

Community Report Out
September 24, 2018

Run of Play

The Landscape

What We Found

What's Next

Discussion

Acknowledgements

Executive Committee

- Tom Gougeon, President, Gates Family Foundation
- JB Holston, Dean, Daniel Felix Ritchie School of Engineering and Computer Science, University of Denver
- John Huggins, Chairman and President, Notable Systems
- Roxane White, Founder and CEO, Strategy with Rox

Team

- Will Alverson, Cultivo Media
- Chelsea Church, BCG
- Melissa Davis, Gates Family Foundation
- Andrew Elliman, Volunteer
- Meredith Gee, Cultivo Media
- Allison Grant, BCG
- Alan Gottlieb, Write. Edit. Think. LLC
- Hannah Lippe, Fidelity Labs
- Scott Romano, Cultivo Media
- Scott Stemberger, BCG

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- Colorado Office of Economic Development and International Trade
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- Denverite
- Denver Business Journal
- The Denver Post
- Empowering Colorado
- Fresh Water News
- Institute for Nonprofit News
- Lenfest Institute
- Longmont Observer
- The Mountain Independent
- NewsMatch
- News Integrity Initiative, Craig Newmark Graduate School of Journalism at CUNY
- Project X-ITE, University of Denver
- Research Now
- Rocky Mountain PBS
- SmithGeiger
- Strategy with Rox
- Streetsblog Colorado
- Write. Edit. Think.

The Landscape Media & Journalism

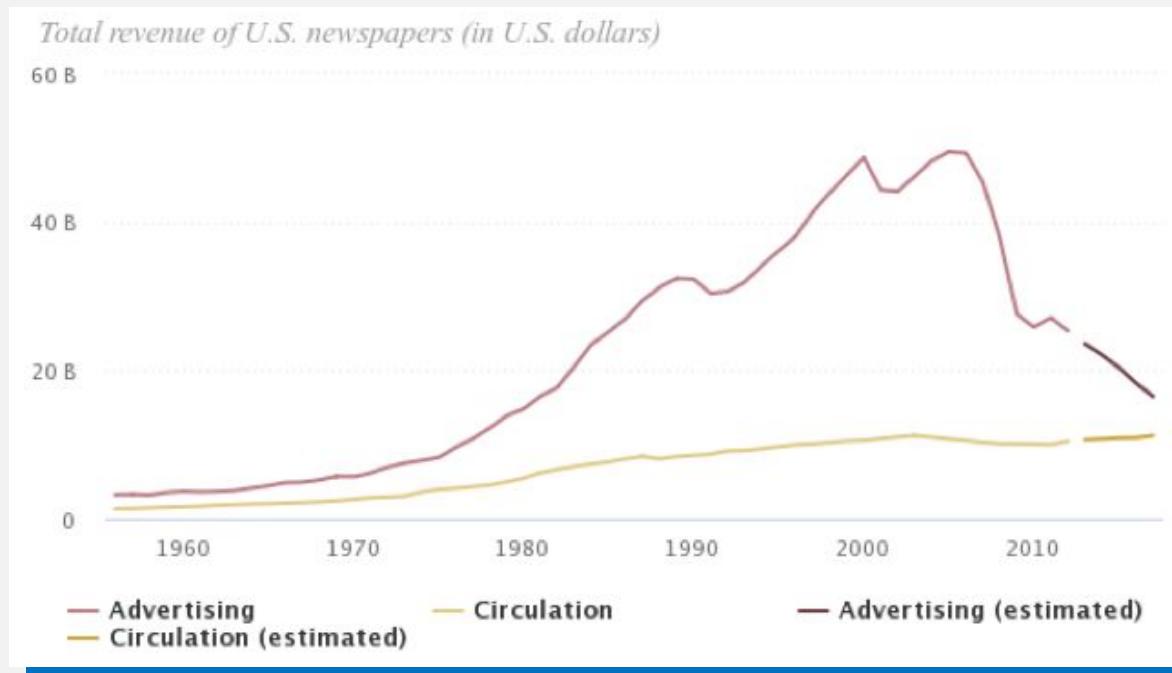
COLORADO
MEDIA
PROJECT

JB Holston
Tom Gougeon

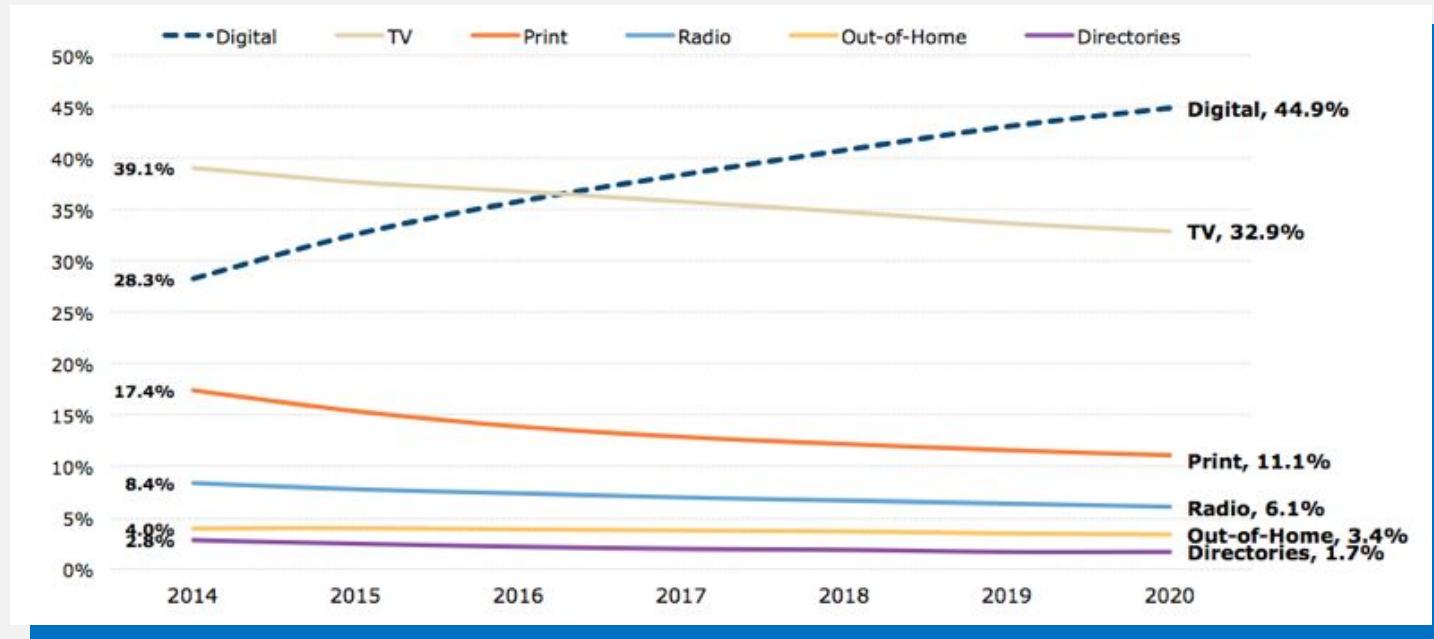


Photo by Kevin J. Beaty, Denverite

Advertising and circulation revenue of the newspaper industry

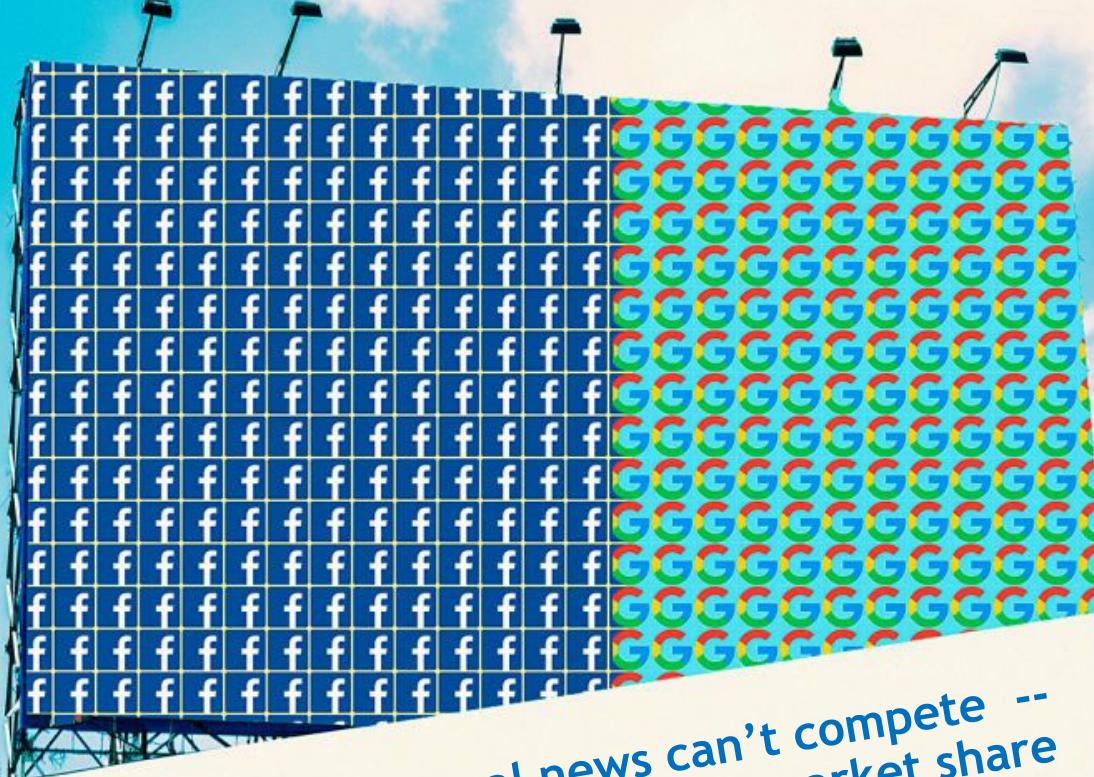


US Media Ad Spending Share, by Medium: 2014-2020



57%

Digital ad market
share controlled by
Facebook + Google
Duopoly in 2017



Local news can't compete --
even Amazon has less than 5% market share

The audience for nearly
every major sector of
the U.S. news media
fell in 2017



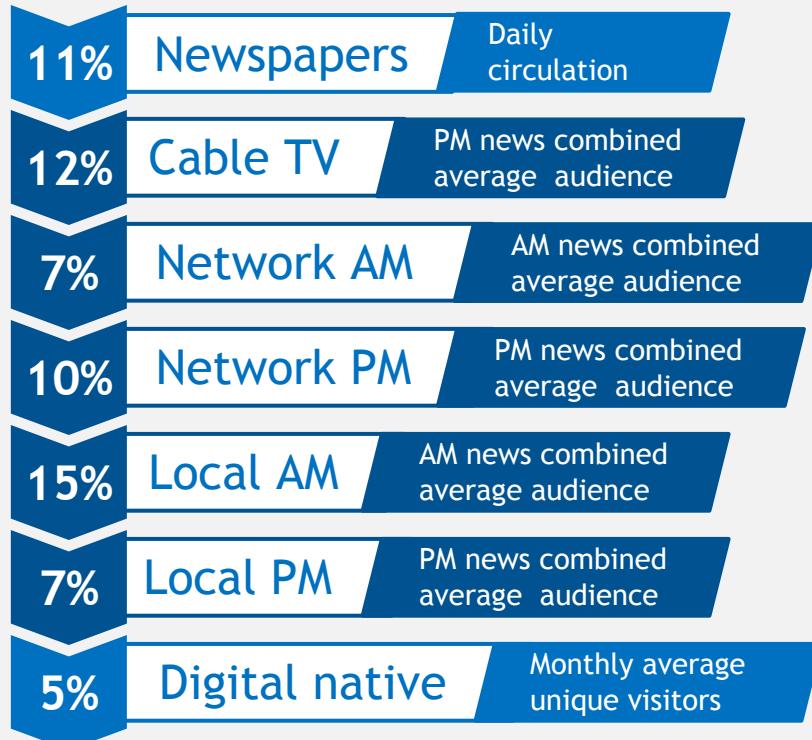
Pew Research Center

News Audiences are Shrinking Across all Media

Percent
Decrease
2016 - 2017



Pew Research Center



Colorado audiences are increasingly fragmented

Colorado audiences consume news digitally



92%

Use a computer, mobile or tablet several times a day to consume news

With dwindling attention spans

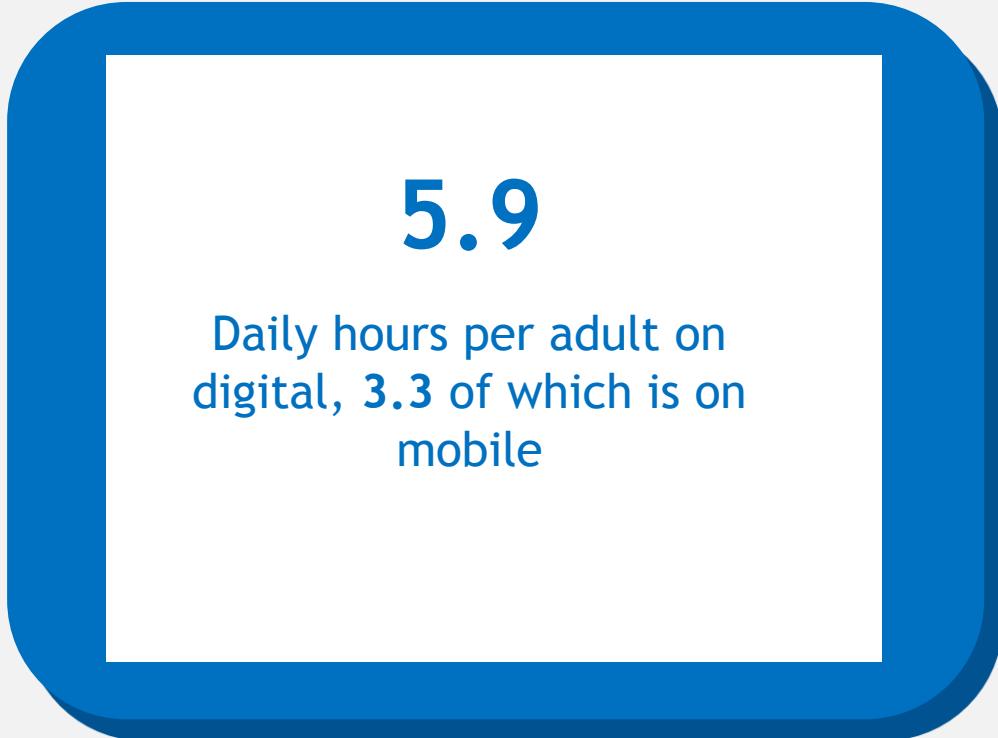


62%

Read only headlines or short summaries

Attention Economy

Digital, mobile, social are king

A blue smartphone icon with rounded corners and a white screen, representing digital devices.

5.9

Daily hours per adult on digital, 3.3 of which is on mobile

A blue smartphone icon with rounded corners and a white screen, representing mobile devices.

1000%

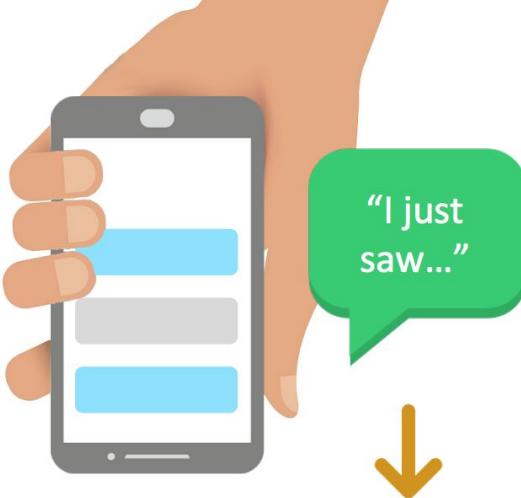
Increase in mobile use over past decade



Social initiates
the news cycle



Community and crowd
sourcing are both content
creation and distribution

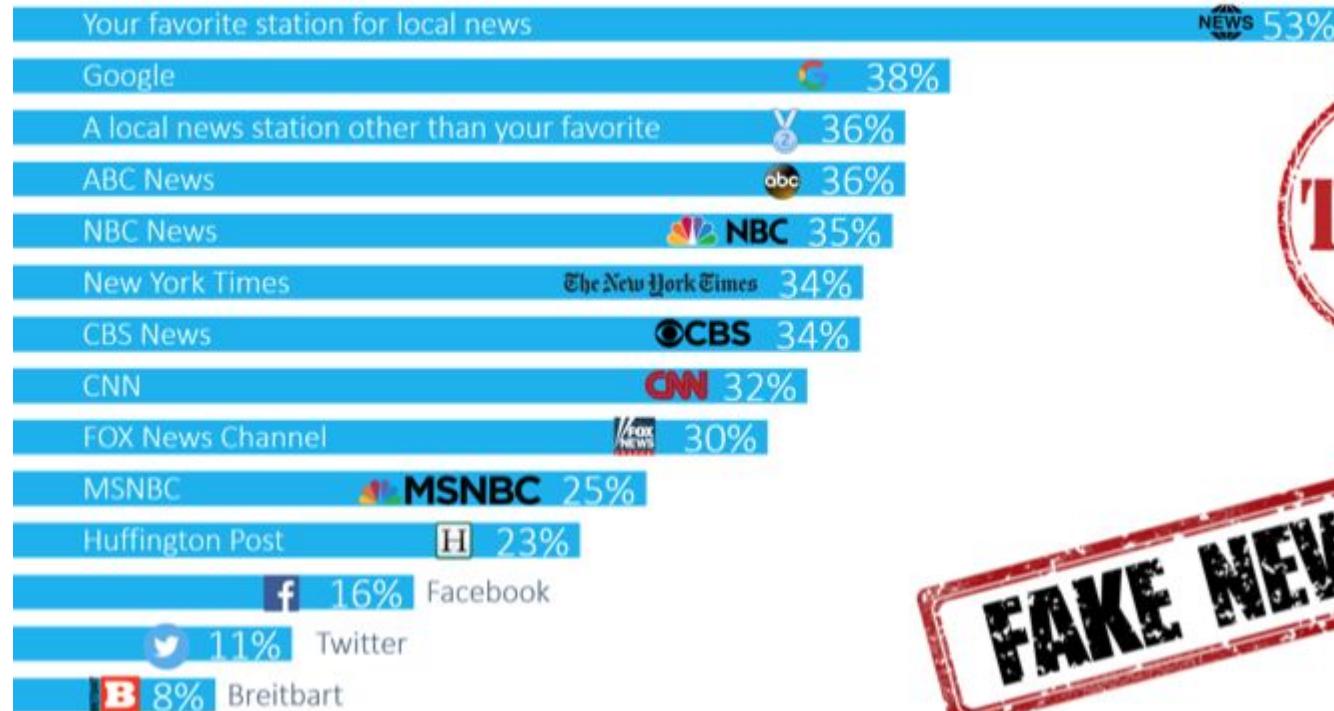


Engagement
is the new
currency

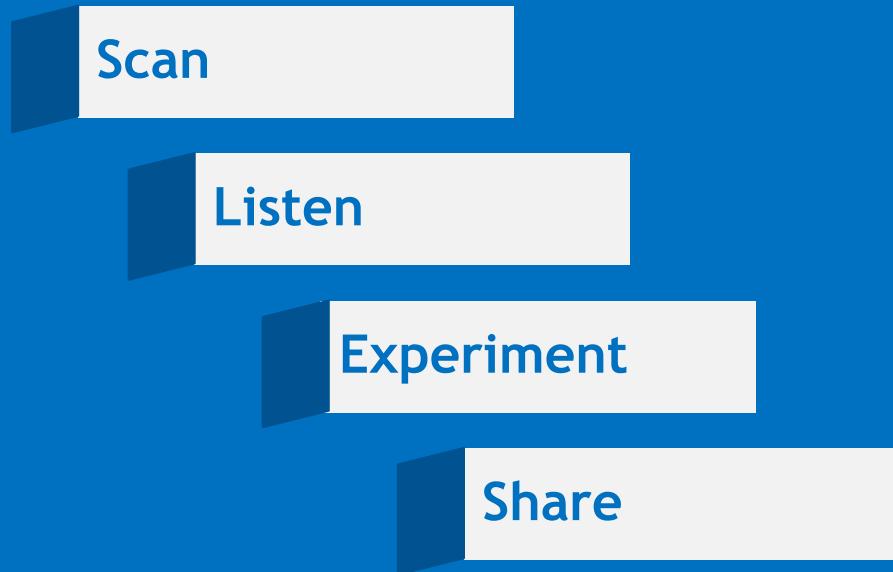
Graphic + insights courtesy of



Most trusted news brand? Your local news



The Process



The Process

Vision

Accelerate sustainable, at-scale, civic-minded solutions in Colorado's digital media landscape.

Scan

Understand high level in media. National and local. Print, broadcast, digital. Business models and audience trends.

Listen

To audiences:
2000+ person survey on news consumption habit and preference

To journalists:
qualitative interviews with reporters, editors and publishers

To publications:
baseline data collection on capacities and opportunities

Experiment

Digital prototypes: rapidly designing, testing, iterating on mobile news apps

Business models: rigorous analysis of target market, sustainable opportunities

Share

Practicing total transparency. Gathering the community to collaborate around solutions.



What We Found

Identifying a sustainable value proposition

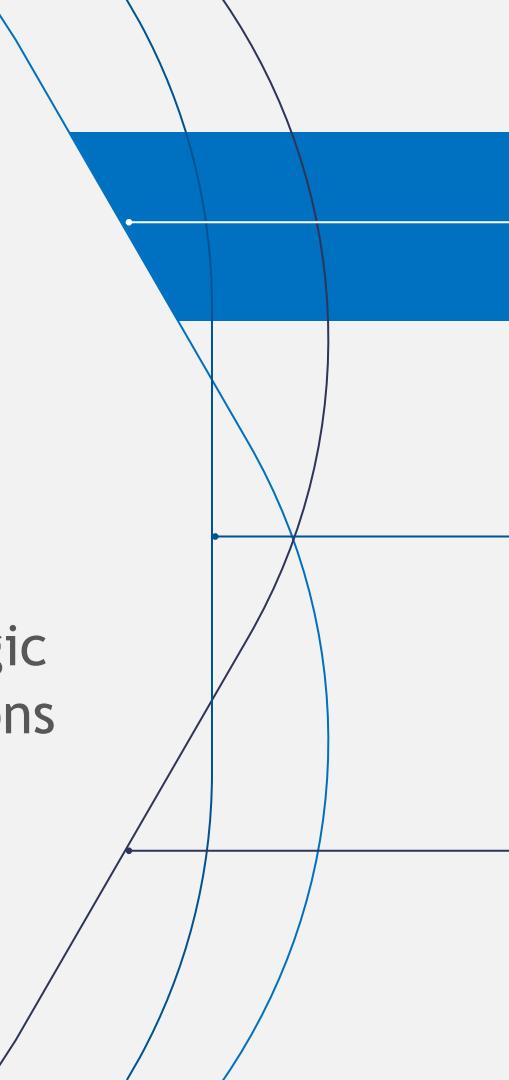


THE BOSTON CONSULTING GROUP

Scott Stemberger
Chelsea Church

3

strategic
questions



Which Coloradans have unmet news + information needs and what are they?

How might we meet those needs?

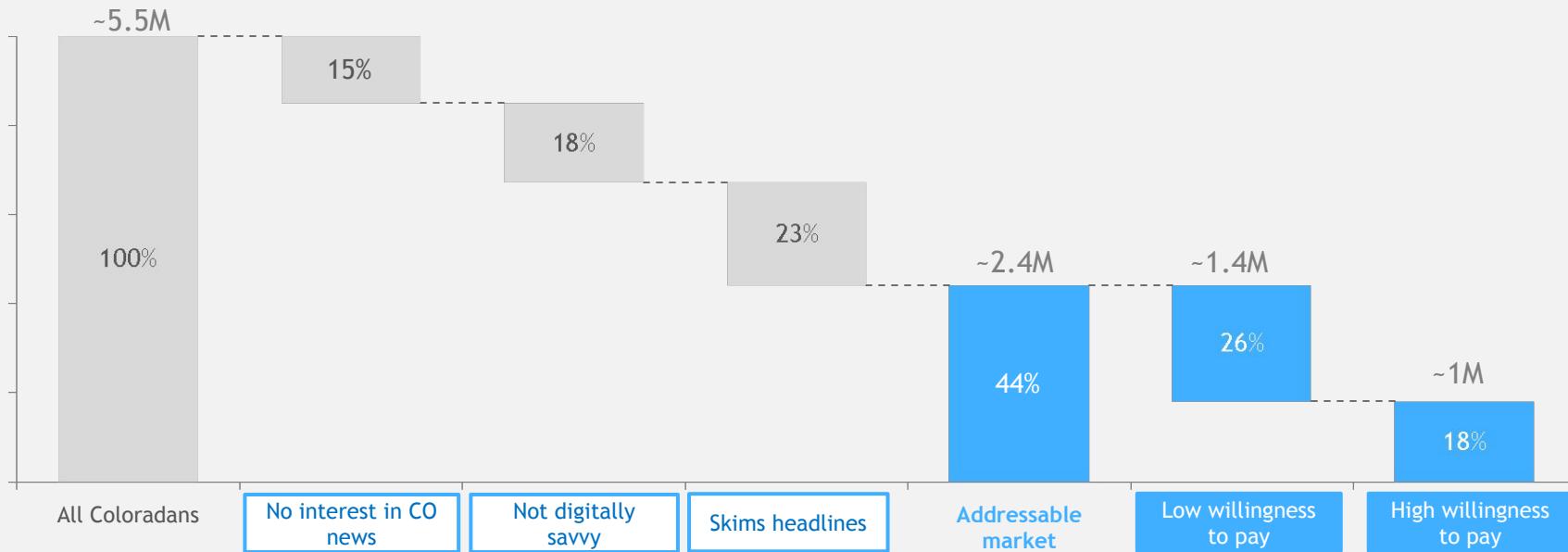
How can we make economically sustainable solutions for these needs?



Interested in CO news
Digitally savvy
Read more than headlines

Survey identified addressable market of ~2.4M CO residents that meet criteria, ~1M of which have high willingness to pay

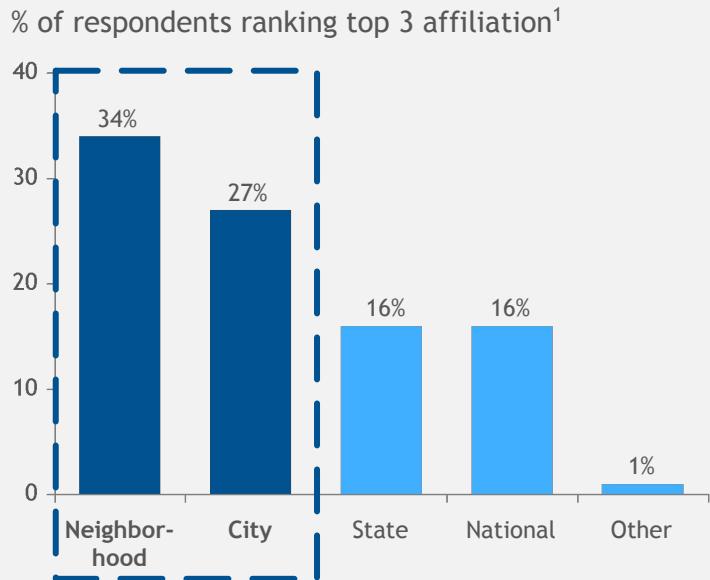
Colorado population narrowed down to the addressable market



Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014

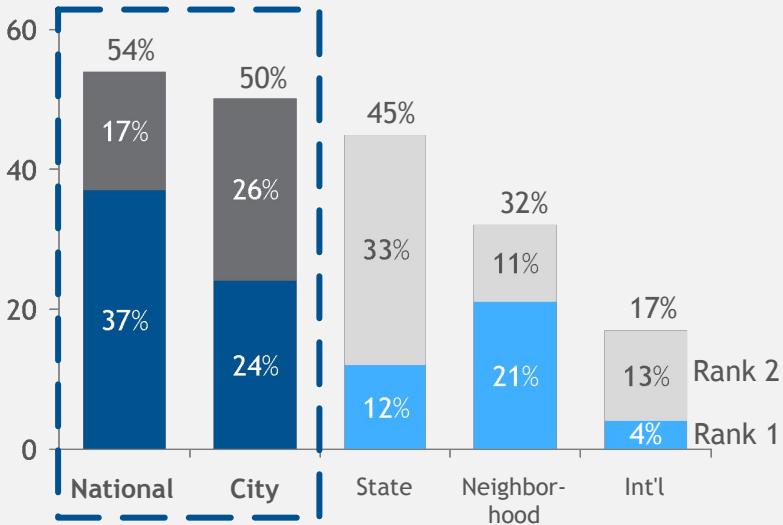
Coloradans affiliated most with their neighborhood/city; interested in both city and national news

Strongest affiliations to their neighborhood, city



Greatest interest in national, city news

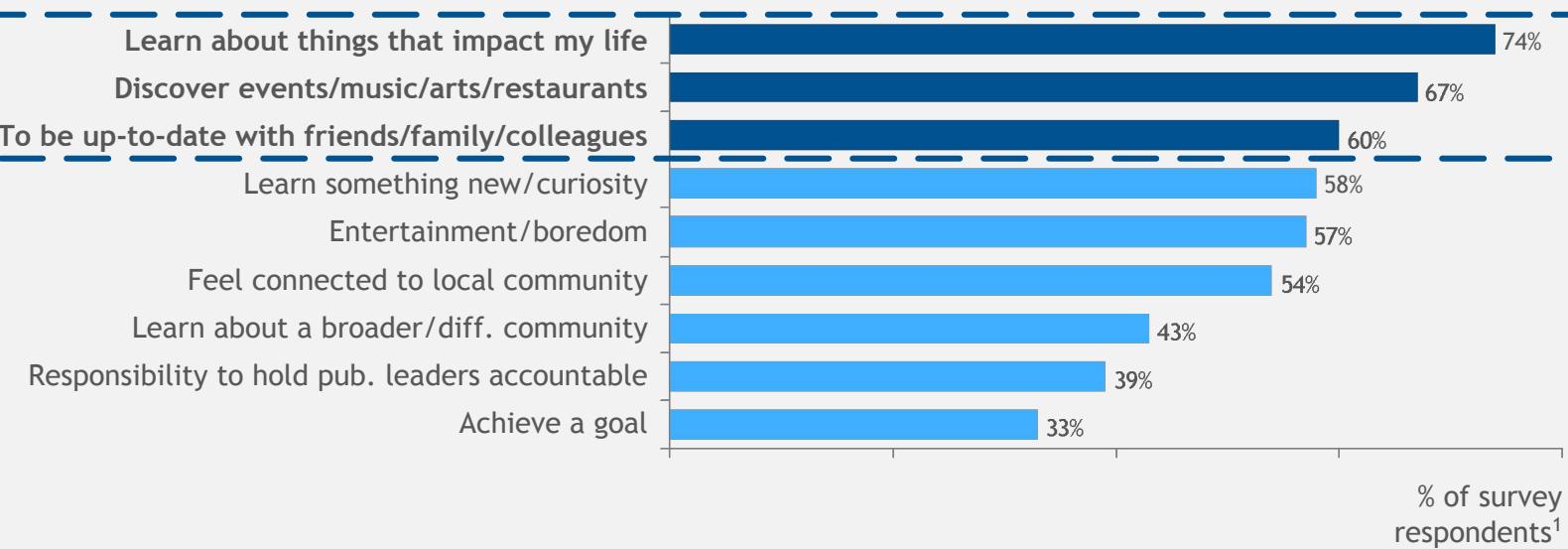
Interest in news topic, as ranked by respondent²



1. Of the current neighborhood, city, state and country in which you live, which are you most affiliated to?; 2. Please rank the types of information you're most interested in consuming. Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014

High willingness to pay segment prefers to consume news that impacts their day-to-day lives

Top reasons for consuming news

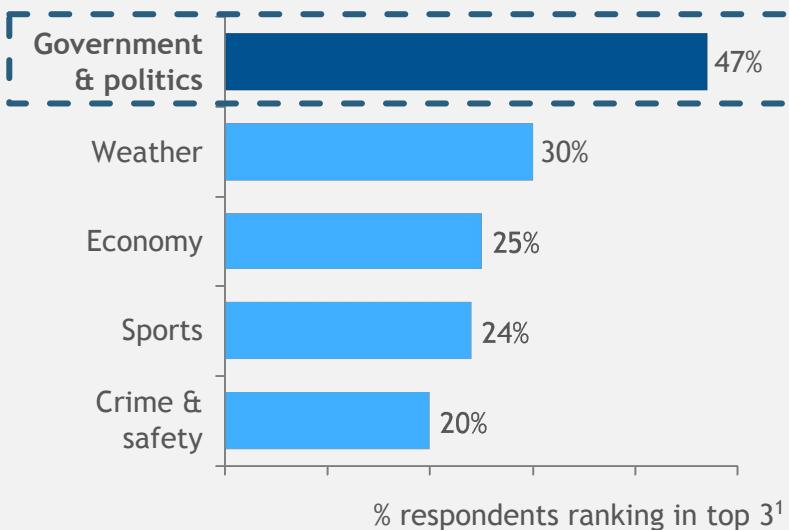


1. What are your motivations for consuming published content and information?

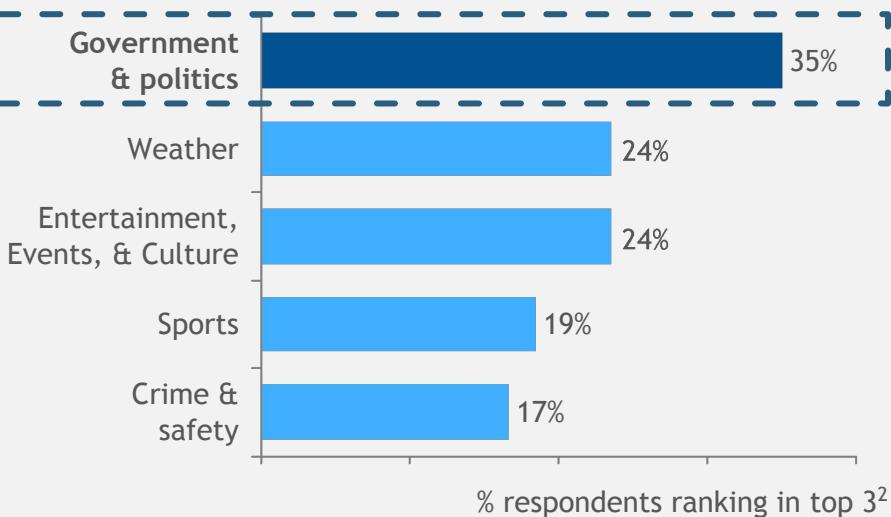
Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014

Government and politics come out on top in terms of both interest and willingness to pay

Order of importance - top five topics

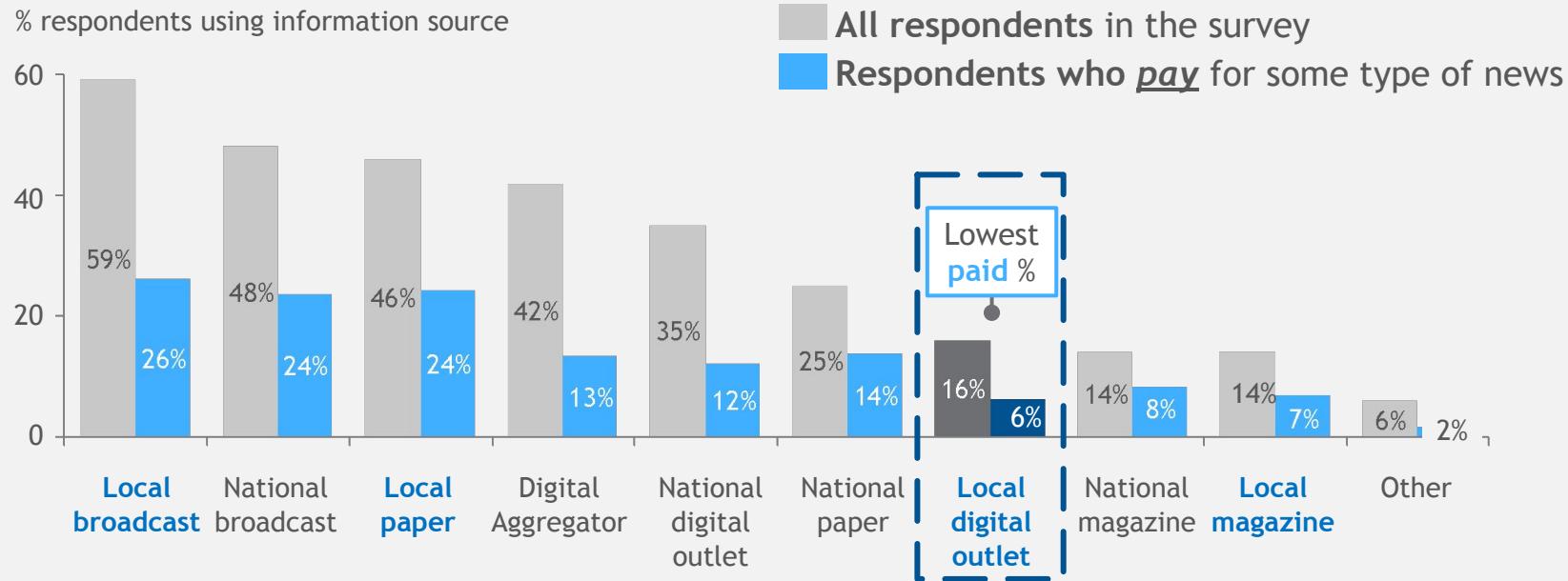


Willingness to pay - top 5 topics



1. Of the topics that you typically consume, please rank them in order of importance to you; 2. Thinking about paying for local information, please rank which topics of information you would be most likely to pay for; Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014

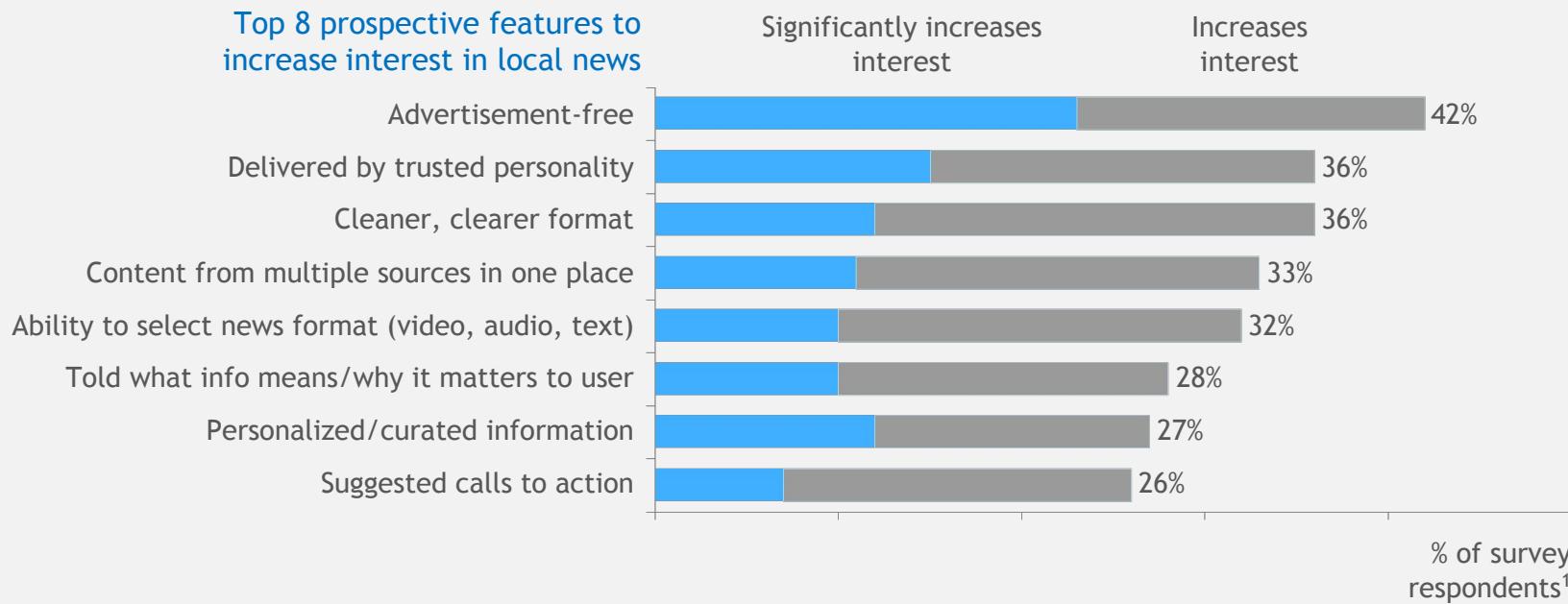
Most respondents consume local news - but fewer pay for it and fewer still pay for it digitally



1. Across all topics [that you typically consume], which information sources do you use? [all respondents]
Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014

Interest in local news can be enhanced via multiple features

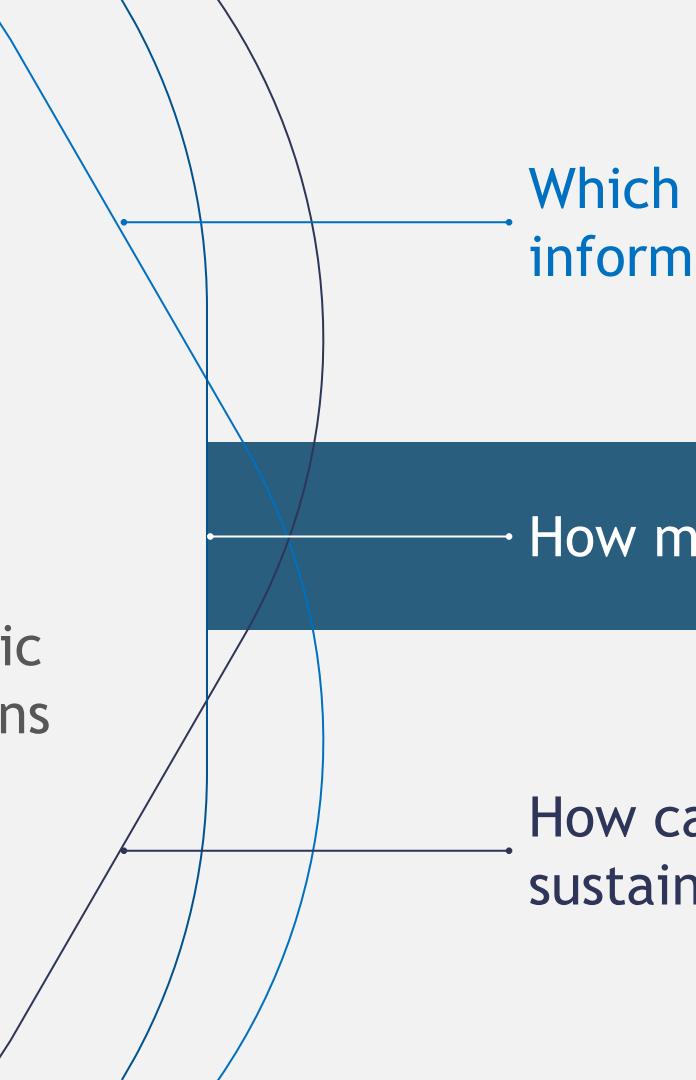
Format, approach to aggregation/personalization, degree of advertising, trust in the source all cited



1. To what extent would the following factors increase your interest in consuming information related to developments in your city and state?
Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014

3

strategic
questions



Which Coloradans have unmet news + information needs and what are they?

How might we meet those needs?

How can we make economically sustainable solutions for these needs?

Two criteria for selecting a business model: Mission of the CMP founding team & Likelihood of success

CMP mission alignment
(Maintain scrutiny,
Sustainable business model,
Colorado-wide, scalable solution)



Likelihood of success
(Market needs, competition, capabilities & resources of founding team, etc.)

In pursuit of these goals, we explored a range of current and former news services

Help you understand



In-depth analysis and application, less focus on 24 hour news cycle

Community News



Issue-driven local news. Financially viable models typically have small distribution and high income base, no model yet successfully scaled; notable area of innovation

All-in-one news



Aggregators and select large publications, not prerogative of state/local orgs

Let me tell you my opinion



Interpret the news through a specific lens

Editorialized, curated content



Editorial commentary, minimal reporting, narrow geographic or topic focus

Cause-specific investigations



Investigative journalism supported by campaign/issue-specific funding and fundraising

News just for you



Individually-curated content based on machine learning

Of these options, "Help you understand" & "Community News" rank best against the criteria



"Help You Understand"

Key elements

Show Coloradans how and why today's news matters to them, and how they could act on this information

Focus on news that **relates to the state's growth, and what it means to be a Coloradan**

Sourced from **well-known Colorado leaders**

Analysis by contributors, curated and edited by staff

Delivered in **multiple formats & lengths**

National news made locally relevant to CO

Start with well-known writers

Include calls to action

Why this news matters - Tax Debate Heats Up

An analysis from two local contributors



30% of Colorado jobs depend on trade and at risk

John Hickenlooper
CO Governor

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Colorado's economy is safe

Gabrielle Bryant
Digital Media Director at City and County of Denver

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Options to act -
Provided by our contributors

 Email
 Email
 Attend Bio Conference
 Phone
 Share

Follow specific writers/topics

Give opportunity to engage

31

"Community News"

Key elements

Build moderated, user-generated platform around local topics where contributors earn community recognition

Focus on news **meaningful to the area - likely education, housing, leisure, etc.**

Sourced from **community leaders and passionate citizens**

Contributors **may earn recognition and revenue** from their contributions

Sourced, edited, and moderated by staff

Delivered in **multiple formats & lengths**



Denver - Southeast Digest:

Cherry Creek, Congress Park, Hilltop & Mayfair

Today's Headlines

New brewery offers relaxed social setting

Results of City Council Plans - impact on us

Don't forget - street sweeping tomorrow!



Today - socially

Browse by topic / local guru:

- Food
- Roads & Transit
- Elementary Schools
- Dev & Real Estate

Gurus you follow:



Jill P - Congress Park

Badges earned:



Social:



Map contributions:



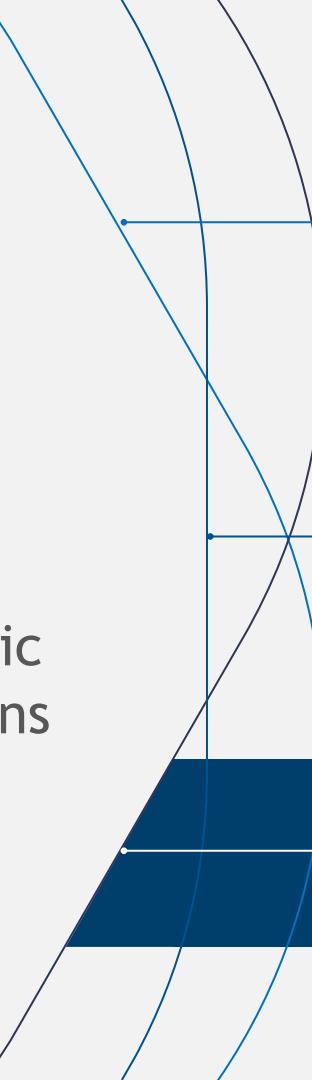
Events

xxxxxx

xxxxx

3

strategic
questions



Which Coloradans have unmet news + information needs and what are they?

How might we meet those needs?

How can we make economically sustainable solutions for these needs?

Explored two possible business models - each reliant on a combination of revenue streams

	Commercial model	Public media model
Primary revenue stream	Subscription & advertising revenue	Voluntary membership & advertising revenue
Supplemental revenue stream	Individual philanthropy	Individual philanthropy and foundations
Nature of experience	Tiering of consumer experience, content, and ad-exposure based on level of subscription	Uniform experience for all consumers regardless of membership/contributions

More sustainable model for business

Q&A



Scott Stemberger
Boston Consulting Group



Chelsea Church
Boston Consulting Group

Up Next:
Industry Insights
Andrew Elliman, Alan Gottlieb, Melissa Davis

What we found

Industry Insights



Andrew Elliman
Alan Gottlieb
Melissa Davis



40+ hours of interviewing

With journalists, editors, publishers from

20+ media organizations

Across print, digital, and broadcast ... representing a combined

500+ years of journalism experience

THE
DENVER
POST

THE COLORADO SUN



COLORADO
PUBLIC RADIO

Rocky Mountain News

Coloradoan.
PART OF THE USA TODAY NETWORK

CBSO
Denver



Denverite

DENVER
BUSINESS JOURNAL



Chalkbeat

Westword®

Longmont
Observer



Revenue Opportunities

Various ways outlets are cultivating local community support

ADVERTISING

- Ad churn is unsustainable
- Shift in focus to long-term sponsorships

EVENTS

- Build brand
- Super-serve believers
- Engage with audience

MEMBERSHIPS

- Subscriptions crucial
- Grassroots base
- Longer-term investment

PHILANTHROPY

- Steep learning curve to secure major gifts
- New roles for philanthropists and journalists

Colorado Media Project + Institute for Nonprofit News Survey

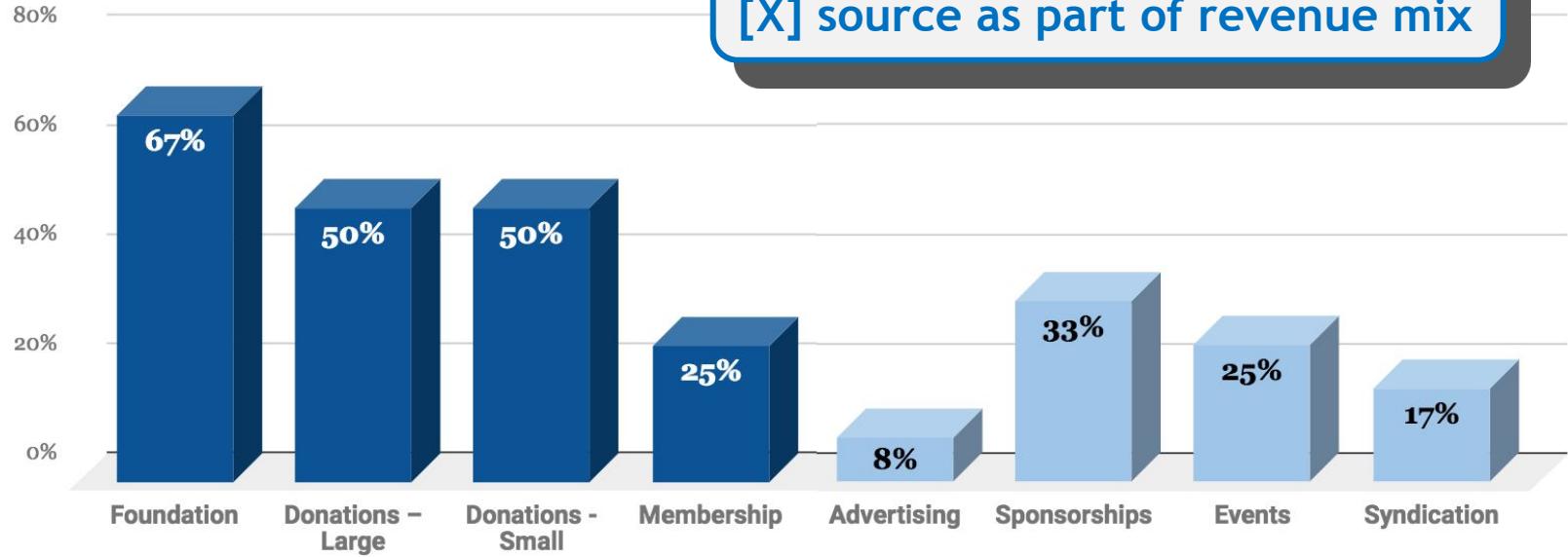
Revenue by the numbers

\$74.2 M	Total annual revenue of 12 surveyed outlets
\$71.4 M	Total annual revenue of top 2 reporting
\$255 K	Avg revenue of remaining 10
15%	Average percentage of total budget spent on rev gen
4, 3, 1	# of outlets that generated 75% or more of their revenue from one source (respectively foundations, subscribers/small donors, earned)

CMP + INN Survey

Revenue by the Numbers

Percentage of organizations with
[X] source as part of revenue mix



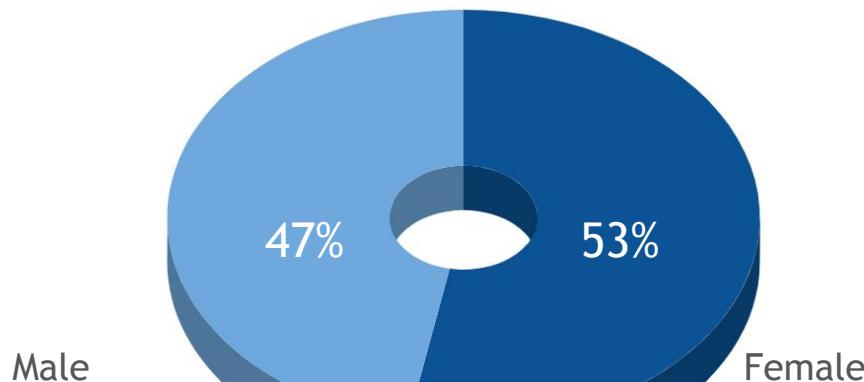
Charitable

Earned

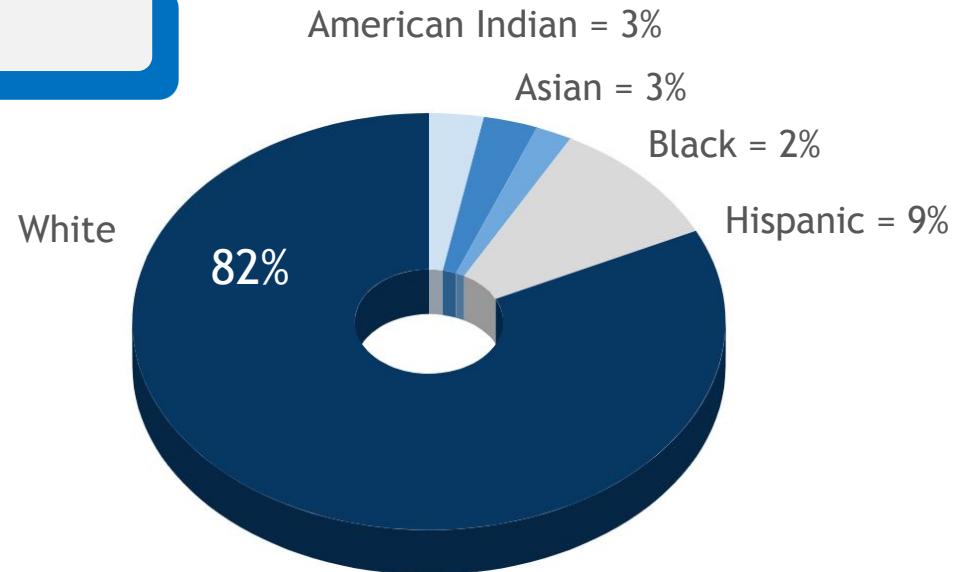
CMP + INN Survey

Diversity & Inclusion

Overall, newsrooms lack diversity



Staff breakdown by gender



Staff breakdown by race

Case Studies: Strengthening the Ecosystem, Galvanizing Support



CENTER^{FOR}
COOPERATIVE
MEDIA
MONTCLAIR STATE UNIVERSITY

Molly de Aguiar



Jason Alcorn

News
Match
Quality journalism matters.

“More solid ground to stand on.”

Laura Frank

VP of Journalism, Rocky Mountain PBS



Q&A



Melissa Davis
Gates Family Foundation



Andrew Elliman
Colorado Media Project



Alan Gottlieb
Write, Edit, Think, LLC

Up Next:
Digital Media Prototypes
Scott Romano, Cultivo



Digital Media Prototypes

CULTIVO

Scott Romano

Human Centered Design

1. Empathize
2. Define
3. Ideate
4. Prototype
5. Test

Empathize

Connect with Coloradans across the state

Understand their news consumption habits



Define

Four Key Insights

Social capital is a primary motivator for news consumption

People feel that news is entertainment that doesn't feel like a waste of time

Statewide news is not as directly impactful as local news, but also doesn't deliver the heightened identification that national news does.

Getting outside your bubble can be more trouble than it's worth



Ideate

The Four “How Might We’s” (HMW)

We posed one HMW question per each of insights to groups of users to see what we could all come up with together.

Purpose of HMWs is to inspire game changing ideas



The Four “How Might We” Questions (HMW)

HMW 1

HMW enable an engaged, Colorado young professional with work and social circles that value being perceived as informed to **more efficiently understand detailed content?**

HMW 2

HMW make it easier for the busy Coloradan with a full time job and family who currently consumes news passively to **fit relevant and interesting news into their existing routines?**

HMW 3

HMW encourage a Durango citizen who primarily reads their local news to identify the **direct relevance and value of statewide information and stories?**

HMW 4

HMW equip a politically opinionated Colorado resident who wants to be exposed to different perspectives to **trust a source with a differing viewpoint?**

Ideation Process

1

User groups presented HMWs

2

Collaborate to create potential solutions

3

Ideas filtered, combined, and built upon

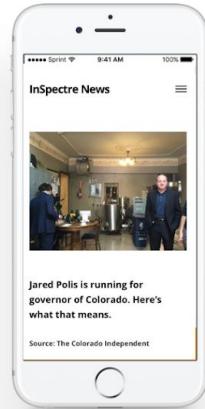
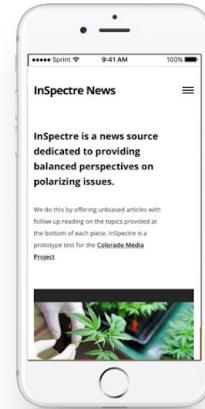
4

Choose top 4 prototypes to build and test



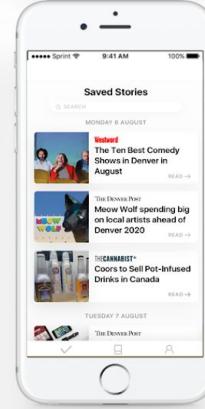
The Four Prototypes

GeoStory



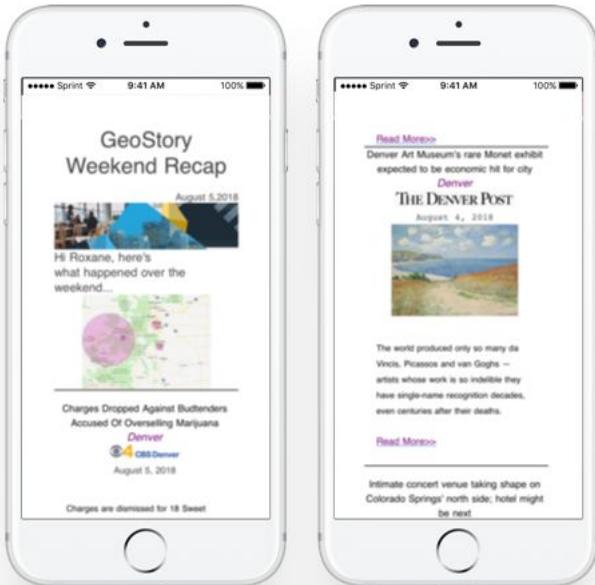
InSpectre
news

THE DAILY
SNACK



StoryHound

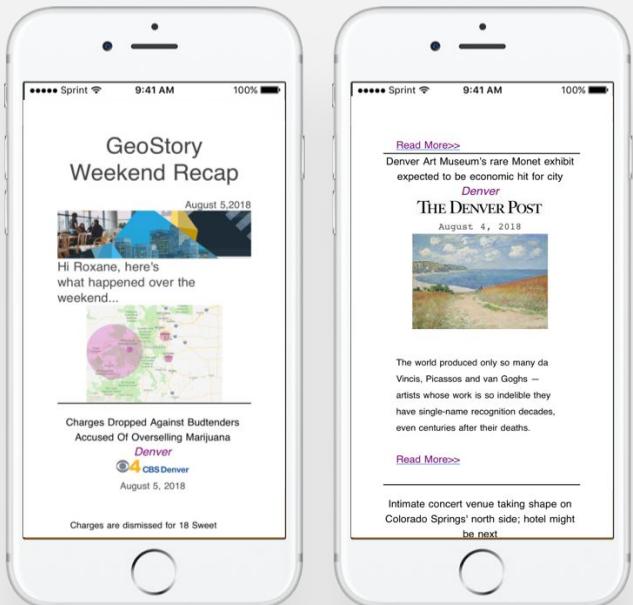
GeoStory



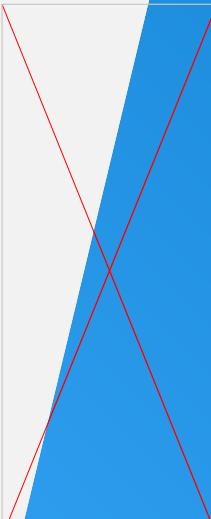
A daily email digest with stories curated individually for each test user based on categorical preferences and location.

Stories were chosen to be relevant and valuable to each user.

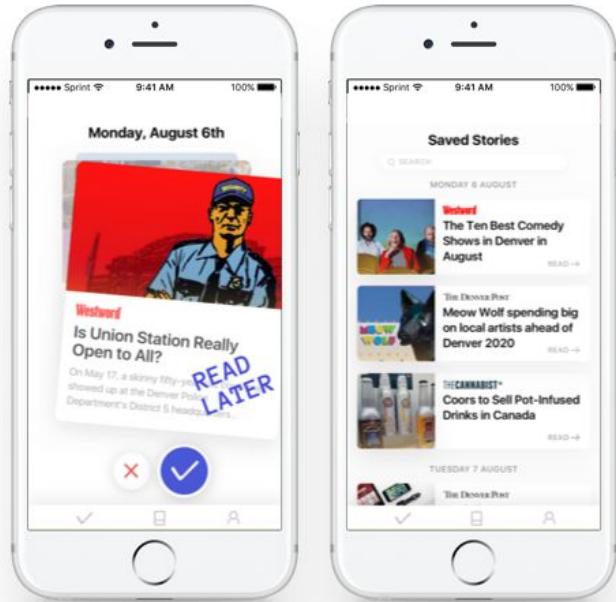
GeoStory Findings



- Location tagging made news feel more relevant
- Low quality content lead to low click through
- “Sponsored Content” was a preferred payment method

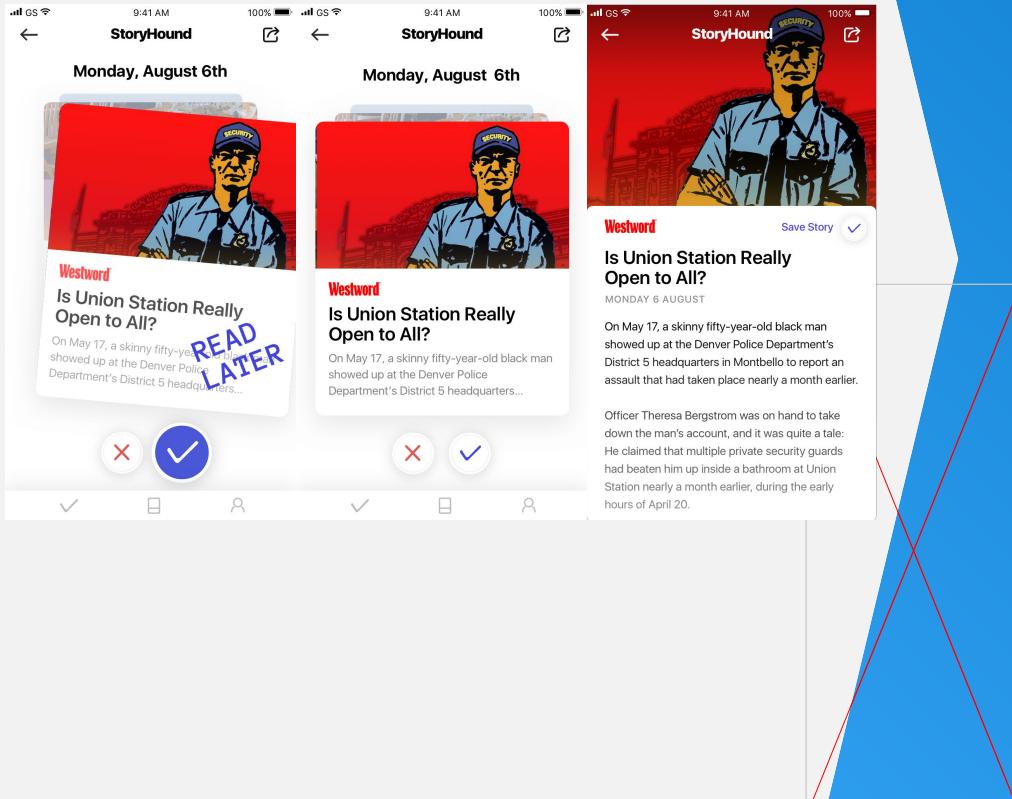


StoryHound



An app that allows users to swipe through Colorado news stories quickly deciding to either read immediately, save for later, share with their friends, or pass.

StoryHound Findings



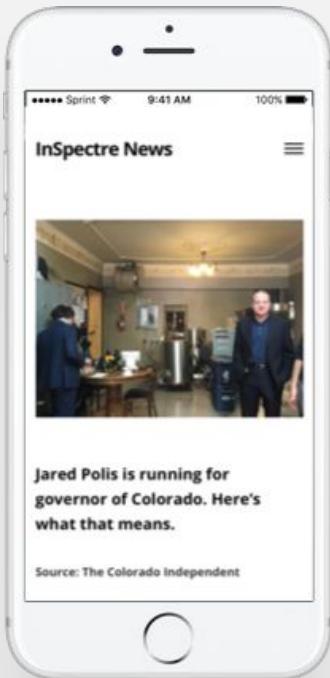
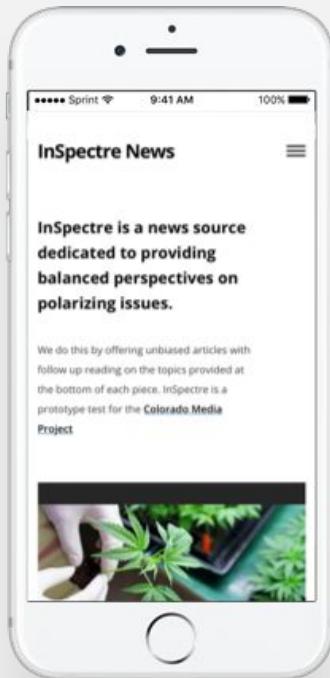
- Replacement for scrolling on social media in free time
- Provided social capital for users
- **Test users were surprised by their affinity for swiping through stories**
- Test users wanted more content

InSpectre News

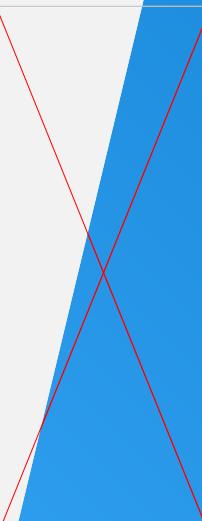


An aggregator that provides access to articles with diverse perspectives. An easy way for readers to get outside of their bubble.

InSpectre Findings



- Users engaged with very little additional perspectives
- Users inclined to only seek out one or two perspectives on polarizing issues
- While there is an expressed desire to hear a diversity of perspectives, users did not actually take action when given the opportunity.



THE DAILY SNACK



A feed that encourages users to engage with a broader array of content across formats and topics.

The Daily Snack Findings



- Ease of Consumption and Timeliness
- Stories inspired users to dive deeper with specific topics
- Preference for more diverse mediums
- Desire for breaking news, and some national

**Imagine if everyone you know was informed,
engaged, and constantly striving to be better**

But Scott!
How do we do this??

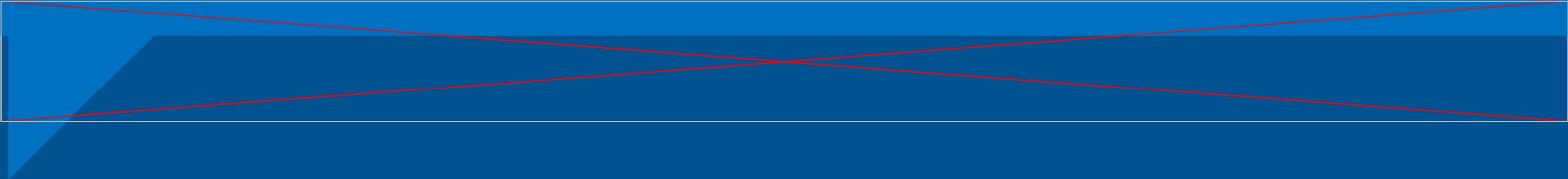
You (probably)



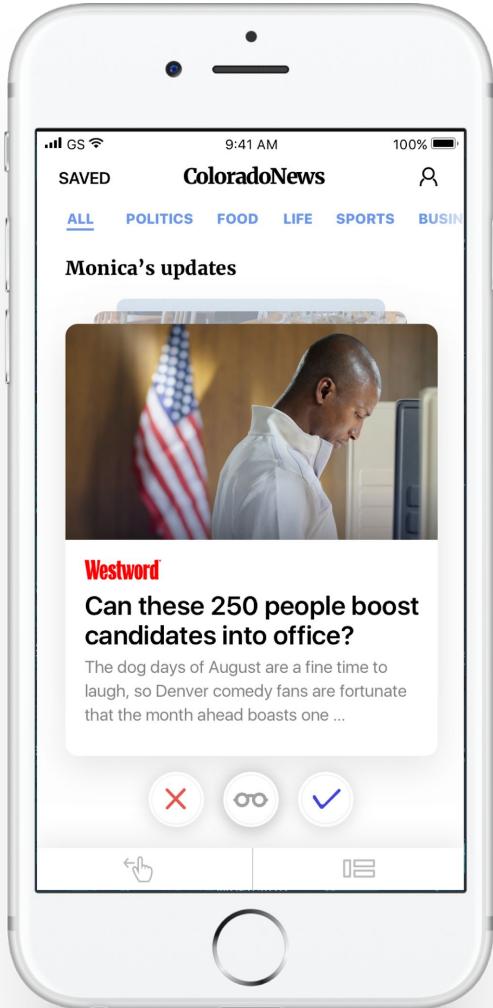
By delivering news that:
**Speaks their language, provides them value, and
inspires them to make a difference**

A full scale digital platform focused on providing quality, valuable journalism to the state of Colorado.

- Geo-Targeted Stories
- Bite-Sized Daily Digests
- Interactive and Engaging User Experience

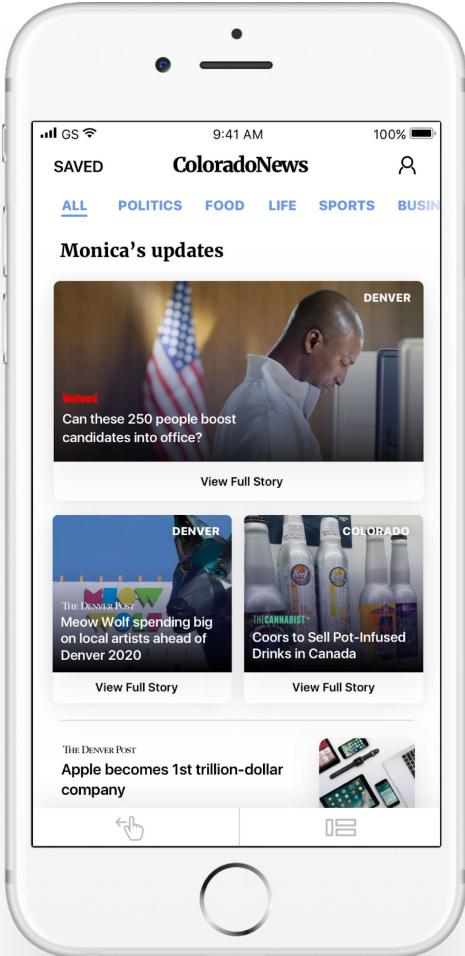


**Vision for the Future of
Colorado News**



Users want:
Mobile first design

Engaging, interactive, filling
leisure time



Users want:
Access to diverse mediums and
topics

Entertaining, informative, and
creating social capital



ColoradoNews

[Get The App](#) [Personalize Feed](#) [My Saved Articles](#)

Monica's updates MONDAY, SEPTEMBER 10TH

1.  Free for All: The Five Best Free Events This Week

Westword  

2.  Colorado Springs police targeting traffic deaths

THE DENVER POST  

3.  Watch: Self-Driving Cars Have The Driving Part Down

9NEWS.COM  

4.  Shanann Watts' body found in shallow grave

The Gazette  

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Your Neighborhood

THE DENVER POST

Can these 250 people boost candidates into office?



Monday, September 10th



9NEWS.COM

Body cam exchange between Denver mayor's son and Aurora traffic officer



Monday, September 10th



9NEWS.COM

Cherry Creek students get boost from later start times



Monday, September 10th



Politics



Human Body Parts Price List and Other Reasons for New Colorado Law

Westword

Monday, September 10th



Gardner "confident" Trump won't meddle in Colorado marijuana policy

THE DENVER POST

Monday, September 10th

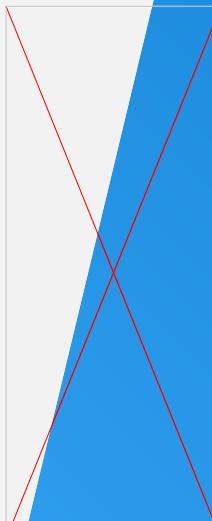


Users want:
Access to information across
their devices

Long-Form, Educational, and
Personalized

Next Questions to Think On

- How can we choose and write stories to connect with younger and more diverse audiences?
- How can we provide the high-quality content readers want?



CULTIVO

Have questions or interested
in partnering with us?
Reach out!

scott@cultivomedia.com

CultivoMedia.com



Will Alverson
Creative Director

Meredith Gee
Designer

Scott Romano
*Chief Executive
Officer*

Q&A



Scott Romano
Cultivo Media



Will Alverson
Cultivo Media



Meredith Gee
Cultivo Media

Up Next:

What's Next: Recommendations & Invitation
JB Holston & Tom Gougeon

What's Next

Recommendation & Invitation

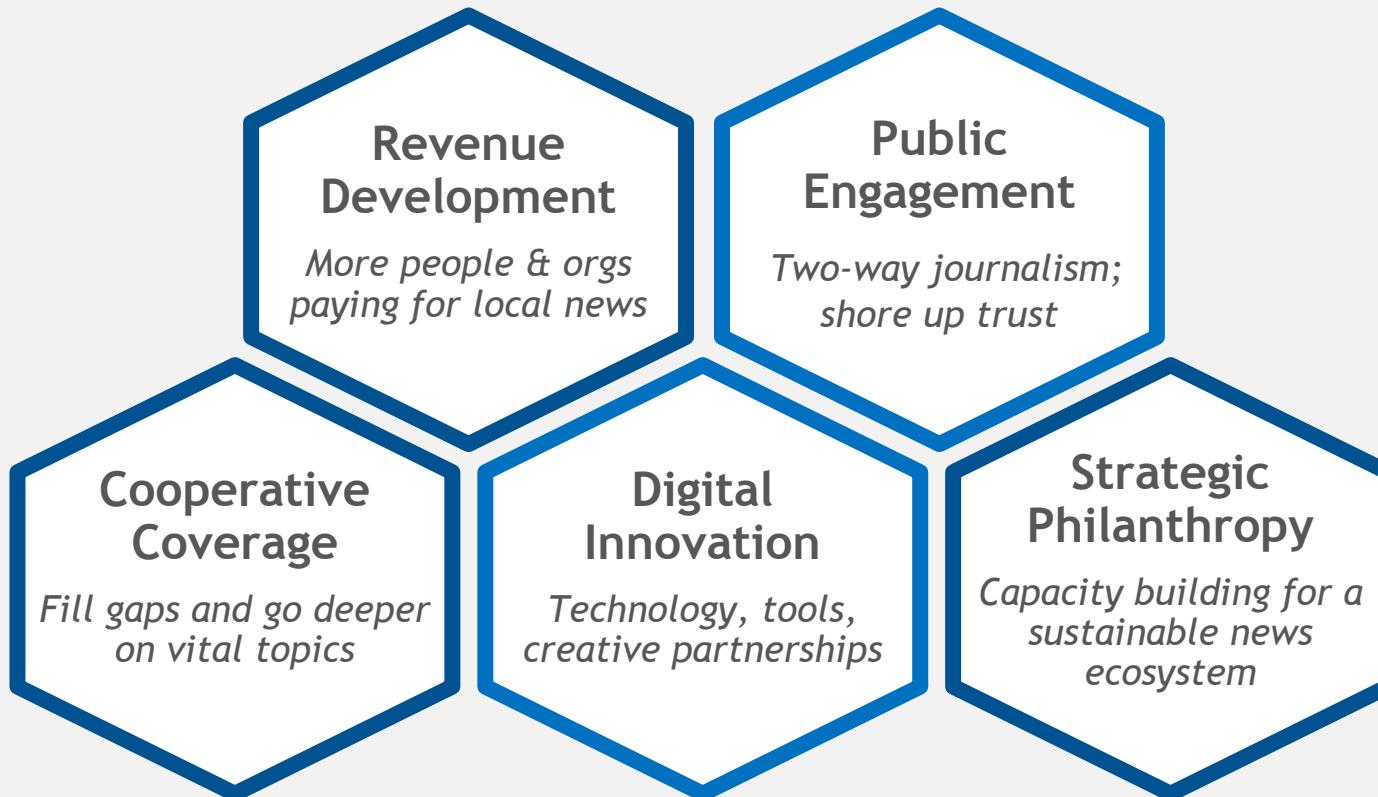
COLORADO
MEDIA
PROJECT

JB Holston
Tom Gougeon



The Big Picture: A Sector in Transition, at a Critical Juncture

What does Colorado journalism need to thrive in the digital age?



Key
Recommendation

-- Preliminary draft --

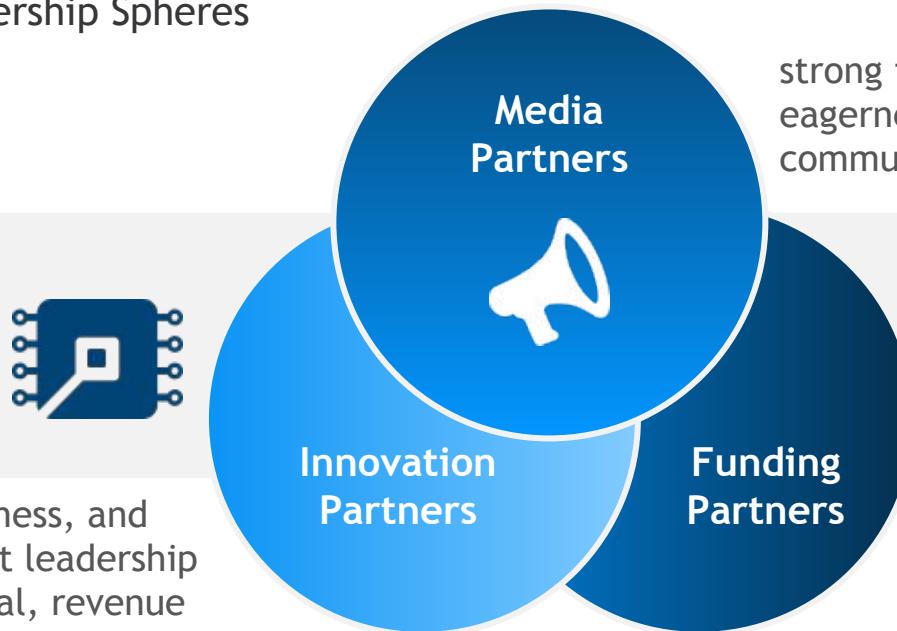
Colorado
News
Lab



Colorado
News
Fund

CO News Lab

Crucial Partnership Spheres



university, business, and national thought leadership to support digital, revenue and audience innovations

strong interest, perception of relevancy, and eagerness to evolve digital platforms and community engagement role (journalism 4.0)



patient capital to address the growing crisis, turn the ship, support sustainable solutions

CO News Lab: Areas of Work

Support local media outlets of all types to evolve and meet the information needs of Colorado

Sustainability

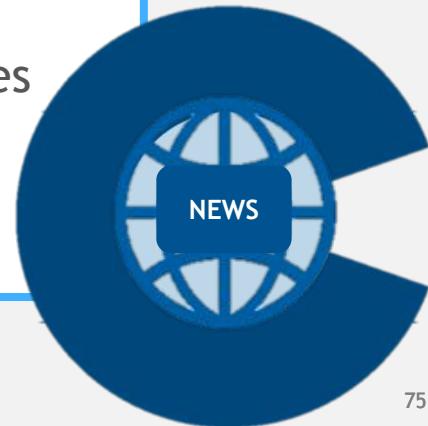
- Build business capacity
- Build revenue
- Engage broader public support

Innovation

- Reach new audiences
- Develop and adopt new tools, tech, platforms, practices

Collaboration

- ID and address coverage gaps
- Build network for learning
- Share services and space



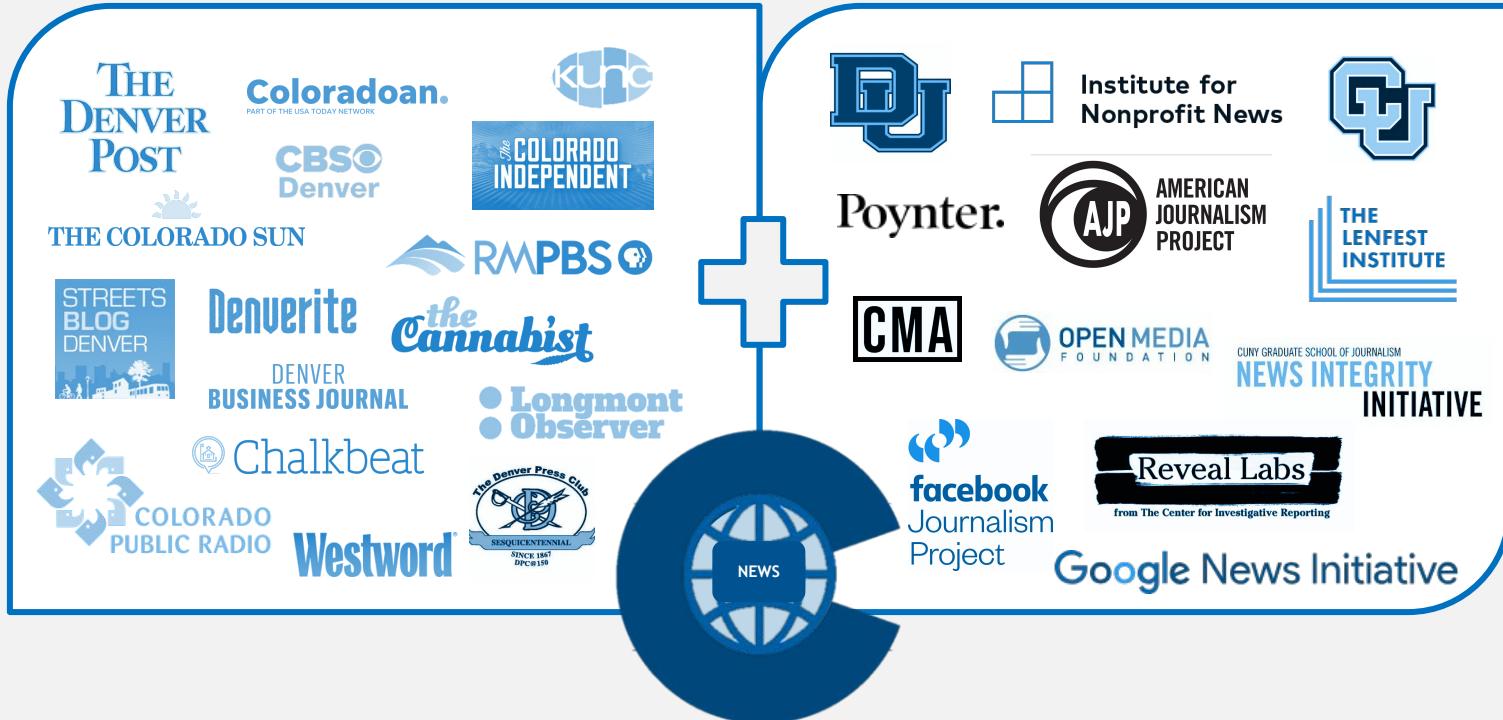
CO News Fund

Connected but independent

- **Additive** - grow the pie, galvanize more philanthropic support for Colorado journalism
- **Independent** - support the vision/programs of the lab, but “firewall” funding decisions
- **Impact** - incentivize coverage of news gaps, evolution of sector in the public interest



Call for Partners



The Path Forward

Maintain momentum

Explore community support

Work with partners to solidify vision

Raise capital, \$4-7M for three years

Launch Lab + Fund to support ecosystem evolution



Q&A



JB Holston
University of Denver



Tom Gougeon
Gates Family Foundation

Up Next:
Reception!

Information & Contact

Detailed Findings:

www.coloradomediaproject.com

Call for Partners:

info@coloradomediaproject.com