Acknowledgements

Executive Committee

- Tom Gougeon, President, Gates Family Foundation
- JB Holston, Dean, Daniel Felix Ritchie School of Engineering and Computer Science, University of Denver
- John Huggins, Chairman and President, Notable Systems
- Roxane White, Founder and CEO, Strategy with Rox

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- Will Alverson, Cultivo Media
- Chelsea Church, BCG
- Melissa Davis, Gates Family Foundation
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- Empowering Colorado
- Fresh Water News

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- Lenfest Institute
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- The Mountain Independent
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- Project X-ITE, University of Denver
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- Rocky Mountain PBS
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- Strategy with Rox
- Streetsblog Colorado
- Write. Edit. Think.
News matters
Colo. should demand the newspaper it deserves

Who will step up and save The Denver Post?
By Gregory L. Moore

Journalists don’t protest. But this time is different.
By Ricardo Roca

The @denverpost is being murdered by its owners. It’s the most heartbreaking, panic-inducing thing I’ve seen in 20-plus years of writing for daily newspapers. We need a new owner, or we are going to get shut down (and soon).
dpo.st/2qdqbw @AldenExposed #AldenExposed

John Wenzel ★ @johnwenzel · Apr 6
Advertising and circulation revenue of the newspaper industry
US Media Ad Spending Share, by Medium: 2014-2020
57% Digital ad market share controlled by Facebook + Google Duopoly in 2017

Local news can’t compete -- even Amazon has less than 5% market share
The audience for nearly every major sector of the U.S. news media fell in 2017
## News Audiences are Shrinking Across all Media

<table>
<thead>
<tr>
<th></th>
<th>Decrease 2016 - 2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers PM</td>
<td>11%</td>
<td>Daily circulation</td>
</tr>
<tr>
<td>Cable TV PM</td>
<td>12%</td>
<td>PM news combined average audience</td>
</tr>
<tr>
<td>Network AM PM</td>
<td>7%</td>
<td>AM news combined average audience</td>
</tr>
<tr>
<td>Network PM PM</td>
<td>10%</td>
<td>PM news combined average audience</td>
</tr>
<tr>
<td>Local AM PM</td>
<td>15%</td>
<td>AM news combined average audience</td>
</tr>
<tr>
<td>Local PM PM</td>
<td>7%</td>
<td>PM news combined average audience</td>
</tr>
<tr>
<td>Digital native</td>
<td>5%</td>
<td>Monthly average unique visitors</td>
</tr>
</tbody>
</table>

Pew Research Center
Colorado audiences are increasingly fragmented

**Colorado audiences consume news digitally**
- 92% use a computer, mobile, or tablet several times a day to consume news.

**With dwindling attention spans**
- 62% read only headlines or short summaries.
Attention Economy
Digital, mobile, social are king

5.9
Daily hours per adult on digital, 3.3 of which is on mobile

1000%
Increase in mobile use over past decade
Social initiates the news cycle

Community and crowd sourcing are both content creation and distribution

"I just saw..."

Comment: “:)”

Engagement is the new currency

Graphic + insights courtesy of SmithGeiger
**Most trusted news brand? Your local news**

<table>
<thead>
<tr>
<th>Source</th>
<th>Trust Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your favorite station for local news</td>
<td>53%</td>
</tr>
<tr>
<td>Google</td>
<td>38%</td>
</tr>
<tr>
<td>A local news station other than your favorite</td>
<td>36%</td>
</tr>
<tr>
<td>ABC News</td>
<td>36%</td>
</tr>
<tr>
<td>NBC News</td>
<td>35%</td>
</tr>
<tr>
<td>New York Times</td>
<td>34%</td>
</tr>
<tr>
<td>CBS News</td>
<td>34%</td>
</tr>
<tr>
<td>CNN</td>
<td>32%</td>
</tr>
<tr>
<td>FOX News Channel</td>
<td>30%</td>
</tr>
<tr>
<td>MSNBC</td>
<td>25%</td>
</tr>
<tr>
<td>Huffington Post</td>
<td>23%</td>
</tr>
<tr>
<td>Facebook</td>
<td>16%</td>
</tr>
<tr>
<td>Twitter</td>
<td>11%</td>
</tr>
<tr>
<td>Breitbart</td>
<td>8%</td>
</tr>
</tbody>
</table>

Q19:3: How much trust do you place in each of the following news sources?
The Process

Scan

Listen

Experiment

Share
The Process

Listen
- To audiences: 2000+ person survey on news consumption habit and preference
- To journalists: qualitative interviews with reporters, editors and publishers
- To publications: baseline data collection on capacities and opportunities

Scan

Experiment
- Digital prototypes: rapidly designing, testing, iterating on mobile news apps
- Business models: rigorous analysis of target market, sustainable opportunities

Share
- Practicing total transparency. Gathering the community to collaborate around solutions.

Vision
- Accelerate sustainable, at-scale, civic-minded solutions in Colorado’s digital media landscape.

Practicing total transparency. Gathering the community to collaborate around solutions.
What We Found
Identifying a sustainable value proposition

Scott Stemberger
Chelsea Church
strategic questions

Which Coloradans have unmet news + information needs and what are they?

How might we meet those needs?

How can we make economically sustainable solutions for these needs?
Total Colorado population: 5.5M

Addressable Market: 2.4M
- Interested in CO news
- Digitally savvy
- Read more than headlines

Low willingness to pay: 1.4M
- High willingness to pay: 1.0M
Survey identified addressable market of ~2.4M CO residents that meet criteria, ~1M of which have high willingness to pay.

Colorado population narrowed down to the addressable market:

- All Coloradans: ~5.5M
- No interest in CO news: 15%
- Not digitally savvy: 18%
- Skims headlines: 23%
- Addressable market: ~2.4M
  - Low willingness to pay: 26%
  - High willingness to pay: 18%
- No interest in CO news: ~1.4M

Coloradans affiliated most with their neighborhood/city; interested in both city and national news

Strongest affiliations to their neighborhood, city

% of respondents ranking top 3 affiliation¹

<table>
<thead>
<tr>
<th>Affiliation</th>
<th>City</th>
<th>State</th>
<th>National</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighboorhood</td>
<td>34%</td>
<td>16%</td>
<td>16%</td>
<td>1%</td>
</tr>
<tr>
<td>City</td>
<td>27%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Greatest interest in national, city news

Interest in news topic, as ranked by respondent²

<table>
<thead>
<tr>
<th>News Topic</th>
<th>National</th>
<th>City</th>
<th>State</th>
<th>Neighborhood</th>
<th>Int'l</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank 1</td>
<td>54%</td>
<td>50%</td>
<td>33%</td>
<td>32%</td>
<td>17%</td>
</tr>
<tr>
<td>Rank 2</td>
<td>37%</td>
<td>26%</td>
<td>12%</td>
<td>21%</td>
<td>13%</td>
</tr>
</tbody>
</table>

¹ Of the current neighborhood, city, state and country in which you live, which are you most affiliated to? ² Please rank the types of information you’re most interested in consuming. Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014
High willingness to pay segment prefers to consume news that impacts their day-to-day lives

<table>
<thead>
<tr>
<th>Reason for Consuming News</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn about things that impact my life</td>
<td>74%</td>
</tr>
<tr>
<td>Discover events/music/arts/restaurants</td>
<td>67%</td>
</tr>
<tr>
<td>To be up-to-date with friends/family/colleagues</td>
<td>60%</td>
</tr>
<tr>
<td>Learn something new/curiosity</td>
<td>58%</td>
</tr>
<tr>
<td>Entertainment/boredom</td>
<td>57%</td>
</tr>
<tr>
<td>Feel connected to local community</td>
<td>54%</td>
</tr>
<tr>
<td>Learn about a broader/diff. community</td>
<td>43%</td>
</tr>
<tr>
<td>Responsibility to hold pub. leaders accountable</td>
<td>39%</td>
</tr>
<tr>
<td>Achieve a goal</td>
<td>33%</td>
</tr>
</tbody>
</table>

1. What are your motivations for consuming published content and information?

Government and politics come out on top in terms of both interest and willingness to pay.

Order of importance - top five topics

1. Government & politics: 47%
2. Weather: 30%
3. Economy: 25%
4. Sports: 24%
5. Crime & safety: 20%

Willingness to pay - top 5 topics

1. Government & politics: 35%
2. Weather: 24%
3. Entertainment, Events, & Culture: 24%
4. Sports: 19%
5. Crime & safety: 17%

1. Of the topics that you typically consume, please rank them in order of importance to you; 2. Thinking about paying for local information, please rank which topics of information you would be most likely to pay for; Source: Colorado Media Consumer Survey 2018, respondents weighted: 1973, respondents unweighted: 2014.
Most respondents consume local news - but fewer pay for it and fewer still pay for it **digitally**.
Interest in local news can be enhanced via multiple features
Format, approach to aggregation/personalization, degree of advertising, trust in the source all cited

Top 8 prospective features to increase interest in local news

- Advertisement-free: Significantly increases interest (42%), Increases interest (36%)
- Delivered by trusted personality: Significantly increases interest (36%), Increases interest (36%)
- Cleaner, clearer format: Significantly increases interest (36%), Increases interest (36%)
- Content from multiple sources in one place: Significantly increases interest (33%), Increases interest (42%)
- Ability to select news format (video, audio, text): Significantly increases interest (32%), Increases interest (33%)
- Told what info means/why it matters to user: Significantly increases interest (28%), Increases interest (27%)
- Personalized/curated information: Significantly increases interest (27%), Increases interest (26%)
- Suggested calls to action: Significantly increases interest (26%), Increases interest (27%)
3 strategic questions

Which Coloradans have unmet news + information needs and what are they?

How might we meet those needs?

How can we make economically sustainable solutions for these needs?
Two criteria for selecting a business model: Mission of the CMP founding team & Likelihood of success

CMP mission alignment
(Maintain scrutiny, Sustainable business model, Colorado-wide, scalable solution)

Likelihood of success
(Market needs, competition, capabilities & resources of founding team, etc.)
In pursuit of these goals, we explored a range of current and former news services

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help you understand</td>
<td>In-depth analysis and application, less focus on 24 hour news cycle</td>
</tr>
<tr>
<td>Community News</td>
<td>Issue-driven local news. Financially viable models typically have small distribution and high income base, no model yet successfully scaled; notable area of innovation</td>
</tr>
<tr>
<td>All-in-one news</td>
<td>Aggregators and select large publications, not prerogative of state/local orgs</td>
</tr>
<tr>
<td>Let me tell you my opinion</td>
<td>Interpret the news through a specific lens</td>
</tr>
<tr>
<td>Editorialized, curated content</td>
<td>Editorial commentary, minimal reporting, narrow geographic or topic focus</td>
</tr>
<tr>
<td>Cause-specific investigations</td>
<td>Investigative journalism supported by campaign/issue-specific funding and fundraising</td>
</tr>
<tr>
<td>News just for you</td>
<td>Individually-curated content based on machine learning</td>
</tr>
</tbody>
</table>

Non-exhaustive list of business models
Of these options, "Help you understand" & "Community News" rank best against the criteria

**CMP mission alignment**
*Maintain scrutiny, Sustainable business model, Colorado-wide, scalable solution*

- High risk that concept fails to capture substantial CO users/supporters
- High risk to take on Facebook and others in effectiveness at personalized targeting
- Unlikely to be competitive; CO consumers unlikely to go to CO-focused source for all news; aggregation-model risks CMP goals

**Likelihood of success**
*Market needs, competition, capabilities & resources of founding team, etc.*

- Mission-aligned and, with clear focus, demonstrably viable business model - can we fit a need?
- Choose to focus on a few mission-aligned topics; can we solve business model?
- Curation rather than reporting may fall short of CMP mission
- Strong risk of misalignment with CMP mission

**Proposed focus for deep-dives**

- Choose to focus on a few mission-aligned topics; can we solve business model?

**1. Help you understand**

- Editorialized, curated content

**2. Community News**

- News for you
- All-in-one
- Opinion

**Cause-specific investigations**

- High risk that concept fails to capture substantial CO users/supporters

- Strong risk of misalignment with CMP mission
"Help You Understand"

Key elements

Show Coloradans how and why today's news matters to them, and how they could act on this information.

Focus on news that relates to the state's growth, and what it means to be a Coloradan.

Sourced from well-known Colorado leaders.

Analysis by contributors, curated and edited by staff.

Delivered in multiple formats & lengths.

Why this news matters - Tax Debate Heats Up

An analysis from two local contributors.

John Hickenlooper
CO Governor

30% of Colorado jobs depend on trade and at risk.

Colorado's economy is safe.
Gabrielle Bryant
Digital Media Director at City and County of Denver

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.

John has #contributions to Why over What on topics including the economy, healthcare, and agriculture.

Gabrielle has #contributions to Why over What on topics including the economy, media, and technology.

Options to act -
Provided by our contributors.

Hear more -
Join the community forum & give feedback.

Follow specific writers/topics.

Give opportunity to engage.

8 min podcast.
"Community News"

Key elements

Build moderated, user-generated platform around local topics where contributors earn community recognition

Focus on news meaningful to the area - likely education, housing, leisure, etc.

Sourced from community leaders and passionate citizens

Contributors may earn recognition and revenue from their contributions

Sourced, edited, and moderated by staff

Delivered in multiple formats & lengths
How might we meet those needs?

Which Coloradans have unmet news + information needs and what are they?

How can we make economically sustainable solutions for these needs?
Explored two possible business models - each reliant on a combination of revenue streams

<table>
<thead>
<tr>
<th></th>
<th>Commercial model</th>
<th>Public media model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary revenue stream</td>
<td>Subscription &amp; advertising revenue</td>
<td>Voluntary membership &amp; advertising revenue</td>
</tr>
<tr>
<td>Supplemental revenue stream</td>
<td>Individual philanthropy</td>
<td>Individual philanthropy and foundations</td>
</tr>
<tr>
<td>Nature of experience</td>
<td>Tiering of consumer experience, content, and ad-exposure based on level of subscription</td>
<td>Uniform experience for all consumers regardless of membership/contributions</td>
</tr>
</tbody>
</table>

*More sustainable model for business*
Q&A

Scott Stemberger
Boston Consulting Group

Chelsea Church
Boston Consulting Group

Up Next:
Industry Insights
Andrew Elliman, Alan Gottlieb, Melissa Davis
40+ hours of interviewing

With journalists, editors, publishers from

20+ media organizations

Across print, digital, and broadcast ... representing a combined

500+ years of journalism experience
Revenue Opportunities

Various ways outlets are cultivating local community support

**ADVERTISING**
- Ad churn is unsustainable
- Shift in focus to long-term sponsorships

**EVENTS**
- Build brand
- Super-serve believers
- Engage with audience

**MEMBERSHIPS**
- Subscriptions crucial
- Grassroots base
- Longer-term investment

**PHILANTHROPY**
- Steep learning curve to secure major gifts
- New roles for philanthropists and journalists
### Colorado Media Project + Institute for Nonprofit News Survey

**Revenue by the numbers**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$74.2 M</td>
<td>Total annual revenue of 12 surveyed outlets</td>
</tr>
<tr>
<td>$71.4 M</td>
<td>Total annual revenue of top 2 reporting</td>
</tr>
<tr>
<td>$255 K</td>
<td>Avg revenue of remaining 10</td>
</tr>
<tr>
<td>15%</td>
<td>Average percentage of total budget spent on rev gen</td>
</tr>
<tr>
<td>4, 3, 1</td>
<td># of outlets that generated 75% or more of their revenue from one source (respectively foundations, subscribers/small donors, earned)</td>
</tr>
</tbody>
</table>
CMP + INN Survey
Revenue by the Numbers

Percentage of organizations with [X] source as part of revenue mix

Charitable
- Foundation: 67%
- Donations - Large: 50%
- Donations - Small: 50%
- Membership: 25%

Earned
- Advertising: 8%
- Sponsorships: 33%
- Events: 25%
- Syndication: 17%
CMP + INN Survey

Diversity & Inclusion

Overall, newsrooms lack diversity

Staff breakdown by gender
- Female: 53%
- Male: 47%

Staff breakdown by race
- White: 82%
- Hispanic: 9%
- Asian: 3%
- Black: 2%
- American Indian: 3%

Overall, newsrooms lack diversity.
Case Studies: Strengthening the Ecosystem, Galvanizing Support

Molly de Aguiar

Center for Cooperative Media
Montclair State University

Jason Alcorn

News Match
Quality journalism matters.
“More solid ground to stand on.”

Laura Frank
VP of Journalism, Rocky Mountain PBS
Digital Media Prototypes

CULTIVO

Scott Romano
Human Centered Design

1. Empathize
2. Define
3. Ideate
4. Prototype
5. Test
Connect with Coloradans across the state

Understand their news consumption habits

Empathize
Define

Four Key Insights

Social capital is a primary motivator for news consumption

People feel that news is entertainment that doesn’t feel like a waste of time

Statewide news is not as directly impactful as local news, but also doesn’t deliver the heightened identification that national news does.

Getting outside your bubble can be more trouble than it’s worth
The Four “How Might We’s” (HMW)

We posed one HMW question per each of insights to groups of users to see what we could all come up with together.

Purpose of HMWs is to inspire **game changing ideas**
The Four “How Might We” Questions (HMW)

HMW 1
HMW enable an engaged, Colorado young professional with work and social circles that value being perceived as informed to more efficiently understand detailed content?

HMW 3
HMW encourage a Durango citizen who primarily reads their local news to identify the direct relevance and value of statewide information and stories?

HMW 2
HMW make it easier for the busy Coloradan with a full time job and family who currently consumes news passively to fit relevant and interesting news into their existing routines?

HMW 4
HMW equip a politically opinionated Colorado resident who wants to be exposed to different perspectives to trust a source with a differing viewpoint?
Ideation Process

1. User groups presented HMWs
2. Collaborate to create potential solutions
3. Ideas filtered, combined, and built upon
4. Choose top 4 prototypes to build and test
The Four Prototypes

GeoStory

InSpectre News

THE DAILY SNACK

StoryHound
A daily email digest with stories curated individually for each test user based on categorical preferences and location.

Stories were chosen to be relevant and valuable to each user.
GeoStory Findings

- Location tagging made news feel more relevant
- Low quality content lead to low click through
- “Sponsored Content” was a preferred payment method
An app that allows users to swipe through Colorado news stories quickly deciding to either read immediately, save for later, share with their friends, or pass.
StoryHound Findings

• Replacement for scrolling on social media in free time

• Provided social capital for users

• Test users were surprised by their affinity for swiping through stories

• Test users wanted more content
An aggregator that provides access to articles with diverse perspectives. An easy way for readers to get outside of their bubble.
InSpectre Findings

• Users engaged with very little additional perspectives

• Users inclined to only seek out one or two perspectives on polarizing issues

• While there is an expressed desire to hear a diversity of perspectives, users did not actually take action when given the opportunity.
A feed that encourages users to engage with a broader array of content across formats and topics.
The Daily Snack Findings

- Ease of Consumption and Timeliness
- Stories inspired users to dive deeper with specific topics
- Preference for more diverse mediums
- Desire for breaking news, and some national
Imagine if everyone you know was informed, engaged, and constantly striving to be better
But Scott!
How do we do this??

You (probably)
By delivering news that:
Speaks their language, provides them value, and inspires them to make a difference
A full scale digital platform focused on providing quality, valuable journalism to the state of Colorado.

- Geo-Targeted Stories
- Bite-Sized Daily Digests
- Interactive and Engaging User Experience
Users want:
Mobile first design
Engaging, interactive, filling leisure time
Users want:
Access to diverse mediums and topics
Entertaining, informative, and creating social capital
Users want:
Access to information across their devices
Long-Form, Educational, and Personalized
Next Questions to Think On

- How can we choose and write stories to connect with younger and more diverse audiences?
- How can we provide the high-quality content readers want?
CultivoMedia.com

Have questions or interested in partnering with us? Reach out!

scott@cultivomedia.com

Will Alverson
Creative Director

Meredith Gee
Designer

Scott Romano
Chief Executive Officer
Q&A

Scott Romano
Cultivo Media

Meredith Gee
Cultivo Media

Will Alverson
Cultivo Media

Up Next:
What’s Next: Recommendations & Invitation
JB Holston & Tom Gougeon
What’s Next
Recommendation & Invitation

COLORADO MEDIA PROJECT

JB Holston
Tom Gougeon
The Big Picture: A Sector in Transition, at a Critical Juncture

What does Colorado journalism need to thrive in the digital age?

- **Revenue Development**: More people & orgs paying for local news
- **Public Engagement**: Two-way journalism; shore up trust
- **Cooperative Coverage**: Fill gaps and go deeper on vital topics
- **Digital Innovation**: Technology, tools, creative partnerships
- **Strategic Philanthropy**: Capacity building for a sustainable news ecosystem
CO News Lab

Crucial Partnership Spheres

Strong interest, perception of relevancy, and eagerness to evolve digital platforms and community engagement role (journalism 4.0).

Patient capital to address the growing crisis, turn the ship, support sustainable solutions.

University, business, and national thought leadership to support digital, revenue and audience innovations.
CO News Lab: Areas of Work

Support local media outlets of all types to evolve and meet the information needs of Colorado

**Sustainability**
- Build business capacity
- Build revenue
- Engage broader public support

**Innovation**
- Reach new audiences
- Develop and adopt new tools, tech, platforms, practices

**Collaboration**
- ID and address coverage gaps
- Build network for learning
- Share services and space
CO News Fund
Connected but independent

- **Additive** - grow the pie, galvanize more philanthropic support for Colorado journalism
- **Independent** - support the vision/programs of the lab, but “firewall” funding decisions
- **Impact** - incentivize coverage of news gaps, evolution of sector in the public interest
Call for Partners
The Path Forward

- Maintain momentum
- Explore community support
- Work with partners to solidify vision
- Raise capital, $4-7M for three years
- Launch Lab + Fund to support ecosystem evolution
Information & Contact

Detailed Findings:
www.coloradomediaproject.com

Call for Partners:
info@coloradomediaproject.com