

The end of the newspaper

Heather Maitland explores how newspapers have been adapting to sales and revenue losses as a result of deep societal transformations

It's not a good time to be talking about press and public relations. The first six months of this year saw every national newspaper suffering a drop in circulation compared to 2009, with the quality papers worst hit.¹ Steven Barnett believes we are seeing 'probably the most cataclysmic financial crisis in journalism since the beginnings of an unfettered press.'² And the gloom is long term. Over the past 20 years, most regional daily newspapers have lost more than half of their sales.³ How did the press get into such a mess?

Back in 2003, four of the UK's most influential editors convened at the ICA to discuss the future of newspapers. They concluded that too many similar titles are fighting over readers in an oversaturated market. Content and style gets targeted at the same mass market so each is unable to stand out in the crowd. This makes them less able to compete for the restricted leisure time of their customers, sales drop and so does advertising revenue.⁴ In the 1990s, Rupert Murdoch described newspaper classified advertising as 'rivers of gold'. By 2005, he was saying that he didn't know 'anybody under the age of 30 who has ever looked at a classified ad'.⁵ The problem has been compounded by the move away from one-size-fits-all marketing that was such a good fit with the newspapers' mass-market readerships.

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In the late 1980s, Alan Rusbridger announced that he would not be particularly surprised if the 'dead tree' newspaper would be a thing of the past by 2010. It looks as if he was not far out. *The Northern Echo's* circulation fell by 6% in the first half of 2010 but its online version saw a 22% year-on-year increase in daily visitors.⁶ The most successful of the national newspapers' websites, Mail Online, increased traffic by 44%.⁷ This isn't just a UK phenomenon. In 2008, the top 20 US newspapers had 13 million readers in print but more than 60 million online.⁸

So, the internet is killing the newspaper. Or is it?

Emily Green argues that newspapers have been adapting to the loss of their status as exclusive purveyors of news for the past 60 years.⁹ And the crisis is even older than that. Newspaper proprietors were complaining about an oversaturated market both at the beginning of the eighteenth century, when there were 5 newspapers, and decades later, when there were 15.¹⁰

In the 1960s, television was blamed for the decline in mass-market, large-format magazines in the USA. But as their circulation slumped, niche-market magazines flourished. This wasn't the death of the format but its fragmentation. Dick Reavis also sees a parallel in the past couple of decades of US television news. He quotes a

pundit who contrasts the carefully written and edited story that is central to network news with cable news where 89% of airtime is broadcast live. The 'journalism of verification' is being replaced by a 'journalism of assertion'. So what? Objectivity in the media is relatively new. Newspapers asserted the interests of specific factions until the early twentieth century when high-speed printing presses made economy of scale the best business model. Objectivity meant that newspapers could appeal to mass markets because they alienated no one.¹¹

Commentators mourn 'original, challenging and informed journalism' as staff numbers are slashed across newspapers, radio and television. Why do you need journalists when the internet makes it possible for anyone to become a content provider?¹² But even this blurring of the boundary between reader and writer was a feature of eighteenth century newspapers.

So, newspapers have an extraordinary ability to transform to survive. Not all the recent transformations have been effective, though.

Some regional dailies have increased their cover price and seen much larger falls in circulation than their competitors.¹³ The *Manchester Evening News* is now distributed free but circulation is still down 64% compared to 1989. Peter Robins suggests that the papers with defiantly local identities have done best and those that have suffered the biggest cutbacks have done worst.¹⁴

When Richard Desmond bought the Express Group, he promptly closed its websites because they were giving away content that readers would



otherwise pay for.¹⁵ In contrast, Rupert Murdoch's News Corp. spent \$1bn buying up new media businesses including Intermix which owned MySpace.com. It was not a good buy, with media commentators this year writing headlines like 'MySpace now likely worth less than Murdoch paid for it (if it's worth anything at all)'.¹⁶

Perhaps this either/or approach is unhelpful. Research in 2009 indicated that journalists by and large accept the internet, in contrast to the resistance seen in 2004, and publishers now see themselves as producers of information platforms.¹⁷ After all, if you add together online and offline figures, newspapers have seen a huge increase in readership.¹⁸

The problem is that no one has yet found a business model that generates enough revenue. There are some promising signs but not

from the news sector. Consumers' reluctance to pay for online content has been dented by Apple's iTunes and iPhone apps. STV made £1.6m from its online operations in the first half of 2010, licensing programmes to YouTube and creating a network of 'hyper-local' websites.¹⁹ Spotify, a successful online music service, is based on a mix of free, high-quality services supported by advertising alongside ad-free subscription and other premium paid-for services.

The key to success seems to be to build a huge user base through free access and then charge for added value. It has worked before. BskyB's monopoly was founded on subsidising access to technology and subscription for exclusive content. So, what does that mean for News International's decision to add paywalls to the online versions of all its UK newspaper titles?

Are we really willing to pay to see all those *News of the World* video scoops?

But the established players are vulnerable simply because they need to cover the losses made by their printed platforms. Will the dinosaurs be superseded by newcomers, better able to survive on lower revenues generated by niche markets? Only time will tell. ●



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