

# Growing Audience

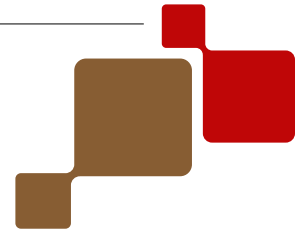
Innovation in Action



AMERICAN SOCIETY OF  
NEWSPAPER EDITORS



Newspaper  
Association  
of America



# Las Ultimas Noticias Goes Topsy-Turvy

By David LaFontaine and Janine Warner

**T**he newspaper *Las Ultimas Noticias* (“LUN”), in Santiago, Chile, has devised a system that makes the readers an integral part of the editorial process. Stories that receive the most clicks in its online edition are used to determine what goes into the next day’s paper.

The entire newsroom is constantly updated on the popularity of stories, and reporters and editors receive bonuses when their stories garner the most page views. At 5 p.m., a mockup of the next day’s front page is put on a giant video screen in the newsroom, and the staff is encouraged to suggest how to change, enhance or dump it altogether.

“Basically, what we did was to copy all our newspaper stories onto our Internet site ([www.LUN.com](http://www.LUN.com)) and attach a page-view counter to each story,” Publisher Augustin J. Edwards del Rio says in an e-mail interview. “This way, we can measure and rank those stories that were read the most. This information is looked at every day and can influence future editions.”

LUN’s paid print circulation averages 140,000 daily, and about 3.5 readers read each copy, according to Edwards. The Web site attracts about 290,000 unique visitors on weekdays, although that drops by 50 percent to 60 percent on weekends.

“It is on the basis of those 290,000 unique visitors and the daily 4 million page views that they generate that we debate our content decisions,” he says. “A top story can get over 100,000 “clicks” or page views, and the page-view differences between stories is also very large.”

On Jan. 23, the Wisconsin State Journal in Madison began allowing readers to vote on its Web site ([www.madison.com](http://www.madison.com)) each day for the story they would most like to see on the front page. The paper will offer “four or five story choices varying day to day from local to national, entertainment to sports,” Managing Editor Tim Kelley wrote in a note to readers.

Kelley said the paper would identify the day’s top vote-getter in the paper the next day and, barring breaking major news, the reader’s choice “typically will appear on the front page.”

	2003	Online Editions	2003
<b>Total Newspapers</b>	90	Dailies	38
<b>Total Dailies *</b>	56	Nondaily	7
National dailies	9	Weekend papers	1
Regional and local dailies	45		
Free dailies	2		
<b>Total nondaily papers</b>	32		
National newspapers	10		
Local and regional papers	22		
<b>Total Weekend papers</b>	2		
Local and regional weekend papers	2		

\* Dailies are papers published at least four times weekly.  
Source: ANP.

In Santiago, the Internet-to-print innovation is only the latest controversial move in a nine-year turnaround that has seen LUN go from a wheezing, irrelevant 102-year-old paper teetering toward extinction to a certifiable journalistic phenomenon.

“LUN is a phenomenon that should be studied closely,” says Abraham Santibáñez, a journalism professor at Diego Portales University in Santiago. “It’s an innovative application, a real technological advance and a demonstration of something that is going to happen much more in the future.”

Today, *Las Ultimas Noticias* (“The Latest News”) is Chile’s best-selling and most-read newspaper. It sits atop a viciously competitive market, especially in the capital city of Santiago, where eight daily newspapers are locked in a circulation war.

Ad revenue is way up, in part because when telephone companies saw the flood of young people reading LUN, they increased ad buys by 3000 percent. LUN stories fuel water-cooler conversations throughout the country, and making the front page has become a badge of honor.

This turnaround is in large part attributable to the stubborn vision of Edwards, 52, the sixth Augustin Edwards in a line that has dominated Chilean publishing for more than a century. He set goals so ambitious that staff members questioned his sanity, took risks and accepted losses that would have deterred men less driven and is still seeking ways to involve readers even more.

However, LUN’s meteoric rise has not been without hitches. Politicians, academics and other journalists have widely condemned its contents.



On the left is the cover of the print edition. On the right is the Las Últimas Noticias Web page, showing the placement of the stories. Throughout the day, the prominence and placement of stories is adjusted, and stories that garner lots of clicks are followed up on.

Source: Powerpoint presentation by LUN Publisher Augustin Edwards del Rio

## Sensational Content

Anyone familiar with Maxim, FHM or Stuff magazines, or England's Fleet Street tabloids, will quickly recognize LUN's editorial style, with one important exception. First, the similarities:

- Stories featuring pictures of scantily clad women;
- Stories about lurid crimes, particularly involving twisted sex;
- Stories about high-ranking public figures involved in scandals that make them look hypocritical;
- Sports stories denouncing teams of other cities and countries and praising local heroes—at least until the locals lose, at which time it's open season on them;
- Stories about music and the arts that emphasize how much money the singer/artist has made;
- Stories about fast cars, luxury hotels, expensive liquor—basically the James Bond lifestyle
- Political stories boiled down to something that can be understood at its most basic level—good guys vs. bad guys.

The difference is that LUN is trying to appeal to techies who get news primarily online and that this has started to show up in the print edition. For example, the print edition prominently featured a report about a high school student who built a Web site as a class project to custom-make sneakers and is becoming rich.

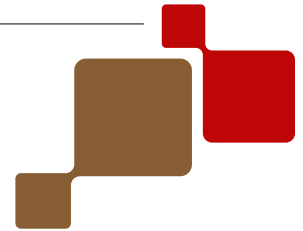
The next day, a whole page was devoted to a group of kids playing the video game "Tekken" for 38 consecutive hours in honor of a friend who died, because Tekken was his favorite game.

While the emphasis on computer and high-tech stories draws a big audience from the online crowd, how long the print audience will tolerate stories about the latest Internet craze is unclear.

## Background: A Trip to the Mall

LUN's rise to the top began in 1997, when Edwards, his two top lieutenants and a vanload of marketing executives, wearing casual jeans and T-shirts, descended on a local shopping mall. The purpose of the trip could best be described as "anthropological tourism."

Chile is still recovering from two decades of Gen. Augusto Pinochet's brutal dictatorship. While civilian rule resumed after elections in 1989, not until elections of 2001 did a president



emerge determined to loosen the military's stranglehold.

Edwards was one of the first media executives to realize that powerful, fundamental change was sweeping through Chile in the 1990s, and that the country's newfound prosperity and freedom were fueling growth of a middle class unlike any in Chilean history.

He and his executives visited the new middle-class mall to immerse themselves in this burgeoning culture, to study how "new Chileans" lived, what vehicles they drove, what clothes they wore, how they talked and what they talked about. After years of fear and repression, Chilean society has reacted by going a bit wild.

Now that Chileans can say and write what they think, people are indulging in that right at the top of their lungs wherever and whenever the mood strikes them, and they are voracious consumers of mass media. This country of barely 15 million people supports 56 daily newspapers, seven of them in Santiago.

## Demographics: Young People Read Newspapers

In Chile, 59.7 percent of newspaper readers are younger than 39 years old, and in each of the 12-24 and 25-39 age groups, about 43 percent read at least one newspaper a day

These young people are feeling their oats and seem to love thumbing their noses at authority figures. Pinochet, a staunch Catholic, fiercely repressed anything having to do with sex, and since those restraints were freed, national discourse has lurched from stories about graphic conduct to stories about how scandalous it was to discuss such topics openly.

In this context, we must seek to understand LUN's content and why it is so popular yet so condemned.

"Other newspapers and academics have been very critical of LUN because we're all very conservative," Santibáñez says, "because we learned to make newspapers in a certain manner, and it

disconcerts us when someone demonstrates that you can do it in another way.

"The reticence reflects a level of mediocrity that came out of the way we were forced to do journalism under the dictatorship and from which we are only now recuperating.

"I am not saying that Las Ultimas Noticias has been responsible for this change, but it has helped, kind of like The Clinic (a Chilean magazine that pushes boundaries of free speech and good taste) has helped, or how the TV coverage of war criminals being uncovered and denounced. All this has been like a shot to all our consciences."

## History: Changes Resuscitated Paper

Patricio Nunes Berrio studied LUN as part of his graduate thesis at Diego Portales University and describes an atmosphere of utter confusion in which readers didn't know from day to day what they were going to get. For a while, LUN tried to be a business paper, then it focused on sports and, he says, "nobody knew what to do or where it was going ... the turnover was so high, it seemed like a new person was walking in the door every day."

According to his thesis, in 1997, daily sales of LUN had fallen to 60,000, and in the words of former features editor Rene Naranjo, the paper was "in a persistent vegetative state, losing money, and the only reason it hadn't been killed yet was because of a species of corporate inertia."

Then came the van ride to the mall, where Edwards observed that the paper was out of touch with ordinary Chileans. In April 1999, the focus changed again, covering private lives of public figures, especially those appearing on television. By late 2000, circulation was in the 80,000 to 90,000 range. Edwards brought in a new editor and announced that within a year, LUN would be selling more than 150,000 copies daily. A year later, circulation was only 110,000, the new editor was gone, and Edwards took over running the paper.

In September 2002, sales hit the 150,000 mark, and the paper installed the current Web site popularity tracking system.

## Management Strategy a la the Pentagon

The Web click-to-print model is just a small part of a much larger strategy aimed at shaking up the way newspapers do business.

Taking his cue from the free-flowing, decentralized Internet, Edwards carefully studied theories of "Network Centric Warfare" promulgated by the Pentagon and employed in Afghanistan. That theory holds that soldiers are more than just trigger-pullers—in

Percentage of adults who read a newspaper		
	Daily	
Total Adults (25-75 years)	42.94	
Men (12-75 years)	46.54	
Women (12-75 years)	39.57	

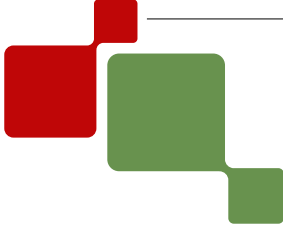
Source: Kantar Media Research (KMR)

Breakdown of readership by age		
Age	Percentage of the total number of readers	Percent in age bracket that read papers
12-24	29.2	42.88
25-39	30.5	42.66
40-54	25.7	44.49
55-75	14.5	41.11
<b>Total</b>	<b>99.9 percent</b>	<b>42.92</b>

Source: Kantar Media Research (KMR)

Time period: June-September 2003.



the field, they function as information gatherers, analysts, managers and transmitters.

Edwards threw open the decision-making process, making LUN more participatory, less hierarchical. Staff members were told that they should use their own initiative to devise new stories or new ways of covering stories and that they would be given bonuses if these stories connected with the public.

Dubbed “Network Centric Journalism,” the new style quickly expanded to making readers an integral part of the editorial decision-making process.

From what he learned from two theses about LUN, Santibáñez says, “At the beginning, most of the editors were unpleasantly surprised by what their readers were telling them. Sometimes, it can be hard to hear exactly what other people think of you. However, later on they started to like it and took it almost like a game—to see who got the most online readers, and the list of who was in first place was published internally each day.”

LUN is very much a work in progress, Edwards says, but the close focus on Web traffic allows management to identify stories that “will capture the imagination of a community” and very effectively tells editors when it’s time to drop certain others.

“Measuring readership on a per-story basis helps sharpen the focus of the newsroom in the direction of reader preferences,” Edwards says. “It can fuel a very interesting debate as to the underlying reasons behind reader preferences of certain articles.

“It’s a powerful tool, but it is not foolproof. It requires interpretation and editorial judgment. A literal reading is pointless because articles are rarely sufficiently homogeneous, and issues like positioning and target audience must be considered.”

Important to remember is that this Internet traffic tracking system, while powerful, cannot translate this information into a

perfectly tailored news package for the next day’s paper.

“The risk is that once you make a paper tailored only according to the wishes and desires of the readership, then you start to lose and forget the deep sense of the importance of information,” Santibáñez says. “Instead, you turn into a child set loose in a candy store, stuffing yourself sick with that which you want, rather than that which you need.

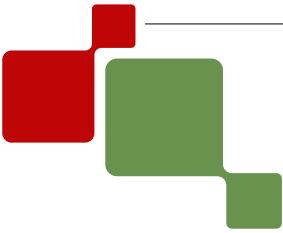
“The public needs a wide range of information, some of it rather disagreeable, but that is often the material that allows us to participate in a democracy in an informed and responsible manner.”

Some observers see a gradual change in LUN’s pages. Mixed among flashy scandals and quirky photos are longer and more complex stories about high technology and how it allows Chileans to participate in the modern world. For a citizenry accustomed to being located in a remote corner of the globe and recently freed from dictatorship, these few faltering steps are thrilling.

With its deep connection to the readership, LUN is perhaps again ahead of the pack in turning its focus to these kinds of stories, a position it enjoys perhaps because of the solid base of readers attracted by tabloid sensationalism.

“The thing that fascinates me the most about this experiment that LUN has embarked on is the level of disdain and lack of confidence on the part of my colleagues,” Santibáñez says. “They all failed to appreciate the phenomenon when it was at its height, and they are not capable of seeing that Las Ultimas Noticias has moved beyond its initial model.

“LUN now has less gossip and is moving on to other topics. That movement is possible only because it has managed to attract a larger and better base of readers. This is the most important thing: the adaptability of a permanent change.”



# Author Biographies

**Paul Berger** is a British freelance journalist based in Brooklyn, New York. He has written for the New York Times, the Washington Post, the New York Press, Online Journalism Review, the Gotham Gazette, Movie Maker and Denmark's Weekendavisen. He writes a weekly column about web logs for Metro New York.

**Jim Bonfield** is a former Online Business Development Manager for The Sacramento Bee's Internet division (Sacbee.com, Sacramento.com and SacTicket.com). He is founder of Eye-ballFarm.com, a Sacramento, California Internet Marketing and Local Search Engine Marketing Company. Jim also serves as VP - Business Development for Left Brain Studios – an interactive lead generation company created in partnership with Fatbottomline.com and he writes a local internet marketing blog.

**Teddi Dineley Johnson** has been writing about the newspaper industry since 1992. Her articles have appeared in Presstime magazine, Newspaper Marketing magazine and the Journal of the International Newspaper Financial Executives. She joined NAA in 1996 as the editor of several Federation newsletters, including the former Display Update, Research Federation Forum and The Co-op Network, and eventually joined the Presstime staff in 2002. Teddi presently freelances for NAA and also works part-time as a reporter for The Nation's Health, the official newspaper of the American Public Health Association.

**Elizabeth Edwardsen's** journalism career includes 12 years with The Associated Press in New York, New Hampshire and Maine and two years as a community newspaper editor. Now a Maine-based freelance writer, she has written for consumer and custom publications, including Parenting, Good Housekeeping and other magazines, as well as for corporate and non-profit clients. She is also the author of a natural history guide, The Longstreet Highroad Guide to the Maine Coast. Her Web site is [www.elizabethedwardsen.com](http://www.elizabethedwardsen.com).

**David LaFontaine** is a freelance writer/videographer who lives in Los Angeles. He began his journalism career as a copy editor at the Arizona Republic, then went on to become managing editor of the Caracas Daily Journal in Venezuela. He moved into the "New Media" space as managing editor of Single Parent Magazine and then the streaming video site, Filmson.com. He has produced segments for ABC's PrimeTime, and his multimedia work appears in the Online Journalism Review.

**Janine Warner** is a best-selling author, speaker, journalist, and Internet consultant. She has written 12 books about the Internet and design. She has been a part-time faculty member at both the University of Southern California Annenberg School for Communication and the University of Miami, and she developed online learning and multimedia training programs for the Western Knight Center for Specialized Journalism. From 1998 to 2000, Janine worked for The Miami Herald, first as their Online Managing Editor and later as Director of New Media, managing a team of designers, programmers, journalists, and marketing staff for The Miami Herald, El Nuevo Herald, and Miami.com. She also served as Director of Latin American Operations for CNET Networks, an international technology media company. Her degree in Journalism and Spanish is from the University of Massachusetts, Amherst.