



Papers boosting their online 'brand'

Newest websites target niche audiences and expand on interactivity to bring in ad dollars

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Canada's newspaper conglomerates are rethinking the way they've presented the news by boosting interactivity and coming up with innovative ways to catch readers' attention and hang onto advertising dollars that have been slipping to the Internet.

The latest to boost its online presence is Torstar Corp. which, through its flagship *Toronto Star*, launched three new websites this week that focus on niche audiences.

The websites – parentcentral.ca, healthzone.ca and yourhome.ca – primarily reuse content from the *Star* and other traditional newspapers, but they also serve to entice target audiences that could be a boon for advertising dollars.

The concepts build on the success of Wheels, which made the leap to online with its own sister website, and brought along with it the interest of major car companies that ultimately bought ad space.

"Some of these brands began in the paper and took off on their own, but now we're finding that because the Wheels example works so well ... maybe we can replicate that success and create some new brands as well," said Fred Kuntz, editor-in-chief of the *Toronto Star*, Canada's largest-circulation daily.

Like newspapers across North America, the *Star* has faced declining revenues that are impacted by lower advertising dollars, due to falling readership, and weakening profits from its classified ad section. Readership at the daily fell three per cent in 2007, while visits to the paper's website hit 545,000 per week, an increase of 5.4 per cent year over year.

"As the readership declines in newspapers, (advertisers) are finding other places to find eyeballs," said Jeff Vidler of Solutions Research Group, a Toronto-based media research firm. "Certainly online is taking up a lot of that."

Readers who might have paid for a classified listing 10 years ago are turning to popular free websites like Craigslist these days.

That has left newspapers, and their parent companies, looking at new ways to boost ad revenues.



RICHARD LAUTENS/TORONTO STAR FILE PHOTO
Newspapers across North America are facing declining ad revenues because of falling readership.

Sun Media, owned by the Quebecor group, has focused mainly on boosting its Canoe.ca brand with online video, interactive content and entertainment portal [Canoe.tv](#).

CanWest Global Communications Corp. has beefed up its online presence with elaborate versions of its local newspapers' classified sections. Specific sites deal with auto, real estate and job-hunting themes.

But despite the effort to plug the leaking holes of advertising revenues, news companies are still feeling the pinch.

Last November, Sun Media laid off 16 editorial employees as it continued the technology-driven centralization of its newspaper group's operations.

A union official said this week that CanWest's *Montreal Gazette* is cutting about 45 jobs as the company moves customer services operations to a private call centre in Winnipeg.

At Torstar, the new websites were unveiled the same week 160 jobs were cut in an effort to save \$12 million in operating costs a year as it deals with a squeeze on revenues. The job cuts included buyouts and some layoffs.

The company has been reworking its operations, which included laying off a 10-person Internet production staff that primarily resized and reworked photographs posted to the web.

The online department layoffs do not directly affect the *Star's* editorial web operations, but instead dissolve a legacy operation that had existed since the formation of the website back in the 1990s.

Kuntz said two Internet departments will continue to exist – a 21-person editorial team in the Toronto office (which could increase to 28 by the end of the year), and a separate digital team that hosts the websites.

Despite all the attention being paid to the Internet, traditional newspapers shouldn't be considered an outdated medium any time soon, suggests one ad buyer.

"You'll probably find newspapers bounce back in the next little while because they've finally figured out how to publish online editions that are not replica editions" of the newspaper, said Robert Troutbeck, president of Toronto-based media buyer Troutbeck-Chernoff.

He said he still believes the print versions of newspapers will continue to be popular because their advertising is less invasive to readers – something he calls "permission marketing" – while online ads are often "an annoying interruption."

Traditional newspapers are also supported by analyst Duncan Stewart of the Deloitte consulting firm.

"There remains a significant and large business of people who buy newspapers, read them, find them portable and convenient," he said.

"On the other hand, it is in our view that the contraction (of media companies) is not over."

Stewart said newspapers need to reinvent themselves by not only integrating their content, but by hiring tech-savvy staff who aren't necessarily journalists, but can repackage data to make "incredibly compelling applications."

He said the future of online local media would flourish with more interactive content, such as a online map of a crime scene that could take readers through the events.

"One of the real challenges for newspapers is that they need fewer people who write perfect prose and pyramid leads," he said.

"They have a lot of people who do that and they don't have a lot of people who know how to build a searchable database."