

## **Problem Statement**

Young people are unsatisfied, disconnected, and fatigued with traditional news media.

## **Market Analysis**

The target market are Millennials ages 28-35 and Generation Z ages 13-27. This market segment is critical because Millennials make up the largest living adult population which in 2023 was estimated to be 72.7 million people according to Statista (Korhonen). Not only do Millennials make up the largest portion of the population in the United States by generation but they are digital natives who grew up during times of rapid technological advancements. Followed by Millennials, Generation Z trails close behind in population size and are digital natives as well. Also, since both generations will be culturally influential generations of the near future for the next several decades it is important to have both Millennials and Generation Z actively engaged with news. Generally, Millennials and Generation Z both value authenticity and are skeptical and distrusting of traditional news media outlets and prefer social media instead.

We know that both Millennials and Generation Z consume news differently than their Generation X and Baby Boomer counterparts but the former generations are currently unsatisfied with the news according to a survey which states, “ Today, less than a third (32%) of 16- to 40-year-old Americans find the news enjoyable or entertaining.” ("Majority of Americans Say"). Due to the fact that Millennials and Generation Z are digital natives, it is no secret that both generations largely prefer to use social media to find and consume news. These forms of social media include but are not limited to TikTok, Instagram, YouTube, X, and even Reddit. As a result, local newspapers across the country have either cut most of their staff or shut down their entire operations. This shift from traditional news media to digital is not unlike other industry disruptions such as the rise of Amazon and the fall of brick and mortar stores. Moreover, the real reason why Millennials and Generation Z prefer getting

their news digitally is because they grew up in a time where information is found on computers. According to an article, “Gen Z and Millennials grew up with computers, digital devices, and social media, they’ve grown accustomed to the accessibility and convenience of 24/7 content.” (“Why Gen Z and Millennials”). Having access to content 24/7 is strikingly similar to the rise of the 24 hour news cycle which was created in the advent of cable television. In many ways history is repeating itself but rather than cable news, it is digital online news in the form of social media. Since Millennials and Generation Z will be leaders of the future it is time to start tailoring news to their needs.

The increased and more diverse set of “speakers” online, the lack of traditional gatekeepers, the entrance of new intermediaries, the disappearance or replacement of mechanisms and standards aimed at ensuring certain quality levels, media convergence, and context shifts make quality judgments about information in the digital media ecosystem arguably more challenging and corresponding skills even more important.

### **Marketing Strategies**

To effectively reach Millennials and Gen Z, our marketing strategy needs to focus on where these generations already are: social media. Since they value authenticity and fast, engaging content, we plan to launch a TikTok campaign where users can act out or react to real news stories in under 30 seconds. This creates a fun, participatory way to connect young people with current events. On Instagram, we’d create weekly Reels and infographics that break down news into three key takeaways, with polls or interactive questions to boost engagement.

Another major component would be building a Discord community, where users can discuss the news in real time, get involved in AMAs with journalists, or suggest story ideas. We’d also partner with micro-influencers on platforms like TikTok and Instagram especially creators who already post about social issues or politics to promote the platform in an

authentic way. Influencer marketing is particularly effective among Gen Z, with over 50% of them saying they've purchased something after seeing an influencer recommend it (Morning Consult). On college campuses, a student ambassador program could help grow awareness through events, branded merch, and social media challenges.

### **Limitations and Challenges**

However, there are a few key challenges we'd need to consider. First, it takes time to build trust with Gen Z and Millennials, especially given their skepticism toward news media. According to the *Reuters Institute Digital News Report 2023*, many younger users say they feel overwhelmed by the volume of news, and often avoid it altogether due to how negative or repetitive it feels (Newman et al.). There's also a risk in relying too heavily on platforms where algorithms change constantly. Content moderation is another concern if we allow open discussion or submissions, we'd need clear policies to prevent misinformation or harassment. Finally, monetization could be tricky, since too much advertising might make the platform feel less genuine.

Overall, the goal is to make the news feel accessible and relevant again, not by dumbing it down, but by reshaping how it's delivered.

### **Diversity and Global Implications**

Youth disenchantment and alienation from mainstream news media is not only a local issue but a global phenomenon. Across the world, Millennials and Generation Z are also on the same path of disillusionment with traditional news and turning to social media as information sources. This shift in news consumption patterns transcends geographical locations, affecting how news media and governments address the issue of keeping young people informed.

Rather than actively searching for news, many young people encounter it incidentally while scrolling through social media platforms like TikTok, Instagram, and Twitter. According to Boczkowski, Mitchelstein, and Matassi (2017), "Young users click on news items sporadically, if at all, and engage with them only superficially on most occasions." This superficial interaction with news media not only lowers consumption of deep reporting but also increases exposure to misinformation and fake news, as unverified or misleading content spreads easily within social media.

In response to these challenges, many countries have used innovative approaches to engaging younger audiences with news. The Norwegian state broadcaster NRK has shifted its programming directly using social media platforms like Instagram Stories and Snapchat to deliver news in an interactive format. In the UK, the BBC has focused on bringing young people into the news process by preparing them to produce and disseminate stories that they can relate to.

In Colombia, things have been done differently. The satirical news comedy show Fuck News uses black humor to examine the pressing national issues, engaging the youth audience in the process of exposing the most significant issues in the country. The off-center format resonates with younger audiences as a way of consuming news. Also, some global channels like AJ+ have leveraged social media to deliver news in extremely visual and interactive styles using multiple languages to access a wide and youthful global population.

These different responses from each country demonstrate that there is indeed a problem, and traditional media must find a way to reach the new generations of news consumers, where undoubtedly the digital era is the priority.

## **Competition**

According to Pew Research Center (2024), “A large majority of U.S. adults (86%) say they at least sometimes get news from a smartphone, computer or tablet, including 57% who say they do so often.” This shows the growing consumption of news through digital media, particularly in the younger generation. A few organizations and platforms have already noticed this trend and are trying their best to address the problem. Old media, web-native news sources, and social media all compete for youth attention, each employing its own strategy to engage them.

Traditional media organizations, such as The New York Times and The Washington Post, have also struggled to bring multimedia storytelling onboard and remain engaging on the Internet. Despite all this, it is still tough to win over younger consumers and retain them. Also, since these sources tend to adhere to certain agendas, the information they provide can be seen as biased or influenced, further alienating them from younger generations looking for more independent or diverse views.

Short-form video platforms like TikTok, Instagram, and YouTube have also become primary news sources among young people. Watching news on these sites is often accidental while scrolling through their feeds. The risk of disinformation is huge, with no regulation in place. The guidelines are not even properly outlined yet, so anyone can post content on these sites without proper verification.

On other hand, websites like Snopes, FactCheck.org, and PolitiFact help to fact-check the news and detect false information. However, these websites don't tend to appeal to younger audiences and do not provide content that resonates within their interests. Their focus on refuting false information does not engage individuals in a way that promotes self-reflection and deep understanding.

## **Potential Solutions**

Our proposed solution to the problem is the creation of a short-form video news app, similar to the TikTok platform but focused on news. This standalone mobile app would feature short-form videos ranging in length from 15-90 seconds from vetted news creators, outlets and independent journalists. The app would use an algorithm to personalize content based on user interests but avoid echo chambers by providing diverse perspectives. We would integrate social features users are familiar with such as likes, comments and shares to connect the audience with our app. The experience would also be gamified with the inclusion of badges and streaks that can keep users engaged and returning to the platform.

The resources we would need include app developers and UX designers to create the application. Partnerships with independent journalists and long established media outlets including legacy media outlets. Content moderation and fact-checking team that can train an AI algorithm to quickly detect misinformation. An AI powered algorithm that trains on user content interaction to personalize feeds .

Micro-influencers would be leveraged to build trust and promote credibility with their existing communities. Through a creator grant program for verified micro-influencers, creators who consistently produce high-quality, informative and engaging content aligned with journalist standards will be rewarded while showcasing a diverse background of sources on our application and allowing users to create relationships and communities within the app. Bridging the gap between consumption in news and interaction with news on our platform. Resources we would need include funding for micro-grants, a system for selection and vetting of creators and a creators relation team.

Collaboration with highschool and university level newsrooms to create verified student contributor accounts would expand our outreach on campuses with our target audience age range. While also enabling us to teach media literacy, news production and journalistic integrity through our platform while simultaneously building up our brand name

and image as a credible space in the established media landscape. Resources required include an academic outreach team, curriculum guides or toolkits for educators and incentives through scholarships or internships for high performing student creators and student-led newsrooms. This effort would allow us to localize our news delivery to our target audiences campuses without having to do too much additional work as the creators on those campuses would generate the content.

The implementation of a community-driven content moderation model similar to Reddit's moderation style would allow users to quickly flag content for misinformation and spotlight high quality content that an AI algorithm would continuously learn off to improve its own moderation skills. Ensuring transparency and user trust while also promoting active usage of the app as opposed to passive consumption that is found in traditional news media. Simultaneously this feature would encourage civic engagement and media literacy, aligning with our brands mission of delivering credible news. Resources required would include backend development for moderation tools, user onboarding and training to get access to moderation and the creation of terms and content policies as well as an AI algorithm that trains off of user moderation.

By changing the delivery method of news from traditional pathways to ones that the digital generations of generation z and millennials will find more inline with their everyday practices of consumption we believe that we can draw users back into the world of news.

## **Financial Projections**

For revenue we will be using a hybrid model that combines advertising, subscriptions, creator partnerships and sponsored content. Advertising will comprise an estimated 50% of our revenue from native ads and brand partnerships. Native ads would consist of short under

6-15 second branded content that is aligned with the app's tone. Potential users of native ads include media outlets that want to drive traffic to their pages, independent vetted journalists and approved micro-influencers. Brand partnerships with news-related companies, tech and lifestyle brands that sponsor series or topics such as those created by media outlets that report on the latest tech such as Techradar and Cnet.

The subscription model would make up 20% of our revenue model consisting of a freemium tier that includes all basic features, a subscription for \$3.99 a month that unlocks creator deep dives, customizable feed as opposed to it being curated entirely by the algorithm, early access to AMAs and an ad-free experience.

Our creator revenue sharing and sponsored content program would make up the next 20% of our revenue stream by splitting ad revenue with top creators we can incentivize quality reporting. Sponsored collaborations would allow creators to partner with vetted nonprofits, education orgs or approved causes for paid segments.

Thanks to our student news room programs we would also be able to apply for grants and institutional support for the last 10% of our revenue stream. Foundations like the Knight Foundation, MacArthur Foundation or journalism education initiatives could fill in the funding that we need to sponsor our programs across universities and high school newsrooms.

The projected budget for our app is approximately \$850,000 for the first year. This includes \$300,000 for development and maintenance, \$250,000 for staffing, \$100,000 for creator grants and partnerships, \$100,000 for marketing and customer acquisition, and \$100,000 for backend infrastructure, AI moderation tools, and legal/content policy development. Additional funding may be sought through journalism innovation grants and institutional support, particularly for the student newsroom program.



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