



MEDIA AND ENTERTAINMENT

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What consumers want from **online news**

McKinsey research shows that different groups of consumers have different attitudes about news products. Media companies should segment their digital offerings.

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**Article
at a
glance**

Media companies have invested heavily in upgrading their online properties.

A McKinsey survey of news consumers found that they have varying levels of satisfaction with brands and platforms, as well as a variety of motives.

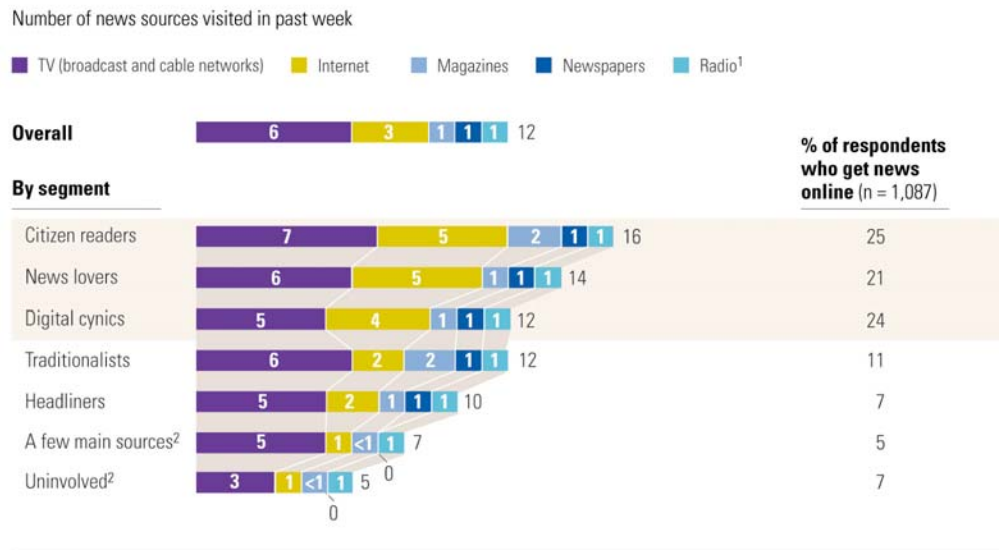
Understanding these underlying attitudes can help media companies tailor their products and services to the desires of specific segments of consumers.

The progress of digital technology has encouraged the media to make significant investments in upgrading online news properties in hopes of “owning” customers, but a McKinsey study suggests that consumers are thwarting these efforts. The research—an online survey¹ of 2,100 consumers in the United States—found that the respondents divide their time among as many as 16 news brands a week. “Brand promiscuity,” it appears, is the norm. Such findings have implications for media companies as they refine their products and strategies.

Our survey, informed by data gathered during in-depth interviews with consumers, posed questions about several aspects of the respondents’ news consumption, including its frequency and duration, as well as their attitudes toward news. To assess those attitudes, participants were asked how strongly they agreed or disagreed with statements such as “I rely on a few specific news sources that I trust for facts” or “I read blogs for news because they have an independent point of view.” Respondents also answered questions about their news habits across five media platforms (radio, television, newspapers, magazines, and the Internet) and about their preferences among 100 news brands.

EXHIBIT 1

Where do you go for news?



¹Terrestrial (standard), Sirius satellite, XM satellite, or podcasts.

²Figures do not sum to totals, because of rounding.

Source: 2006 McKinsey survey of 2,100 US consumers

We found that consumers rely on a large number of brands: 12 to 16 a week across all five platforms (Exhibit 1). Moreover, respondents reported using many of those brands daily or, in the case of Internet news sites, many times a day. The reasons give:

for visiting a number of sources included “every news event has at least two sides,” to “get all the facts,” to “form my own opinion,” or to find specific types of content, such as local news.

EXHIBIT 2

Make it easy

Rationale for choice of primary platform (multiple responses allowed), % of respondents



Source: 2006 McKinsey survey of 2,100 US consumers

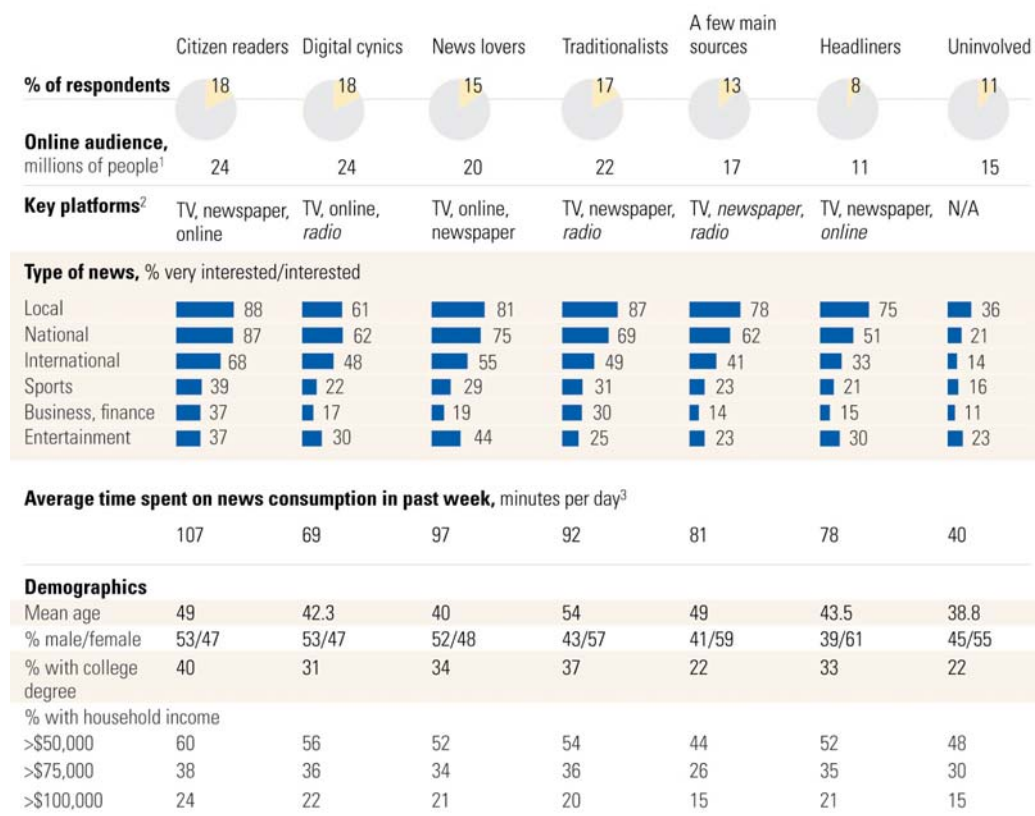
Still, respondents expressed clear preferences for certain platforms. Television and the Internet, for instance, were much more likely to be described as useful (by 45 and 26 percent of the respondents, respectively) than were newspapers, radio, and magazines (18, 10, and 1 percent, respectively). When asked to explain which sources of news were most useful, respondents expressed a preference for those offering convenience, comprehensiveness, or timeliness rather than quality. Specifically, they were far more likely to consider a news source useful because it “is the easiest way to get news,” “covers the most topics,” or makes it “easy to get news whenever I want it” than because it has the most accurate content or the deepest analysis (Exhibit 2).

The most significant differences we observed among the respondents concerned their motivations for consuming news. We identified three segments—“citizen readers,” “news lovers,” and “digital cynics,” representing 18, 15, and 18 percent of

respondents, respectively—that make up 75 percent of the audience for online news sites and are thus particularly attractive to media companies seeking to expand their digital offerings. Four other segments—“traditionalists,” “a few main sources,” “headliners,” and the “uninvolved”—had much less interest in online platforms (Exhibit 3).

EXHIBIT 3

Different appetites for news



¹Extrapolated; assumes 70% of US adult population is online (published numbers range from 65–85%).
²Platforms in italics have significantly lower weekly reach than the platforms listed immediately before them.
³Self-reported estimates.

Source: 2006 McKinsey survey of 2,100 US consumers

Citizen readers say that they have a responsibility to stay informed about current events and follow news stories to feel connected to other people in their regions, their countries, and the world. Fully 63 percent of them consider newspaper reading an important ritual passed down by their families. By contrast, digital cynics enjoy consuming news much less than other respondents do and feel little responsibility to stay informed. What’s more, nearly half of those in this group say that all news sources are biased, and many report that they trust few news sources to provide accurate information. In addition, digital cynics were the most likely respondents to

avail themselves of alternative news sources, such as blogs or comedy news programs (*The Daily Show* for instance). Digital cynics, like citizen readers, are heavy consumers of TV and the Internet but have more or less abandoned newspapers.

Our findings have significant implications for media companies. A multisource aggregator, for example, could step in to meet the consumers' desire for volume and variety in online news. A national news organization could present its version of major events but also select and provide links to related stories, blogs, and videos produced by others. Web sites featuring national news could partner with the sites of local newspapers or TV stations to serve up local content beyond the real-estate ads and weather-related search functions typically available. The outlines of such an approach are evident in recent deals between Yahoo! and local newspaper groups and between CNN and Internet Broadcasting Systems. Still, much closer cooperation among media companies will likely be needed.

Furthermore, media companies have a significant opportunity to develop niche news products for underserved consumer segments, particularly the digital cynics. Citizen readers, the target of most traditional print publications, express high satisfaction with existing news products. But digital cynics, who spend 30 to 40 percent less time each day on news than citizen readers and news lovers do, feel dissatisfied with most offline products. Winning the trust of this group will be challenging, as it requires a fundamentally different editorial sensibility. Given the size of the segment—24 million adults—and the number of advertisers coveting it, the prize could be substantial for those that succeed.

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¹ We conducted the study in the autumn of 2006 and completed the analysis soon thereafter. Although the ownership of some media products has changed during the past year and new ones have been introduced, few of these developments have significantly altered patterns of news consumption. Thus, we believe that the data accurately reflect the current attitudes and preferences of news consumers in the United States.

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