

## Reader orientation pays off in higher readership

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### Executive Summary

Newspapers that put more emphasis on understanding and responding to consumers have strengthened their readership over the last 2.5 years.

The results of a new study reinforce a key recommendation from the Readership Institute that newspapers become more reader-oriented:

- Put more focus on gathering information about the market and consumers;
- Spread the information around the newspaper so that awareness is heightened and more minds brought to bear on the issues;
- Collaborate on plans to respond to changes and opportunities in the market;
- Execute the plans in a timely manner.

The Institute used a self-assessment tool among executives at Impact newspapers to measure reader orientation in 2000 and again in 2003. (The tool is available at [www.readership.org/culture\\_management/reader\\_orientation/readertest/main.asp](http://www.readership.org/culture_management/reader_orientation/readertest/main.asp))

There were statistically significant positive correlations between reader orientation and both readership levels and readership growth. Put another way, more reader-oriented papers tended to have both higher readership levels and more growth than less reader-oriented papers.

Other highlights:

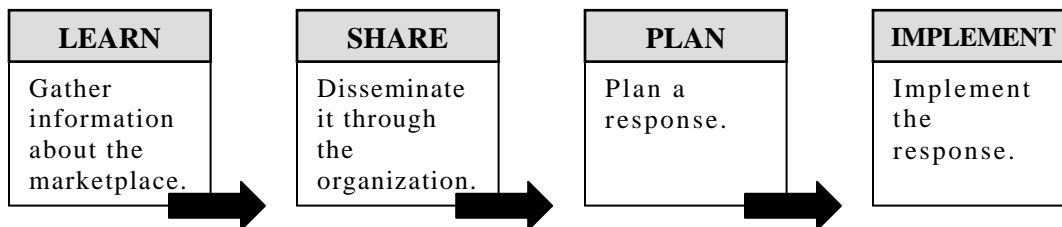
- Answers to 10 questions, in particular, had a statistically significant relationship to growth. Among the most important: making concerted efforts to modify the paper according to reader preferences, not ignoring changes in reader product or service needs, having reader satisfaction drive business objectives, not being slow to detect fundamental shifts in the market, and being able to implement changes in a timely fashion. This indicates that focusing on improving performance in these areas should become a priority for newspapers seeking to increase readership.
- Newspapers are slowly becoming more reader-oriented, but are far from what they themselves consider to be an ideal level of reader orientation.

- While many newspapers got significantly more reader-oriented in the last three years, many others actually became less reader-oriented.
- Publishers tend to think their papers are more reader oriented than do their department heads – a gap that grew during the three years.

## Background

The Readership Institute sent its reader orientation survey to seven executives at each of the 100 Impact papers in early 2003: the publisher; the heads of circulation, marketing, advertising and editorial; and two additional editorial people. They were asked to indicate the strength of their agreement or disagreement with 24 statements that relate to different aspects of reader orientation. Ninety-one newspapers responded.

The survey assesses the degree to which newspaper executives say they focus on and respond to their readers. The survey is based on a well-tested, sequential model of how organizations learn about and react to market changes:



For an organization to demonstrate a strategic market orientation, it must demonstrate successful integration of all four steps.

For example, on the survey, executives of a learning organization would strongly agree with this statement: “Our newspaper regularly measures how well we are serving readers.” And they would strongly disagree with this one: “Reader complaints fall on deaf ears at this newspaper.” Likewise, executives of an organization that can implement would strongly agree with this statement: “When we find that readers would like us to modify the paper, the departments involved make concerted efforts to do so.” And they would strongly disagree with this statement: “Even if our newspaper came up with a great plan to build readership, we probably would not be able to implement it in a timely fashion.”

## General Findings

The Institute found statistically significant positive correlations between the extent of a paper's readership orientation in 2003 and both improvement in total readership between 2000 and 2003 ( $r = .328^{**}$ ) and the paper's readership level (Reader Behavior Score) in 2003 ( $r = .291^{**}$ ).

Additionally, the study found that answers to the following 10 questions had a statistically significant relationship to readership growth. The ranking indicates the strength of the relationship. Note that some correlations are positive and some are negative. A positive correlation indicates that the more executives agree with a statement, the higher the paper's RBS is likely to be, while a negative correlation indicates that the more executives agree with the statement, the lower the RBS (and vice versa). Another way to think about it is that executives of a newspaper with a high RBS would be likely to agree with the positive statements below and disagree with the negative ones.

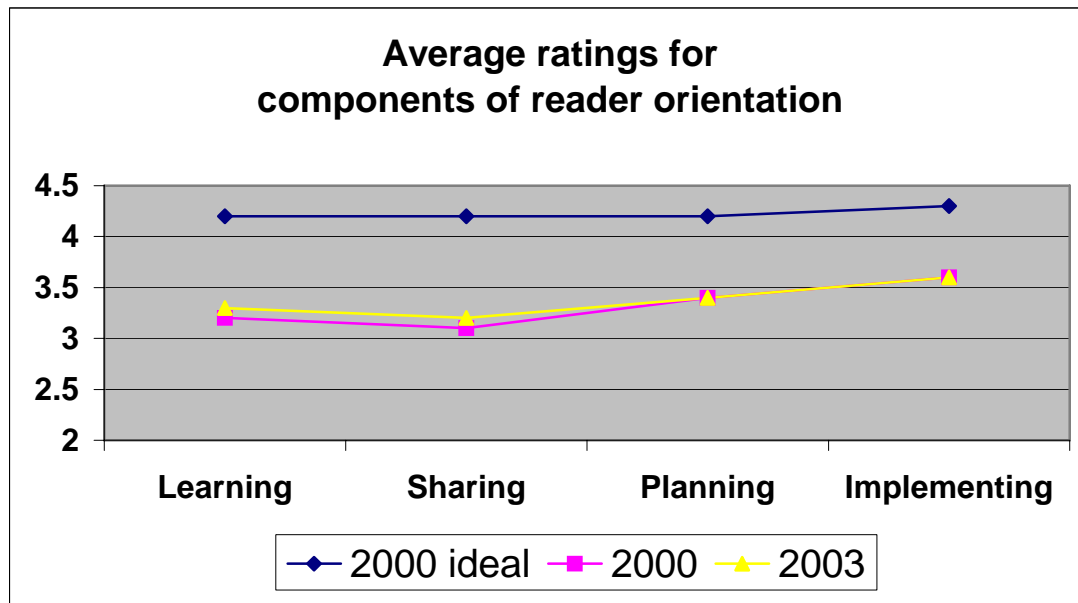
Rank		Correlation with RBS change
1	When we find that readers would like us to modify the paper, the departments involved make concerted efforts to do so.	.346**
2	For one reason or another, we tend to ignore changes in our readers' product or service needs.	-.329**
3	The business objectives of our newspaper are driven by reader satisfaction.	.309**
4	We are slow to detect fundamental shifts in our market (competition, technology, etc.).	-.298**
5	Even if our newspaper came up with a great plan to build readership, we probably would not be able to implement it in a timely fashion.	-.273**
6	In our newspaper, marketing personnel (or individuals performing a similar function) spend time discussing readers' future needs with different functional departments.	.264*
7	Our newspaper regularly measures how well we are serving readers.	.262*
8	Reader complaints fall on deaf ears at this newspaper.	-.248*
9	We periodically review our product development efforts to ensure that they are in line with what readers want.	.229*
10	Our business plans are driven by market research.	.211*

\* Correlation is significant at the .05 level (two-tailed test)

\*\* Correlation is significant at the .01 level (two-tailed test)

## Progress Versus the Ideal

While newspapers as a group made measurable progress in becoming more reader oriented, they still have a way to go to reach what they consider an ideal level. The average reader orientation score for all newspapers went from 3.3 in 2000 to 3.4 in 2003 (on a 1-5 scale where 5 represents the strongest level of reader orientation). This is an improvement, but still far below the score newspapers said would be ideal when asked in 2000.



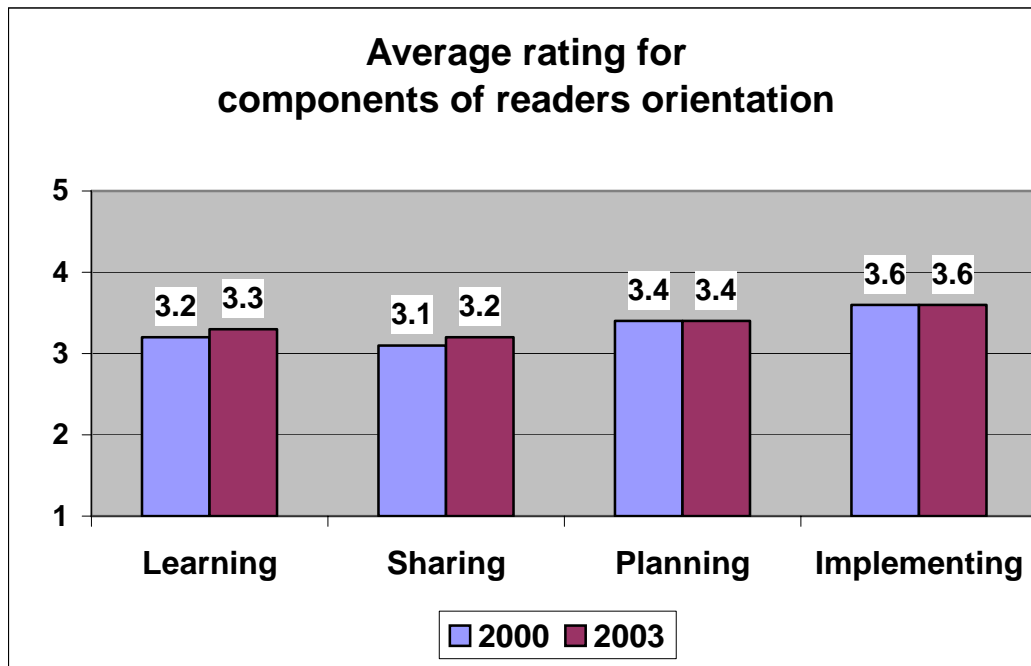
## Differences Among Papers

Impact papers differed greatly in their progress on becoming more reader-oriented. A little more than half (43) of the 81 papers for which comparisons were possible became more reader-oriented, but just under half (38) either experienced no change or became less reader oriented from 2000 to 2003. The range of change in reader orientation is from a 31 percent increase to a 35 percent decrease:

- six papers improved their readership orientation scores by more than 20 percent.
- 15 papers improved their scores by between 10 and 20 percent.
- 22 papers improved their scores by between 1 and 10 percent.
- eight papers saw no improvement in their scores (i.e., less than 1 percent change).
- 21 papers saw declines in their scores of between 1 and 10 percent.
- eight papers saw declines of between 10 and 20 percent.
- one paper saw a decline of more than 20 percent.

## Progress in Different Areas

Newspapers made more progress in some areas than others. The original study divided the reader-orientation process into four steps: learning about readers, sharing knowledge internally, planning a response to reader needs and implementing the response. From 2000 to 2003, newspapers reported small improvements in their scores on learning and sharing, but not on planning or implementing.



## Bright Spots

Newspaper executives rated their papers most highly on:

- Not letting reader complaints fall on deaf ears (4.24);
- Not letting internal politics drive the newspaper more than reader needs (3.78);
- Top management belief that serving readers is the most important thing the newspaper does (3.73);
- Belief that the newspaper exists primarily to serve readers (3.70);
- Belief that if the newspaper came up with a great plan to build readership, it would be able to implement the plan in a timely fashion (3.68).

Executives believed they made the most progress on:

- Having marketing personnel (or individuals performing a similar function) spending time discussing readers' future needs with different functional departments (change = .29 on scale of 1-5). (Note, however, that even with the substantial improvement, newspapers still rate themselves lower on this than on all but two of the other questions.)
- Having several departments get together periodically to plan a response to changes taking place in the business environment (change = .24);
- Periodically reviewing product development efforts to ensure that they are in line with what readers want (change = .17);
- Having principles of reader segmentation drive new development efforts in the newspaper (change = .15);
- Having the business objectives of the newspaper be driven by reader satisfaction (change = .14).

### **Low Points**

They gave their papers the lowest ratings on these questions:

- Disseminating data on reader satisfaction at all levels of the newspaper on a regular basis (2.70);
- Having the readers' interests always come first, ahead of the level of profitability (2.95);
- Having marketing personnel (or individuals performing a similar function) spend time discussing readers' future needs with different functional departments (3.01);
- Having business plans be driven by market research (3.09).

And they saw the least progress on these questions:

- Not letting internal politics drive the newspaper more than reader needs (change = -.13 on 1-5 scale);
- Top management belief that serving readers is the most important thing the newspaper does (change = -.08);
- Having the readers' interests always come first, ahead of the level of profitability (change = -.05);

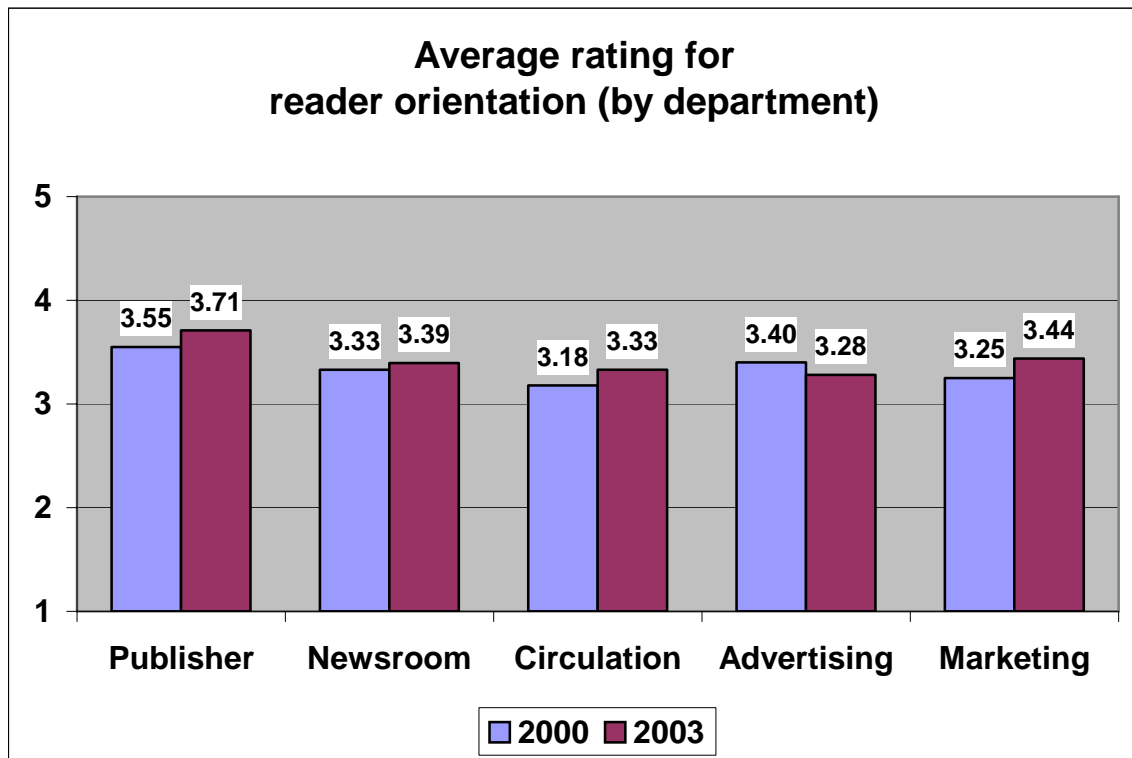
- Not ignoring changes in the readers' product or service needs (change = -.04).

Where a paper started out had a lot to do with how they ended up. Papers that were more reader oriented in 2000 tended to be more reader oriented in 2003. The correlation was very strong: (.504\*\*)

### Differences By Job Description

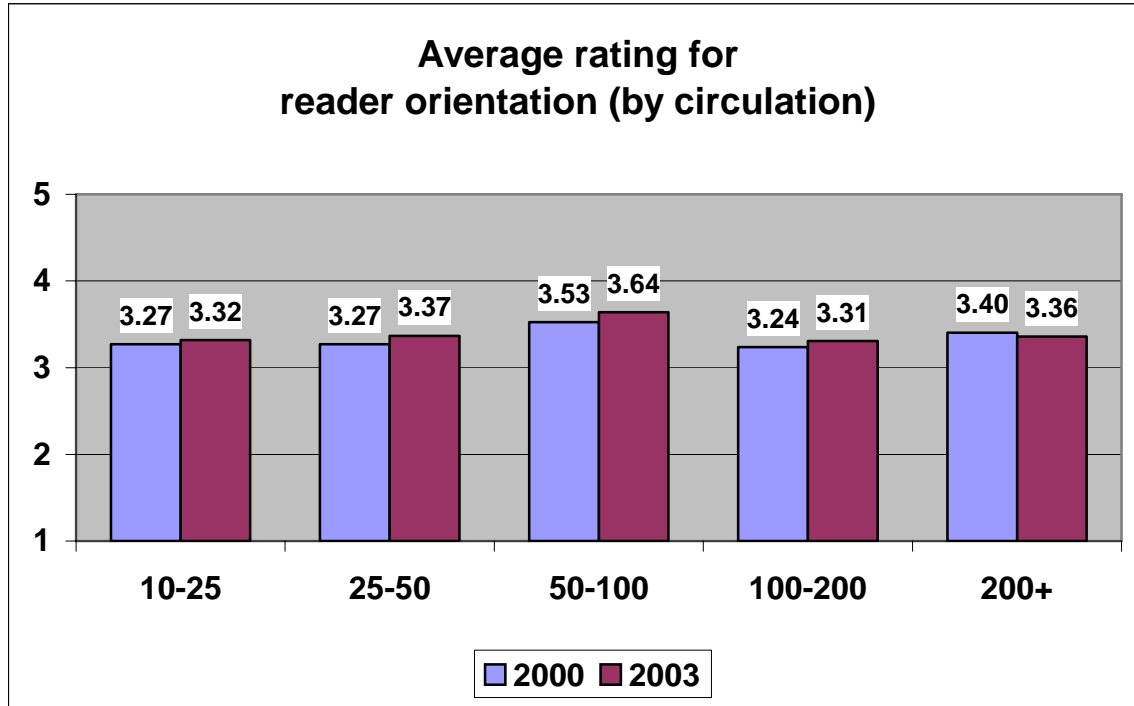
Papers looked more reader-oriented to their publishers than to their department heads. Publishers (and general and administrative executives) continued to give their papers higher reader-orientation scores than did respondents from four key departments: editorial, advertising, marketing and circulation. Publishers gave their papers an average readership orientation score of 3.71 in 2003 – more than the 3.36 average rating given by their department executives.

This gap in perceptions between publishers and their executives widened during the three years. The difference was most pronounced between publishers and ad directors. In 2000, no other group of department heads were as close to the publisher's perceptions of reader orientation as the ad directors – but in 2003, no other department heads were farther away. Ad directors were the only group who rated their papers reader orientation lower in 2003 than in 2000.



### Little Variation by Size

Reader orientation scores went up for all but one size category. Scores went down very slightly for the biggest papers, with circulation of at least 200,000. There was no statistically significant difference between circulation groups as far as reader orientation score in 2000, in 2003, or in the change between 2000-2003, although newspapers in the 50,000-100,000 circulation group notably have the highest reader orientation ratings and newspapers in the 25,000-50,000 circulation group have the highest gain.



## APPENDIX

In the survey, respondents were asked: “For each statement, please indicate how much you agree each statement describes your organization. Please utilize the following scale when providing your ratings: 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree, 5 Strongly Agree.” Below are the average scores for all newspapers for each of the statements, in descending order (based on 2003 scores).

However, because some statements were phrased positively and some negatively, for purposes of analysis, the ratings for negative statements were reversed so that positive and negative answers are equivalent. Therefore, the following numbers reflect either the intensity of agreement with a positive statement or the intensity of disagreement with a negative statement.

Statements	2000	2003	Change*
Reader complaints fall on deaf ears at this newspaper.	4.18	4.23	0.05
Internal politics drive the newspaper we sell more than reader needs.	3.90	3.77	-0.13
According to top management, serving readers is the most important thing our newspaper does.	3.80	3.71	-0.09
I believe this newspaper exists primarily to serve readers.	3.60	3.69	0.09
Even if our newspaper came up with a great plan to build readership, we probably would not be able to implement it in a timely fashion.	3.70	3.69	-0.01
For one reason or another, we tend to ignore changes in our readers' product or service needs.	3.61	3.60	-0.01
Several departments get together periodically to plan a response to changes taking place in our business environment.	3.25	3.52	0.27
When we find that readers would like us to modify the paper, the departments involved make concerted efforts to do so.	3.32	3.46	0.15
We are slow to detect fundamental shifts in our market (competition, technology, etc.).	3.32	3.45	0.13
Business strategies are driven by the goal of increasing the newspaper's value to readers.	3.27	3.45	0.17
We periodically review our product development efforts to ensure that they are in line with what readers want.	3.40	3.44	0.04
When we find out that readers are unhappy with our newspaper, we take corrective action immediately.	3.27	3.40	0.13
Our top managers are in close personal touch with the average member of the community.	3.38	3.36	-0.02
The business objectives of our newspaper are driven by reader satisfaction.	3.12	3.26	0.15
Principles of reader segmentation drive new development efforts in our newspaper.	3.11	3.25	0.14
Our newspaper regularly measures how well we are serving readers.	3.19	3.23	0.04
There is minimal communication between different departments concerning reader trends and developments.	3.13	3.20	0.07

We are slow to detect changes in our readers' preferences.	3.15	3.19	0.04
We periodically review the likely effect of changes in our business environment (technology, competition) on readers.	3.07	3.19	0.12
Our newspaper is quick to respond to significant changes in our competitors' product or service offerings.	3.04	3.16	0.12
Our business plans are driven by market research.	2.96	3.07	0.11
In our newspaper, marketing personnel (or individuals performing a similar function) spend time discussing readers' future needs with different functional departments.	2.69	2.99	0.30
The readers' interests always come first, ahead of the level of profitability.	2.98	2.95	-0.03
Data on reader satisfaction are disseminated at all levels of the newspaper on a regular basis.	2.63	2.69	0.06

\*The change in ratings reflects rounding of numbers.

*The Readership Institute expresses gratitude to the McCormick Tribune Foundation for loaning Vivian Vahlberg, who was MTF's Director of Journalism Programs, to the Institute for three months to conduct and report on this survey.*