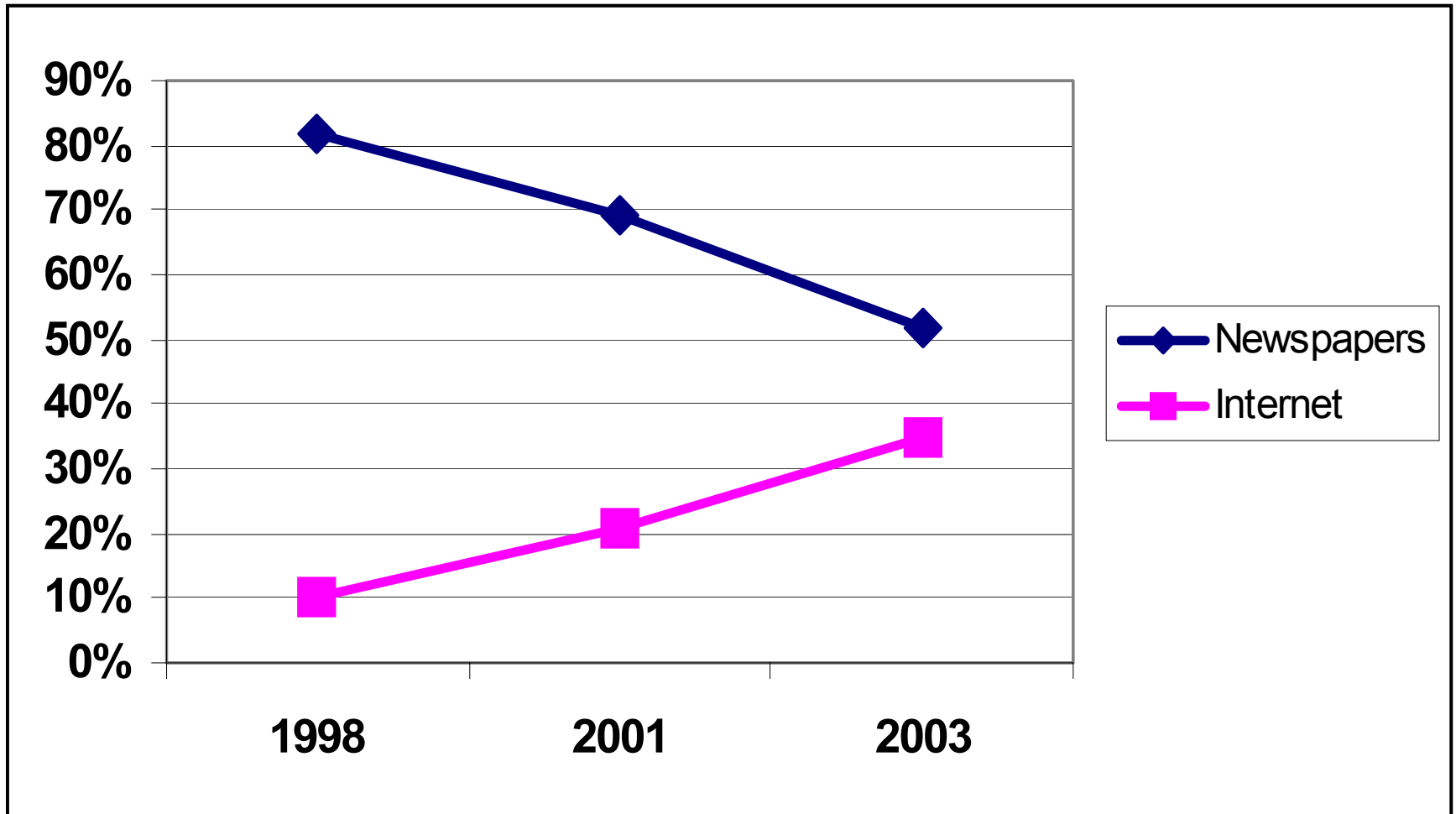
***The Bad News:
That Audience Is Slipping***

Preferred Source: Sports News



Source: Forrester Consumer Technographics Study, 2003

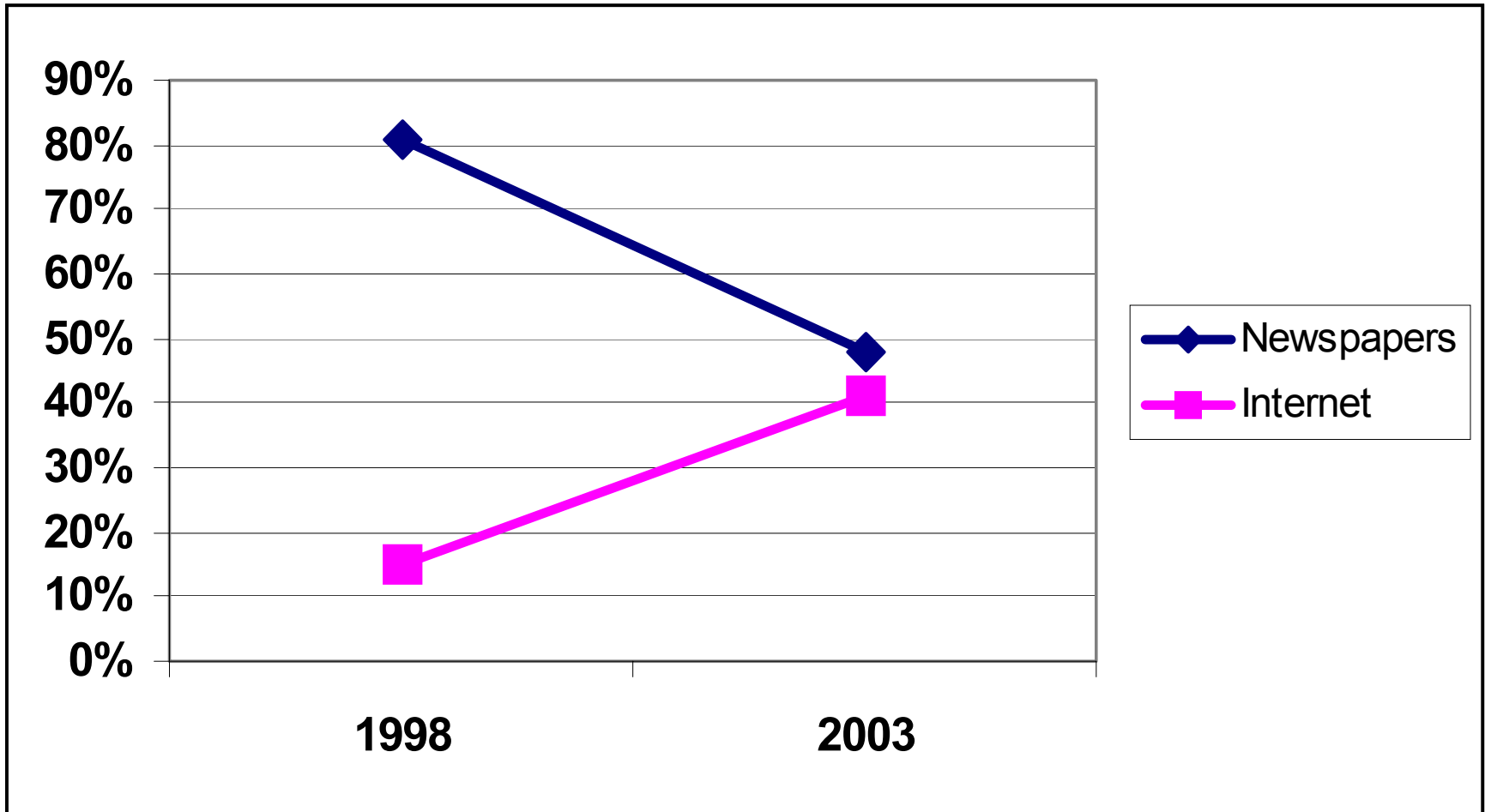
Preferred Source: Real Estate Listings



Source: Forrester Consumer Technographics Study, 2003

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Preferred Source: Job Listings



Source: Forrester Consumer Technographics Study, 2003



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The No. 1 Medium for Job, Home and Car Listings is . . .

Audience

	<u>Newspaper</u>	<u>Online</u>
Real Estate	51%	57%
Automotive	51%	68%
Employment	98%	96%

Top 20 Real Estate Sites

Site	Unique Visitors
Homestore.com Network	9,326
REALTOR.COM	5,316
AOL Prop House and Home	5,304
MSN House & Home	4,816
Yahoo! Real Estate	4,115
FORECLOSUREWORLD.NET	3,803
SERVICEMAGIC.COM	2,160
HOMEGAIN.COM	1,725
RENT.COM	1,636
EBAYREALESTATE.NET	1,635
APARTMENTS.COM	1,551
 CENTURY21.COM	1,468
Apartment Guide Network	1,370
 REMAX.COM	1,300
Netscape Home & Real Estate	1,157
 COLDWELLBANKER.COM	1,098
MONSTERMOVING.COM	993
HOMEBUILDER.COM	897
ZIPREALTY.COM	842
HOMEFAIR.COM	807

Source: comScore, Oct. 2003
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Top 20 Automotive Sites

Site	Uniques (000s)
eBay Motors	9,787
MSN Autos	8,408
Autobytel Inc.	6,830
General Motors	5,613
Kelleybluebook.com (kbb.com)	5,393
Autotrader sites	5,095
AOL Auto	4,936
Ford Motor Co.	4,207
Daimler Chrysler	3,785
Yahoo! Autos	3,631
Honda	3,270
Carsdirect.com	2,838
Cars.com	2,744
CarDomain Network	2,125
Edmunds.com	2,005
JCWhitney.com	1,982
Toyota	1,881
Trader Vehicles	1,725
Carmax.com	1,716
Autobuyingusa.com	1,709

Source: comScore, Oct. 2003
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Employment Listings: Internet is Leading Source of Hires

ALL Internet	31.8%
Employee Referrals	28.5%
Newspapers	3.8%
Career Fairs	2.8%
Direct Sourcing	2.6%
College	2.4%
Third Party	1.2%
Other	26.9%
TOTAL	100%

Source: CareerxRoads 2003 Sources of Hires Study

Of the Internet Hires...

- **67.9%** came from company's Website
- **17.6%** came from niche sites
- **< 8%** came from Monster, etc.

***CHARGING
FOR WEB ACCESS***

Charging for Access

What to Expect

		Paid Subs			
	Circ.	2002	% of circ.	2003	% of circ.
Floyd County Times	8,340	170	2.00%	200	2.40%
Post Falls Register	24,000	150	0.60%	475	2.00%
Columbus Dispatch	248,000	na	na	5115	2.10%
Worcester Telegraph	102,000	700	0.70%	2,143	2.10%
Albuquerque Journal	120,000	1,440	1.20%	1,500	1.30%
Cedar Rapids Gazette	66,000	450	0.70%	581	0.90%
Tulsa World	152,000	2,741	1.80%	na	na
Averages			1.20%		1.76%

The Benefits:

- **Protects print circulation**
- **Establishes value for online product**
- **Gathers data about current subscribers**
- **Allows for better measurement, targeting**

The Problems:

- **Doesn't reach "new" audience**
- **Upselling advertisers to the same audience**
- **Local content online isn't considered "premium"**
- **The Internet is about commerce, not content**

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Executive Strategies for Local Media

REVENUE

Research Overview

- 2nd Annual Web Revenue Survey
- 711 properties participating
 - 32 Weekly newspapers
 - 460 Daily newspapers
 - 219 TV stations
- Covering 160 DMAs
- 57 Companies
- 33.3% of all U.S. Daily newspapers; 53% of circ.
- 28.8% of broadcast TV stations, 75% of all TV HH

Local Online Advertising Growing Very Fast:

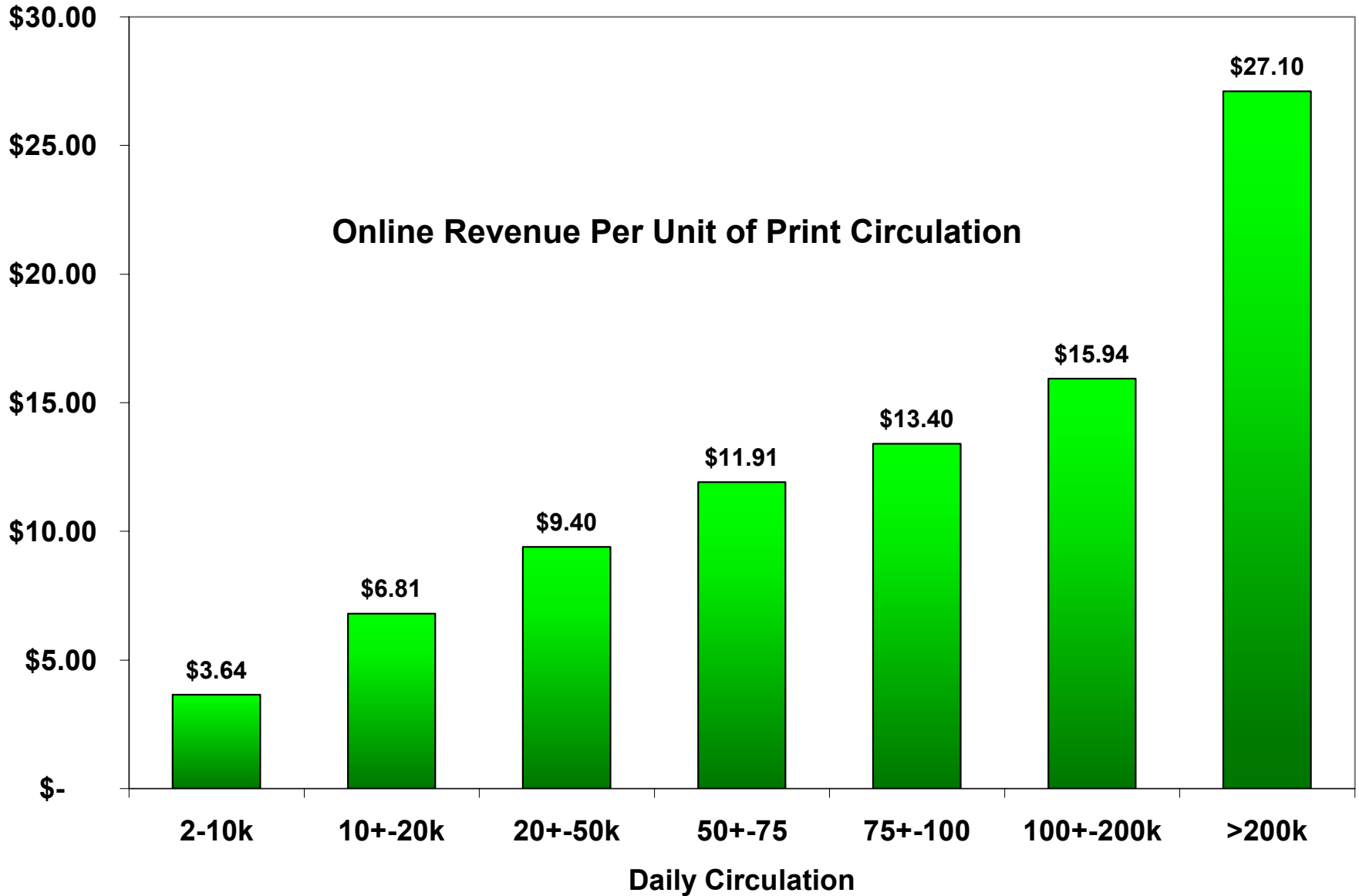
- \$1.65 billion in 2002
- \$2.1 billion in 2003 (+27.2%)
- \$2.7 billion in 2004 (+28.5%)

Newspapers Lead the Way:

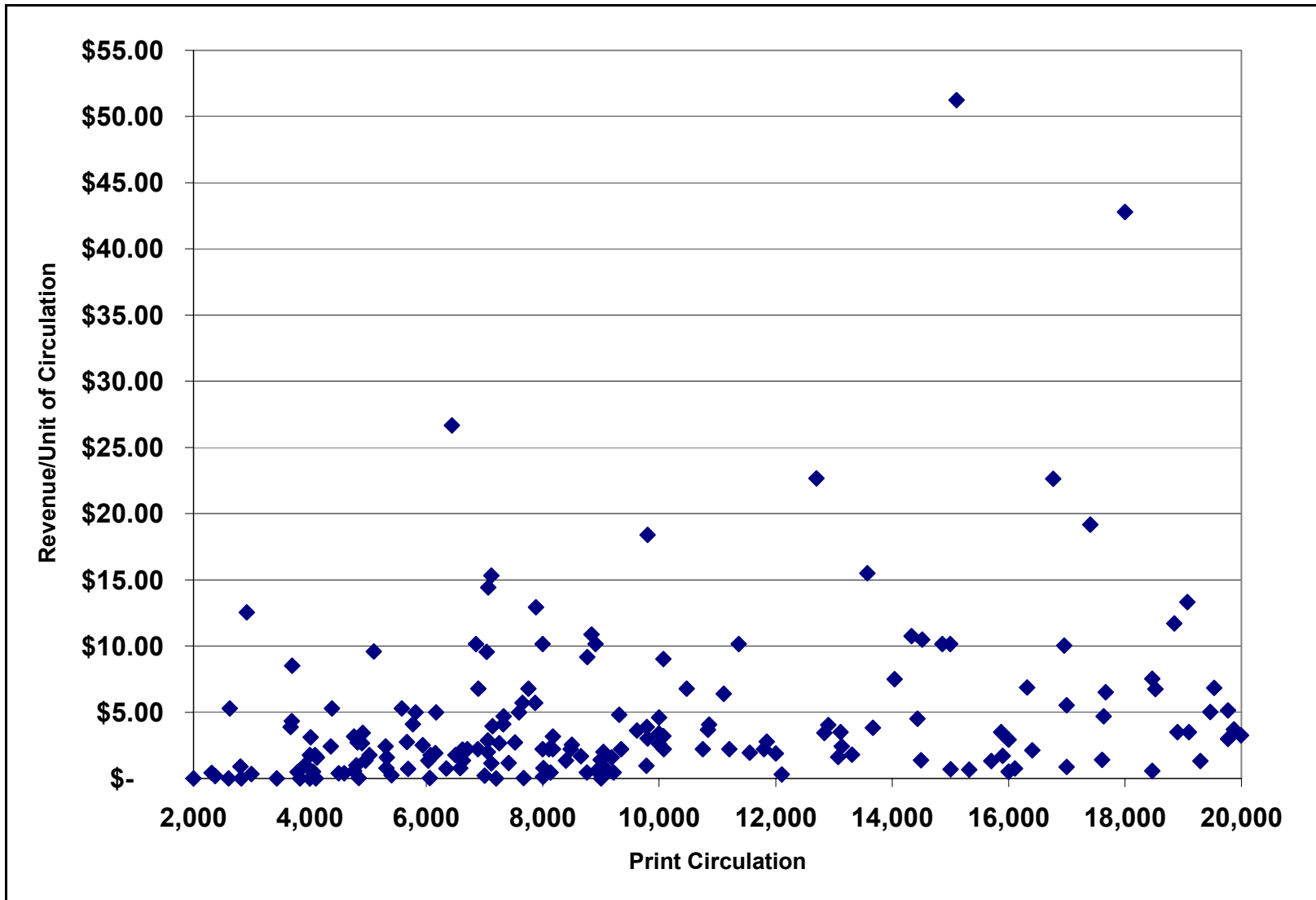
- \$1 billion in 2004
- Typically have 30-40% share
- And 60% of their revenue is.....

CLASSIFIED ADVERTISING

What U.S. Newspapers Make Online

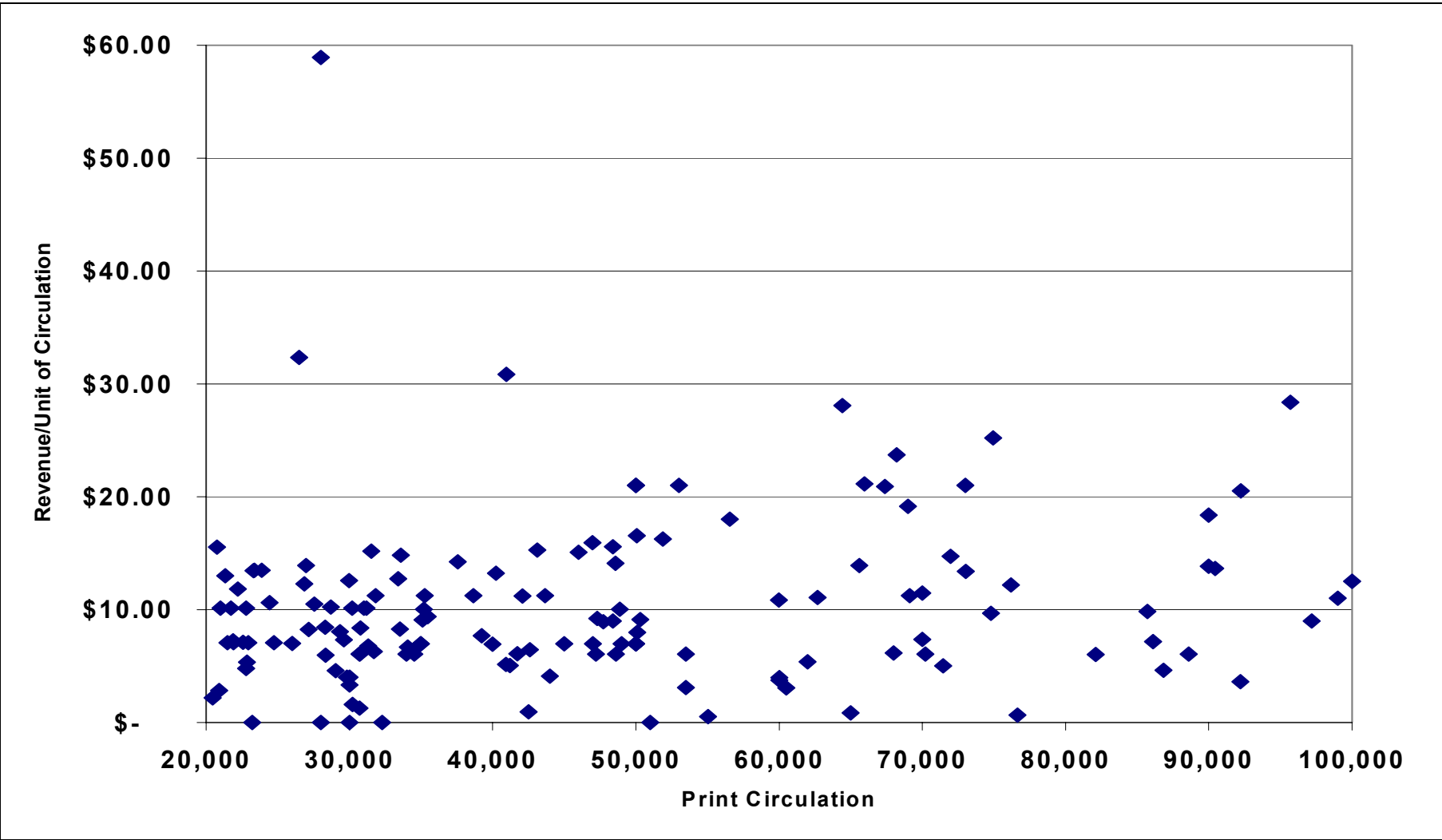


Revenue Per Circ., Small Newspapers



Source: Borrell Associates Inc. 2004 Revenue Survey, n=194

Revenue Per Circ., Medium Newspapers



Low-High Revenue Ranges

Circulation Group	Lowest Revenue	Highest Revenue
2 to 10k	\$0	\$180,000
10+ to 20k	\$3,500	\$774,000
20+ to 50k	\$0	\$1.6 million
50+ to 75k	\$29,000	\$1.9 million
75+ to 100k	\$50,000	\$2.7 million
100+ to 200k	\$44,000	\$7.1 million
> 200k	\$1.6 million	\$46.8 million

Source: Borrell Associates Inc. 2004 Revenue Survey, n=494

Summary

- **Think Commerce over News**
- **Don't Charge for Access**
- **Aim high for Internet Revenue**
- **Buy this report: "What Local Web Sites Earn, 2003-2004"**

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Executive Strategies for Local Media

Thank You!

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