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Online journalism: commercialization and credibility

Howard Finberg, Managing Director, Finberg-Gentry, the Digital Futurist Consultancy, LLC, USA

The presentation discusses how consumers see credibility issues for online news and whether that has an impact on brand and traffic. The presentation is based on the study done among consumers and media workers by the Online News Association
www.journalists.org

www.digitalfuturist.com

E-mail questions, suggestions to:
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Digital Credibility

Believability and Business

Ifra Asia Presentation by
Howard Finberg
Co-Director
Digital Journalism Credibility Study
Presidential Scholar, Poynter Institute

Some of my background

Experience in newspapers & newsrooms
- ✓ The Arizona Republic
- ✓ San Francisco Chronicle
- ✓ Chicago Tribune
- ✓ New York Times

Experience in technology & strategy
- ✓ Technology leadership at The Republic
- ✓ Technology leadership at Central Newspapers
- ✓ Technology venture funding at CNI Ventures

Founded *The Digital Futurist Consultancy*
- ✓ Help media company managers understand the impact of technology on their businesses
- ✓ Help Web site managers with content and revenue challenges
- ✓ Help emerging companies understand the media industry

Other background
- ✓ Co-Director, Online News Association's Digital Journalism Credibility Project
- ✓ Presidential Scholar at Poynter Institute
- ✓ Senior Fellow at American Press Institute

Project's sponsorship and mission

Directed by the Online News Association and funded by the John S. and James L. Knight Foundation
- ▪ Project directors
  - ✓ Howard Finberg
  - ✓ Martha Stone, 2001 Poynter Ethics Fellow
- ▪ Project editor
  - ✓ Dianne Lynch

Investigate the challenges to media credibility in a digital environment
- ✓ *What are the critical issues regarding the core ethics and values of traditional journalism*

Today's presentation topics

What consumers believe about online news
- ▪ Why it matters

Blurring of lines between news & advertising

Challenges of interactivity & immediacy

What is digital / online credibility

Our assumption:

- Online credibility is a ***perceived*** quality
  - ✓ It doesn't reside in an object, a Web site, a person or a piece of information

Four types of online credibility

1. Presumed Credibility
2. Reputed Credibility
3. Surface Credibility
4. Experienced Credibility

✓ *Concepts from BJ Fogg, professor @ Stanford University's Persuasive Technology Lab*

1. Presumed online credibility

Beliefs we might hold because of our general assumptions about online

Domain name has ".org"	Site is from AOL or Microsoft...
Lots of hits on Web counter	Very few hits on Web counter
Information on the site seems to be constantly updated	Information on the site seems to be rarely updated

2. Reputed online credibility

We might believe because of a 3rd party reference, either in print on online

Your medical doctor referred you to this Web site.	Your friend said the site was horrible.
The site won an award.	The newspaper said the site was down for three days.
An authoritative Web site linked to this site.	A political group you don't like endorses the site.

3. Surface online credibility

What we find on simple inspection after searching or 'surfing'

Site looks professional.	Site looks confusing.
Site is from an organization you recognize.	The organization has no presence outside the Web.
Site articles have citations / credits / bylines / sources	The site uses many too many animated features.

4. Experienced online credibility

We believe because of past experience

You get the news, information you are looking for quickly / easily.	The site has a broken link[s].
The site's navigation makes it easy for you to find things.	The site takes a long time to download each page.
You've found the content to be fair and balanced.	You've seen factual errors on the site.

Digital Credibility Study's Survey

What are the perceptions of the credibility of online journalism?

Two groups surveyed

1. Consumers of online news
   – 1,000 people in survey; demographically based
2. Online, print, broadcast workers
   – 1,400 media workers in survey

Conducted by NFO WorldGroup

Key finding: Verdict is still out

Online public has *not yet* made up its mind about the credibility of online news
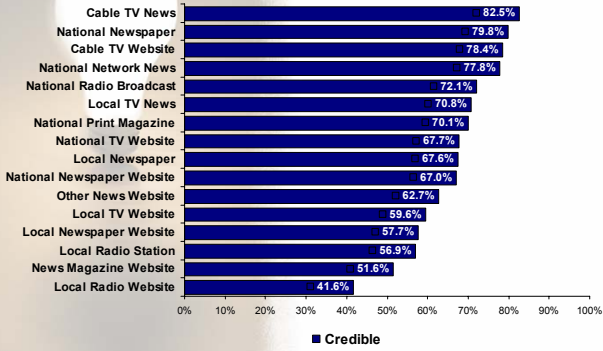
- Large number of neutral and unsure responses

Said another way

- *There is an opportunity to use credibility as a differentiator in the marketplace*
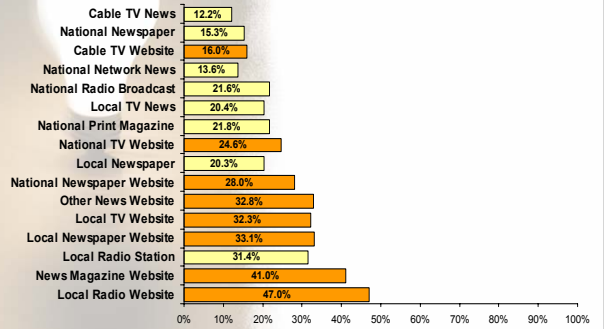 - ✓ *Making your site stand out*

U.S. online public's credibility ratings

Chart — "Credible" ratings:

Source	Credible
Cable TV News	82.5%
National Newspaper	79.8%
Cable TV Website	78.4%
National Network News	77.8%
National Radio Broadcast	72.1%
Local TV News	70.8%
National Print Magazine	70.1%
National TV Website	67.7%
Local Newspaper	67.6%
National Newspaper Website	67.0%
Other News Website	62.7%
Local TV Website	59.6%
Local Newspaper Website	57.7%
Local Radio Station	56.9%
News Magazine Website	51.6%
Local Radio Website	41.6%

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U.S. online public undecided ratings

Source	Undecided
Cable TV News	12.2%
National Newspaper	15.3%
Cable TV Website	16.0%
National Network News	13.6%
National Radio Broadcast	21.6%
Local TV News	20.4%
National Print Magazine	21.8%
National TV Website	24.6%
Local Newspaper	20.3%
National Newspaper Website	28.0%
Other News Website	32.8%
Local TV Website	32.3%
Local Newspaper Website	33.1%
Local Radio Station	31.4%
News Magazine Website	41.0%
Local Radio Website	47.0%

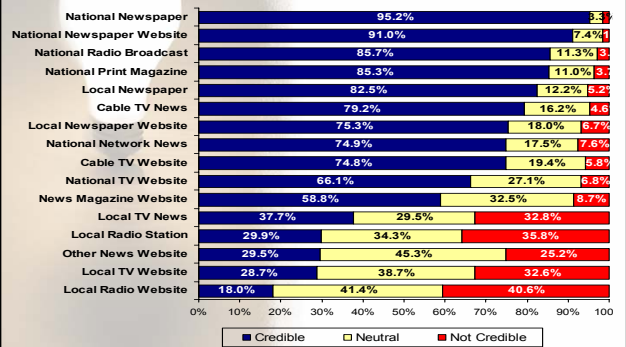*Ifra Asia Conference 2002 / "Digital Credibility"/ Howard Finberg*

U.S. online public's credibility ratings

Source	Credible	Neutral	Not Credible
Cable TV News	82.5%	12.2%	5.4%
National Newspaper	79.8%	15.3%	4.9%
Cable TV Website	78.4%	16.0%	5.6%
National Network News	77.8%	13.6%	8.6%
National Radio Broadcast	72.1%	21.6%	6.3%
Local TV News	70.8%	20.4%	8.9%
National Print Magazine	70.1%	21.8%	8.1%
National TV Website	67.7%	24.6%	7.7%
Local Newspaper	67.6%	20.3%	12.2%
National Newspaper Website	67.0%	28.0%	5.0%
Other News Website	62.7%	32.8%	4.5%
Local TV Website	59.6%	32.3%	8.1%
Local Newspaper Website	57.7%	33.1%	9.2%
Local Radio Station	56.9%	31.4%	11.8%
News Magazine Website	51.6%	41.0%	7.4%
Local Radio Website	41.6%	47.0%	11.4%

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U.S. media respondent ratings

Source	Credible	Neutral	Not Credible
National Newspaper	95.2%		3.3%
National Newspaper Website	91.0%	7.4%	
National Radio Broadcast	85.7%	11.3%	3.3%
National Print Magazine	85.3%	11.0%	3.7%
Local Newspaper	82.5%	12.2%	5.2%
Cable TV News	79.2%	16.2%	4.6%
Local Newspaper Website	75.3%	18.0%	6.7%
National Network News	74.9%	17.5%	7.6%
Cable TV Website	74.8%	19.4%	5.8%
National TV Website	66.1%	27.1%	6.8%
News Magazine Website	58.8%	32.5%	8.7%
Local TV News	37.7%	29.5%	32.8%
Local Radio Station	29.9%	34.3%	35.8%
Other News Website	29.5%	45.3%	25.2%
Local TV Website	28.7%	38.7%	32.6%
Local Radio Website	18.0%	41.4%	40.6%

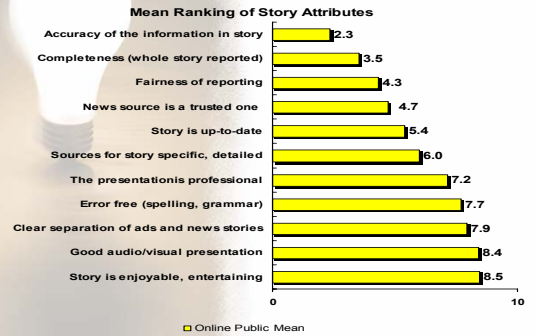*Ifra Asia Conference 2002 / "Digital Credibility"/ Howard Finberg*

Story credibility

The most important drivers of online story credibility are very familiar to journalism

- Accuracy
- Completeness
- Fairness

Credibility attributes of stories

Mean Ranking of Story Attributes

Attribute	Online Public Mean
Accuracy of the information in story	2.3
Completeness (whole story reported)	3.5
Fairness of reporting	4.3
News source is a trusted one	4.7
Story is up-to-date	5.4
Sources for story specific, detailed	6.0
The presentation is professional	7.2
Error free (spelling, grammar)	7.7
Clear separation of ads and news stories	7.9
Good audio/visual presentation	8.4
Story is enjoyable, entertaining	8.5

☐ Online Public Mean

Credibility attributes of stories

Drivers for online public

1. Accurate information
2. The whole story
3. The story reported fairly
4. *They want to hear it from someone they trust*
5. In a timely manner

Drivers for media

1. Accurate information
2. The whole story
3. *They want to hear it from someone they trust*
4. Specific and detailed sourcing information
5. In a timely manner

Site credibility

Site attributes also contribute to the continued use of online news sites and the perceived credibility of those sites

- Story and site credibility are different

Site credibility attributes

The online public expects digital news *sites* to be constantly updated

- Timeliness is more important as a *site* credibility driver than *story* credibility driver

Site credibility attributes

Media respondents differ on accuracy as a driver for *site* credibility

- Accuracy as a credibility driver
  - ✓ Online public: 24.1 %
  - ✓ Media respondents: 14.3 %
- Brand recognition as site credibility driver
  - ✓ Online public: 16.4 %
  - ✓ Media respondents: 25.4 %

Site credibility attributes

Site Attributes as Key Driver; in percent

Attribute	Online Public
Information on the site is constantly updated	26.5
Accuracy of information	24.1
Site is from an organization I recognize	16.4
Ease of navigation	13.1
Content is fair and balanced	9.7
Speed of download	2.2
Articles have citations	0.6
Site won an award	0.3
I work for the site*	0
Other	7.1

□ **Online Public**
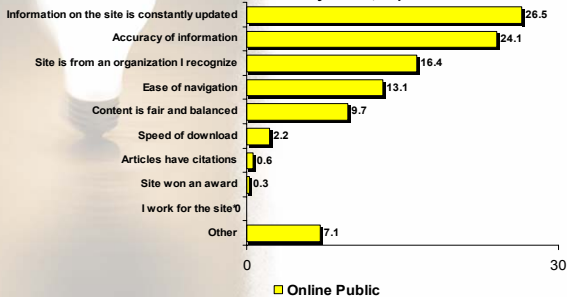
only members of the media were asked if they worked for the site.

Influence of business interests

**Advertisers and Business Interests Influence
How News is Reported; in percent**

	Online Public	Media Respondents
Agree	65.6	51.5
Neutral	24.6	15.5
Disagree	9.7	32.9

□ **Online Public**
■ **Media Respondents**
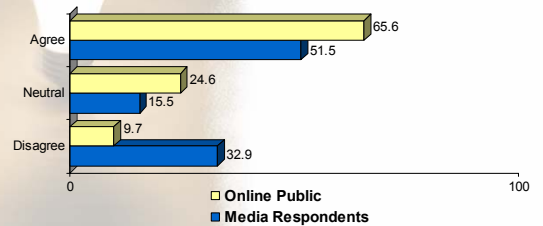
The economic pressures

Separation of editorial and advertising

- Asked directly if the separation between advertising and editorial content matters to a news source's credibility, the public overwhelmingly (**95.9** %) said *YES*, it matters.

Influence of business interests

Familiarity is important

- Perceptions of news and advertising separation

Percent who visit online news sites and say it is easy to separate news/ad content

0 to 2 sites	3 to 5	6 to 10	11 or more sites
28.8	38	48.6	53.1

◆ Those who said they agree
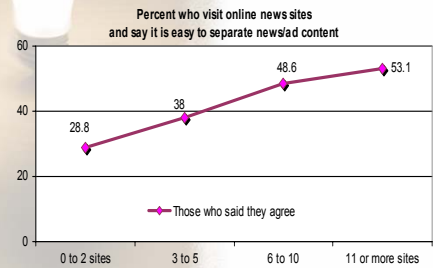
Online: Most complete news source

Media respondents strongly disagree

Percent who say online news sites provide the most complete picture of the news

☐ Online Public
■ Media Respondents

	Online Public	Media Respondents
Agree	17.9	12.8
Neutral	47.9	19.6
Disagree	34.2	67.6
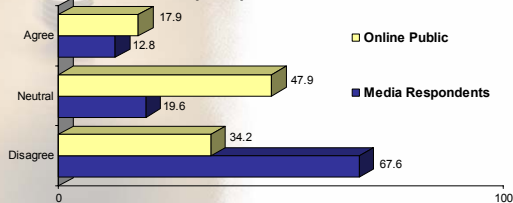
Brand matters

"How important is it to you that the site comes from a news organization you respect outside of the Internet?"
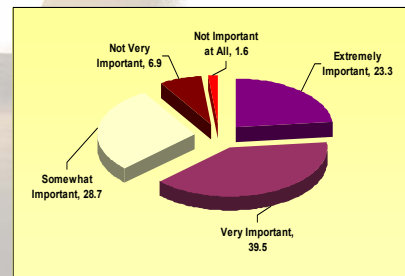
- Not Very Important, 6.9
- Not Important at All, 1.6
- Extremely Important, 23.3
- Somewhat Important, 28.7
- Very Important, 39.5

The economic pressures

Blurring of advertising and editorial has been a major source of credibility issues

- <u>Blurring lines between what's news vs. data</u>
- "Beyond the Banner" advertisements
- Sponsorships with strong ties to content subject

The economic pressures

Blurring of advertising and editorial has been a major source of debate

- <u>Wallpaper blurs the lines what's news vs. data</u>
- Sponsorships with strong ties to content subject
- USAToday.com Beyond the Banner advertisement

CBS MarketWatch

The economic pressures

Blurring of advertising and editorial has been a major source of credibility issues

- "Beyond the Banner" advertisements
  - ✓ When does advertising diminish editorial
- Sponsorships with strong ties to content subject

Beyond the Banner

USA Today Example

The economic pressures

Blurring of advertising and editorial has been a major source of credibility issues

- Sponsorships with strong ties to content subject
  - ✓ What's obvious? What's acceptable?

MSN / CNBC Money

The New York Times

Immediacy

"The digital age does not respect contemplation...Now there are no cycles, only *Now*..."

- *James Naughton*
  - *Director of the Poynter Institute*

Challenges & Opportunities

The verdict on digital news credibility is still out

- Customer trust is ours to lose
- Credibility is important to our business

To convince traditional media that online news is credible news

Thank you

If you want a complete copy of the report, visit and join the Online News Association

- www.journalists.org

Or let me know via e-mail or in person

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