

## How to Save Newspapers? Radically Restructuring to Dominate the Digital Media Landscape

*New media investment banking firm provides report to newspaper industry with roadmap for restructuring core business model, generating new digital media revenue streams, harnessing the power of the blogosphere and outlining acquisition targets areas.*

New York, NY (PRWEB) 25, March, 2009 – Peachtree Media Advisors, Inc. ([www.peachtreemediaadvisors.com](http://www.peachtreemediaadvisors.com)) has written a report for the newspaper industry to radically restructure their core business model, capitalize on social media trends, leverage their journalistic integrity, target stimulus money, recapitalize their balance sheets, and acquire interactive marketing services and consumer-facing social media companies. As one of the most trusted sources for information, the newspaper industry is well-positioned to leverage its advertising and editorial infrastructures to generate new digital marketing revenue streams from local merchants as well as professional bloggers.

In order to change course in a continuously evolving digital media landscape, newspapers must restructure their business models. According to John Doyle, Managing Director & Founder of Peachtree Media Advisors, Inc., “Newspapers must completely eliminate paper versions of their product and leverage their one-to-one relationships with subscribers and local advertisers.” Newspapers are a local and regionally based medium. Since few digital media publishers have the capability to target advertising by geography or on a local basis, local and regional merchants typically choose other media channels to reach their target audiences, such as *newspapers*, radio, cable and out-of-home. Doyle feels that newspapers well-positioned to sell digital marketing services to these local businesses.

If newspapers and their advertising sales forces were to convert to a completely digital media format, then they would be able to provide highly targeted online marketing services at the local level for small businesses targeting readers in close proximity to them. A digital platform would permit newspaper sales forces to offer significantly more digital advertising and marketing services to regional brands, such as through SEO/SEM, lead gen, performance-based marketing, and cost-per-action among many other services. The accuracy of their marketing services would stem from subscriber information, reader preferences and tools and applications downloaded by subscribers.

According to the Journal of New Communications Research, bloggers are the “new influencers” transforming the media landscape and, instead of ignoring the blogosphere, the newspaper industry could embrace it. The growth in blog readership reflects the consumer’s desire to participate with information, not just consume it. In addition, Universal McCann’s 2008 global ‘Power to the People’ Social Media Tracker study, “blogs are a mainstream media worldwide and as a collective rival any traditional media,” with 73% of the study’s respondents saying they have read a blog. More importantly, BlogWorld Expo reports that there are 12 million bloggers in the U.S. alone and that 54% of the U.S. online population — 104 million people — reads blogs regularly, showing that blogging has a significant media audience.

According to John Doyle, “blogging receives a disproportionately smaller share of the online advertising spend relative to the audience it attracts in the aggregate.” He believes that newspapers can get in front of the social media trend better known as the *democratization of online media* by managing access to social media content, providing the tools and applications, building ad networks, and developing quality control mechanisms for bloggers and other social media publishers. Newspapers could bring order to the social media sector and profit from legitimizing and providing access to this content.

The top 100 blogs, pro-bloggers and hobby-bloggers alike have trouble attracting brand advertisers primarily due to their size and brand-recognition. Some readers and most brand advertiser are skeptical of journalistic credibility in the blogosphere. Newspapers could become a rating service for brand-safe environments or journalistic integrity within the blogging community, similar to Moody’s or TRUSTe. Membership fees could be generated from bloggers in addition to potentially generating a rev-share from an ad network that brands would trust.

There are also several small acquisitions (other than Yahoo) that will provide the necessary tools and applications to build a powerful news portal that better serves advertisers and consumers. Digital media acquisitions that help organize the Web or blogosphere for consumers (BlogCatalog, Technorati, Digg, etc.) or allow social media social media platforms allowing interaction at the local level (Yelp, Meetup, etc.). In addition, there a consumer facing applications that newspapers could buy to better serve their readers (and advertisers), such as calendars, scheduling tools, coupons, and reservations among many others.

Another major step in radically rethinking the newspaper model is to completely eliminate paper versions of the newspaper except in certain areas where people are price insensitive, such as airports and train stations, or leverage the on-demand printing of public facilities like Kinkos. Reducing the amount of paper used with printing daily newspapers will clearly have a positive impact on the environment. This could also qualify the industry for stimulus dollars allocated to the green industry.

#### **About Peachtree Media Advisors, Inc.**

Peachtree Media Advisors, Inc. is a digital media investment banking firm headquartered in New York City that provides M&A advisory services to growth and middle market companies in the digital, interactive marketing and out-of-home sectors media. The company’s founder, John Doyle, has substantial insight in all media verticals, 10+ years of media industry focus and completed over 20 transactions with a focus on maximizing value at each stage of the process. Peachtree Media Advisors, Inc. delivers expert advice in valuing digital media properties, structuring strategic partnerships, and developing the necessary tools and analyses to manage the buy-side or sell-side deal process from initial contact to close.

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Link to the NAA letter summarizing the report is <http://tinyurl.com/c6o6x6>

Link to the Word Version is [www.peachtreemediaadvisors.com/NSP/LETTERWORD.doc](http://www.peachtreemediaadvisors.com/NSP/LETTERWORD.doc)

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