

**Additional Background on Closing Remarks, FTC, June 15, 2010**  
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such as Open Block. By mapping, organizing and analyzing local, publicly available data (everything from births to police activity to real estate transactions), community newspapers can produce their own proprietary version of “Everyblock.” Numerous advertisers in the rural markets we surveyed for the McCormick project expressed interest in sponsoring – at a substantial premium above current online CPMs and “click-throughs” -- an online version of “Everyblock” that would reside on the local newspaper’s web site.

As part of the McCormick project, UNC students and faculty conducted extensive market research in all three North Carolina markets (Whiteville, Washington, Wilkesboro) – online surveys of 200-300 readers, as well as one-on-one half-hour interviews with 10-15 print-only readers and 10-15 longtime advertisers.

Perhaps most relevant to this discussion is research we conducted on the twice-weekly *Whiteville News Reporter*, (circulation 10,000) which has made an aggressive push into the online world. Its two-year-old web site (*whiteville.com*) averages 2,000 unique visitors a day and its Facebook page (set up nine months ago) has more than 1,000 friends. Breaking news stories are updated via a Twitter feed (“This Just In”).

Not surprisingly, readers of both the print and online editions express very strong loyalty to the *News Reporter*, giving it high marks for credibility and comprehensiveness of coverage of news and information concerning Columbus County. But *whiteville.com* is in danger of hitting a digital wall – since only half the homes in Columbus County have access to broadband or wireless. (This low broadband penetration in the county is typical of what we found in the other two newspaper markets, and of rural counties, in general, in North Carolina. Even though North Carolina is the tenth most populous state, more than 70 out of 100 counties are classified as rural.)

If anything, the online readers in Whiteville tend to be even more passionately loyal than those who consume the print version. Their loyalty (as measured by the statement: “Would you recommend to a friend or colleague?”) surpassed even the scores of premium national “brands,” such as The New York Times, in the online survey conducted by UNC.

A third of those loyal online readers surveyed report they “rarely or never read the print edition” and prefer the online version because it is “more comp 1(king a2 Tc -0.4003 Tc -14.55 andrd o

empty or half-full, continued growth of loyalty to *whiteville.com* requires, at a minimum, that all 10,000 current readers of the *Whiteville News Reporter* have access to broadband.

Similarly, advertisers express long-standing loyalty to the News Reporter and appreciation for the historic role it has played in creating a “marketplace” where readers and advertisers connect. But like the readers, they express a desire for much more

interactivity (and targeting ability) on [www.whiteville.com](http://www.whiteville.com)

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to inform citizens and their elected officials about policy issues that concern them, as well as future generations.

In summary, it is more important than ever in this digital age that community newspapers continue to be seen by both readers and advertisers as being “the most credible and comprehensive source of local