

Crain's Chicago Business

SURVEY RESULTS | SEPTEMBER 2023

Introduction

The purpose of this report is to summarize the results of a survey conducted by Northwestern University's Medill School of Journalism on behalf of Crain's Chicago Business. The survey, conducted in August 2023, included 218 respondents from Crain's newsletter mailing lists. It was designed to help Crain's better understand their current audience and inform an overhaul of its Data Center product.

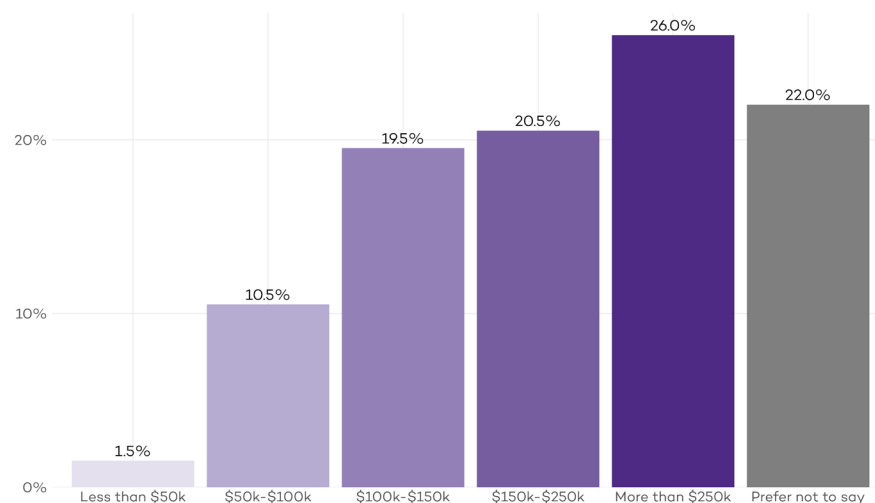
In partnership with Northwestern, Crain's seeks to reimagine the Data Center from an under-leveraged corner of its website to a premium, revenue-driving product. The Data Center is an online subscription platform that provides valuable insights on companies and top executives.

This offering houses databases with information about Chicago businesses and business leaders, and it is the organization's most expensive subscription level. The survey results provide valuable insights into the challenges and opportunities Crain's faces as it takes on this project.

Who responded

Crain's Chicago Business has long known its audience is primarily made up of executive-level business decision-makers in the Chicago area. The survey found nothing to contradict that. Most respondents (65%) were male, the key demographic being males aged 55-75. Nearly half of respondents (49%) had an advanced college degree. Most respondents (78%) were white.

Q6 - What was your total household income before taxes during the past 12 months?

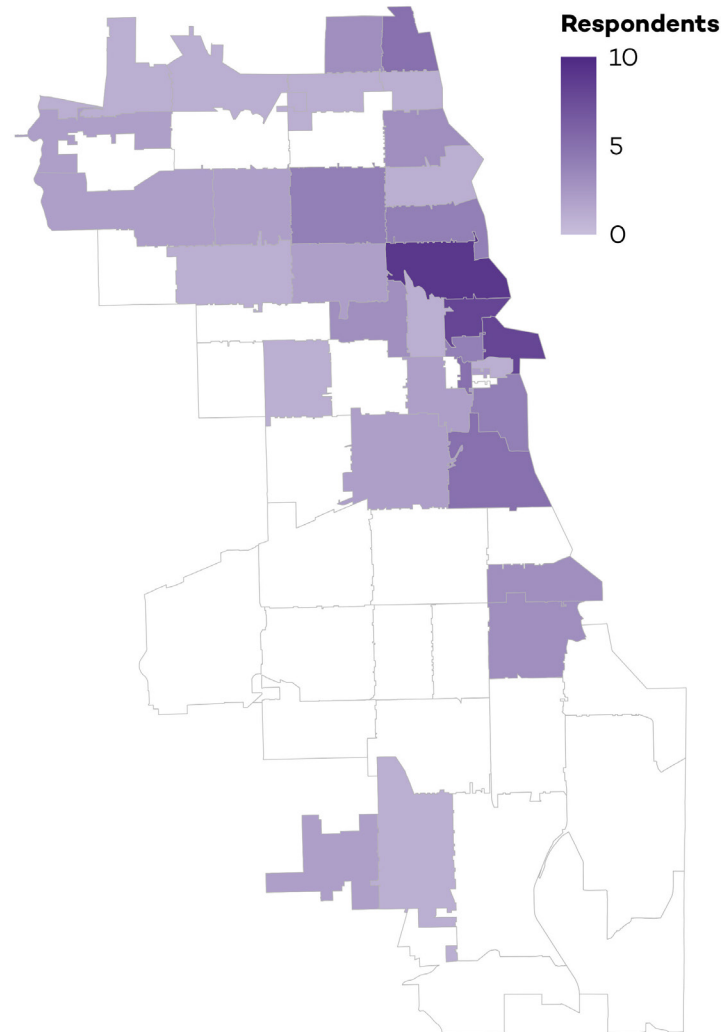


The audience is affluent. More than a quarter (26%) of respondents reported an annual household income greater than \$250,000. Most respondents (72%) were employed full-time. Perhaps more notably, more than a quarter of respondents were not employed full-time; potentially creating an opportunity for a new product experience for part-time or retired users.

A plurality of respondents worked in finance. Other industries with significant representation were real estate, legal services, education, healthcare and information services. The vast majority (79%) did not live with school-age children.

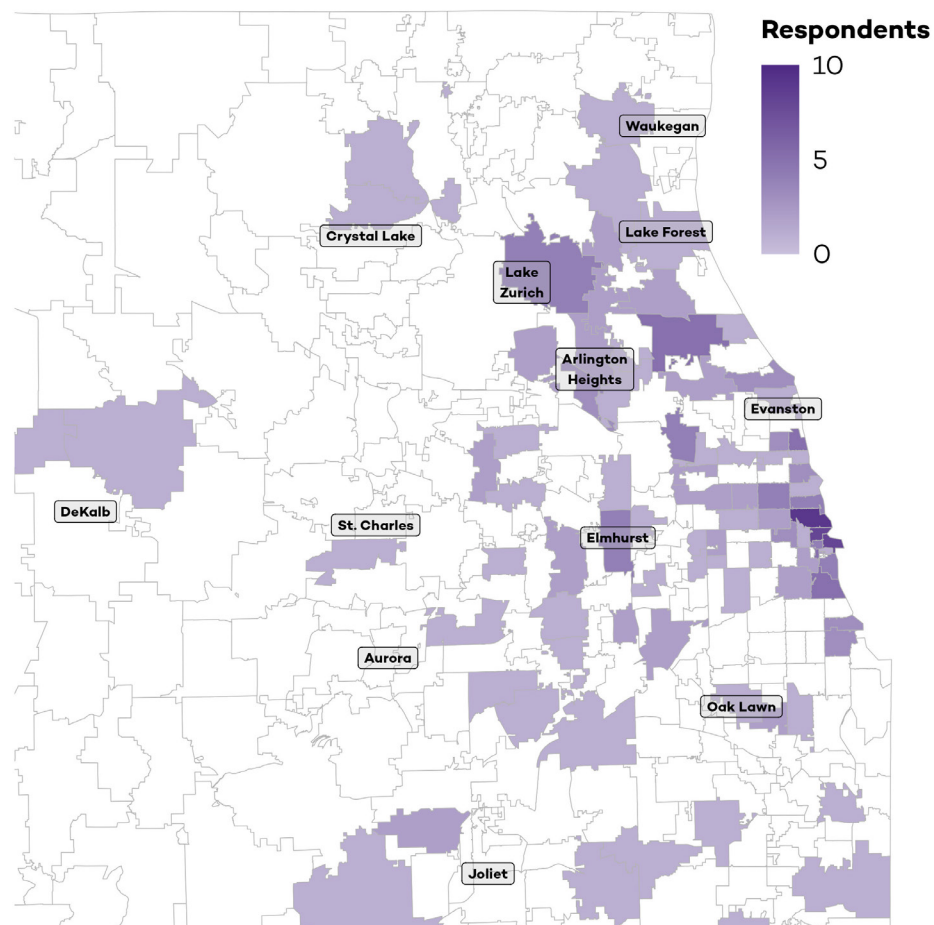
Slightly more than half (53%) of respondents reported living inside Chicago's city limits. These readers are highly concentrated in the city's wealthiest ZIP codes on the Near North Side and downtown. Poorer neighborhoods on the South, West and Northwest Sides, which are home to primarily Black and Latino residents, were largely unrepresented. The only South Side neighborhoods reflected were Hyde Park, home of the University of Chicago, and Mount Greenwood, which is predominantly white and wealthy.

Crain's survey respondents within Chicago are clustered in the city's wealthiest ZIP codes



The other respondents primarily live in the surrounding suburbs of Chicago, most commonly on the North Shore. Northbrook, Park Ridge, Elmhurst, Lake Zurich, Arlington Heights and Wilmette were among the suburbs with the most respondents.

Crain's readership spreads into Chicago's suburbs, especially on the North Shore



How respondents consume news

Respondents are most commonly engaging with news online. Almost 60% indicated using a smartphone to check news a lot or a great deal. That number came out to 49% for checking news on a computer and just 23% for television, the next closest medium.

Despite an ever-evolving news cycle, the majority (58%) of respondents say they are consuming the same amount of news as they were last year. However, of that group, respondents who work full-time (37%) are reading more news than they did last year.

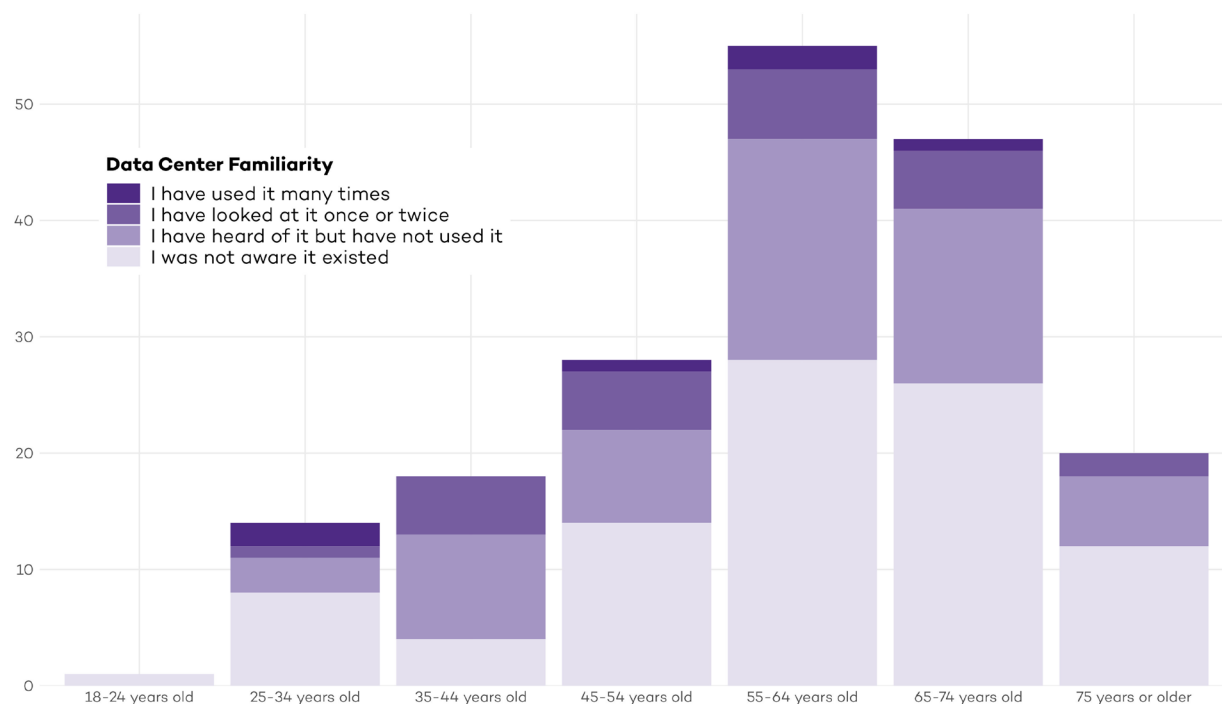
Virtually all (98%) of working-aged readers are checking Chicago-area news as much as or more than last year, with 37% reporting they are seeking Chicago-area news more or much more than they did a year prior. This group reported similar patterns of greater interest vs. 2022 in news about Illinois, the United States and international issues, though with each step away from Chicago, the enthusiasm cooled slightly.

When the audience is hungriest for local news:

Nearly half of respondents (48%) say they consume their news in the morning. The afternoon is a dead spot, with only 14% of respondents consuming news at that time. This may present future integration opportunities for the Data Center to push out AM or PM updates/push alerts to engage with customers where they are. Crain's will have to analyze whether, for example, this afternoon dead spot suggests they have an opportunity to fill a gap — or whether these midday doldrums speak more to a prevailing news consumption pattern that is irreversible, and thus could be a black hole for effort if not avoided.

How respondents engage with Crain's Chicago Business

The Data Center product does not have much recognition amongst survey respondents. More than half of respondents (51%) were not aware the product existed. Only a small number of respondents (3%) said they use the service all the time.



Patterns of familiarity with the Data Center are consistent across age groups. The most notable departure is in the 33-44 age group where 77% had heard of it, although no one used it often. Presumably, the most tech-savvy group, 25-34, had the largest proportion of unawareness besides those 75 and up.

The survey also found that most respondents (53%) have a personal subscription to Crain's Chicago Business. More than a quarter of respondents (26%) do not have a subscription at all. Sixteen percent of respondents access Crain's through a group corporate subscription. They use it to stay informed about business news and the movers and shakers and are willing to do research to stay on top of trends. This presents an opportunity to increase the level of corporate sponsorships and rev up that line of business.

Here are some additional details about how Crain's Chicago Business's audience gets to the brand:

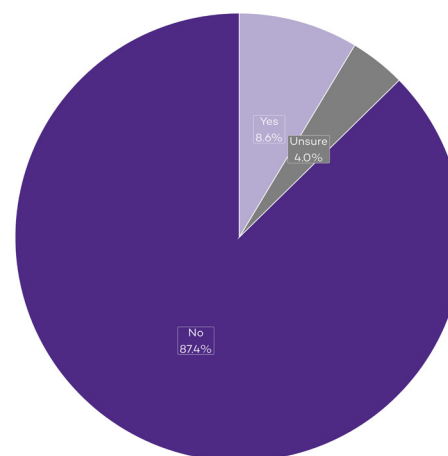
- Breaking news alerts drive traffic. Nearly 36% of respondents said news alerts are their primary way of getting news from Crain's.
- 14% of respondents rely on the print publication.
- Respondents are increasingly using newsletters (16%), the Crain's app (14%), and direct to homepage (14%) to get news from Crain's.

Competition

Past research from Crain's Chicago Business has suggested that the Data Center does not compete with traditional news organizations. Interviews with Data Center users revealed major business-to-business databases and directories like Zoominfo, Seamless.Ai and Apollo.io as primary competitors.

However, the survey found that respondents at large were not using these systems. Fewer than 10% reported using a B2B database in the past month. Those who did engage

In the past month, have you used B2B contact databases (e.i. Zoominfo, Appollo.io, Seamless.ai) to find names and contact information for Chicagoland decision influencers?



with these databases mostly had access through their employer.

To generate leads, respondents primarily still lean on offline methods. About 45% more respondents reported using word of mouth/networking to generate leads than the next closest method, which was social media.

Willingness to pay for local news

The survey found that a majority of respondents (61%) currently pay for subscription service. Nearly half (49%) pay for at least two subscriptions. Even though most pay for subscriptions, 40% of respondents believe no one should pay for local news. This is a fascinating, and potentially disturbing insight given how affluent Crain's customers are.

The survey also found that some of the reasons as to why consumers may not engage with local news. They include:

- Lack of coverage that is in-depth and well-researched
- Inaccessible and hard to use
- Coverage that is not perceived to be objective and unbiased
- Featuring irrelevant content to their interests

News Content & Coverage Gaps

The survey found that respondents are most often researching information about Chicago businesses centered around real estate (21 responses), job openings (7 responses), company

relocation, healthcare and if a company is based in Chicago (6 responses each).

Here are some of the specific news content and coverage gaps that respondents identified as potential reasons to engage with the data hub:

- More information on general/prominent leaders
- More information of government leaders
- More information on healthcare leaders
- Largest privately held companies
- List of largest employers
- List of highest-paid CEOs
- List of largest publicly traded companies

Biggest opportunities for Crain's to consider

The survey found that the biggest opportunities for Crain's Chicago Business are to:

- Focus coverage on key topics such as real estate and discovering information from key lists as noted in the previous section
- Foster partnerships with corporate stakeholders
- Create a personalized sales process that brings Data Center staff on sales calls and offers personalized consultations for corporate accounts

Here are some specific ways that Crain's Chicago Business can take advantage of these opportunities:

- Incorporate new features into the Data Center with the help of Legendary, the CMS platform
- Create more interactive and engaging content, such as infographics and videos using data center information

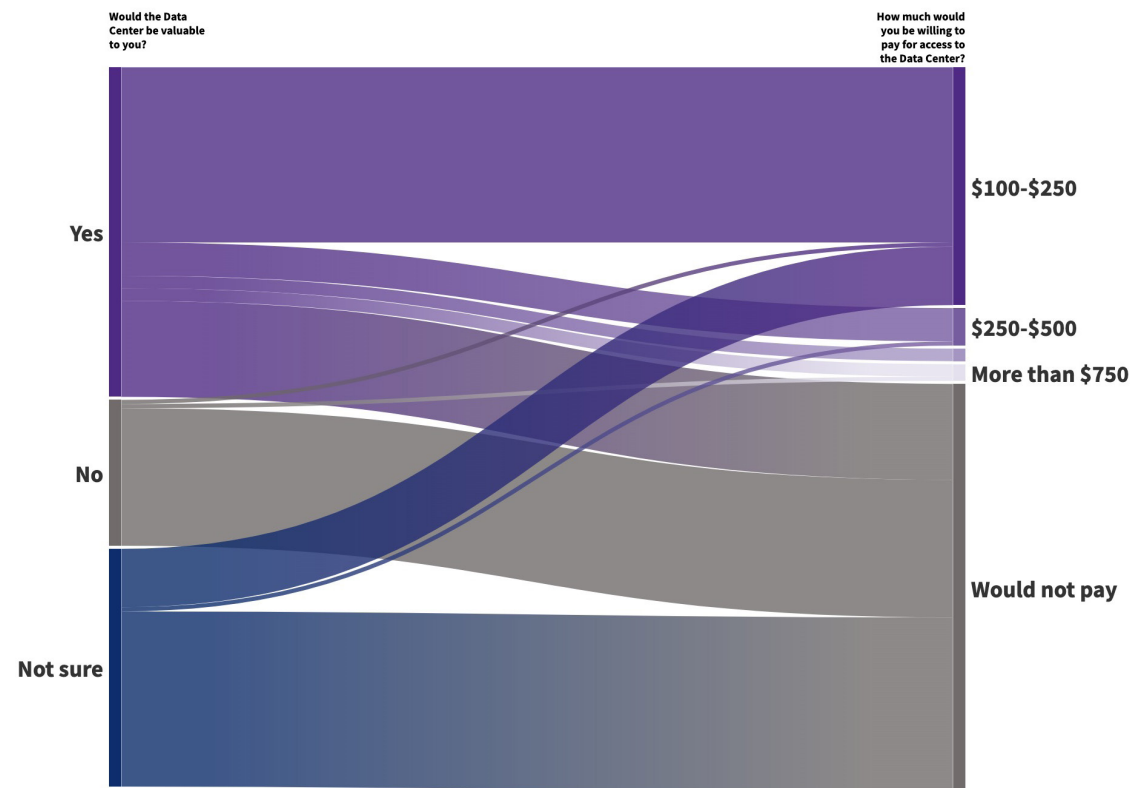
Biggest threats to Crain's business

The survey found that Crain's faces several main threats, including older readers who are very affluent but not inclined to pay for news and a vast unawareness of the Data Center.

When presented with the concept of the Data Center, a plurality of respondents found the idea of it valuable. However, more than half said they would not pay for that idea. Even among the group that indicated the searchable database would be valuable, 30% said they wouldn't pay for it while 92% wouldn't pay for it at its current price.

While 46% of respondents found the idea of the Data Center valuable, 57% indicated they would not pay for it. Among those who indicated it would be valuable, 53% said they would be willing to pay \$100-\$250 per year, less than half the current price.

Also notable: the lack of connection with a rising class of Gen Z and Millennial Chicago area decision-makers who are turning to social media for their news.



Here are some specific ways that Crain's Chicago Business can mitigate these threats:

- Make its content more user-friendly – as heavy news consumers gravitate to mobile devices for their primary means of consuming news and information. Is Crain's content overall, and the Data Center specifically, really designed and delivered with mobile readers in mind?
- Continue to integrate Data Center product into reporting
- Develop new ways to reach its audience and open the top of funnel, such as previews of the Data Center

Surprises/challenges to Crain's status quo

The survey found a few surprises and challenges to Crain's Chicago Business's status quo. For example, the survey found that although a majority of respondents have a subscription to a news service, the overwhelmingly majority believe news should be free.

Crain's needs to find ways to offer high-quality, in-depth content that is also accessible by developing new ways to integrate the Data Center across Crain's platforms.

Conclusion

The survey results provide valuable insights into Crain's Chicago Business's audience and the challenges and opportunities facing the organization and its Data Center offering. At the core, Crain's must confront its readers' lack of awareness of the product. A plurality of respondents found the idea of the Data Center valuable; they simply did not know it

existed. But the survey showed that as of now, respondents' perception that the product has value does not translate to significant willingness to pay.

Fewer than 10% of respondents said they would be willing to pay for the Data Center at or above its current subscription price. However, more than 60% of respondents pay for news, including half who pay for multiple subscriptions — despite a plurality of respondents reporting that they feel no one should pay for news. The respondents' feelings about payment haven't necessarily correlated with behavior in the past. The affluence of Crain's readership should also be noted, with two-thirds of respondents reporting an annual income greater than \$100,000 and a quarter earning more than a quarter-million dollars per year.

Crain's should be wary that its audience at large may not be looking for the sweeping Chicago business contact directory it has imagined. Over a quarter of the respondents were not working full time and 38% were older than 65. A number of respondents said that in retirement, their research has meant keeping general tabs on Chicago businesses, which companies were coming and going, and which leaders had died.

While past research indicated B2B contact databases were major competitors for the Data Center, at least 87% of respondents hadn't used a service like that in the past month. Working respondents indicated overwhelmingly that networking and word of mouth remain their most used lead generation strategies. Crain's must find a way to demonstrate to this subset of its readership that the Data Center can level up this lead generation process.