

## MEDIA VIRTUOUS CYCLE - SUCCESS DRIVERS FOR ONLINE STRATEGIES

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### Abstract

Introduction of online platforms helped publishers leverage their readership by distributing the content they have been generating for years on new online platforms. Different publishers have elected different strategies, ranging from the simple migration of offline content to online platform, often in the format of a PDF fac-simile of their printed version. Others have migrated to more complex formats, reshaping their content to online platforms.

With the introduction of collaborative content, social networking and wireless access, a new era of online strategy has emerged. The reader has switched from a passive consumer of content to an active collaborator and commentator of online content.

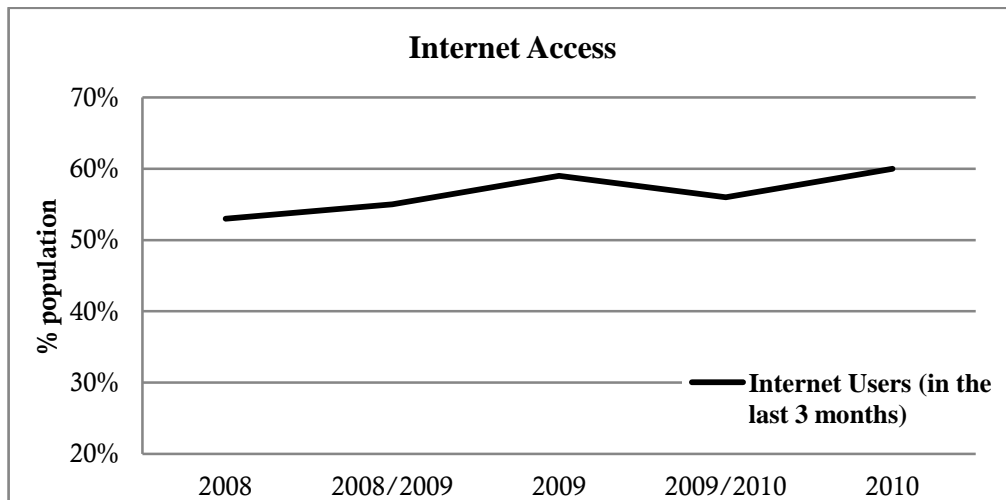
Authors want to investigate the drivers that lead to some publications being more successful in the online environment than others. More specifically, authors want to understand to which extent the active participation of readers lead to a successful online publishing strategy.

### Introduction

Most offline traditional media has developed over the last years an online strategy, and print media was one of the first vehicles to have its online version.

The breadth of this “online version” varied a lot, ranging from the online version of a pdf file that reproduced the print version, to strategies encompassing a complete new experience to the reader.

Internet and online content consumption has grown and changed significantly over the years and already has clear patterns and a life by itself.

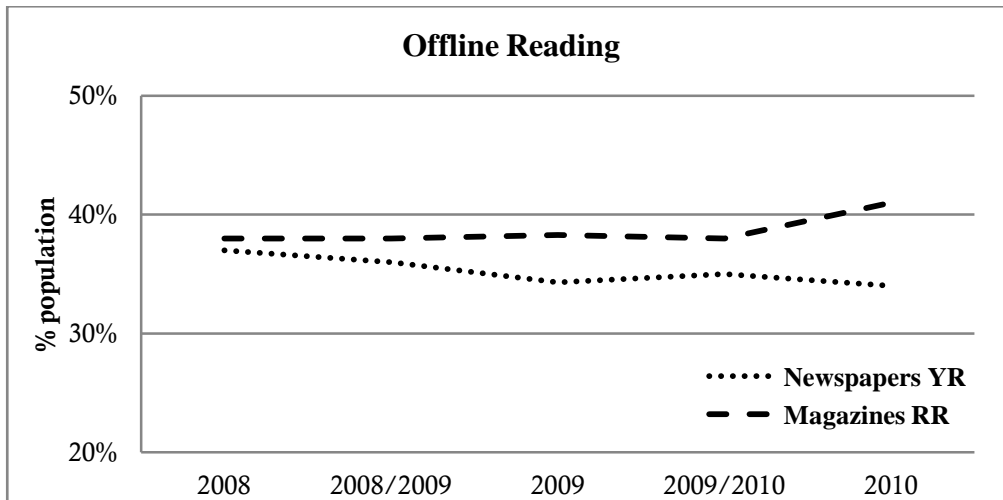


Source: Target Group Index Brazil

Online consumption of media has become the format of choice for many consumers, sometimes it's not even a question of choice but is the only format possible to reach readers on the road or across geographical boundaries.

Lately, collaborative and user generated content started to play a significant role in the life of the digital generation. Some vehicles have embraced these trends and quickly added collaborative capabilities to their online versions, further differentiating the passive style of offline versions to their online version where readers actively comment the news.

With the increase of internet access to a broader group and the availability of online versions for most newspapers and magazines, the print versions of these titles consistently lost readers over time.



Source: Target Group Index Brazil

Success of online strategy for publishers can be summarized by the ability to increase combined readership by successfully using available platforms. By this measure, we found different results among publishers

It's fair to assume that social networking, a trend that has emerged and is growing very fast in online environment, plays a significant role on defining winners and losers among online publishers.

This paper aims at evaluating how important the collaborative environment is to the success of online versions of newspapers and magazines.

In order to do this, authors will base its analysis in the Brazilian Market, one of the largest economies in the world with a well-established print market and a fast growing Internet establishment posing many challenges to publishers.

The first part of this study will assess how successful is the online strategy of key publishers in the market and understand the basic profile of online audiences X offline audiences.

On the second part, authors will evaluate how collaborative is the online strategy of different outlets and define which are the drivers for a successful strategy.

## Online strategies performance assessment

### Methodology

This assessment will be based on data collected by Brazilian Target Group Index Study evaluating the performance of offline titles and their online versions based on the same audience metrics (recent reader) for both platforms. Authors understand and

acknowledge that online platforms can have different metrics than offline ones. Nonetheless, it's very useful and important to use same metrics to compose total readership from online and offline versions of the same publication.

For the avoidance of doubts, offline outlets are measured based on recent reading, i.e., yesterday readers for daily newspapers and weekly readers for weekly magazines. We used the same criteria for the online versions. Yesterday readers of the digital version of newspapers and last week readers for weekly magazines.

Authors acknowledge that such approach may exclude occasional readers of both offline and online, conversely helps evaluating more closely habitual readers.

For online specific analysis, basically referral and destination information, authors used information provided by an online panel with about 20k households from IBOPE/NOL.

### **The sample**

Our sample consisted of the 8 newspapers and magazines with more substantial reading in the country. It's important to note that there is no important national newspapers in Brazil, all newspapers are specific to local markets and have limited national circulation and almost non-existent remote print in other markets. Internet it's the easiest format to access newspapers out of their printing centre. Magazines, conversely, have a broad national distribution both to subscribers and newsstands all over the country.

The criteria to chose these titles was based on the largest newspapers in the country covering not only the two largest urban centres but also the leading titles from south and northeast. To allow fair comparison, only general news magazines were selected, avoiding segmented titles that wouldn't be comparable to the newspapers selected. Magazines were selected to convey at least 3.0 million readers, resulting on the two leading general news magazines in the country.

Our sample consist of the following daily newspapers

O Estado de São Paulo – Published in the city of São Paulo, with an average daily readership of 3.1 million\*.

Folha de São Paulo - Published in the city of São Paulo, with an average daily readership of 2.2 million\*.

O Globo – Published in the city of Rio de Janeiro, with an average daily readership of 3.2 million\*.

O Dia – Published in the city of Rio de Janeiro, with an average daily readership of 1.1 million\*.

Zero Hora – Published in the city of Porto Alegre (south Brazil), with an average daily readership of 1.1 million\*.

A Tarde – Published in the city of Salvador (northeast Brasil), with an average daily readership of 0.6 million\*.

And the following general news weekly magazines:

Veja – With an average weekly readership of 8.6 million\*.

Época - With an average weekly readership of 4.5 million\*.

\* Total National Readership (offline+online) according to Target Group Index Brazil Y12, equivalent to the second half of 2010.

### **Adding readers**

In most markets offline readership has been decreasing over time. As we can see on *Table 1* print version of newspapers has increasingly lost reader and publishers have devised online strategies to keep or even increase total readership.

Table 1	Total Offline Readers				
	2008	2008/2009	2009	2009/2010	2010
Folha Newspaper YR	4,1%	3,8%	3,3%	2,8%	3,2%
Estadão Newspaper YR	2,8%	2,1%	2,2%	2,2%	2,3%
O Globo Newspaper YR	2,5%	2,5%	2,2%	2,3%	2,7%
A Tarde Newspaper YR	1,0%	0,9%	1,0%	1,0%	0,8%
O Dia Newspaper YR	1,4%	1,8%	1,1%	1,3%	1,2%
Zero Hora Newspaper YR	1,5%	1,9%	1,3%	1,5%	1,5%
Veja Magazine RR	11,0%	12,0%	10,4%	12,0%	12,0%
Época Magazine RR	6,1%	5,3%	4,7%	5,4%	5,9%

Source: Target Group Index Brazil

On Table 2 we can see that total readership as the combination of offline + online has been flat or with modest increases in recent times.

Table 2	Total Readers (offline+online)				
	2008	2008/2009	2009	2009/2010	2010
Folha Newspaper YR	5,2%	4,7%	4,4%	3,5%	4,5%
Estadão Newspaper YR	3,5%	2,6%	2,8%	2,8%	3,2%
O Globo Newspaper YR	3,7%	4,0%	3,6%	3,6%	4,6%
A Tarde Newspaper YR	1,2%	1,0%	1,1%	1,2%	0,9%
O Dia Newspaper YR	1,8%	2,1%	1,5%	1,5%	1,7%
Zero Hora Newspaper YR	1,6%	2,1%	1,5%	1,7%	1,6%
Veja Magazine RR	12,0%	12,0%	11,2%	12,0%	12,0%
Época Magazine RR	6,4%	5,7%	5,1%	5,9%	6,5%

Source: Target Group Index Brazil

Successful titles are those that managed to increase or level total readership by adding online exclusive readers. We can see on Table 3 that the contribution of online exclusive readers to total readership has been increasing for several titles. From the titles we have studied we found that *Folha*, *Estadão* and *O Globo* have managed to include a significant amount of online exclusive readers.

Table 3	Exclusive Online Readers/ Total Readership				
	2008	2008/2009	2009	2009/2010	2010
Folha Newspaper	21,8%	19,9%	25,7%	22,0%	29,7%
Estadão Newspaper	19,5%	18,6%	20,6%	22,9%	27,7%
O Globo Newspaper	31,5%	36,1%	37,6%	37,9%	42,0%
A Tarde Newspaper	12,2%	11,8%	10,5%	16,7%	10,2%
O Dia Newspaper	19,1%	16,4%	22,8%	14,3%	29,1%
Zero Hora Newspaper	10,5%	6,3%	10,7%	10,6%	11,0%
Veja Magazine	8,3%	0,0%	7,1%	0,0%	0,0%
Época Magazine	3,9%	6,0%	8,4%	8,4%	8,0%

Source: Target Group Index Brazil

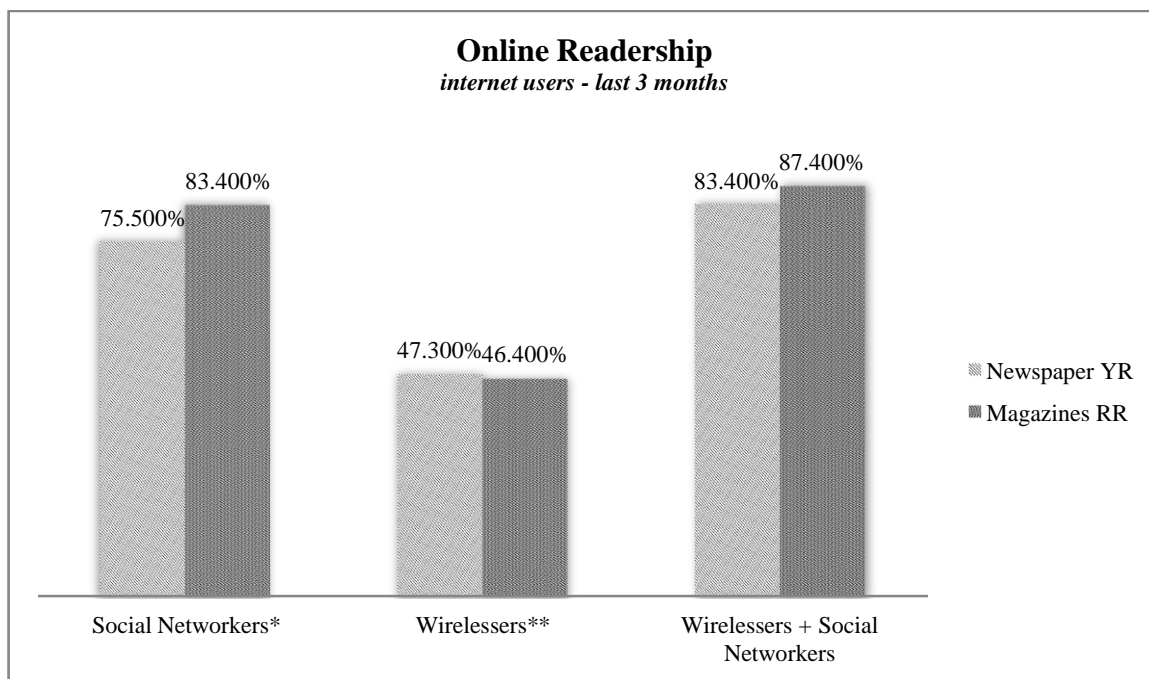
Notably, *O Globo* increase of online readership is pointing to soon have more online readers than offline ones. Another interesting case indicates that *O Dia*, a popular newspaper in Rio de Janeiro, has lately successfully boosted its online strategy to avoid keep losing readers, with encouraging results on total readership. Their strategy was more related to reach readers outside its main circulation centre, than to engage readers with collaborative tools.

It's important to point out that magazines have yielded very different figures compared to newspapers. The main reason is that we evaluate magazines based on recent readership, weekly readership in the case of the two magazines we have reviewed. Exclusive online readers tend to diminish overtime and over a week they may be reduced significantly. Nevertheless, those magazines generate a significant number of online readers during the week.

**Drivers of online reading**

Some of the demographics of online readers are quite obvious as we can see on table X4. Young adults tend to read much more online version of titles than older populations. Other segmentation is not so obvious like users that connect to the Internet via wireless devices (Wi-Fi or Mobile phone network connection) and users of social networks.

Combined, "Wirelessers" or "Social Networkers" are 80% to 90% of all online readers, making this group obviously the most important one.



Source: Target Group Index Brazil Y12

\* Social Networkers – Feed or read blogs and access/uses Orkut, Facebook or Twitter

\*\* Wirellessers – Use the Internet via Wi-Fi or Wireless access

Interaction and remote access play a significant role on online readership being responsible for more than 80% of online readers, these being important drivers to engage readers. We will examine how each different print outlet is facing the challenge of using collaborative tools to engage readers.

There are several new devices to access online content, notably IPADs and Tablets. It's important to say that the figures analysed up to this point don't take in to consideration these new technologies because they were launched later 2010 in Brazil and had very limited impact in this data. From this year on we can expect those trends to reflect adoption of new technologies.

### **Engagement analysis for online vehicles**

In this section of the paper we aim to demonstrate that creating a collaborative interface with readers and to give the ability to share the content can create an important advantage for an online vehicle. The ability to read comments from other readers or to voice their opinions also sustain the average time inside the online vehicle, and increases reader's engagement, given their opinions will become part of the content.

The medium, on the other hand, can benefit from comments by understanding their reader's profile. Another benefit is to increase audience, as many readers share content with their friends by means of social network. The same eight vehicles mentioned above were used, that somehow represent a large portion of readers

### **Creating of a comparative model for on-line vehicles:**

During the development of this work, we noticed that it was quite difficult to compare all the features available from these newspapers and magazines. These features allow online readers to act together with the vehicle and/or with other actors exchanging opinions and sharing content with their social online friends.

We believe that a better sharing of information and understanding of the subject can lead the reader to create a more interesting relationship with the vehicle, due to a real model of feedback, i.e. the player besides receiving the contents of some vehicle, may in some way, position himself writing what he or she thinks about it, also sharing with other readers his position (belief) and possibly share this with friends using network connectors. Positive experiences can drive the reader to a daily habit of reading the online title.

To understand what type of resources should be considered, we observed what these eight vehicles offer to their readers in a way to create a comparison method based on what we consider "important points". To facilitate, we grouped these observations into two stages, the first one, we consider the possibility of an interaction via comments, and in the second, based on the existence of such comments, how this can encourage end user's interaction.

We know that the implementation of the features considered may vary from vehicle to vehicle according to their CMS (Content Management System) software that sometimes do not support some functions as a native resource. Probably more expensive tools have a good set of components that can be combined to generate a good experience, but at this moment we didn't check the technology behind the scenes.

On the other hand, this type of evaluation can also be used as a simple guide for selecting an online tool for content publishing and interaction. We believe having such resources can be a competitive advantage. Unlike a printed newspaper, where there is almost no difference between their products, excluding usually the content, online vehicles can be very singular considering the software implementation.

In stage one we selected the following points to compare:

1. *The existence of comments*: Means, the user can comment about the content available online.
2. *The comments section is easy to find*: Sometimes the possibility of inserting a comment is not easy to find, many users give up doing it.
3. *Can share the content with Social Networks*: Many vehicles allow publishing the link to the content by a simply one click. In Brazil, about 80% of online readers are members to social networks.
4. *Volume of Comments*: This point is a comparison on the volume of comments of all vehicles; it shows if a given vehicle is above or under the average volume of comments.
5. *Organization by most commented news*: This item shows whether the vehicle has some type of organization by the most commented news, a point that leads the reader, especially the commentator, to start with.

We present the result in a comparative table (Table 4) for the eight vehicles analyzed.

Table 4 - Stage 1	Scores	O Globo	O Dia	Estadao	Folha	Veja	Época	A Tarde	Zero Hora
Has comments	10	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Easy to find	5	Yes	N/A	Yes	Yes	Yes	Yes	No	No
Social network share	5	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Volume of comments	10/5/0	High	N/A	Low	High	Low	High	Low	Low
By commented news	5	Yes	N/A	Yes	Yes	No	Yes	Yes	No

Of the eight vehicles observed so far in this study, only one does not have the option of comments, which in our assessment, places this newspaper in the last position of the ranking following the criterion that we developed to evaluate reader's engagement. Even without comments we decided to keep this newspaper in the analysis due to other points like easiness of sharing content with social networks.

The scoring was created in a non-scientific method and aims at distributing scores to each attribute considering its significance at this stage.

In Brazil there are four relevant social networks, Orkut, Facebook, Google+ and Twitter. Another score was added for the possibility of sharing in each social network.

Table 5 – Social Network Sharing	Orkut	Facebook	Google+	Twitter
O Globo	-	1	1	1
O Dia	-	1	-	1
Estadão	-	1	1	1
Folha	1	1	1	1
Veja	1	1	1	1
Época	-	1	1	1
A Tarde	-	1	-	1
Zero Hora	-	-	-	-

Moving to the second stage of our analysis, we assessed the interaction model used by the vehicle and the level of interaction within the group of readers. It's important to point out that a complex commenting process can harm reader engagement.

1. Date: The date that the comment has been posted giving an idea of recency.
2. Time: The vehicle also collects the time of posting, so we can assess the dynamics of the posting.
3. Location: This variable is very important today considering we have the facility to read news from anywhere on the Internet, so we have an idea of where the reader is located.
4. User ID: important to understand how one comment may yield many different responses.
5. Inappropriate comment: Option for the community of readers to point a comment that is inappropriate for their group.
6. Organization of comments: We found that some vehicles mix-up comments from different news in the same list, making very difficult for the reader to follow up with the comments.
7. Number of comments per user: If there is information about the amount of comments per user, this feature helps to identify immediately which players have a higher frequency of participation.
8. Nested Comments: The option of a reader to comment the comment of another reader. Such feature facilitates the discussions of a particular group without interfering with the flow of comments.
9. Registration required: On one hand presents certain difficulties to insert a comment, in the other hand increases accountability for the individual comment.

In the next table (Table 6) we present the results comparing the vehicles.

Table 6 - Stage 2	Points	O Globo	O Dia	Estadao	Folha	Veja	Época	A Tarde	Zero Hora
Date	2	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Time	2	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes
Region	2	No	N/A	No	No	No	Yes	No	Yes
User ID	2	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Inappropriate comment	1	Yes	N/A	Yes	Yes	No	No	No	Yes
Organization of comments	2	Yes	N/A	No	Yes	Yes	Yes	Yes	Yes
Amount per user	2	No	N/A	No	Yes	No	No	No	No
Nested comments	2	No	N/A	No	Yes	No	No	No	No
Registration Required	2	Yes	N/A	Yes	Yes	No	Yes	No	Yes

Finally, Table 7 presents consolidated results of stage 1 and 2, considering quantitative and qualitative scores as well as usability.

Table 7	Stage 1	Stage 2	Total	Ranking	Interaction Level
Folha	39	15	54	1	High
Época	38	12	50	2	High
O Globo	38	11	49	3	High
Estadão	28	9	37	4	Medium
Veja	24	6	30	5	Medium
A Tarde	22	8	30	6	Low
Zero Hora	15	13	28	7	Low
O Dia	7	-	7	8	Low

To facilitate understanding of the groups, we classify vehicles in three different groups, the first, considering vehicles with high levels of interactivity, the second with a medium interactivity and finally with low interactivity.

To further understand the interactive nature of vehicles we examined the relationship between each one and the social networks. We developed two analyses, one considering “from where people come when they enter in the site of a vehicle” (called referral), and the other is “where people go when they leave the site” (called destination). In Table 8 we see that the vehicle "A Folha", receives more than 576k people from Facebook and more than 236k from Twitter, demonstrating that has a strong relationship with these social networks. On the other hand we see that the sites that were classified as "Low" on table 7 have a weak relationship with social networks.

Table 8 - Referral	Facebook	Twitter	Orkut
Folha	576,3	236,5	41,5
Época	258,0	24,7	-
O Globo	313,2	207,8	17,6
Estadão	207,9	220,4	41,9
Veja	284,6	279,5	20,1
A Tarde	21,5	-	-
Zero Hora	20,0	13,1	-
O Dia	59,7	35,5	15,4

Source: IBOPE/Nielsen OnLine – July 2011



Considering destination, we observe the same effect, ie, sites that seek a more suitable form of engagement seem to have better performance on the Internet. The vehicle, "O Dia" despite having no resources to address comments, has a good performance with social networks, which can be greatly improved with the inclusion of collaboration tools.

	Facebook	Twitter	Orkut
Folha	80,0	69,8	-
Época	21,1	7,0	-
O Globo	44,8	83,4	13,0
Estadão	23,7	53,0	-
Veja	35,0	52,4	4,4
A Tarde	3,4	1,1	-
Zero Hora	6,2	2,8	3,8
O Dia	9,8	28,7	7,5

Source: IBOPE/Nielsen OnLine – July 2011

### Future Developments

Authors acknowledge that further studies are required to better understand the dynamics and contribution of online readership to the media cycle. The first step would be to expand this analysis to further publications including niche magazines. Also a better and wider assessment of the content published by readers is required to understand the limits between reader engagement and self promotion.

It's clear that those few readers responsible for engaging much other through their comments, are important replicators and champions of word of mouth and need a much profound study of their online and offline habits.

### The Media Virtuous Cycle

Online readership is playing a significant role on keeping total readership levels for most titles; some drivers of online readership like wireless access and collaborative content are increasingly important and are the only possible choice for readers in some cases.

Increasingly online readership is becoming the key to all players that are committed to retain readers in the near future. Among the drivers to engage readers and boost online readership, collaborative content was closely evaluated by authors. Several aspects were reviewed in order to understand how friendly was the reader experience in the transition from a passive role to an active collaborator.

Authors found that vehicles that have a friendly, easy and straight forward way of online collaboration, were also those that had a better online readership performance, suggesting that better collaboration leads to a higher reader engagement and higher levels of readership, feeding a virtuous cycle of better and easier collaboration, higher engagement and higher online readership levels.