

## WHAT'S NEW FOR NEWS

Gregg Brussel : BBC Worldwide Americas  
 Kate Sirkin : Starcom MediaVest Group

### Background

Online news consumption continues to increase as smartphones capable of delivering news via apps and/or mobile websites become more ubiquitous. The introduction of tablets in the market place has increased news consumption again, and with the launch of iPad2 as well as devices from Samsung, Rim and others, we expect continued increases in overall news consumption in unexpected ways. What we didn't know however, in this environment, is ***“What is the most relevant role for advertising and other brand messaging?”***. The research we did with Latitude is now providing SMG and BBCWW and the industry with key recommendations for the producers of news content and the strategists and creators of the advertising messages that will continue to improve the engagement of tablet users with content and advertising.

### Research Objectives

Our research objectives were threefold,

1. Understand what role are tablets playing in people's lives
2. How are tablets changing the way people think about and consume news
3. Understand what opportunities advertisers have to enhance brand experiences on tablets.

Our research methodology is laid out below.

## STUDY METHODOLOGY

This document provides an initial summary of insights emerging from the first two study phases.

Phase 1 Qualitative <b>Exploratory Tablet Owner Interviews</b>	Phase 2 Quantitative <b>Tablet Landscape &amp; Opportunities Survey</b>	Phase 3 Qualitative <b>Deprivation- Immersion Ethnographies</b>
<p>A total of 6 informal in-depth phone interviews were conducted with current tablet owners &amp; news consumers.</p> <p>These exploratory conversations elicited initial insights around the role of tablets in peoples' lives generally, tablet news behaviors and mindsets, and relationships/expectations of tablet advertising .</p>	<p>This 20-minute online survey was conducted among n=1099 participants ages 18-54, most of whom were current tablet owners (88%). All were consumers of news content.</p> <p>Questions focused on the various behaviors, attitudes, and expectations around tablet news, tablet advertising within the news environment.</p> <p>Latitude's <i>Lumière</i> – an immersive in-survey environment – was also used to capture reactions to specific ad campaign executions and elicit further insights around tablet advertising best practices.</p>	<p>This final study qualitative phase will involve n=12+ and entails depriving heavy tablet news users of their tablets, and immersing non-tablet owners in tablet content.</p> <p>These week-long deprivation/immersion activities &amp; in-person interview sessions force interviewees to realize &amp; articulate the benefits, motivations &amp; attitudes around tablet news &amp; advertising engagement.</p>
<b>COMPLETED</b>	<b>COMPLETED</b>	<b>IN PROGRESS</b>

The key highlights from the research to date demonstrate the following headlines which will be discussed in detail in this report.

- 1) Tablets go beyond portability, changing us in unexpected ways, tablet users become open-minded when they experience what's possible. News providers and advertisers both have an opportunity to offer content that includes an element of surprise and delight.
- 2) Tablets help remove “distance” from news, People are now at the center of their news experiences and really do follow stories as they evolve. Tablets drive desires for new and continuous 360' interactions with news content.

- 3) A portrait of tablet users, today's tablet users are experienced, enthusiastic, especially engaged, and loyal to certain news apps. Opportunities to further engage these users entail offering more evolving and interactive content.
- 4) A closer look at news apps, how do users discover, adopt and use the apps and what makes a particular news app work for them?
- 5) People are receptive to tablet ads but their demands are high, News providers and advertisers have a unique opportunity to partner in ways that enhance the news experience and take it further (rather than interrupting it)

## 1) TABLETS GO BEYOND PORTABILITY, CHANGING US IN UNEXPECTED WAYS

As tablets blend easily into our lives, they are offering more than just portability & convenience. Users indicate they are exploring more, accomplishing more with greater efficiency, and having more fun along the way. Rather than simply replacing OR replicating existing behaviors on other platforms, tablets are helping us evolve – creating new behaviors and expectations. We see the implication of this being that tablet users become open-minded when they experience what's possible and that this provides the opportunity for news providers and advertisers to offer content that includes an element of surprise and delight. The data points below demonstrate the new seamless experiences that tablets are allowing the user to blend into their lives.

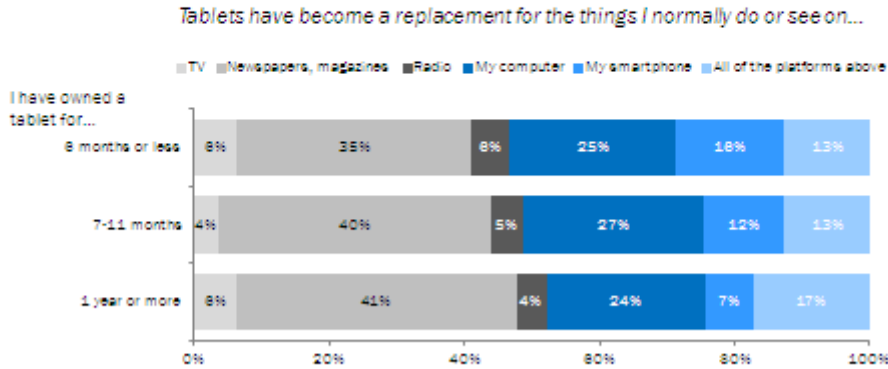
- 64% of current tablet owners say they **frequently use a tablet while multitasking**, or doing other things (e.g. watching TV, hanging out, etc.)
- 59% of current tablet owners say they use a tablet **in the home** a lot more than anticipated
- 55% of current tablet owners say that **tablets have become a seamless part of their daily life and routine**
- 53% of current tablet owners say they **use a tablet much more** than they thought they would
- 40% of current tablet owners say they use a tablet **outside of the home** a lot more than anticipated

The general expectation when someone gets a tablet is that it's a nice to have, but many people are really not sure of what they will actually use it for and how their behaviors and routines will change once they have one. We found that beyond the obvious expectation of portability, users found themselves to be much more efficient (with multitasking, any time access and of course the apps), and also to be fun, the sheer ease of swiping between apps, variety and quality of the apps and the reliability of the product made them a joy to use and has created an anticipation of a very exciting future with 2/3<sup>rd</sup> of the sample agreeing with the statement I'm excited to see what tablets become capable of.

As it relates to media, we found that our relationships with media evolve once a tablet is used, we saw a significant amount of multitasking not surprisingly, but perhaps more surprisingly we saw almost half the sample increasing their overall hours with media each day driven in significant part by the recognition that "tablets allow me to have new and different experiences with content on tv, online and print." This research among heavy global news users found that tablets were more likely to replace some of the print and computers usage and less likely to replace time with TV and radio. Many of the print titles users used to read have created "news apps" and it is to those that the users were going for their daily fix of news in addition to the tv news brands.

## TABLETS ARE MORE LIKELY TO REPLACE PRINT & COMPUTERS, BUT ARE LESS LIKELY TO BECOME A REPLACEMENT FOR TV & RADIO

People are more likely to say tablets replace print the longer they have their tablet, but are less likely to say a tablet will replace their smartphone over time.



Q14 - Which of the following have tablets primarily replaced for you? Tablets have or will become a replacement for the things I normally do or see on... Check One. Among % Current Tablet Owners (n=955)

## 2) TABLETS HELP REMOVE “DISTANCE” FROM THE NEWS

As the media day is extended, so is involvement with the news. People are creating their own story arcs, following stories across platforms as “living” and evolving content – and experiencing deeper, more human connections with news. Tablet behaviors also lead consumers to partner with the news providers they know and trust, like the BBC. The implication of this is that trusted news brands have a new opportunity to give users 360° experiences with content. More than just making content accessible on all platforms, this is about creating a continuous experience -- giving users the opportunity to dig, explore, make connections, and stay involved with stories that are meaningful to them throughout the day. News content is now more accessible, **enjoyable**, **personally relevant**, and in a sense, **encircles us and our daily lives**. We move from a world where there is a top down linear hierarchy of news where people are passive recipients with “*appointment viewing*” of one platform at a time to multi-layered two way interactions, pro-active exploration of news 24/7 “*experience of news*”



## TABLETS HELP US DISCOVER MORE...

Tablets broaden & deepen people's relationships with information, making the news experience more enjoyable.

BBC News mobile web or app users showed a significant **+5 ppt lift** over Non users in agreeing "strongly"

Tablets make following the news more interesting and enjoyable	81%
Tablets substantially improve the news experience overall	78%
I can better connect with information	68%
I am more informed	65%
I can learn, watch, and absorb more content than ever before	60%
Tablets help me discover more topics	51%

Q12 - Please check each assessment below that describes the impact tablets may have or will have in your life. Check All. % Total (n=1098); Q25 - How much do you agree with each assessment about the impact of tablets on news content? 4-Point Scale. % Total, Top 2 Box Shown (n=1099); Q27 - Which of the following describe the impact tablets have had or will have on the way you follow news? Check All. % Total (n=1099)

*“Tablets opened the world of World News for me. I just think I became a greater consumer of current events around the world, political, environmental, business, health and even sort of entertainment”*

Tablets also increase the variety and volume of news consumption, with BBC news users even more likely to access more national and international news than before.

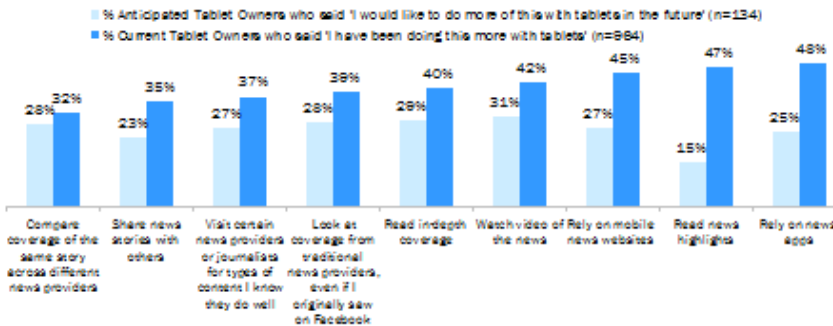
Make me follow <b>more news stories</b> (e.g. volume)	78%
Make me follow a <b>greater variety</b> of news topics (e.g. categories, types of stories)	78%

We saw that tablets created stronger relationships with news provided and really made it important to trust the brand that I am using more than before and more than they would have expected before owning a tablet.

Make <b>knowing and trusting the news provider</b> or source even more important	69%
Make me rely less on news aggregators and <b>more on traditional news providers</b>	63%

## CURRENT TABLET OWNERS READ, WATCH, AND RELY MORE ON TRADITIONAL NEWS PROVIDERS THAN ANTICIPATED TABLET OWNERS PREDICT

Comparing the amount of current tablet owners who say they have been doing this more with tablets, and those who anticipate purchasing a tablet who predict doing this more in the future with tablets - we see that **tablet ownership leads to greater than expected involvement with news behaviors** such as relying on traditional news sources, reading more highlights and in-depth content, watching more video, etc.



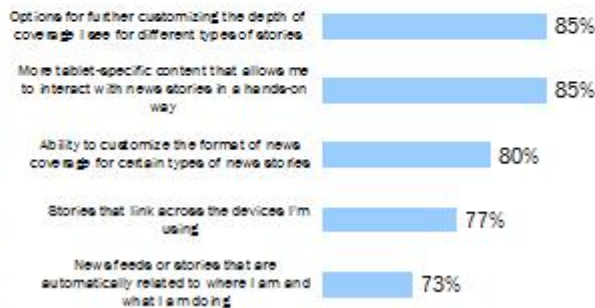
Q24 - Which have you done more of the last 3-5 years? Which would you like to do more in the future? Check All Among % Anticipated Tablet Owners (n=134) and % Current Tablet Owners (n=984)

We found that news stories are now living and breathing on tablets and allowing users to create their own news story arcs, 86% of respondents said that tablets make it easier to follow news stories across different platforms, 83% said tablets made following the news a seem-less part of their daily life and 83% agreed that they could follow stories in real time, and interestingly compared to just using an online browser, 72% said tablets allowed more intuitive navigation. All of this positive endorsement for tablets and new apps provides some good challenges though for news content providers, users have now come to expect more up to the minute content that evolves as the story unfolds, organized in a way that encourages browsing, with detail if required and interactivity. Users really do want to have a customized, closer to engage with news via the tablet, with capabilities that continue to allow them to really be submerged inside the news looking out on its impact on the world around them.



## USERS ARE LOOKING FOR CUSTOMIZED, HANDS-ON WAYS TO ENGAGE WITH THE NEWS ON TABLETS - CAPABILITIES WHICH CREATE GREATER SEAMLESSNESS BETWEEN NEWS, THEMSELVES, AND THE WORLD AROUND THEM

% Very or Somewhat Interested in this on Tablets in the Future...



Q25 - Thinking about the types of things you'd like to see or do with news on tablets in the future, please tell us how interested you are in each of the following. 4-Point Scale. Among % Total, Top 3 (as Shown) (n=1022)

**3) A PORTRAIT OF NEWS TABLET USERS**, today's tablet users of news are experienced, enthusiastic, especially engaged, loyal to certain news apps, and active participants. Opportunities to further engage these users entail offering more evolving and interactive content.

- **Experienced**
  - They are the primary users of their tablets, with just 14% saying they share their tablet.
  - Considering the iPad has been around since just April, 2010, there were a large portion of users who have been using it for more than a year (26%). Another 31.7% claimed 7-11 months of use, with 42.3% having 6 months or less.
- **Enthusiastic**
  - Half describe tablets as "game changers", while only 18% don't see a significant difference from their computer and only 13% don't see a significant difference from their smart phone.
- **Loyal**
  - The majority of news tablet users are choosy about the apps they download and loyal to just a few news apps (further analysis on news apps in section 4).
- **Active Participants**
  - Respondents want to be active participants in curating their own news stories, rather than passive viewers.

#### **Time of day**

News engagement via tablets happens mostly at home and in the evening. Tablet users reported spending 59 minutes, on average, accessing news content at home, 19 minutes at work, and 16 in transit. In the evening, users spent 15 minutes, on average, with the tablet before dinner, 32 minutes after dinner, and another 23 minutes in bed. Users spent the fewest minutes in the morning. They spent 8 minutes before breakfast and 8 after breakfast, on average. Lunch and afternoon accounted for 32 minutes. Respondents spent 10 minutes at lunch, 9 minutes in the early afternoon, and 13 minutes in the late afternoon.

#### **Top Benefits**

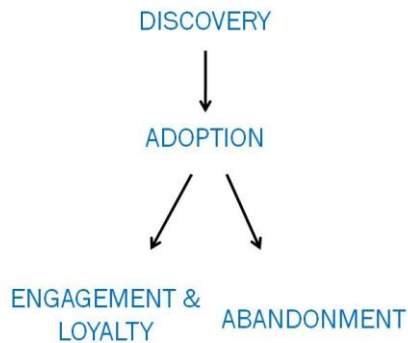
- More information, with greater efficiency
  - Users see tablets as increasing information and efficiency, not social cohesion. Furthermore, longer-term users (1 year +) are more likely to see them as efficient (69%) vs. shorter-term users (60%).
- Combine the best of TV's and smartphones
  - Respondents most strongly agree that tablets make news more like TV than a smart phone does, but also make it easier to follow stories over time and across platforms and in depth.
- Accessibility
  - Users see largest benefits as being ease and convenience. Second tier benefits include customizability, immersion, and enjoyability; emotional connection is a distant 3<sup>rd</sup> tier.
- Feeling better informed
  - Effects of watching news on tablets include more information, more regular news updates and more engagement with the information. Emotional and social effects were tiny by comparison.

News tablet users want timeliness and timelessness. Compared to news collected from other sources, most respondents want news on tablets to be up-to-the-minute (60.1%), and evolving as the story unfolds, with 44% wanting that. Many fewer wanted the news to be entertaining (27.8%) or experiential (17.7%). Users also appreciate interactivity and customizability, but from professional sources. There is not much interest in citizen journalism or game-like settings.

**4) A CLOSER LOOK AT NEWS APPS**, how do users discover, adopt and use the apps and what makes a particular news app work for them?

News apps for tablet owners have become an integral part of their lives. When asked what they would give up in order to keep their favorite news app(s), people were ready to make some substantial sacrifices in order to keep them around. 47% would give up watching sports, 44% would give up coffee, while 44% said they would give up Facebook.

The news app lifecycle can be broken down into Discovery, Adoption, and then engagement or abandonment. Each stage is broken down into more detail below.



**Discovery**

More than half say they find out about or decide to download news apps by browsing the app store. Outside of that, news brand loyalty & experienced based recommendations or reviews were the top drivers of app discovery.

<i>How do you generally find out about or decide to download news apps on your smartphone or tablet?</i>	
Browsing the iTunes App Store or Android Marketplace	<b>56%</b>
I regularly use, read or watch news from the brand’s other media	<b>47%</b>
Recommendations from someone I know	<b>44%</b>
User reviews or recommendations	<b>30%</b>
Seeing someone else use the app	<b>29%</b>
Reading blogs or other online sources of technology news	25%
Seeing ads while visiting the company’s website	23%
Seeing ads online while using my computer or laptop	19%
Seeing ads while using a mobile device	17%

**Adoption**

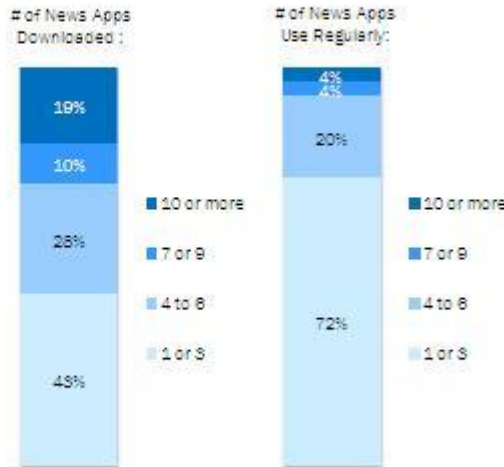
Those that use Tablets for news use just a handful of apps regularly. 43.1% had downloaded only 1-3 news apps since they got the tablet and another 27.7% had downloaded only 4-6 news apps. 72.5% of tablet users used only 1-3 news apps regularly. Respondents who had been using their tablets longer had not downloaded significantly more news apps, nor did they use more news apps than respondents who had acquired their tablets more recently. This implies that the first news sources to reach a new tablet owner have significant advantage over other news sources.

## THE NEWS APP LIFECYCLE

### ADOPTION

#### MANY DOWNLOADS, BUT SELECTIVE USAGE

Nearly 6 in 10 users have downloaded 4+ news apps since owning a smartphone or tablet. However, for most, only to 3 of those apps are now used regularly.



S12 - Please tell us how many news apps have you downloaded in total since having a smartphone or tablet? Among % Total (n=1000). S13 - And how many news apps do you use regularly (at least once a week) on your smartphone or tablet? Among % Total (n=1000).

#### Engagement & Loyalty

Slightly different expectations exist for news apps compared to mobile web sites. News app users are looking for more options to customize stories, exclusive content, and formats that take advantage of tablet/smartphone strengths in displaying visuals. Mobile websites were expected to have more detailed news coverage. Also, non content areas such as ease of use, accessibility, loading speed, visual appearance and a less cluttered environment are some of the major perceived advantages of a news app versus the mobile news website.

#### Abandonment

Once a user realizes that the website is better or that there are better alternatives, they may abandon the app. Once a tablet user deletes an app, they rarely give it a second chance. Navigation through headlines needs to be easy, and is just as important as the look and feel of the app overall.

*What are some of the reasons you abandoned a news app recently?*

The app wasn't as good as the website	39%
There were better alternatives available	38%
It was too difficult to browse through or view headlines	26%
It did not have a good look and feel	26%
I lost interest in the type of news covered	18%
It didn't have enough in-depth coverage or details	17%
It was harder to use than I thought	14%
There were not enough opportunities to customize it	10%
There were not enough updates available	10%



## 5) PEOPLE ARE RECEPTIVE TO TABLET ADS BUT THEIR DEMANDS ARE HIGH

People are intrigued & excited by ads which take advantage of capabilities/features unique to tablets, and as with tablet news content, they look for advertising to invite them in, be relevant, immersive, interactive, and browsing-oriented, this is good news for advertisers, consumers are very open to brands communicating with them on these devices within their trusted sources but advertisers must do it in a way that enhances the news experience and takes it further (rather than interrupting it). Our research has led us to create 4 golden rules for reaching and engaging with news readers on tablets

### THE RULES OF TABLET & NEWS ADVERTISING...

#### MAKE CONTENT RELEVANT

Create connections to the surrounding news content & to users' personal interests.

#### INVITE IN WITH IMMERSIVE VISUALS

Create an immersive & visually engaging experience. Interactivity is also very important. Full-screen, video & other visuals are welcomed when the content is substantive enough to entertain/interest.

#### POSITION AS PARTNER

Play up the advertiser's role as a sponsor or provider of the content.

#### BE NON-INTRUSIVE

Allow people to select the depth of brand & content engagement they would like to have, when they want it.

Similar to previous research from Conde Naste in this area, who found 5 rules ( take advantage of the technology, provide clear instructions, don't repurpose your tv ad, tell a story, and help move consumers closer to buying)

Utilizing the capabilities of the technology is really obvious but incredibly important, users are in the swiping, connecting, multitasking, discovering mode and generally being "wow" ed by what is on the screen and they feel let down if a piece of content – be that a news story, print brand's content or marketing message does not fit that mode or is not up to the task.

- "I liked that **everything was well laid out and easy to see** without too many visual 'extras'. So many websites look cluttered and it's hard to find what you're looking for.." – *Female, 40*
- "**I like ads that look like the company really took time constructing it.** I love when I see vibrant colors, pictures, or something that will grab my attention." – *Female, 21*
- "The **bright colors and pictures made me look at the ads longer** than I would have if there had been less pictures or if it was more plain." – *Male, 27*
- "It **doesn't take away from the experience** of using the application normally and due to their sponsorship, **allows me to view things in the way I enjoy.**" – *Male, 32*
- "The position of the brand on the website is not as intrusive as other ads, so **I appreciated the app a lot more because of that.**" – *Female, 31*
- "I like the integrated ad, it doesn't interfere with my browsing at all and **isn't trying to pop forward or control what I'm seeing.**" – *Male, 31*
- "The ad isn't annoying, rather a **polite 'post it'.**" – *Female, 42*
- "The **ad is unobtrusive, and suggests that the brand is part of the experience,** not just something randomly splatted onto the page." – *Male, 40*

While consumers are reading news – they are in discovery mode but it needs to be at their convenience not the advertisers – so offering content for them in a controlled fashion is likely to be most effective.

- “I personally am not that familiar with the brand so seeing it in this format made me interested, **BBC is a trusted brand that I’m familiar with** so advertising with them is a smart move to me.” – *Female, 28*
- “**The BBC is a well respected brand** name & therefore any form of advertising on their site will be taken seriously.” – *Male, 41*
- “The **positive feeling from seeing the partnership** between high quality and respected companies – brand O and bbc.” – *Male, 38*
- “Good fit of the brand in tech news page. Good that it does not interfere much with content, **you can decide if you want to expand the ad** to see full information.” – *Female, 40*
- “It is out of the way, so **I can click on it if I want to**, but I can still see my news. I like this kind of ad more than full page ads.” – *Male, 29*
- “**The ad is limited to what the user wants to know.** There’s much to see, IF the user chooses to use it.” – *Female, 33*
- “I like how you can maximize the ad to **learn more of that ad or if you want, you can just ignore it.**” – *Male, 26*

Relevance came up time and time again as a really smart way to draw users into the brand messages, consumer though, aha, the advertiser knows I’m reading about this subject or interested in this topic – that’s why I am seeing this ad, that’s smart and I am interested so will engage. Consumers felt receptive also to brand partners – again assuming relevancy, high quality technology and visualization – a brand who cares enough to bring this to me is worthy of my consideration and the brand benefits from the brand values of the content partner and the technology.

- “**The fact that brand S was presented as a sponsor instead of a regular advertisement brings a more positive feeling.** We feel like, even though we will probably watch an advertisement from brand S and see its logo on the app, we are getting something back (like paying less or free viewing of the content of the app, even if not true).” – *Female, 40*
- “I like the fact that the launch partner is brand S. Makes me think that **they are willing to be a part of cool, new internet ideas.**” – *Male, 18*
- “The ad is not obtrusive. There is a link to close the ad. The cost is not ridiculous. **BBC is a great experience by itself and by partnering with brand S, I learned something about brand S** that I was not aware of before.” – *Female, 48*
- “**The co-branding works well** when it’s coupled with the interesting content offered.” – *Male, 48*
- “I hate having content delayed - it annoys me and tends to give me negative feelings toward the advertiser. Having it be “brought to me by” makes me have positive feelings, esp. if it doesn’t delay the content. Also, **I got the impression that brand S was helping provide this service to me for less, which made me very happy.** That definitely provides a positive connotation.” – *Female, 41*

Our research showed great excitement about the future of advertising not doom and gloom as some research would show, our challenge is to continue to persuade advertisers that it is worth it to invest the time and effort to develop these more expensive but ultimately more engaging and more effective concepts that can driving business in the short and long term for them and to align on measurement methods that help demonstrate that and deliver value for all in the process – the content providers, planning agencies, creative developers, consumers and advertisers

- “...I also appreciate that **the content seemed to be created especially for a tablet.** It made me feel like this brand really thought about the best way to utilize tablet advertising.” – *Female, 27*
- “The ads seem effective. They seem like a good blend of multimedia without being overwhelming -- I don’t really want a full-video ad while I’m browsing a magazine, but an ad on a magazine app should be more than just a basic screen shot also. **This seems like a good compromise between being interactive but still being true to a magazine/app environment.**” – *Male, 30*
- “I like the magazine ‘plus’ feel. It isn’t your ordinary add, yet still normal from a page turning magazine point of view. So it is less of an annoyance, and actually may make a user click on the additions to **see what ‘an ad from the future’ can be like.**” – *Male, 37*
- “It was offered similar to a brochure - **was innovative but felt comfortable** - a page turner in a sense, it flowed.” – *Female, 52*
- “I found myself wanting to click the blue arrows (play buttons) on the ads. I love how interactive it is. In a print magazine, I never even look at ads, but these are fun, exciting, innovative, and extremely informative. **I think this is an amazing advancement in advertising** and look forward to seeing them.” – *Male, 44*
- “I like this type of ad when browsing a magazine. It allows me to select how much of the ad I want and doesn’t force me to sit through several pages when I just want to get on with the story in the magazine. **This is the type of future advertising that should be taking place.**” – *Male, 31*