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Furthermore, the assumption that the Newspaper Industry will continue to decline rather than improve is evident. Economic downturns, changes in socio-cultural trends and technological advancements have all played a key factor in this epidemic. Alternatives: Alternative 1: Partnership or license agreement with Apple Incorporated.

Apple Incorporated is one of the largest Information Technology and Smartphone providers. USA Today’s opportunity to partner with this blue-chip company will truly be beneficial as the partnership will create a wider exposure for the desired target market as well as meeting our project objective. Alternative 2: Partnership agreement with Facebook and Twitter. Our second alternative issues a joint venture of USA Today with the world’s two leading social networking services Facebook and Twitter. Our idea is that USA Today will utilize these two internet databases to distribute news references and articles.

Alternative 3: Produce new online and downloadable content using the USA Today website. Our last alternative illustrates the significance of producing new downloadable content that subscribed users and visiting surfers can make use of. Recommendations: Based on our objective that we are trying to reach a younger demographic for USA Today, we believe that using our social networking alternative will be most beneficial. We will use this social database to distribute news references and articles as well as exposing to our potential audience. Subsections created by both Facebook and USA Today will be a newspaper database which subscribed users and visitors can apply. Timeline: Refer to the worksheet for our implemented recommendation timeline.

Identification of the Problem Changes and alterations in the external environment have caused the Newspaper industry to suffer in declination. Furthermore, the assumption that the Newspaper Industry will continue to decline rather than improve is evident. Economic downturns, changes in socio-cultural trends and technological advancements have all played a key factor in this epidemic.

With that being said, part of USA Today’s other challenges deals with the unexpected occurrences in meeting the needs of future social trends. In order for them to improve in their current market as well as advance into new sectors, the business objectives will need to be improved based on matching new socio-cultural trends. This is probably evident in most newspaper company within the industry due to the reason that it is now much more efficient for individuals to obtain updated news information and data.

New modern trends suggest that potential and past viewers of newspapers concentrate on using information technology rather than printed documents. In addition it is considered untraditional for reading newspapers even when tourists and business are travelling and on the go. Some solutions to these cultural shifts can be transforming the companies into digital-first, and stop putting most of the energy into saving print revenues.

More importantly focus on future endeavours rather than past issues. Shipping newspapers for places that are considered further during any day of the week should be maintained or even stopped. Instead, transition these customers to use the web materials that the company has provided and other mobile news applications to raise awareness and improve profits rather than loss. If newspaper companies organized some of the suggest strategies, the printed newspaper would be a smaller product but most certainly retain what’s best, shift staff to focus on developing new online and mobile revenue opportunities. Furthermore, our case study will be used to develop new recommendations and strategies that the newspaper industry can utilize in order to meet new opportunities and solve some of the industry’s problems. SWOT: Strengths, Weaknesses, Opportunities, Threats Strengths •USA Today was non-traditional which gave them a competitive advantage in the later years. •USA Today was able to provide several unmet needs and want •Promotional efforts like “ BusCapade” and JetCapade” gave USA Today overseas success and later created USA Today International for further audiences.

USA Today is available in more than 60 countries in Western Europe, Middle East, North Africa and Asia. (internationally exposure) •New advertising functions provided by USA Today attracted more advertisers to increase revenue. •School campuses also hold USA Today newspapers •Spinoffs created by USA Today attracted a wider range of audience (Sports Weekly, USA Today’s Open Air) •USA Today Online is also considered the most compelling spinoff •Partnership with Hampton Hotel and Fuse; USA Today live (TV network) •Brand extensions gave USA Today a wider product distribution volume • Customer loyalty – been in business for 29 years 25 years of continuous growth and most widely read newspaper in the United States. •Gannett publishes 85 daily and 1000 nondaily newspapers, operates 23 broadcast TV stations reaching 20% of U. S population Opportunities •Technological advancements have allowed USA Today to create new product enhancements. •High reach created through previous success in USA Today International will continue be a positive factor.

•Well known newspaper provided in the United States. They are considered a top competitor amongst other well known papers. Weaknesses USA Today’s non-traditional newspapers endured criticism in the early stages of growth and evolution.

•USA Today being non-traditional is considered a type of junk food journalism and complex for readers. This was during the early stages of development •Website spinoff from USA Today required consumers to pay for monthly subscriptions. Threats •Cultural shifts in terms of decreasing amount of people reading the paper and in different age groups are considered a major disadvantage. •Previous economic downturn affected the entire newspaper industry. o Advertisements decreased o Overall purchases in newspapers have also een a downfall oNewspapers have seen a struggling in the midst of an economic recession that has triggered a soft advertising market. •Changing technological advancements is also considered a threat for the newspaper industry and USA Today despite the positives it may have. oThese advancements have allowed customers more options to access news and coverage which led to market decline.

oIt has also provided customers the ability to customize the news they receive. E- papers, hand held electronic devices, television coverage’s and blogs have all led to the e decline in the industry despite its ability to enhance. Organization Objectives The economic depression of 2007 – 2009 marked one of the biggest declinations within the U. S newspaper industry. This economic fluctuation caused many businesses to reduce in advertisement which is considered a main revenue generator for the newspaper industry.

Industries such as automotive, retail and employment sections showed a significant sign of decrease during this time period which led to not only USA Today to suffer but the entire newspaper industry as well. Percentages of this declination include: 1. Total advertising revenues were down 16% which accounts for $7. 5 billion.

. Classified advertisings, which are newspaper ads that is arranged according to specific categories and sections within the print, accumulated a loss of 29. 7% 3.

Print ads that are also a form of newspaper advertising was down 17. 7% 4. And even online advertising was down 1. 8% due to tough economic struggles. USA Today USAToday. com Total Readers3.

3 Million17. 9 Million Male Audience64%48% Female Audience36%52% Average Age4238 The chart presented above provides the amount of readership percentage amongst USA Today’s target audience in terms of both newspaper prints and their online website. As you can see the average age of readers from the online section are slightly younger due to the fact that younger generations utilize technological advancements more than the older generations evident from the printed column. With that being said our organizational objective is to: “ Improve the percentage of readership amongst the younger generation by developing a higher volume of online readers from 17. 9 million to 21 million within the next 2 years.

” Our purpose is to focus on what is working in terms of the company’s success and corresponding with the socio-cultural trends and changing lifestyles that are currently happening. To expand on that point we want to implement new strategic marketing schemes that can be used to generate and improve on revenue and also are one of the first in the newspaper industry to utilize resources such as technological advancement for their advantage. Rather than living through past experiences of print media and their declination in sales and revenue we focus on improving opportunities that can help with future trends and development. Specific: Our objective is surely a specific ideal approach for improvement. In our goal we allowed an attainable marginal increase from 17. – 21 million at a given time period of 2 years which is certainly achievable through appropriate recommendations and alternatives in are marketing scheme that we will implement in terms of shifting trends. Measureable: We will calculate this process of either increase or decrease of internet traffic through tracking procedures that will be implemented on our website to see who are occasional users and regular users.

Once our designated time period has expired we will calculate the amount of improvement or decline for the industry and company. Attainable: Newspaper companies generate their majority of revenues through advertising percentages that other companies purchase from the firm. For instance, USA Today’s current customer may be Staples Business Depot when they want an advertisement posted in their printed newspapers or on their online papers. With that being said, we plan on attaining revenue through this process as well as using new technological enhancements such as blogs and interactive websites that USA Today can utilize to distribute news and information. Realistic: In terms of our goals and objectives, we believe the amount of readership we have chosen is surely a realistic value. Due to the slow improvement of the economy, many businesses are beginning to spend more on advertising again prior to the recession. In addition, the new resources that we can already utilize such as Smartphone operators, Window’s Phones, iPads and many more can all play important factors when determining this objective. Timeframe: Aforementioned in previous subheadings, are timeframe for implementing this goal is approximated a long-term goal consisting of 2 years.

During this time we hope to improve on readership percentage for the business and industry as well as increase the overall value of readers for online segments. Analysis of Alternatives Alternative 1: Partnership or license agreement with Apple Incorporated With Apple Incorporated being one of the largest Information Technology and Smartphone providers, USA Today’s opportunity to partner with this blue-chip company will truly be beneficial. It was stated in the case that many providers of handheld devices are increasingly being used to deliver news coverage on specific content. USA Today partnering with Apple will create a wider exposure for the desired target market as well as meeting our objective.

Products such as iPads, iPhones, iPods and other iTunes software can be used as a provider for USA Today to distribute online news references and articles to the audience. This will not only create efficiency but increase the readership of the younger audience as well not to mention saving printing costs and revenue. Advantages Disadvantages • Meet organization objective •Increase readership amongst younger age groups Improve brand identity • Potential sacrifice of company capital • It may cost to create partnership One of Apple`s recent partnership agreements with AT&T states the terms of revenue sharing agreement as well as adding subsides on particular products. This can be used as an example of future partnership agreements that other business may look into. For instance, if our implemented alternative is used USA Today and Apple may use the same revenue sharing agreement procedure which allows two of the companies to continue owning their own desired capital. Conclusion: This alternative is a good opportunity for USA Today to meet organization objectives that we imposed.

However it may be considered a long term goal rather than a goal that we would like to meet within the next 2 years. Alternative 2: Partnership agreement with Facebook Our second alternative issues a joint venture of USA Today with the world’s leading social networking services Facebook. Our idea is that USA Today will utilize the social databases to distribute news references and articles. Subsections created by both Facebook and USA Today will be a newspaper database which subscribed users and visitors can utilize. How will revenue be generated? USA Today can present one major alternative for generating revenue in terms of this potential partnership. Online advertisement incorporated with the online database will generate traditional revenue. Users that log onto the selected USA Today webpage listed on the Facebook service and Twitter service will see presented ads that help both companies record income.

This overall partnership process will allow USA Today to create efficiency in terms of connecting with the younger audience that has been extinct through traditional newspapers. It is also much easier and cost-sensitive for USA Today to partner with Facebook and Twitter as different business plans are evident. Advantages Disadvantages • Meet organization objective •Increase readership amongst younger age groups • Efficiency with creating partnership • Cost-effective • Potential sacrifice of company capital • Not as much exposure as we predict Conclusion: This alternative may be considered more effective than the first recommendation. However, it is possible that USA Today will produce a lower percentage of readership audience and familiarity as opposed to partnering with Apple. Although it may cost less to partner with these two individual social networks, meeting potential requirements we stated earlier may be more difficult than anticipated. Alternative 3: Produce new online and downloadable content using the USA Today website Our last alternative illustrates the significance of producing new downloadable content that subscribed users and visiting surfers can make use of. Some of these desired contents include: Online podcasts which will provide daily and weekly news • Video segments that comment on news headlines • Blogging center for subscribed users to chat online These features can be used to generate readership percentage amongst potential audiences such as the younger generation as well as producing annual profits and revenues that will surely help USA Today. Downloading each online podcast depending if they are subscribers will cost anywhere between 0.

90cents – $1. 75 based on the traditional printed newspapers. •Advertising segments can also be synchronized within the podcast to further increase profit. Subscribers will pay an annual fee of a fixed priced which will allow these users to download podcast contents for free. Video segments that provide quick updates on news and articles can be viewed online or from handheld devices for free.

However larger detailed analysis of content will only be available for subscribed users. Finally blogging centers for commenting and chatting about recent news headlines and discussions are also strictly based for subscribed users. Advantages Disadvantages Connect with the younger audience using new interactive methods to provide news • Cost less to develop than to partner up • Company capital is kept •Utilizing new technological advancements by minimizing costs •Overall efficiency is presented to existing customers and potential users •Older generations of the target market are alienated •Lower exposure patterns may be sought Conclusion: this overall alternative may be the best option we can choose as of this time. It creates a new unique selling proposition that no other newspaper company has presented.

It creates efficiency for the younger generations to utilize. For instance, users can download the news content and listen whenever they are travelling or on the move by listening to their mp3 players or Smartphones not to mention other phone devices that offer mp3 utilization. This overall method creates efficiency for all users and connects with a younger audience that our objective states. Recommendation Based on our objective, we are trying to reach a younger demographic for USA Today, thus we believe that using social media networks, such as Facebook will be most beneficial. We will use this social database to distribute news references and articles as well as exposing to our potential audience. Subsections created by both Facebook and USA Today will be a newspaper database which subscribed users and visitors can apply. How will revenue be generated? Based on the amount of “ clicks” by each Facebook user, a term of shared revenue will be generated amongst Facebook and USA Today.

Advertisements located within the Facebook/USA Today will also be a factor to generate revenue. Finally, potential paid subscribers that wish to contribute after being exposed to the new product. Conclusion: this alternative may be considered more effective than the first recommendation. However, it is possible that USA Today will produce a lower percentage of readership audience and familiarity as opposed to partnering with Apple. Although it may cost less to partner with these two individual social networks, meeting potential requirements we stated earlier may be more difficult than anticipated. Metrics • Page clicks / heading clicks • Subscriptions • Brand spin-off Informational Requirements Facebook Statistics: •Number of active users on Facebook – there are more than 500 million active users currently on Facebook. 50% of active users will log onto Facebook at any time of the day Activity on Facebook: •There are over 900 million objects that people interact with (pages, groups, events and community pages) • Average user are connected to 80 community pages, groups and events • Average user creates 90 pieces of content each month •More than 30 billion pieces of content (web links, news stories, blog posts, notes, photo albums, etc. ) shared each month Budget/Cost for partnership Microsoft – Partnership agreement as of 2007 • Microsoft paid an astounding $240 million for a 1.

% share in Facebook. • This deal implicitly values Facebook at $15 billion • We can look at Microsoft’s purchase as a grab at Facebook’s 49 million users. Mathematically, it means that Microsoft paid $300 for the ability to reach each user on Facebook •With ad clicks usually worth anywhere from 5 cents to a dollar, it means that Microsoft is hoping that each one of us will click on 300-1500 ads for its investment to break even (Referring to the information listed above) USA Today – Partnership agreement as of 2011 (potentially) •In 2011 Facebook currently has 500 million active users. It is estimated that USA Today can potentially spend around 240 million unless Facebook has raised its investments in the past 4 years. Because of a rapid growth in this very successful social networking site it is possible that Facebook has increased its partnership costs •USA Today expects to be paid through ad clicks, which pay from 5 cents – 1 dollar, and paid subscriptions •With 500 million active users and 250 million users accessing Facebook daily, USA Today, which is projected on the main page, will have an extreme increase in exposure Revenue $500 000 000 / 2 = $250 000 000 $250 000 000 \* $0. 0 (per click) = $25 000 000 $25 000 000 / 2 = $12.

5 million (due to a 50/50 shared revenue agreement) Breakeven $240 000 000 / $12 500 000 = 19. 2 days Therefore, roughly after 20 days, we can begin making profit. Implementation: Timeline September October November December January February March April May June July August Reduce printing Activity for USA today Agreement with Facebook Hire staff to track activity of the USA Today/Facebook site Next Step: Implement a new marketing plan if above strategy is successful Page 12 of 13 Document Sited