


# Classifieds

## Cannibalism or growth impetus?

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## **Cannibalism or opportunity**

*Some of the questions for today*

How do print and online interact?

- ✓ Should online be linked to print?

What is the importance of branding?

- ✓ How much does credibility matter?

What does the future hold for classifieds?

- ✓ Audio, video, other services



## Keeping perspective and faith

### Some simple truths

- ✓ The Internet is *not* going away
- ✓ Classifieds are *not* doomed
  - Or at least they don't need to be ...
    - If we no longer talk about *putting* classifieds *online*
- ✓ We *are* dealing with a new medium
- ✓ We *are* dealing with changing expectations from our customers
  - Readers and advertisers



## The Internet is not going away

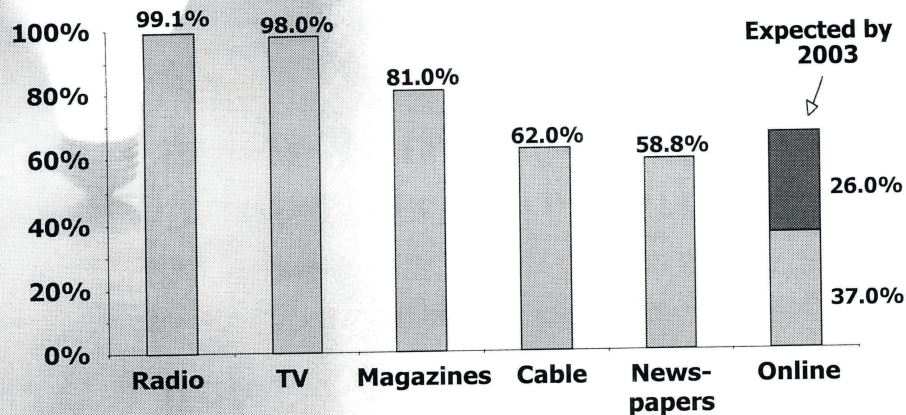
*To those in our industry who wish the Internet would stop making their lives so hard, there is bad news*

- ✓ Delivery of content by online services is only to get more complicated



## U.S. online household penetration

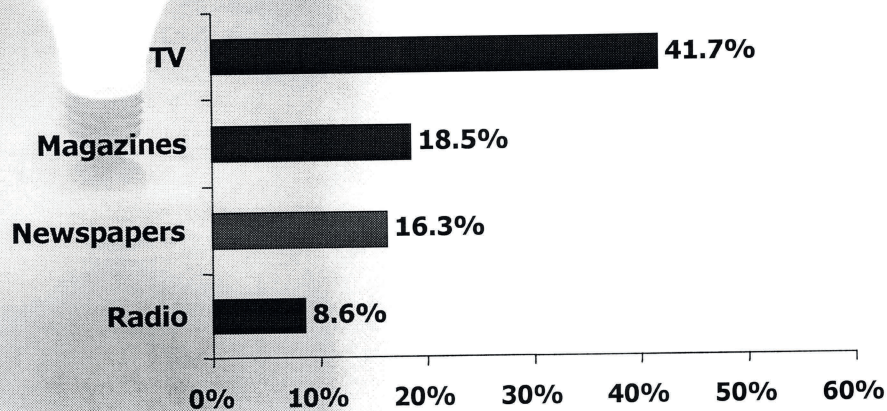
Projected to be 63% by 2003



Note: Magazine statistics refer to percentage of US households which read magazines.  
Newspaper statistics refer to percentage of adults that read daily newspapers.  
Source: CEMA, TV&Cable Factbook, US Census, MPA, NAA, NFO, Jupiter

## U.S. media cannibalization

Percentage of respondents who report their time with media is decreasing due to their use of the Internet; 1999



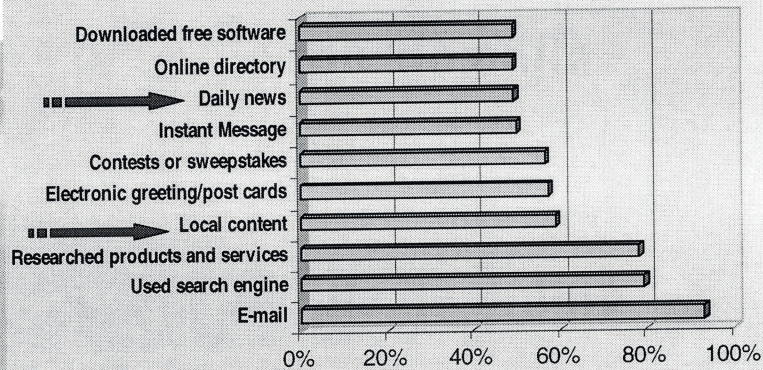
Source: Jupiter/NFO; N=3,000



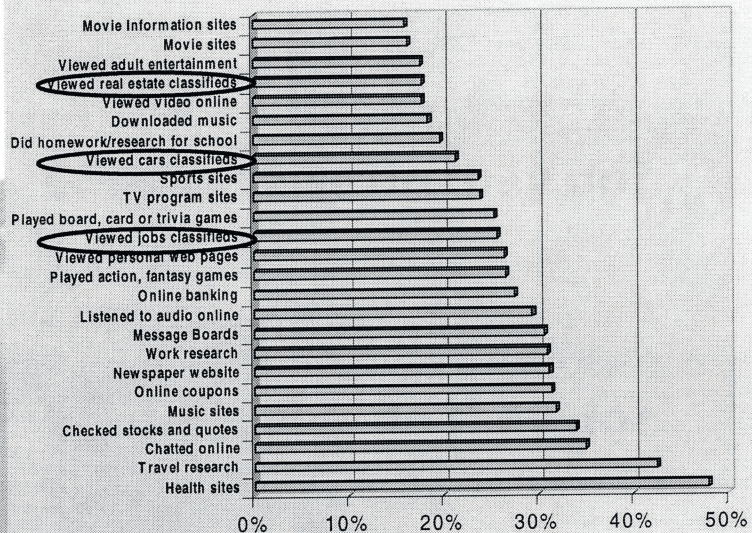
# What people do online

## Top 10 List

» Jupiter Research, July 2000



## So, what else do they do?

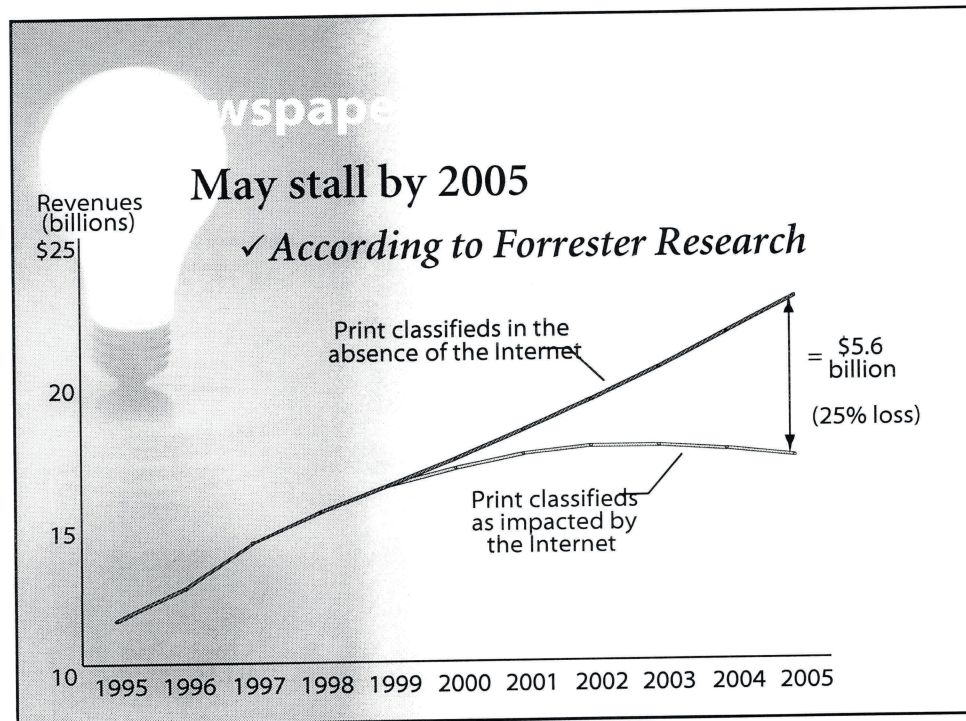




## Where does that leave classifieds?

There are lots of reports, studies

- ✓ You pick a premise and find the statistics to support your beliefs
  - This a matter of religion, not a matter of whether there is a God





## Classifieds are not doomed

*Little evidence of the "Forrester Shift"*

- ✓ *Forrester assumption:* Newspapers will not be able to charge for online classifieds
- ✓ *Reality:* Our customers want to sell goods and services locally. If we have the traffic, we can charge a fee
  - Going from an assumptive buy to a direct charge



## Classifieds are not doomed

*Little evidence of the "Forrester Shift"*

- ✓ *Forrester assumption:* Newspapers will not be able to compete for online classifieds
- ✓ *Reality:* We can compete, because we have relationships with customers who need solutions
  - We have more resources than many of our competitors. We do not need to win the "Biggest Is Best" contest.





## **Classifieds are not doomed**

But our business models for advertising might be finished

*Some key questions:*

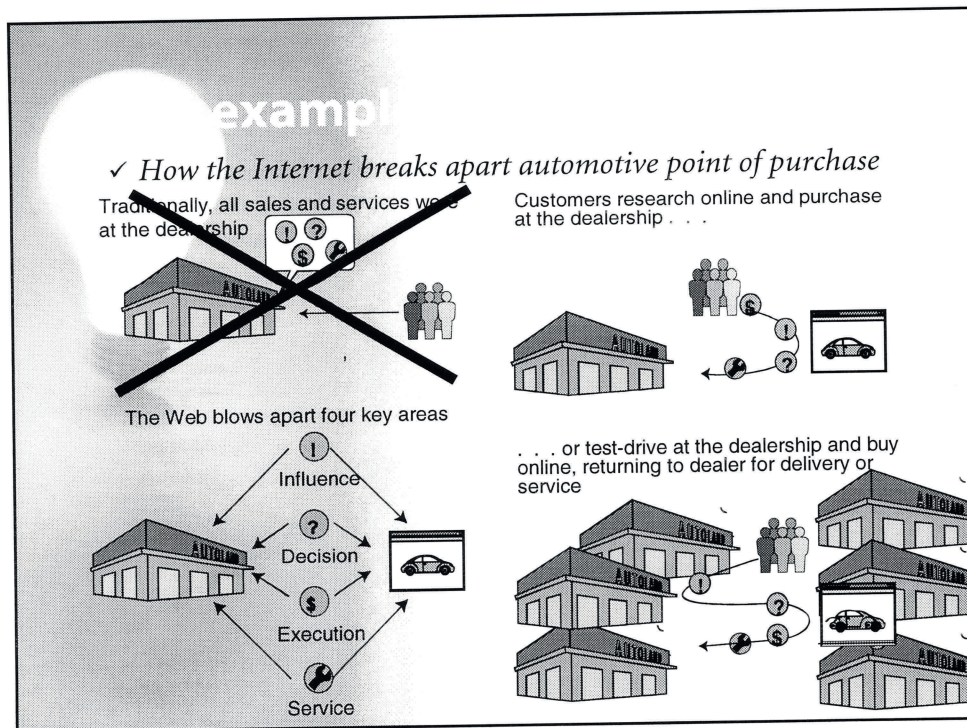
- ✓ What is a classified ad worth?
- ✓ Who are our customers?
- ✓ What is the value of a customer?



## **We need to change our thinking**

Business models of *online* classifieds are wrong

- ✓ The real challenge is to provide *trusted services* to both sets of customers



## These examples extend elsewhere

Banking

Travel agencies

Real Estate

*...and even newspapers*

- *We no longer have a captive audience*





## **We need to ask new questions**

- ✓ What can newspapers do better than anyone?
- ✓ How will we measure success?
- ✓ How will we reward success?



## **This raises the point of linkage**

Can newspapers support new businesses?

- ✓ Is there value in linking old models [*print = mass*]
  - Or do we really have two different businesses to worry about?

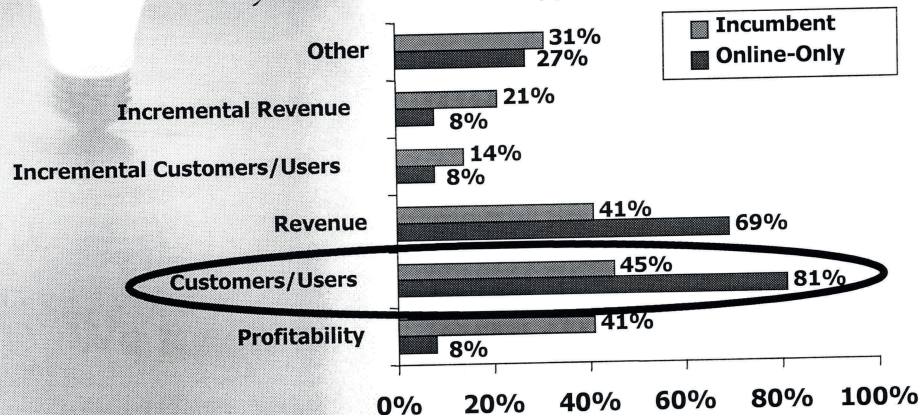
## We need to change our thinking

- ✓ There are big differences between online-only companies and others [such as newspapers]

» The question Jupiter asked, "What are the top two metrics by which you measure the success of your online business?"

## We need to change our thinking

- ✓ Online-only company and incumbent differences
- » Jupiter asked, "What are the top two metrics by which you measure the success of your online business?"





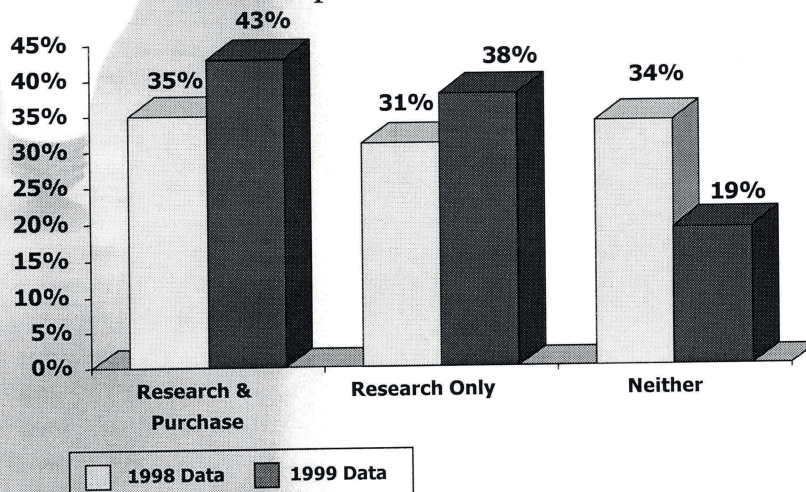
## What is next?

### Housing

- ✓ Can we provide services to attract and keep customers for our advertisers?
  - More community information
    - Linked to neighborhoods or individual blocks
  - Post-purchase information and sales
  - Moving services
    - Can we offer customers help starting their phone service, gas service, water service?

## Our consumers are changing

- ✓ 81% of consumers use the Internet to research products and services





## **What does this leave newspapers?**

Cannibalism can be good ...  
if you are the cannibal



## **Thank you for your kind attention**

If you have further questions, please feel free  
to contact me at the break or via e-mail

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