

September 25, 2007

**TO: THE EDITORIAL AND ADVERTISING STAFFS:
RE: MONETIZING CONTENT GUIDELINES FOR THE COMMERCIAL APPEAL**

Together, the newsroom, marketing and advertising departments of The Commercial Appeal have developed guidelines on how we approach the challenges and opportunities of monetizing editorial content.

In 2007, we have moved rapidly down the path of monetizing our editorial content. And, we have had good success. We are seeing growth in ad revenue generated in our local news zoned sections. We recently sold thousands more single copy papers as a result of the news/circulation collaboration during Elvis Week. We have found an advertiser for CrimeTracker, a sponsor for Sunday's Done Deals Real Estate column, and have sold numerous print/Web packages around everything from the 50th Anniversary of Stax to our prep football results. And, we have successfully sold into editorially-produced special sections, including our election tab and Memphis Most.

As we accelerate our efforts to monetize content, both the newsroom and advertising recognize this challenge: we need to grow new revenue while also preserving the editorial and advertising credibility on which our business is based.

The monetizing content guidelines represent our effort to reach a shared understanding in editorial, advertising and circulation over what we can sell around our news and information content and how we should sell it. In some ways, this is nothing new. Newspapers have always sold advertising around the news content. Over the years, newspapers have developed a fairly well-understood set of dos and don'ts when it comes to matching news to advertising.

Today, we are in a whole new world.

Newspapers are looking for new ways to attach ads in print and online to specific stories, features and sections. This represents a marked change from past practices. No longer are there thick, impenetrable walls between the newsroom, advertising and circulation departments. Today, we are in it together in this new world of newspaper survival. We understand that our content is what makes us valuable and we want to 'put a meter' on that value.

As a newspaper, we know that to compromise the credibility of our reporting or the credibility of our advertising messages could harm our efforts to generate more revenues and sell more newspapers over time. So we want to avoid damaging our credibility and our business.

That's what these guidelines are designed to do.

Please review these Monetizing Content Guidelines. Going forward, we're going to use these in both advertising and editorial to help us navigate the way ahead.

Chris Peck, Editor

Rob Jiranek, VP Sales and Strategic Planning

MONETIZING CONTENT GUIDELINES FOR THE COMMERCIAL APPEAL

OUR AGREEMENTS:

- 1) Need for guidelines. The newsroom, marketing and advertising departments recognize the need for these monetizing content guidelines because our business model has changed. Newspapers and their Web sites are looking for ways to more directly 'put a meter' on content to both generate new revenue and to measure results of sales and brand development campaigns tied to content.
- 2) Collaboration is a must. The newsroom, marketing and advertising department recognize the need to work cooperatively to develop products that can generate revenue and help reshape the traditional business model of newspapers. No more walls where neither side speaks to the other. In this new spirit of collaboration, each department brings to the table separate and distinct roles. Advertising primarily focuses on producing good prospect lists, good advertising messages and good service to advertisers. The newsroom primarily focuses on good news content, good presentation and creative execution of ideas. The departments agree to respect the different roles/responsibilities of the others.
- 3) Differentiation between advertising-driven and editorial-driven content. Deciding how best to match up specific kinds of content with specific kinds of advertising campaigns is a crucial discussion in the new world of monetized content. Some projects and publications clearly are driven by advertising objectives. Others projects and content clearly are driven by editorial objectives. Still others are powered by a mixture of advertising and editorial values and purposes. Defining and differentiating content as advertising- driven, news-driven, or a hybrid will clarify the development and execution of projects. Both departments agree to work together to resolve any misunderstandings about the scope, mission and purpose of our emerging advertising – editorial collaborations.
- 4) Maintaining editorial credibility and independence. Advertisers see value in being associated with credible, relevant content. Newsrooms recognize that good journalism requires new revenue streams. Editorial and advertising agree that compromising the credibility and independence of our news reporting could harm our efforts to generate more revenues and sell more newspapers. In no instances will advertisers be offered or granted editorial influence over news content or new sections.
- 5) Necessity of talking through potential conflicts before deals are sealed. News and advertising departments recognize the need to identify potential conflicts over monetizing content prior to launching sales or journalistic efforts. New projects should not move forward until discussion occurs between departments about potential opportunities for success and potential pitfalls. Agreements on what editorial can/will provide and what advertising can/will provide need to be approved by senior managers before contracts and assignments are made. No surprises. Readers, advertisers and journalists need to understand our policies and decisions and they often will be explained in print as needed.
- 6) The imperative to learn as we go and make adjustments. Our company can count many successes in our early efforts to monetize content. We want many more. To build on these successes, we need to learn from mistakes and be willing to make adjustments in our plans so that our efforts can continue and our processes for developing and completing projects improve. Along the way, we want to avoid actions that could compromise our credibility, confuse the public, alienate our advertisers, or needlessly add to the workload.

Chris Peck, Editor

Rob Jiranek, VP Sales and Strategic Planning

PROCEDURES FOR MONETIZING CONTENT DISCUSSIONS

Advertising. Takes lead in convening monetized content discussions prior to publication on vendor sections, advertorial sections, routine ROP, zoned editions and on the Web.

Editorial. Will take the lead when convening discussions about ad/content issues prior to publication for spot news, special enterprise projects, investigations and opinion pages.

Horizontal collaboration. Advertising, marketing and editorial representatives will jointly review ad/content issues as needed prior to publication on: hybrid advertising/editorial projects (Memphis Most), climate-specific news sections (food, travel, etc.), joint advertising – editorial Web projects.

Contacts. The editor and VP of sales need to know when these discussions are planned and be plugged into projects and decisions before they are finalized the editor and VP sales will designate, as needed, who will participate or serve as representatives in these discussions.

Impasses. Issues that cannot be resolved using the guidelines go to the publisher for resolution.

MONETIZED CONTENT CONSIDERATIONS TO BE WEIGHED:

Libel:

Good taste:

Fairness to all stakeholders:

Ethical and appropriate vs. unethical and inappropriate news/ad content mix:

Print vs. Web presentation and differences:

Credibility issues for newspaper and/or advertiser:

Conflicts of Interest (perceived or real):

Transparency to public/staff:

Ad placement, design, and deadlines:

WHO TAKES LEAD RESPONSIBILITY ON MONETIZING CONTENT

MOSTLY ADVERTISING ----- joint initiatives ----- MOSTLY EDITORIAL

Vendor sections

Advertorial sections

Mixed advertising/editorial

Climate specific sections/lists/calendars

Zoned pages, zone features/columns

Web projects/packages

ROP pages/features/columns

Spot news/breaking news

Special new projects

Investigations

Opinion