

Publishing's Phoenix: U.S. News & World Report Emerges With a New Set of Wings, Part II

by NOELLE SKODZINSKI & filed under Today's Features, Uncategorized.



**Kerry Dyer, Publisher,
U.S. News & World Report**

U.S. News & World Report was one of those magazines that had always just been there—packed into the stack of mail in the mailbox, on the coffee table at the doctor's office, at the newsstand, being read on the train on the way home from work. The day in Fall 2010 when the venerable magazine announced it would cease publication (a process

that was a year or two in the making) was a tough one to stomach. Publishing was in trouble. And it wasn't just newsweeklies and newspapers. We were all in this boat together, and we watched as one of our industry's flagships went down. (Or so we thought.)

Even the U.S. News and World Report staff—from top to bottom—may have thought it was the end. About half of the 150-person staff was let go. “For those of us who have been with the brand, you know six, seven, eight years ago, those were challenging times,” says Kerry Dyer, U.S. News & World Report's publisher. “When U.S. News was down in ad pages, it was the beginning of the talk that was going on about whether U.S. News could survive. There was also talk about print surviving. That, I can tell you, was challenging. If you've lived on both sides of it, you know the feeling, and we certainly at U.S. News know that feeling, and we're not looking back.”

But it wasn't the end. It wasn't a death. **It was the beginning of a rebirth—one that is not only inspiring in its positive outcome, but also packed with lessons for us all, in free and paid content, in building digital audiences and success-**

ful products, in brand expansion, revenue diversification, e-commerce, lead-generation and more. Here is the story of U.S. News & World Report's resurgence, as told through a two-part interview—Part I with U.S. News Editor Brian Kelly, and Part II with Publisher Kerry Dyer, shown here.

Part II: Interview with Kerry Dyer, Publisher, U.S. News & World Report

mediaShepherd: What is the brand's largest source of revenue?

Kerry Dyer: Right now it would be display advertising—single source [online].

mS: What is its fastest-growing?

Dyer: That's a good question. It's all growing pretty fast. We don't disclose specific figures either on growth or percentages, but display advertising is among the fastest-growing; licensing; as well as lead generation. All three of our main revenue streams are growing at a very healthy and very consistent rate.

mS: What are you finding that marketers are looking for today from U.S. News? Have things changed in recent years?

Dyer: Well, there's been a lot of talk in the press and the media/advertising press of a changing consumer, and changing advertising needs and wants, but having been in the business for about 30 years, over half here at U.S. News and the other half at a large ad agency in New York—Young and Rubicam—honestly, I don't see a lot changing.

In the end, marketers are still looking for finding the

right audience at the right time and the right place that will engage with their messaging, and to find a need and a want for the right service. Fundamentally, that is the essence of advertising, and it really hasn't changed all that much in my estimation.

mS: U.S. News moved into e-commerce with entities such as the Best Cars site, where U.S. News gets revenue when people buy cars through the site. Is this something new?

Dyer: It's relatively new in the scheme of existence of U.S. News. We're 80 years old. The U.S. News Best Cars site is about 5 years old, and it was actually one of the first new franchises for U.S. News that was developed once we made the commitment to be a digital-first company, or essentially a digital company. And at that time, most people didn't see U.S. News as having much to offer in the context of automotive expertise or equity or anything of that nature.

Yet what we found was that we seem to understand what the consumer was wanting and needing. And I think that's allowed for the U.S. News Best Cars site to do so well. It seemed to resonate with consumers; there was a fair amount of trust and authority inherent in the U.S. News brand name. It's a good product, and a highly differentiated product with automotive reviews and information focused on buying or leasing a vehicle. And the consumer ultimately is the judge of that.

We'd like to think all those factors worked together, and at the same time, not only told us we can be very successful in the automotive space, but it did give us even more confidence that we could have an even bigger role in what we consider to be the consumer advice and guidance space. So that has been something we have been working on very meticulously over the last five years.

mS: Can you talk about something new U.S. News is doing or planning to do?

Dyer: A couple of things we're doing is in the area of thought leadership. We have two very robust and successful initiatives there.

One called Stem Solutions—it's dedicated to advancing the country's awareness of the issues involved in stem. ... We convene an annual conference. We are now two weeks away [at the time of the interview] from our third conference, where we bring in all the top folks involved in Stem research—from the public sector, the private sector, academia, government, etc., and it really has proven to be very successful at raising awareness about what we see as a very big issue in the country.

Now we do it in the form of a conference. We also extend all of that information that is shared at the conference on the site, and we're going to be doing even more of that.

The same in healthcare innovation. We, if you will, leveraged our industry-leading Best Hospitals franchise to such a degree that it allowed us to focus our efforts in healthcare innovation, and we thought with the implementation of the Affordable Care Act that this was a time where both people inside the industry and consumers needed to better understand the issues that are affecting healthcare, the business of healthcare. We do that in a major, annual conference, called the Hospital of Tomorrow Conference.

Similar to Stem, what we do is bring that conference to life, in a sense, on our site on a year-round basis.

So the way we see events—which is somewhat new for U.S. News—is as an extension of our journalism, and the journalism that's on the site can also be extended into the conference environment as well.

The receptivity to that has been overwhelmingly positive both from an attendance standpoint as well as from sponsors, and we've been very pleased with that part of our business as well.

That's one of the new things that we're doing. We're doing plenty of other new things I can't really get at in detail here, but we are always looking for ways to bring more information to the consumer based on their information

needs, in areas like in healthcare, personal finance, automotive, travel. We're always looking to enhance those things that we're doing inherently.

mS: What's the biggest challenge U.S. News is facing right now?

Dyer: Well, there are no such things, Noelle, as challenges, there are just opportunities. [Laughs.] The biggest challenge—the biggest opportunity—is (and I'll speak from the advertising standpoint) we still have plenty of people who are not sure of what U.S. News' proposition is. We do have news in our title, yet increasingly so much of our information is dedicated to helping people make life decisions.

mS: How are you addressing it?

Dyer: It's really just a matter of us having a chance of getting in front of the right kind of people, the right advertisers both at the agency level as well as at the client level, explain what our proposition is and emphasize that it's rooted now in "life decisions made here," which is our brand theme, and have them get more familiar with it, more acquainted with it. And from there, usually good things begin to come together.

So it really is more of an opportunity, not an enormous challenge. It's just being on offense and not being on defense.

mS: What do you see as the biggest opportunity for media brands today?

Dyer: Well, again, I can give an answer relative to the U.S. News experience and proposition. I think the biggest opportunity is to be true to their brand essence, to who they are, to figure out what they are and to provide something that is meaningful to the consumer.

I think there is far too much competition these days to just be a "me, too" kind of product. The competition is incredibly diverse and it's increasingly marked by tremendous technology. So you've really got to think as a brand that you've got to offer the consumer something that, dare I say, they can't quite get somewhere else and they would have a real need for. If you're not distinctive enough, I think it's going to be a very difficult period for your brand to be able to prosper. And at U.S. News we've been very fortunate that we've figured out a lot of that, and we're always looking to learn more.

The one thing we've seen is there's no status quo. You have to continually improve your product, to understand where the consumer is and where they're going. And you can't afford to not improve and not enhance what you're

doing. You almost have to do that on a continuous basis and not wait a couple of years. Back in the old magazine days, it was easy to redesign a magazine every two to three years with some new fonts and headlines, etc., and that would constitute improvement ... that just doesn't work in this digital environment.

I think a brand has to figure out what they stand for, what they're really good at, and make sure that that matches up with a consumer want and need.

mS: What do you see as the role for the digital edition, and what about apps?



Dyer: The role of the digital weekly for us is we've been pleased with what we've produced as a product. We're always looking to improve upon it. We see it having what I would say is an important, but modest contribution to the business.

We are not expecting the digital weekly edition to be the face of U.S. News in the digital ecosystem. We see it as a very good extension of the brand. The audience for it is not a huge audience, but it's more of a serious news consumer, who U.S. News has always catered to.

We almost designed the product to be a weekly wrap-up, a look ahead as to where things are going in the news and policy end. ... It's almost a weekend companion to what somebody might do on the weekend in terms of watching the Sunday morning talk shows, like "Meet the Press" or "This Week," or reading The New York Times or The Washington Post.

So we see it as reasonably modest in terms of our expectations. We are not focusing on that to that to replicate the magazine of yesteryear. We're not expecting it to have a circulation of 500,000 to a million-plus. We see it being a little bit more modest.

As far as apps are concerned, we have not gone overboard in terms of offering too many apps. We have designed our

site to be very functional in and of itself, to offer the consumer ease of use, whether they're on a tablet or a smartphone or a desktop.

We are looking at a couple of different things in some of our verticals. In automotive, we have a very successful mobile edition, which actually makes sense because so many people when they are at the car dealership are using this information as leverage when dealing with a salesperson on the lot. That's one of our first forays.

But we're taking a very conservative approach and seeing where our content lines up with consumer behavior. We're looking at some other things, but at the same time we want to make the site itself very conducive to the mobile user. And we've seen an increase in the mobile user that's consistent with the industry growth. So, so far, so good.

mS: What percentage of your traffic is from mobile?

Dyer: It's in the 20 percent range. If you talk smartphone and tablet, it could be upwards of a third of our traffic.

[Overall], you take it a day at a time. But we're glad we did what we did when we did it [regarding the move to become a digital company]. Because you make a lot of mistakes, and you need that time to work out a lot of the kinks.

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