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## DIGITAL MEDIA

## NPR Pushes Digital Initiative

*Public Broadcaster Seeks to Sell Affiliates on New Services for Websites*

By RUSSELL ADAMS

NPR has kicked off a 10-week, 18-city "road show" to sell its affiliates on a new digital plan it hopes will help secure public radio's long-term health at a time when some of its chief sources of revenue have come under threat.

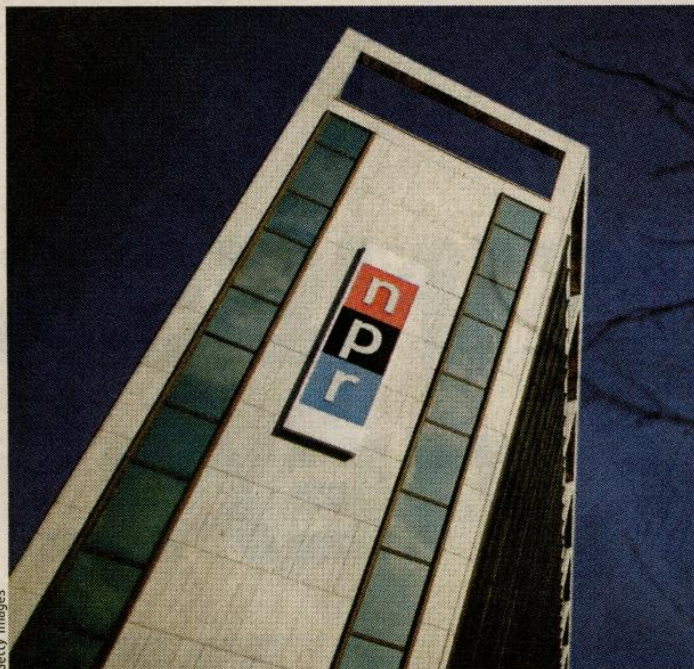
The nonprofit news organization is trying to persuade its 268 member stations to outsource more of their online operations to NPR by offering them a suite of digital services it says will help them raise money and expand their websites beyond archived radio programs into breaking news, blogs and other material.

The campaign is a critical one for NPR, though not because of the fees it would collect for providing the additional services. The biggest percentage of NPR's revenue comes from the money local radio stations pay to air its programs, such as "Morning Edition" and "All Things Considered." But a push in Congress to cut federal funding for public radio, as well as the toll the weak economy has taken on corporate underwriting and support from foundations, threaten to make it harder for the stations to pay for NPR's shows while also producing local programming.

NPR executives say the initiative isn't a reaction to funding pressures but rather another in a string of efforts to share resources to keep member stations vital. Still, such efforts ultimately bolster public radio's long-term prospects.

"Our health and welfare over the long run depends on a strong network of local organizations," said Kinsey Wilson, NPR's senior vice president and general manager of digital media.

Public-radio stations dodged recent efforts by lawmakers to curtail their funding from the federally backed Corporation for Public Broadcasting, which accounted for nearly 11% of the system's \$939 million in total revenue in the 2009 fiscal year.



NPR's digital initiative is critical for the nonprofit news organization.

## Where the Money Comes From

Sources of revenue for public-radio stations in fiscal year 2009, in millions

Subscribers	\$323
Business	188
Colleges and universities	135
Corporation for Public Broadcasting*	100
Foundations	77
Federal, state and local governments	55
Other	62
<b>Total (Figures are rounded)</b>	<b>\$939</b>

\*Federally funded organization

Source: Corporation for Public Broadcasting

Station executives have argued the waning appetite for subsidizing public media has raised pressure to shore up other revenue sources, many of which have taken a hit in recent years. In 2009 support from businesses, which accounted for 20% of stations' total revenue, and support from foundations, which accounted for about 8.2%, were down by 8% and 18%, respectively, from the previous year, according to the CPB. In 2010, some revenue sources picked back up at many stations.

NPR produces and distributes programming to hundreds of local stations, most of which are NPR members that also pay it for services like broadcast technology. NPR executives say they can help turn stations' websites into popular sources of local news and introduce better systems for fund raising.

About 10% of public-radio listeners contribute money to the stations, a healthy rate but one that can't be sustained unless the stations beef up their local coverage to remain distinctive,

said NPR's Mr. Wilson. "If stations are just about redistributing NPR content, it's not going to work," he said.

NPR's digital push began in earnest in early 2009 when the news organization re-launched its website with a focus on making it a destination for the organization's news reporting. Tapping a software and web-services company it acquired, NPR built systems for functions like pledge drives, email marketing and streaming audio.

Executives said traffic to npr.org has doubled over the past two years. Corporate support generated online has risen 60% over that period, and now accounts for 20% of the group's total corporate underwriting.

To test how its tools could be used locally, NPR teamed with about a dozen stations, helping them re-launch their websites and training employees how to produce news for the Web. It also opened up access to a centralized ad-serving network to help connect stations to a larger pool of potential sponsors.

In February, the board approved an expansion of its digital effort to all member stations. It also committed to covering the cost of part or all of the services until 2014, after which stations would be on the hook for the full expense. NPR says the digital services will cost stations anywhere from \$1,800 to \$100,000 a year, depending on their revenue.

NPR says the plan will move forward if a "substantial number" of stations are on board. Not everyone has embraced its pitch, in part because of the added cost, but executives say many stations support the effort "once they see the full picture."

Mark Vogelzang, station manager of WBFO in Buffalo, said public radio has had a "dysfunctional system" that made it hard for stations to share digital resources or tap NPR's talents. "In this day and age, with millions of choices, we have to have a unified effort," he says.