

December **6** 2005

**American Newspapers.
How They Have Changed and
How They Must Keep Changing**

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Leo Bogart

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In memoriam Leo Bogart (1921-2005)

It is an honor to introduce the recently deceased author of the book you are about to read. Leo Bogart has been one of the most outstanding research minds in the media academic world. He lived a remarkable and very interesting life that has been portrayed in the obituaries published by *The New York Times* and *New York Sun* at the time of his death in October 16th. Ukrainian-born, grew up in Brooklyn and suffered first-hand the Nazi horrors. After his doctorate in Sociology at the University of Chicago in 1948, started a successful career that brought him from Standard Oil to McCann-Erickson, Revlon, the Newspaper Advertising Bureau and New York University.

His sociological, research training and polling expertise allowed him to reach great depths in this two great academic interests: newspapers and advertising. Public perceptions of brands were very intriguing to him and he made very relevant research for advertising. It is summarized in his comprehensive *Strategy in Advertising* (first published in 1967), arguably the best book ever written on the subject. He always loved newspapers and devoted his research energies to show their advertising value, always trying to figure out how to keep them relevant to readers and prosper in an environment in which advertising money often goes to other media.

His academic impact cannot be underestimated: he is leaving us a vast research body. He wrote 11 books and it would be really interesting to make a comprehensive study of his work. The first came out in 1957 (*The Age of Television*). He had the insight of great researchers and foresaw in the 50's contemporary industry developments like the decline in movie and sports attendance we experience today. The last, *Over The Edge: How the Pursuit of Youth by Marketers and the Media Has Changed American Culture* came as a consequence of his concern

with the lack of civility he detected in media and inculture at large. He considered the coarsening in media as something dramatic, with substantial societal implications.

Leo Bogart was a friend for several generations of University of Navarra professors. Several of us had the opportunity to visit him to his apartment in Central Park West. He thought about our publishing house for the Spanish translation of his well-known book *Press and Public* (1981). And he came to see us for the last time in 2003 when he took part as speaker in our International Communication Conference in November. Leo was a gentleman and he was always open to do a favor and spend time with his international guests. We will always be grateful for his generous soul. May he rest in peace.

Francisco J. Perez Latre
School of Communication
University of Navarra

Introduction

The American press is not the world's largest. (Japanese and Chinese newspapers sell more copies each day). It does not have the highest level of readership. (The daily newspapers of Japan and of northern Europe are read each day by a higher percentage of people in their countries). It may not be the technologically most advanced or innovative. It does not command as high a share of advertising as papers in some countries where it is still the dominant medium.

What gives the American press worldwide importance is its sheer size as a business enterprise, on which advertisers and consumers spent a combined total of about \$60 billion in 2004. The substantial income earned by American newspapers provides employment for over 380,000 people, including 54,000 journalists; it supports great news services like the Associated Press, whose reports are published across the globe.

This book assembles my comments about American newspapers over the past fifteen years. Most of these articles originally appeared in *Presstime*, the magazine of the Newspaper Association of America (NAA)¹.

These past fifteen years have seen enormous upheavals in mass communication, with the growth of cable television, the arrival of the internet and the beginnings of broadband services. These changes have had powerful repercussions on newspapers and on the practice of journalism.

When I first entered the newspaper business in 1960, a daily paper was read on an average day by four out of five American adults. (Today it

¹ I began writing for *Presstime* after my retirement in 1989 from the Newspaper Advertising Bureau, which was merged with the American Newspaper Publishers Association and several other professional groups to form the NAA in 1991.

is read by one in two). Those papers were overwhelmingly delivered to households every day by juvenile carriers, known as “little merchants,” who provided a direct personal connection between readers and the newspaper as an institution. (In 2005 subscriptions represent 73% of daily circulation and two-thirds of them are delivered by adults). The number of papers sold each day has fallen, from 59 million to 54 million, although the nation’s population has risen from 178 million to 290 million.

In 1960, all large cities supported a number of English-language dailies (New York had seven) and middle-sized cities had both morning and evening papers. (By 2005, the total number of dailies has fallen from 1,772 to 1,456². Afternoon papers are still being published only in small towns, and the number has fallen from 1,459 to 687). In 1960, most papers were owned locally, typically by families who were pillars of their communities. In 2005 less than 300 newspapers remain independently owned. Publicly owned newspaper chains were virtually unknown in 1960. *The Wall Street Journal* and *Christian Science Monitor* were the only national newspapers. Today, along with *USA Today* and the national edition of *The New York Times*, national newspapers represent 7% of total daily circulation.

In 1960, newspaper plants were suffused with the clatter of linotype machines and the smell of ink. Today, the technology of production has been transformed, speeding up the process through which the words of a reporter in the field are transformed into copy on the printed page. Now computers are used to prepare and edit text and illustrations, to make up pages and to disseminate information on the internet.

Computers have also transformed the business side of newspapers, controlling distribution, assessing employees’ performance, simplifying accounting functions and providing targets for advertising sales. But the growth of competing media has steadily reduced newspapers’ share of the advertising market.

² There are also about 6,700 weekly newspapers, with an aggregate circulation of 50 million.

The book begins with a discussion of issues in newspaper journalism. Some of these are perennial; others derive from the special situation of a communications medium beset by fierce new competitive challenges. I go on to discuss the relationship between the press and the communities it serves, and the dilemmas faced by publishers and editors as new media become more important. I show why journalism education is critical to maintain newspapers' professional traditions. I describe the renewed efforts to find fresh formulas to stave off the erosion of readership. I demonstrate that the relationship between the profession of journalism and the business of newspapers often poses ethical dilemmas. Next, I consider how research is used both as a subject of newspaper content and as a tool in newspaper marketing.

Moving into the arena of newspaper marketing, I look at the relationship between the editorial and business sides of the newspaper. American newspapers depend on advertising for most of their income, but they face skepticism from advertisers and strong competition from other media. I turn to the structure of the newspaper business in relation to the global changes in the mass communications system. I reflect on how the internet creates a new type of competitor but also new opportunities for newspaper organizations to expand their utility and information resources. Finally, I compare the situation of American newspapers with that of their counterparts elsewhere in the world and raise some questions for newspaper executives to ponder.

A number of themes recur throughout this book: the decline of newspaper competition, the unending struggle to maintain journalistic integrity in the face of mounting business pressures, the changed media habits of young people, the rising force of alternative sources of news and information.

In writing for my colleagues in the newspaper business, I have often abandoned the stance of a disinterested scholarly observer and assumed the hortatory tone of an advocate or critic. Thus I have for the most part abstained from the usual academic trappings of footnotes and references. In preparing this book, I have not tied my commentaries to their original dates of publication. I have brought factual information up to date and eliminated redundancies and

allusions that are no longer topical. But mass communications are changing so rapidly that by the time the reader picks up this book new developments will inevitably top the agenda for discussion. This dynamism is precisely what makes the subject of newspapers' present struggles and future prospects so fascinating.

Leo Bogart
January 2005

2. The Changes in Journalism

2.1. What is Journalism?

What is journalism? Webster's unabridged dictionary defines it as "the collection and periodical publication of current news". Broadcasting long ago made that description obsolete; the internet continues the process. When the public has instant access to information at the same time as editors, the notion of "periodical publication" loses much of its meaning. So does the idea of "current news". Every reader of a periodical is bound to find some previously unencountered stories whose attraction is fresh, even though they may have happened weeks or months ago.

How broadly does the journalistic umbrella extend? Does it include the preparation of uninterpreted tabular material on the sports and business pages – statistics that for some readers may be the most valuable parts of the newspaper? If most editors reject "tabloid television" talk shows as an alien species, would they embrace their own papers' astrology and advice columns?

Jean Lemmon, editor in chief of the popular home magazine *Better Homes and Gardens*, believes that her publication exemplifies "service journalism", and the editors of newspaper home and style sections would overwhelmingly agree. The hallmark of this kind of utilitarian writing is its actionability; a reader can go right out and try a recipe or a gardening hint. But almost every news item a newspaper prints can influence actions in some way, even though these may come at the end of an attenuated political process. In that broader sense, all journalism is service journalism.

Information (if we can distinguish it from entertainment) occupies a smaller part of the public's overall media intake, and items that have nothing to do with breaking news represent a rising share of newspaper

content. Feature writing is an established and esteemed part of journalism. Is it becoming the main line? Newspapers without local competitors tend to lose some of their sharp edges. The scarcity of choices for readers with distinctive values and interests may account for what at least one distinguished journalist, the Tribune Company's Jack Fuller, perceives as a growing distance between the tastes of editors and their publics.

Can the gap be bridged by tailoring newspaper content to give readers "what they want?" No. What people say they want depends on what questions they are asked, and they know what they want only after they have it in hand. Should editors also be giving *advertisers* the content that *they* want? After all, isn't the main reason for adding readers to keep advertisers happy?

Why wouldn't journalists agree to that? Because they feel their ultimate responsibility is to a higher power than the publisher. But if they wish to wear the mantle of professionalism, to what code of standards are they to be held, and by whom? If, as in some countries, qualifications are imposed on those who are permitted to report and write, the press is not fully free.

Debates over the definition of journalism quickly turn to the more contentious question of who is a journalist. Elsewhere in the world the title is worn proudly, but American reporters and editors tend to consider it somewhat pretentious. Members of the working press carry credentials and enjoy certain privileges, denied to public relations counselors and advertising copywriters. Is anyone a journalist who has mastered the skills of gathering and checking information and putting it down in understandable form, or does it require a passion to say something about the human condition?

2.2. Newspapers and Democracy

American newspapers, like those in Western Europe, face growing difficulties in maintaining readership levels. To what extent do their problems reflect a fundamental change in the public's outlook on government and the way it works?

Historically, newspapers have thrived on partisan politics, which fascinate, motivate and irritate readers, stir them to conversation on what they read, and give them a sense of participation in great national decisions. In 2004, 60% of the eligible voters turned out to cast a presidential ballot³. This suggests that the other 40% feel powerless and estranged from the forces that control their destinies. It also means that they are disinterested in the public issues that newspapers report and over which politicians argue.

“As a new striving towards democracy inspires much of the world, a dangerous disconnection is widening between the American electorate and its own political process”, says Eugene A. Patterson, the *St. Petersburg Times*’ editor emeritus. He was one of eight people commissioned in 1990 by the John and Mary R. Markle Foundation to examine “The Media and the Electorate”. They relied on extensive research by Professor Bruce Buchanan of the University of Texas.

The commission’s report is grim. It speaks of “citizen abdication of the electoral process”, of “public indifference, lack of knowledge and political apathy”, of “appalling ... voter ignorance of the candidates, issues and candidate stands on issues”. On the eve of the 1988 election, a third of the public could not name Lloyd Bentsen as the running mate of Michael Dukakis (the Democratic presidential candidate); nearly half did not know that the Democrats controlled Congress.

Nothing is new, of course, in the finding that large numbers of people have hazy memories for the personalities and facts that are a daily staple of the news. This haziness seems to have grown precisely during the period when political personalities have become a vivid presence on the television news programs that a majority of the public now declares to be its main source of information about current events. “What is new and disturbing”, says the Markle Commission, “is the seeming lack of concern about their own ignorance”.

³ The proportion of eligible voters who took the trouble to go to the polls was up from 50% percent in 1988 but less than the 63% who voted in 1960. Voter turnout in party primaries (where candidates are selected) is significantly lower than in general elections.

How does this come about? The commission blames “voter disaffection” on both the media and the candidates. Its analysis of campaign coverage shows that issues are ignored, especially by television, in favor of stories on who seems to be ahead in the electoral “horse race”. The public’s impression of the presidential contenders is overwhelmingly based on televised debates, and on largely negative commercials prepared by “handlers” who “trivialize the political process and strongly contribute to the conviction that politics is a cynical, unsavory business”. The media report candidates’ attacks on each other at face value, often without interjecting comments as to whether or not the allegations accord with the facts. The recent practice of instituting “reality checks” on such campaign utterances initiated with the television networks, not with newspapers.

To regain the public’s confidence, the commission recommends nationally uniform voting hours, educational and advertising campaigns, and reformed practices by both candidates and broadcasters. It urges the news media to re-examine the way they cover elections and to comment more critically on the substance of political advertising. These proposals make sense, and editors and their organizations should take them seriously.

More important, however, is the linkage that can be inferred from the Markle Commission report between the public’s turn-off from politics and its increased dependence on television for impressions of how the political process works. In television’s chaotic sequence of images, real people and imaginary characters are equally fictional figures. Viewers sense that they are being manipulated; their guard is up all the time.

Newspapers, squeezing their news holes and worried about boring readers, have often tried to compete with television’s tinselly allure by adopting some of its assumptions. Conflict is drama; drama makes news, so the sparring and sniping of political rivals, no matter how trivial the subject, is always good for a front-page story, as is the perennial uncertainty over who’s ahead and by how much. But the real story is not in the daily rephrasing of the candidates’ stock speeches. It is in the painful effort to define the national future, to make difficult trade-offs between individual comforts and social necessities.

Thoughtful exposition of serious issues eats up space. It sometimes gets low readership scores, but it is what newspapers can do well routinely and what television rarely can do at all.

In the mosaic of a newspaper package that includes its due proportion of trivia, fun and games, readers will tolerate extended and intelligent discussion of the public matters that they know are important. Some of them will even dip in, and be the wiser, particularly if they can be shown how the outcome of the debate will impinge upon their own lives.

The health of newspapers is interdependent with that of the democratic order. When newspapers back away from endorsing candidates, when they report uncritically what candidates say, when they decide that the public just couldn't care less about complicated subjects - in short, when they follow television's lead rather than their own historical mission - newspapers weaken the political process. They also weaken themselves.

2.3. Reading and Voting

Newspapers thrive on the drama of public life, which reaches a crescendo every four years with the presidential election race. The decline in political participation directly parallels the decline in frequency of newspaper readership. Both are symptoms of what Sigmund Freud described as "alienation" - the disengagement of people from their social surroundings, and the rejection of responsibility for all the difficult and unpleasant decisions that must be made to cope with reality. The sight of people destroying their own neighborhoods in urban riots (like that in Los Angeles in 1992) was a reminder of the fragility of social bonds.

What gives an individual a sense of being part of the body politic, rather than a victim of external and probably malevolent forces? This can happen when a candidate arouses strong feelings of self-interest or personal identification. As a more general rule, political potency has

long been understood to be a byproduct of wealth and education, which also go with newspaper readership.

In a valuable series of continuing surveys, the Pew Center (formerly the Times Mirror's Center for the People and the Press) has illuminated the relationship between the public's news media habits and political participation. The top-line figures are sobering, and they confirm what the newspaper business's studies have been showing. In 1992, 83% of the public said they relied mostly on television for news about the presidential election campaign, while 49% relied mostly on newspapers. Only 15% relied on newspapers alone, while 48% relied solely on television. The people who follow the news most avidly and who remember it best are most apt to seek it from both media.

Remarkably, about a fourth of the newspaper readers don't follow any current major news stories closely; this proportion rises to over a third among those who get their news only from television.

When the public reports media experiences, perception counts for more than reality. Evidently the vivid impressions left by the candidates' video sound bites outweigh the systematic and analytical coverage of issues by the press. Local newscasts — the most-watched form of TV news - are too busy covering fires and accidents to devote much time to national campaign news. On a given day in 2004, only 18% of the public watched any of the three evening network newscasts⁴. Only 27% watched any of the cable news networks in the course of a day⁵. Yet network news is considered a relatively more important source than local newscasts among viewers who are also newspaper readers.

Newspapers are relied on most by those whose political participation is highest. Only a third of college graduates rely on television exclusively for their campaign news; among those who never graduated from high school, that proportion doubles. Although adults under 30 are the best-educated members of the public, they are least likely to vote, and four out of five get most of their campaign news

4 A.C. NIELSEN.

5 Pew Center for the People and the Press, 2000 survey.

from television; among the most likely voters, those 50 and over, the figure is only two in five.

Logic would seem to suggest that regular newspaper readers would display the greatest confidence of their part in the democratic political process. Yet this turns out not to be true. Regardless of how faithfully they read the paper (or, for that matter, watch TV network news), people hardly vary in the extent to which they agree that they have a say in what the government does, that government officials care what they think, and that government is run for the general benefit. On all these points, a majority have a negative view. The lack of significant variability is true for most of the questions asked about personal values.

On a few crucial items, however, there is a real difference. Regular readers of newspapers are twice as likely as occasional and non-readers to “agree completely” that they’re interested in keeping up with national affairs, and much more likely to say they feel guilty when they don’t get a chance to vote. Regular viewers of network newscasts do not differ nearly so much from the infrequent viewers on these questions.

The era of televised politics has coincided with a decline in political participation and the growth of public cynicism about democratic institutions. It is impossible to say how much of this reflects disillusionment with TV news and its eight-second sound bites, and how much is resentment of political consultants and their attack commercials.

Regardless of what people say in surveys, on a given day far more get election news from the newspaper than from any individual TV network or station. Newspapers are most important to the people who are most likely to vote. Newspapers, in their day-in, day-out reporting, spin the web of essential information that gives people a sense of civic identity and the sense of citizenship on which democracy depends.

2.4. Mass Media and Public Policy

Washington insiders refer to “the CNN factor” to describe the media’s role in shaping government policy. Remote disasters and atrocities become as vivid as events next door in the intimacy of American living

rooms. Televised human dramas arouse strong public emotions and, often, demands for immediate action. They can cause government officials to change priorities or even reverse course.

Newsmakers time their press conferences for the evening news programs rather than to meet newspaper deadlines. Conventional wisdom holds that daily papers may still mold what people know and believe about local matters but that they have little clout concerning national and world affairs.

Some editors seem to share this belief, cutting back on national and international coverage, reducing their use of secondary wire services and abdicating their traditional role of endorsing candidates in national elections. Washington news bureaus typically concentrate on covering the home state's congressional delegation rather than tackling the whole vast complex of federal government. Fewer and fewer major dailies still maintain any correspondents overseas except in rare instances (as when they covered local National Guard troops mobilized during the 2003 invasion of Iraq). Paralleling this unfortunate tendency, the networks have closed many of their overseas bureaus and have reduced the air time devoted to foreign news.

Why shouldn't they, when the cable networks – CNN, Fox, CNBC and MSNBC - are already there?

For good reasons. The real power of cable TV news lies not in its mass audiences but in its hold over the opinion leaders who are news junkies. C-Span is a unique non-commercial offering of the cable industry that televises sessions of Congress, public forums and meetings, and interviews with politicians, journalists and authors – many with great public call-in participation. Less than 1% of the public watches it on a given day, but the people who watch it are those who write to their senators.

The three network evening newscasts altogether reach far more people and, in their 22 minutes of non-advertising time, are capable of conveying more information about more events, more efficiently. But

by the time the evening news captures viewers' attention with one report, it has already moved on to the next.

That same story in the paper can stop readers, get them thinking and talking. Thoughtful discussion over time is very different from the TV-inspired notion of "instant polling", in which viewers call or e-mail their immediate responses to an event. "The CNN factor" confuses seat-of-the-pants reaction with deliberation and considered judgment – the informed public opinion that is needed as government gets more complicated and that newspaper editors are uniquely qualified to nurture and sustain.

If they want to fulfill this responsibility, here are some things they can do:

Refuse to go along with the dictum that newspapers no longer count for much when they venture beyond their home turfs. News reports, interpretations, independent commentary and editorials on rational and world events are as important as they ever were.

Remember that many readers of today's paper won't see today's network news. The newspaper's coverage could be their only source of information on what's going on.

Go for the really big stories that television cannot cover, not because it doesn't have the journalistic skills, but because the big stories cannot be encompassed by short sound-bites and vivid action footage. The big stories are often in trends, not in breaking events. Health care, criminal justice, waste management, immigration, poverty, environmental issues, drug addiction, trade deficits — these are all topics that newspapers can illuminate and dramatize in a way that eludes television.

Accept the fact that television has made Americans more familiar with the personalities and places that used to be just names on the Associated Press wire. This has raised new interests and curiosities that newspapers can satisfy.

Editors should abandon the old assumption that in the arena of world news, newspapers just can't compete with TV.

2.5. Bringing the World Home to Readers

“How do we get readers more interested in international news?” asks Edward Seaton, a Kansas publisher. “What’s behind the public’s losing interest in international news?” asks John Corporon, former president of the Overseas Press Club. Such questions reflect a widespread assumption that the public no longer cares much about what happens abroad.

Newspapers have cut the space they devote to international affairs, on the premise that their “franchise is local” and that they can’t compete on the world front with television’s vivid imagery and authoritative-sounding field reports.

Only a third as many people say they are “very interested” in news of other countries as in news of the community where they live, according to a survey for the Radio and Television News Directors Foundation. That puts world news on about a par with news of sports and of politics and government, and well ahead of news on business, entertainment and technology.

Easing away from world news contradicts several trends that are giving Americans a more cosmopolitan outlook: (1) The nation’s growing interdependence with the global economy; (2) A higher level of education; (3) More foreign travel; (4) Rising immigration.

Journalists’ discussion of the decline of international news easily shifts to more general laments about the replacement of hard and serious news by soft “life-style” fluff and televised trash. Some think the public’s growing reliance on TV news has fundamentally changed the way it assimilates information. “Readers have a shorter attention span today”, says former *New York Times* managing editor Seymour Topping. (Not so short, however, that they won’t devote endless hours to the trials and tribulations of celebrity scandals; not so short that they aren’t buying, and perhaps even reading, more books than at any previous time in history). It takes more space to explain an uprising in Zaire than a two-car collision on Elm Street. Why waste that costly space on something that comparatively few readers will give more than a glance?

A newspaper's value to its readers is a composite of many idiosyncratic tastes and impulses. In intensity of interest, in loyalty to the paper, those few readers who really care about any given story may outweigh all those who skip it. Surveys that ask people what items they saw or read can be misleading guides for editorial decisions. Even more dubious are surveys that ask questions about "world news", "national news", "state news", and "local news". These broad categories are meaningful to news executives, but readers don't necessarily respond to what they see in terms of such convenient classifications.

Except for military conflicts, stories from abroad cover the same gamut of subjects as those with domestic datelines: politics, disasters, economics, gossip. Readers are drawn to a foreign news story when they recognize that it may have consequences for the United States, and thus ultimately, for them. When the United States is at war (which is pretty much outside editors' control), or threatened with war, the level of interest in international news goes up.

Readers may be attracted to an international report because of a personal connection, or for the same reason that they become involved with any other kind of news story — because it *is a story*, an ongoing drama filled with interesting characters, fundamental human struggles and an uncertain outcome.

Are villagers left homeless because of an earthquake in Iran less pitiable than those flooded out in Ohio, or looters in Tirana all that different from those in Los Angeles? Are the personalities of Third World politics less colorful than those on the local city council?

Good journalists can trace the links between events in remote places and local people and institutions. They can get interpretations from experts at local universities, home-town business executives, college professors, and informed travelers who have something serious to say about issues that are national or global in scope.

And by using their existing wire services and syndicated sources, backed up by dips into the archives, they can infuse the bare reports of the breaking news with a sense of the dramas behind them.

There are profound differences between the broadcasting and newspaper news formats. Journalistic tradition, as it evolved at newspapers, has always placed the responsibility on professional judgment to determine how a limited amount of space could best be allocated. Editors have to know what their readers will tolerate, but their job is to push up constantly against the limits of that tolerance and thus to expand it. Network television news producers, working with tighter constraints of time, have not always followed the same ground rules. Too often they judge news priorities by their titillation quotient rather than by their significance.

But network news has another, powerful constraint — to play the news by where its camera crews are. In times of crisis, the crews follow the anchors, who alone give each program, and the network itself, an identity. If the anchor can't get to Baghdad and is stuck in Amman, then Amman becomes the center of the world, at least on that network.

Brilliant newspaper reporters, unless they appear as guests on TV talk shows, don't attract public recognition because they perform as journalists, not as entertainers. To say this is to imply that journalistic rather than entertainment standards must apply in the selection and organization of what a newspaper prints. When newspaper editors and ratings-obsessed television news producers believe that a subject is no longer attractive to their audiences, the natural response is to give it less coverage. But when less appears on that subject, interest drops further, accelerating the downward spiral. If editors use their own judgments of what international stories are newsworthy and apply their ingenuity to make them interesting and meaningful, the readers will follow.

2.6. After 9/11

Calamities sell newspapers. The events of September 11, 2001 boosted single-copy sales, as great disasters have always done. They also drove the public to other sources of news, especially to television, which etched awful and unforgettable images into the nation's consciousness.

Television's ability to bring viewers instantly to the scene of breaking news, however, is not matched by a capacity to be comprehensive and analytical. The public, dazed by continual replays of the hijacked airplanes striking the twin towers of the World Trade Center, turned to newspapers for details on the innumerable lesser stories that went with the big story.

Newspapers provided the graphics that allowed readers to pore over the location and sequence of events.

They explained the terrorist movement's historical background and assessed the political and military options faced by the nation. They vividly described the experiences of those who had fled the collapsing buildings and burning Pentagon, and brought the missing to life with anecdotes and minibiographies that translated the staggering statistics into palpable individual human tragedies.

In New York City and Washington, D.C., reporters and editors worked to the point of exhaustion. Close to "Ground Zero", (the site of the World Trade Center's twin towers) the *Wall Street Journal* moved to emergency quarters and kept publishing. Throughout the country, while some advertisers cut their schedules, publishers committed expensive newsprint to meet the demand for information and to fulfill their civic responsibility. The press did itself proud. However, newspaper executives still had to ask themselves some questions as September 11 retreated into history. The first might be, can the news that doesn't happen sometimes be as important as the news that does?

Shortly after the conviction of the terrorists whose truck bomb blew up the garage of the World Trade Center in 1993, U.S. District Court Judge Kevin T. Duffy, who presided over their trial, revealed that their plan was to weaken the structure of one building sufficiently so that it would fall into the other and bring both down. Reporters covering the trial (and their editors) probably thought this scheme too far-fetched to warrant mention. An aborted scheme to blow up the New York-New Jersey Holland Tunnel received minimal news play. These were considered non-events and merited no flaming headlines.

Surely it is not the function of newspapers to do the job of government intelligence agencies. But newspapers, through their reporting and editorial commentary, can direct the attention of those agencies to urgent matters that they have not addressed with urgency. Newspapers can arouse public awareness and alert legislators and other officials to the need for action. This can only be done through a sustained effort, not as a one-shot exposé.

Should editors continue to favor reports on the specific events of the day over in-depth coverage of ongoing developments, in articles that can't be reduced to a few meaty paragraphs? Is it time to question the principle of "giving readers what they want" when what they want, as measured by survey responses, is transient or foolish?

For years, the conventional wisdom has been that, apart from *The New York Times*, *The Washington Post* and a handful of others, newspapers should concentrate on local happenings and leave national and international news to the television and cable networks. But September 11 and its aftermath clearly demonstrate how inseparable local news is from that of the wider world. The personal, economic and military repercussions of what occurred have been felt in every American community.

Even with news holes under pressure as advertising shrinks, the trend has been away from the hard and serious toward the soft, trivial and soothing. Is this really what sells newspapers? And apart from the wire and syndicated services, how many newspapers can claim competence to write and comment with authority on Islamic fundamentalism, Afghanistan's topography or the rapid deployment of air defenses? Should they just give up and let national television do the job? Can talking heads and stock video footage elucidate subjects of great complexity as well as print can?

Television was indeed crucial in creating the strong sense of national cohesion that emerged from the ruins of ordinary lives and great buildings. But it is newspapers that put events in context, and day in, day out, connect people with each other and with their common institutions. Isn't forging connectedness the unique function and responsibility of the press?

2.7. What Newspapers Do Best

According to former Secretary of State Henry Kissinger, in shaping foreign policy, “The big power is TV reporting”. And print? “The print media have almost no impact at all”, he says.

“*Network* ...news is becoming the sole source of information. The number (of viewers) is rising in a dramatic and to me even depressing way. Suddenly 50 and then 60% of people get their news and information solely from television”.

When Tim Russert, a well-known NBC television news commentator, made that statement in 1990 none of the distinguished broadcast journalists and management executives on his panel or in the audience stopped to question it, or to ponder its incredible consequences, if it indeed were true.

It isn't, of course, but that's not the point. What really matters is that Russert was expressing the accepted beliefs of the Washington press corps, and of official Washington itself.

For some time now politicians in and out of government have accepted the assumption of television's overpowering preeminence. We see this in the interminable horse-race reporting of presidential campaigns, in the refashioning of the national party conventions to meet prime-time television's entertainment requirements, in the weight attached to the candidates' performances in their televised debates. And we see it routinely in the way that presidential press conferences are scheduled, in the timing of politically consequential announcements to capture the maximum audience on the early evening network news shows.

Many newspaper reporters and editors seem to have accepted the notion that what they are writing is now a sideshow to the main event, that what's really important is what people can see for themselves on the tube. Partly this reflects the virtual disappearance of timely newspapers as tough production and distribution schedules have forced afternoon papers to print earlier and earlier, and helped to drive many of them out of business. Partly it reflects the genuine reliance the public has developed - and has affirmed in a variety of surveys - on

television coverage of the dramatic scenes and personalities in major news stories, particularly those with visible heroes.

Yet in spite of what some broadcasters and political spin doctors think, or at least say, hardly anyone in America relies on just one medium to know what's going on. On a typical day, half of all adults read a newspaper, two out of three watch some television news, and nearly half hear some news on the radio. Over the course of a week, almost everyone gets some news both from newspapers and TV.

Most of the television news they see is on local newscasts, and newspapers continue to be the preferred source of local news. The public now clearly regards television as its main source of national and world news, but this doesn't mean, as some editors seem to believe, that newspapers should concentrate on their strong suit and forget about serious coverage of the larger scene.

People use a variety of sources to give them different kinds of information rather than to learn the same news over and over again. While most readers rely on a single paper, the broadcast news audience is widely split. The public's perceptions of where it gets its world news doesn't quite match the reality.

Newspaper reports commonly mix up the terms that define audiences. They sometimes confuse the percentage of viewing households with the percentage of the public watching a program, although not everyone in the household is present. Similarly, the circulation of newspapers is often confounded with readership. Newspapers rarely remind their readers - and politicians - of their own huge audiences, though they are constantly exclaiming about the millions who watch the Super Bowl or a presidential inauguration.

Sure, people turn to television to get the big stories while they're fresh, to see newsmakers and exotic scenes for themselves, to hear the familiar newscasters reassure them that the world is really an orderly place.

But there are hundreds of stories every day in every paper that television can't and doesn't touch. More important, there is more to the

news than personalities and scenery; there are *ideas*. Some broadcasters and politicians may not consider those very important, but they're what newspapers still handle best.

2.8. Journalism and Accountability

To whom should journalists be responsible? To their bosses? To their readers? To a vaguely defined ethos? "Accountability" is a word that is often heard in connection with the productivity of media advertising, but it has also cropped up in connection with media content. The notion demands close examination, but it raises familiar debating points. Accountability implies that journalism is a profession, with accepted and enforceable standards and criteria for admission to practice – backed up by governmental authority. A number of countries require official accreditation, which implies a subservience to the accrediting governmental authority. Such an idea is unacceptable to American journalists, for good reason. Free expression permits no restrictions on the right to call oneself a journalist.

The burden of accountability falls on media institutions rather on individual journalists, but there is a significant difference between broadcasters and cable operators, who are licensed to use the frequency spectrum or the public right of way, and other media, which are under no legal responsibility to act responsibly or in the public interest. In theory, media management's only accountability is to owners, and responsiveness to the audience is only a tactical means of assuring financial success. In practice, human motivations are more complicated than that.

The near-demise of local competition among daily newspapers forces readers to accept what is available rather than to select a voice with which they can identify. Newspaper and news magazine reading and network news viewing have atrophied as the balance of the public's media exposure has shifted increasingly to entertainment and away from information. The change in behavior is mirrored in attitudes. People who aren't attentive to the news say they distrust those who

provide it. But attitudes toward the media have historically fluctuated along with attitudes toward all other powerful institutions.

Is low public esteem for the media something for journalists to worry about? No. Are the media out of touch with their audiences? No. The problem may be that they are too much in touch, paying too much attention to readership research on likes and dislikes, and thus deviating from their own sense of mission. Accountability should be in one's conscience, not in the rule-book.

How to bridge the gap? There is no gap; just a greater (and possibly deluded) sense of public intimacy with the way news media work, and therefore a faster rush to judgment. Media should accept their own newsworthiness, be less reluctant to criticize themselves and their competitors and contemporaries, and engage in the kind of public "reality checks" to which they submit – or should submit - political candidates in election campaigns.

3. The Newspaper and its Public

3.1. Journalism and Urbanity

The future of American newspapers depends less on technological change than on what happens to America's cities. Technology operates in a social context. In the past four decades the United States has undergone a series of revolutions, in race and gender relations and in the switch from a manufacturing to a service economy.

All this affects where and how people live. When we think of new media in the digital era, we must first consider what is happening to the media already in place. News media still serve people who share the common interests and landmarks of a particular geographic area, but increasingly they help to create interests that transcend spatial limits.

The three words, "city", "civility", and "civilization", have a common Latin root, and with good reason. In all cultures, cities are the seat of civilization. Here human lives are intertwined and interdependent, and dense personal interaction stimulates learning, the arts, economic exchange, and material well-being. From interdependence also stems civility, the tolerance and mutual respect required to maintain social order.

Over the centuries, the economic and political lives of cities have depended on a fund of shared information and symbols kept current and vivid by local news media. Newspapers bind people and institutions in cities of strangers. Cities are marketplaces, and local media provide the essential economic news, including advertising, that markets require.

Journalism is essentially an urban art, flourishing in the marketplace; its rollicking, competitive, enterprising enthusiasms are kept alive by personal encounters in dives and hangouts.

The rise of newspapers has been inseparable from the growth of cities. They began as court circulars and as instruments of commercial information and later expanded their coverage to include both town gossip and foreign intelligence. Since they started in cities that were at the same time centers of trade and of government, their purely local news reports were of interest throughout the entire realm. A newspaper published in Lisbon or Paris or London or Vienna reinforced the capital's sense of its own importance; it gave the urban spirit a universal character that survives to this day in great national newspapers like *Le Monde*, *El País* or *Yomiuri Shimbun*. Readers who came to the newspaper as a form of coffeehouse entertainment automatically absorbed information about civic problems, politics, and controversies.

With progress in the technology of papermaking and printing, periodicals could publish more often, lower their costs, and expand their readership. The result has been a greater differentiation between localized publications and those that serve a regional or national constituency. Improved transportation extended the distribution range of the press. It also widened trade and personal contacts well beyond cities' political boundaries.

We live with the consequences. Suburban residents are now a majority of the metropolitan population. They no longer identify with city news and civic personalities. It gets harder for the press to sustain readership and circulation. As cities are drained of consumer purchasing power, stores follow their best customers to the suburbs and advertising is siphoned off.

We are often confronted with a utopian - or perhaps, dystopian - vision of a future in which much of life's business can be done at a computer keyboard or through teleconferencing - a world where people work and shop and bank and amuse themselves at home, with minimal need to be physically near each other. If this vision were to come to pass - as many intelligent and serious people believe it will - it would mean that cities would no longer serve any social or economic purpose, and that the local news organizations that serve cities would lose their publics and no longer have an economic base.

Consider the shopping and trading patterns that have always been at the center of urban life. Will stores be replaced by direct marketing

through computer networks? Consumers already consult electronic catalogues of merchandise and use their home computers to order anything they want in the right size and color. However, most people still prefer to see what they are buying at first hand. In retail stores people can touch the merchandise and encounter friends unexpectedly. It is one thing to order the baby's diapers on the Web, but another matter when buying a car, no matter how much information there is on the computer screen. Stores won't disappear, but they don't have to lose much of their business to create repercussions for the economic viability of local media that depend on retail advertising.

Newspaper journalism, for all its frequent derelictions, has been a great integrating moral force. The weakening of the press damages the civic spirit. The press has always served as a channel for the expression of grievances against local authority, even under totalitarian dictatorships. Soviet newspapers received vast quantities of reader mail, much of it complaining about specific local problems. Although only a small portion of it was printed, the Party-run newspapers routinely turned it over for action to the appropriate government agencies, where it may occasionally have been acted upon.

In the past, newspapers accentuated social class divisions by distinguishing the informed elite from the masses of people who had to rely on oral rumor to extend their knowledge of the world beyond what they could personally observe. In contrast to the elite status of newspapers in much of the world, U.S. newspapers, since the nineteenth century, have always been identified as a true mass medium, an extraordinary unifying and cohesive force, giving everyone access to the same pool of vicarious experience. That may be changing as newspaper reading slowly erodes.

3.2. Leading the Community: The Case of Dallas

As urban regions have changed character, with the central cities a smaller part of their total population, there is an ever-greater need to introduce some sense of direction to their chaotic growth.

This chaos is expressed in all-too-familiar symptoms: economic and social decay at the urban core, a widening chasm between cities and suburbs. The disappearance of downtown department and specialty stores erodes newspapers' advertising share.

Newspapers report the changes in their regions and offer editorial advice on how local problems can be met. But with so much at stake for them in solving those problems, should newspapers use their power as institutions to initiate programs of civic action? One paper that believes they should is the *Dallas Morning News*. The *News* has been a prime mover in an imaginative effort to look ahead by coordinating the plans of government, business and community groups.

The Dallas Plan, which evolved at the initiative of Robert Dechard, chairman of the *News*'s parent, Belo Corporation⁶, provides a detailed blueprint for orderly long-term growth. It received funding from foundations and individual contributors. Richard T. Anderson, formerly president of New York's Regional Plan Association, was hired as executive director to launch the program. Over the next thirty years, Anderson pointed out, government and industry in the Dallas area would be making capital expenditures of some \$30 billion, mostly in transportation and public facilities. The government spending is being done by a variety of municipal jurisdictions, school districts and other civic bodies, each with its own constituency and agenda in an interdependent metropolitan region. The Dallas Plan sought to establish a framework for these expenditures.

The Plan was developed, in close cooperation with the city's mayor and Council, as a result of three rounds of grass-roots community meetings. The *News* supported it with continuing news coverage, sophisticated commentary by the paper's respected architecture critic, and strong editorial endorsement. A richly illustrated twenty-page tabloid color supplement to the Sunday *News* was a key element in generating public awareness of the Plan's details and discussion of its

⁶ The *News* and Dechard personally have a long-standing interest in the subject; a number of years ago they commissioned and publicized an inventory of the region's assets and liabilities.

civic and financial implications. (The tabloid was labeled an “advertising supplement”, because it was not prepared by the paper’s own news department but by the Plan’s staff, with design assistance from the *News*’s marketing department). Fifteen thousand copies were distributed at meetings and workshops sponsored by churches and other local institutions.

Burl Osborne, then the *News*’s publisher, explained, “It’s a matter of how a newspaper chooses to help a city set its agenda. It’s a way that we can be a proactive part of the solution to problems. We didn’t try to dictate the outcome of any decisions that had to be made. We treated the news coverage as we would anything else. The news department was free to do what it wanted. Some of the coverage was critical. Coverage has to be straightforward and balanced. We can keep news coverage in the middle of the road without abdicating our responsibility as a major institution in the community”.

What can other newspapers learn from the Dallas experience? The process would be different for each city, says Anderson, but some principles apply generally:

1. The newspaper has to be involved on a very senior level. Top management commitment made things happen, both at the paper and in the community.
2. “There has to be the right kind of civic leadership to do this”, notes Osborne. “The newspaper can’t do this very well on its own”. In Dallas, the Chairman “had no axe to grind. “He took this and ran with it”.
3. The plan produced should be a working document, open to discussion, not a final blueprint. Osborne adds, “We have a set of options that everyone has agreed are options”.
4. Think in the long term. Anderson cautions that “this has to be done as an ongoing process of community participation and direction and not as a one-shot”. And Osborne warns, “Don’t expect instantaneous results”.

The Plan eventually “faded away”, according to *News* editor Bob Mong. “In its void, we stepped in and hired Booz Allen Hamilton [a

consulting firm] to do what the city failed to do: look at its operations in a very specific, rigorous way”. In April 2004, *The News* published a special 20-page section called “Dallas at the Tipping Point”, which asserted that the city was in crisis “and City Hall seems not to know”. Mong concludes that “the city is now reconciled to becoming more strategic, spending tax dollars in alignment with its plan goals and cleaning up its outmoded city charter”.

Not all editors agree that it’s a good idea for newspapers to throw their weight around outside the editorial pages, even in the best of causes and with the utmost self-interest. Some editors believe that, in involving third parties, the newspaper is abdicating its own responsibility. But for those newspaper managements who think their regions’ future should be guided, not just reported, the Dallas Plan offers an impressive model.

3.3. If Not Public, What?

Do you remember “Generation X, “yuppies”, “value –added”, and “total selling”? How about “advocacy journalism”? “infotainment”?

Buzzwords and phrases come and go quickly in newspapers and in the larger worlds of communication and marketing. One hot phrase of the 1990s has been “public journalism”, which, as its leading advocates admit, is hard to define.

In the words of one, *Wichita Eagle* Executive Editor Davis “Buzz” Merritt, “Telling the news is not enough”. Public journalism aims to strengthen the links between each newspaper and its community by engaging readers in specific projects – voter registration, school improvement, litter control or anti-drug efforts.

Public participation and discussion is generated through intense coverage and by the newspaper staff’s direct involvement with community organizations. The newspaper leads the way for action that forces local governments to do the jobs they have been neglecting.

Some editors greet the public journalism movement with skepticism and concern. They say it threatens the long tradition of objective reporting that distinguishes the American press from the European style of personal, interpretive writing.

In response, Merritt argues that objectivity does not require disengagement from the subject. “Jonas Salk, seeking the polio vaccine, had to be scientifically objective in his method, but that doesn’t mean he was detached. He had a sense of urgency about finding a cure”.

Attitudes toward public journalism and other ethical issues differ widely from paper to paper. At the University of North Carolina, John Bare compared newsroom attitudes in Wichita with those in Omaha and Raleigh - which follow conventional practices. He found that Merritt’s staff shared his professional and ethical outlook, either because of how they had been selected or trained. A strong editor can shape the values and practices of subordinates.

But the differences in outlook between reporters in Omaha and Raleigh are almost as great as between them and their counterparts in Wichita. Newsroom attitudes are fanned by a variety of factors, apart from the editor’s philosophy: the character of the city, the paper’s history, its pay scale and the size of the staff relative to the news hole.

No adherent of public journalism wants news writing to depart from the tradition of fair and dispassionate reporting that American journalism schools have mandated as an ideal since they first began early in this century. Dispassionate doesn’t necessarily mean even-handed. With at least two sides to every argument, one may be right and the other wrong, and reporters don’t do their jobs properly when they fail to register that distinction.

If value judgments inevitably enter into straight news coverage, they are even more visible in editors’ management of news assignments and space allocation. With news space increasingly tight, the space and staff time required by public journalism projects inevitably come at the expense of conventional news coverage, including the investigative reporting of important stories that do not necessarily fit the civic-

action model. When a reporter uncovers evidence of official corruption, inefficiency or ineptitude, this may spur the judicial system; it is not likely to give the paper an incentive to organize a grass-roots citizen movement. And such stories are often generated serendipitously, or on a hunch, rather than by the requirements of a public-journalism agenda.

Good journalism has always been activist by definition, because it ceaselessly digs up stories that threaten established authorities or interests. Crusades for civic betterment have always started on the editorial pages. If this is where readers expect to find them, isn't this where they belong? The theory of public journalism is that editorials are not persuasive enough to produce results. History shows otherwise.

Aside from the words they print, newspapers swing considerable weight. They are the powerhouses of their home towns, creators and guarantors of civic identity, major employers, mainsprings of retail business, essential guides to daily life. Newspapers have long sponsored external events: athletic contests, art exhibitions, commemorative assemblies, political debates, school programs, awards ceremonies. Newspapers do this kind of thing in their own institutional self-interest as well as for traditional public relations and promotional reasons, and they ought to do more of it.

In an era of one-newspaper towns, the kinds of projects publishers take on are bound to be different than when dailies vied to create activities that would give them an edge over rivals. Newspapers today are inclined to be circumspect in their support for causes that might arouse opposition or controversy. The public journalism movement is to be applauded if it fosters risk-taking. But isn't that what honest journalism has always been about? If all journalism isn't public, what is the alternative - private journalism?

4. Journalistic Dilemmas

4.1. Journalistic Courage⁷

Since the days of Tom Paine, crusading journalists have courageously reported the truth in the face of authoritarian regimes and criminal powers, and they have suffered for it. Emile Zola's "*J'Accuse*" (January 13, 1898), led to his conviction for libel and a one-year prison sentence, which he evaded by fleeing to England until he was pardoned in 1899. The United States, happily, is not one of those countries where reporters are murdered routinely. Examples of courage are harder to find when it carries less severe penalties.

In 1920, the radical writer Upton Sinclair compared American journalistic practice to the "brass check" by which warehouse clients selected their partners. In that era, proprietors of coal mines, railways and steel mills owned many newspapers and bribed others to advance their interests. Sinclair thought the press of his day was in the pocket of vested industrial interests, not only because they were big advertisers but because they held financial and political power in their home communities. Sinclair cites an egregious example:

"The Powder Trust had once made a contract with a German military powder firm to keep it informed as to the quantity of the smokeless powder it furnished to our government. The Powder Trust dumped [the editor of *Collier's* magazine] hard. He could have had anything he wanted by making a simple disavowal of me. He could have named his own terms. He declined point-blank and threw a challenge to the heaviest and most important client his weekly could have had".

⁷ An earlier version of this chapter appeared in the *Media Studies Journal*, Spring/Summer 2000, pp. 122-129.

As late as 1978, the Du Pont company, “the Powder Trust”, still owned the *News* and *Journal*, the monopoly papers in its home town of Wilmington, Delaware⁸.

Sinclair writes, “I remember once asking [the Hearst editor] Arthur Brisbane how he managed to hobnob with the “Smart Set” when he was attacking their financial interests so frequently. He answered that they esteemed success, and cared very little how it had been gained”.

Sinclair saw the press as being in the pocket of vested industrial interests, not so much because they were big advertisers as because they held financial and political power in their home communities. Today the non-journalistic business considerations that enter into management’s judgments on critical issues are more diverse and infinitely more powerful. They entail relations with government, with advertisers, with audiences and with elements in the media organization itself. Balancing the resulting cross pressures often requires difficult, painful and courageous ethical decisions.

American reporters have faced the threat of jail when they have refused to reveal confidential sources, but they are rarely forced to exhibit physical courage of the kind required by their counterparts in countries like Colombia or Algeria, where news people are murdered routinely. Examples of courage are harder to find when it carries less severe penalties. In recent times, two investigative reporters, *The Arizona Republic’s* Don Bolles and Manuel de Dios Unanue of New York’s *El Diario/La Prensa*, have been murdered as a result of their reporting on organized crime — but such instances of vengeance are rare.

There are few widely publicized examples of editorial courage — perhaps because it is manifested routinely in publishers’ support of their newsrooms’ investigative reporting. Publishers pick editors whose views are harmonious with their own, and editors hire and fire by criteria that include compatibility as well as talent. The most often mentioned illustrations of journalistic courage involve the people at

⁸ It was subsequently sold to Gannett.

the top of organizations that have uncovered news that endangers the health or even the survival of the enterprise. Few such instances are widely publicized, perhaps because courage is manifested routinely in publishers' support of their newsrooms' investigations.

Consider the most frequently cited cases: Edward R. Murrow's televised exposé of the notorious demagogue, Senator Joseph McCarthy. (According to Murrow, CBS⁹ management's reaction was, "Good show. Sorry you did it", but they stuck by him). There was Carl Bernstein and Bob Woodward's investigation of the Watergate break-in (which led to the resignation of President Richard Nixon), Seymour Hersh's revelation of the My Lai massacre in Vietnam, *The New York Times*' publication of the Pentagon Papers.

All of these instances involved intrepid and resourceful reporting of buried information that presented a threat to powerful political figures or institutions. But all also required the support of media chief executives who weighed their civic responsibility against their enterprises' material interests. (Nixon wanted to divest the Washington Post Company of its valuable television franchises).

The process of balancing journalistic and business imperatives is never simple when it involves the public's right to know deadly national secrets. President Roosevelt tried to press treason charges against the *Chicago Tribune*'s publisher, the eccentric and reactionary Robert McCormick, when he published a story that revealed to the Japanese (though they apparently did not understand it) that the U.S. had broken their naval code. In contrast, Orville Dryfoos, the publisher of *The New York Times*, withheld an already published report of the CIA's preparations for the Bay of Pigs invasion because he thought this would not be in the national interest. He later regretted his decision. Similarly, the NBC Nightly News killed a report on U.S. satellite spying when Secretary of Defense Casper Weinberger called to say it would or could endanger the lives of American agents. The story turned up in *The Washington Post* two days later. The Pentagon's

⁹ CBS is one of the major television networks, along with NBC, ABC and Fox.

public relations arm wanted the story kept secret so that it could be released on its own timetable, to demonstrate the military's technical achievement.

Warren Christopher, when Undersecretary of State in 1980, at the behest of the Saudi ambassador, asked the Public Broadcasting Service (PBS) to withhold the airing of a British documentary, "The Death of a Princess", on the grounds that it might provoke a new oil crisis. PBS president Lawrence Grossman held firm, and there were no repercussions.

As technology blurs the distinction between print and electronics, the success of media businesses depends increasingly on the decisions of government, embodied in regulations, legislation and judicial rulings. This must make the *people* who run them more sensitive to the political effects of their news coverage. As political advertising has become a considerable component of television revenues, politicians have found it increasingly necessary and expedient to court the media, creating a new source of pressure on journalists.

Media overlords rarely give direct orders to kill or slant stories. They do not have to do that in order to *let* it be known what their views are and where their interests lie. They hire and fire editors and producers. Almost imperceptible Pavlovian cues reinforce desired behavior and inhibit what is unwelcome.

The head of an individually or family-owned media business may be more willing to take risks than the chief executive of a publicly held company worried about the reaction from *Wall Street*. But in today's corporate economy, editorial independence does not always jibe with the demands of the bottom line. Following the general trend in American business, media companies have merged into larger and larger organizations, including many with operations outside the media business. The very size of these companies makes their managements less vulnerable to the kinds of advertising pressures that beset smaller media organizations. But it also gives them a large stake in the status quo and broadens the possibilities for conflicts of interest, as in NBC's ownership by General Electric, a huge defense contractor.

Even giants who vigorously compete in some spheres of activity enter easily into joint ventures, thereby extending the boundaries of their corporate interests. In 1998, ABC News discarded an investigative report that raised embarrassing questions about hiring and safety practices at Disney World. (ABC News and Disney World are owned by the same company). In 1995, CBS's "60 Minutes" dropped an interview with a disaffected executive of Brown & Williamson Tobacco Corp. who accused the company of manipulating nicotine levels in cigarettes in order to maximize their addictive effect. When the story came out, the network's corporate defense was that it faced the serious threat of a libel suit. CBS's then principal owner, Laurence Tisch, was also the main stockholder of Lorillard, another tobacco company.

The RJR Nabisco and Philip Morris companies, which own huge food and beverage businesses, are among the largest television advertisers. It is clearly impossible to determine what considerations entered the minds of the CBS executives who decided to kill the interview. It was ultimately broadcast, long after the episode had received widespread attention, but it strains credibility to suggest that there were not other factors in their thinking besides the threat of a lawsuit. The story was well covered by the trade press at the time, thus providing support for the notion that legitimate news cannot be suppressed in a competitive media environment. It was brought to even wider public attention in somewhat embellished form by the 1999 film *The Insider*.

Corporate interests have become ever more global in scope and therefore more sensitive to pressures from the state apparatus of countries where the owners of American media companies do business. When a Singapore court imposed a heavy punitive fine on the *International Herald Tribune* for printing an article on government nepotism, the paper accepted the judgment with the knowledge and consent of its owners, the New York Times Co. and the Washington Post Co. There was a powerful pragmatic reason to do so: The paper could not otherwise continue to print at that strategically crucial location.

The News Corporation's Rupert Murdoch, who sought to bring pay television to China through his satellite Star TV system, invested

heavily in a joint venture with the official *People's Daily*. He removed BBC World News from Star TV after China complained about its objective coverage. His book publishing house, HarperCollins, published a laudatory biography of Deng Xiaoping by Deng's daughter but canceled HarperCollins' contract to publish the memoirs of Chris Patten, Hong Kong's last British governor and a strong critic of the Communists. The editor of the publishing house was suspended and gagged. These scandalous actions created a sensation in the British press, except in Murdoch's *Times*, where it went unreported for a week.

The conflict between the editorial and business sides is still often thought of in terms of stark and brutal impositions of power, prompted by venality, political ambition, personal friendship or idiosyncrasy: a publisher suppressing a scandalous news story about a major advertiser, planting a puff piece for another, demanding slanted coverage of an electoral contest, insisting on publicity for a favorite charity or actress. Episodes of this kind still happen but, with a few egregious exceptions, the American press in recent years has generally sought to report news without conscious bias, regardless of the opinions expressed on the editorial page.

This principle has become more widely followed because of the attrition in the number of competitive newspapers, diminishing the partisanship that once characterized the press. Monopoly newspapers necessarily must be cautious in avoiding offense to any segment of their audience: they consider their entire market their constituency, and readers and advertisers always have alternatives to the newspaper.

Although this prompts papers to be objective in their reporting, it may also encourage them to shape their content by marketing criteria rather than by editorial judgments. There has been widespread acceptance of the notion that the press is just another consumer product and that success comes from giving the customers "what they want".

In television news, the race for ratings has always been the pre-eminent factor in editorial judgments. TV magazines primarily featuring lifestyle stories have replaced documentaries. Television news has long been an element in the flow of entertainment, packaged

to attract maximum audiences. Network and station managements have rarely come from the news side, and the traditional journalistic values have meant little to them. GE's president, Jack Welch, proposed that the NBC network, which GE owns, exact a charge from publishers whose authors were interviewed on the "Today" show. On local newscasts, which get the bulk of the news viewing, producers are mainly preoccupied with the attractiveness of the news readers, their costumes and background sets.

The cosmetics draw attention because they appear to affect the audience ratings, which are important only because news media are economically dependent on advertisers. And from the advertisers' standpoint, it seems perfectly reasonable to avoid positioning sales messages next to objectionable content. (Airline ads are routinely pulled from newspapers when planes crash). A 1998 survey of advertisers, conducted by the American Association of Advertising Agencies, found that 94% "want to be notified in advance of any potentially controversial editorial or program content".

But how far can the avoidance of counterproductive juxtapositions go before it becomes censorious or punitive? "We vote with our dollars", said an automobile dealer displeased with a Minneapolis radio station's consumer report. Chrysler required that magazines carrying its ads notify it in advance "of any editorial content that encompasses sexual, political, social issues or any editorial that might be construed as provocative or offensive". *Esquire* magazine, anticipating Chrysler's reactions, cut a short story with a homosexual theme. The resulting publicity led to a flood of protests and to the resignation of the fiction editor. Chrysler eventually withdrew its requirement. Ford dropped its advertising in *The New Yorker* for six months after obscene rap lyrics were quoted in an article adjacent to one of its ads. IBM withdrew its advertising from *Fortune* after the magazine ran an unflattering article about its chairman. *Cosmopolitan* magazine was censured by the American Society of Magazine Editors for running ads for a cosmetics line next to an article dealing with the same branded products.

Of 60 newspaper publishers surveyed by *Editor & Publisher* in 1999, virtually all could cite instances where an advertiser had pulled

advertising or threatened to do so because of a complaint with the paper's news coverage. One publisher in five said that a newspaper might sometimes consider altering a negative story that affected an advertiser, but nine in 10 said their own papers had never done so.

It takes courage not only to maintain editorial integrity but to adhere to an editorial vision. Media are not only reluctant to offend advertisers; they shape their content to please them. Magazines and cable channels are established to appeal to particular segments of the public that are thought to have value as niche marketing targets; their content is directed to those interests that serve advertisers' needs.

The purpose of journalism is to disseminate information and ideas. The purpose of marketing is to maximize revenues. This may be done by creating ancillary products that provide new uses for existing assets — as when newspapers set up Web sites or publish books based on articles and photographs in their archives — or by creating new editorial sections that are designed to attract extra advertising, whether they deal with a county fair, mutual funds or fall fashions. There has been an explosion in the number of such sections, often created by the paper's advertising department or turned over to an independent contractor who sells the advertising and provides the text.

In magazines and more recently in newspapers, “advertorials” carry not only display advertisements but especially prepared text supporting the advertisers' messages; though labeled as advertising, they are easily mistaken for an integral part of the editorial product. It has even been proposed that advertisers be allowed to “sponsor” certain standing features of a newspaper, like the weather report or baseball box scores, much as they can sponsor a radio or television broadcast.

In films and television shows, product placement blurs the distinction between commercial and noncommercial elements. Brand names and logotypes intrude into strategic positions in sports arenas and adorn the names of stadiums and theaters. On the internet, colorful and cleverly designed banner ads become almost indistinguishable from the surrounding texts and icons. Even *The New York Times Book Review* list of best sellers carries a link to the bookselling chain Barnes &

Noble's Web site. Former Surgeon General C. Everett Koop attracted criticism when it was revealed that his Web site, ostensibly a source of authoritative health information, plugged a service in which he had a financial interest.

Is the modification of a newspaper's mix of contents to serve the marketing objective of increased readership qualitatively different from the creation of editorial sections that serve the marketing objective of bringing in increased advertising? Where is the line to be drawn between such sections and those that have long been run on automobiles and real estate or that once made newspaper food pages an outlet for manufacturers' publicity releases?

What is the proper relationship between a news organization's news and business functions? The old question became more newsworthy after a fierce reaction to a special issue of the *Los Angeles Times*' Sunday magazine devoted to the just-completed Staples Sports Center. The *Times*' new publisher, Kathryn M. Downing, apologized for splitting advertising profits with the Center, which is a subject of continuing news coverage. Former publisher Otis Chandler, who had built the *Times* into one of the world's great newspapers, said its editorial department had been "abused and misused".

Newspaper publishers and editors reacted to the original story in strikingly different ways. Half the publishers surveyed by *Editor & Publisher* considered the Staples Center deal "acceptable". This view was shared by only one-fifth of the 105 editors who responded. Seven out of 10 editors say they should have ultimate authority on editorial decisions; eight out of 10 publishers claim that right.

A third of the publishers report that their papers have had promotional tie-ins or revenue-sharing arrangements with people or institutions they cover in the news. More than half believe that newspapers should publish special sections to obtain more advertising even if the subject is of little reader interest. This is misleading; even a small special interest group of readers may represent a valuable advertising target.

Editorial independence can best be maintained when readers contribute significantly to the cash flow and when advertisers are

many and diverse. In today's media environment, these conditions can no longer be taken for granted. As the internet reshapes mass communication, established media are hard-pressed to maintain their competitive positions and fulfill their traditional functions. They must cut costs and scramble for income in order to survive.

Corporate and agency consolidations make all major media dependent on a reduced number of decision-makers who produce an ever larger share of total ad billings. Publications that formerly relied on readers to provide a substantial part of their revenues, and thus cushioned themselves against advertising pressures, have become increasingly dependent on advertising. The business press now relies largely on free ("controlled") distribution; a sizable chunk of weekly newspaper circulation is free. Circulation has fallen steadily as a percentage of daily newspaper revenues, from 24% in 1992 to 19% in 2004.

The "wall" separating editorial departments from contamination was erected well over a century ago when advertising replaced circulation as the mainstay of newspaper revenue. In 1977, a nationwide effort, the Newspaper Readership Project¹⁰, sought to breach the editorial-business wall by making editors part of a problem-solving team effort to stop the decline of circulation. In newspapers across North America, readership or marketing committees were set up that brought editors together with circulation, promotion and advertising executives. They were encouraged to start with research that provided the information they needed to produce papers that were responsive to readers' characteristics, interests and wishes.

Editors took to this process with varying degrees of enthusiasm, but today they generally understand that their own independence depends on the financial health of the enterprise and that newsroom staffs ought to be aware of this simple truth. They realize that people on the business side aren't all stupid and that success comes easier when all departments communicate and work together. As part of this process,

¹⁰ This is described in my book, *Preserving the Press*, (New York: Columbia University Press, 1990).

the business side may sometimes have to be reminded that what really sells advertising, in any medium, is the public's respect for its integrity. To maintain that integrity often demands a look beyond the quarterly earnings report. And that takes courage.

4.2. "Fairness" or Accuracy?

American journalism has long been committed to a doctrine derived from jurisprudence: There are two sides to every case, and both deserve a hearing. In practice, this usually means that the proponents and critics of any public policy should be treated fairly. In broadcasting, the principle actually was long embodied in the Federal Communication Commission's now-abandoned "fairness doctrine". It required equal treatment for both sides of a controversy. There is, however, a difference between opposing views on what government should do and conflicting interpretations of reality. Reporters, although not present when an event occurs, are expected to use their own best judgments to assess and check the credibility of eyewitness accounts.

This leads to the question: Is evenhanded reporting compatible with the truth? Brad J. Bushman and Craig A. Anderson of Iowa State University¹¹ revisit this ancient dilemma as they examine whether the blood and gore that drips from TV and movie screens affects the actions and outlooks of viewers, especially children. They observe, "The scientific confidence and statistical magnitude of this link have been clearly positive and have increased over time". A joint statement of five major medical associations and the American Psychological Association have also called attention to the connection between televised violence and aggressive behavior. The subject is newsworthy because of the introduction of TV program-content labels and the V-chip, which allows parents to block children's access to undesirable

¹¹ "Media Violence and the Public Interest: Scientific Facts versus Media Misinformation". *The American Psychologist*, V. 56 (June/July 2001), pp. 477-489.

programs — though few actually do so. That, however, is not the reason why editors should take heed of what these psychologists have to say.

As part of their research, the authors analyzed 636 newspaper and magazine articles dealing with the connection between media violence and aggression and found “a disturbing discontinuity” between news reports and scientific evidence on the effects of media violence. Only 6% of the articles “stated that media violence was a cause of societal violence”. Most suggested that the connection is only weak. *Newsweek* and *The New York Times* both published articles that cast doubts on the linkage, but failed to publish authoritative rebuttals.

Why does the press persist in misinterpreting the solid evidence on such an important social issue? The authors blame “the failure of the research community to effectively argue the scientific case”. They also offer several explanations that are clearly mistaken: (1) that cross-ownership of newspapers and television properties makes newspapers reluctant to criticize the broadcast industry; (2) that newspapers are reluctant to offend big advertisers that also use TV extensively; (3) that they don’t want to publish stories with which some readers may disagree.

Bushman and Anderson offer another reason worth pondering, what they call “a misapplied fairness doctrine”. When journalists seek both sides of a story, they note, reporters give equal weight to the experts who speak with overwhelming authority and to “the few dissidents who can be found on almost any scientific issue”. Editors may retort that reporters are ill-equipped to make judgments when experts seem to disagree, but this argument is evasive. It doesn’t require any massive investigation to distinguish the real from the phony. Newspapers and television news programs now customarily offer “reality checks” to counter politicians’ false statements in electoral campaigns. Should they be less inclined to do so when what’s at stake is the public’s understanding of how the world works?

Almost no scientific principle yields 100% agreement, but this doesn’t mean that the views of the Flat Earth Society should always be quoted to offset those of reputable astronomers. Whether the subject is film

and TV violence, the health consequences of smoking, or global warming, a minority viewpoint can always be found in defense of the *status quo*, especially when lots of money is at stake. Giving both sides does not always mean being objective. It may mean deceiving the reader.

4.3. What's Happening to Hard News?

Are editors shooting themselves in the collective foot when they “give readers what they want” and cut hard news content in favor of fluff? Yes, says an important report from Harvard University. “Doing Well and Doing Good”, a team effort led by political scientist Thomas Patterson, analyzed the content of 29 newspapers between 1980 and 1999, as well as that of ABC, NBC, *Time* and *Newsweek*. It found a dramatic jump in soft news, defined by the researchers as “stories that have no clear connection to public policy issues”. Such items went from 35% of the total content to 49%. In 1994, a newspaper reader had one chance in six of being exposed to a soft-news article; four years later, the odds were almost one in four. The same shift occurred in news magazines and in network news, which has lost a fourth of its audience in recent years.

Among the 5,331 randomly selected news stories examined over this 20-year period, the researchers found substantial increases in sensationalism, reports on crimes and disasters, and human-interest stories, as well as in first-person narratives by reporters. During this period, vocabulary also was dumbed down, they said.

As a result, as I have already observed, hard news has a diminished presence. This is corroborated by a study, conducted by The Project for Excellence in Journalism and the Medill News Service, which sampled leading newspapers, the three major network TV newscasts and news magazines *Time* and *Newsweek*. Straight news stories fell from 52% of major news media content in 1977 to 32% in 1997, while gossip, scandal, celebrity and other “human interest” stories rose from 15% to 43%. The emphasis was on “news you can use”.

Patterson suspects that the trends are directly related to the application of market research that focuses on the short term. “But the short-term and long-term effects of soft news may be quite different. Sensationalism draws people’s attention in the first instance, but endless sensationalism may ultimately dull it”.

Changing editorial practices, as shown by this analysis of content, contrasted with the findings of a nationwide poll of 511 adults, conducted as part of the study. Two-thirds said they preferred hard news about major events or issues, while a fourth preferred news about specific incidents, like a crime, fire or accident. In this latter group, seven of 10 said they liked hard news almost as much. Hard-news headlines attracted more attention than soft-news headlines from the sample as a whole.

Not surprisingly, the people who preferred hard news were also the most thorough readers of newspapers. However, they viewed television network news no more regularly than the soft-news devotees.

What should concern newspaper editors is the fact that the hard-news readers are especially critical of the way news is presented. More of them say it is “fair”, “poor” or “awful” than “good” or “excellent”, and more report that it is getting worse as well as biased and sensational. All in all, people who think news coverage is negative pay the least attention to it, and vice versa.

Patterson links the trends in news coverage to the decline in interest in public affairs. As plotted by University of Michigan surveys, interest in public affairs fell from a high of 39% in 1975 to a low of 23% in 1978, where it has hovered since.

Patterson notes the increase in negative news coverage of presidential candidates and the corresponding declines of public trust in government and in the honesty of politicians. The negative element, he projects, echoes a reflexive use of politicians’ statements and those of their opponents rather than a reliance on investigative journalism. “As politics becomes less attractive to citizens, so, too, does the news”, writes Patterson. “Individuals who have a strong interest in politics are

three and one-half times more likely (83% to 24%) to follow the news closely than those with a weak interest". And he warns, "A news habit takes years to create and takes years to diminish but, once diminished, is not easily restored". The decline of political participation has paralleled the drop in the habit of daily newspaper readership. Neither trend accounts for the other. Both reflect the profound changes that the past half-century has brought in the size and character of the population, in its geographical distribution, income, family structure, work patterns and living habits. In each succeeding generation, the ties that bind individuals to their society and its body politic have become looser. Those ties are what newspapers have always sustained.

Is the answer to newspapers' stagnating readership to be found in a renewed emphasis on hard news, as Patterson says? The solution is probably more complicated than that, but it will only come if editors and publishers begin to face up to the issues raised in this provocative report.

4.4. Making Newspapers More Interactive

"Interactivity" refers to the public's ability to react directly to the messages placed before it. Newspapers epitomize pre-packaged media; they say to the reader, "Take it or leave it — but remember, you don't have to take it all!" By contrast, all personal communication is interactive, whether it occurs face to face, on the phone, or through correspondence.

The internet has made it routine for the public to interact with the people who post information or opinions. Signed articles and columns in some dailies routinely carry the writer's e-mail address. But interactivity has been a constant element in the appeal of mass media and a feature that newspapers sometimes neglect.

Broadband makes cable-transmitted television an increasingly interactive medium. It is already that, if listings of corporate and product Websites and 800 and 900 phone numbers are considered part of the mass media system.

Network television has also examined ways of applying interactive technology to non-advertising content. Why shouldn't viewers be able to select the camera angle from which they prefer to watch the ball game, if a number of cameras are already in place to follow the action? And if that is feasible, why not let viewers pick — from a menu of options — the news items they want to watch? That is what CNN did in a short-lived, late-night experiment in 1990. Viewers called a 900 number to vote for the news items they considered worth watching from a list flashed at the start of the show.

In the Broadway musical “The Mystery of Edwin Drood”, based on Charles Dickens’ unfinished novel, each night’s audience was polled to pick the culprit, and the ending was played out accordingly. And on NBC’s popular late-night show, “Saturday Night Live”, viewers called a 900 number to vote whether a giant lobster should be liberated or dropped into a pot of boiling water, over which it was shown precariously dangled. (The majority of callers wanted it freed, but it was dispatched anyway, heartlessly). In each case, the fun and games were all in the interest of getting a rise out of the audience, and CNN’s approach seemed to be in the same spirit.

A different type of interactivity is found in radio, where talk shows remain a hot media phenomenon, although its impact has faded somewhat since its heyday in the mid-1990s. (Television also has a few call-in shows, notably on C-Span, where a perfect neutrality is maintained). On talk radio the hosts are highly opinionated and argumentative. This format has been credited with (or blamed for) the dramatic change in the popular mood in the direction of political conservatism and for a series of Republican electoral victories.

In 2005, there are 77 “talk-only” radio stations and another 670 that specialize in a “news and talk” format. This covers a lot of territory, including the important all-news stations in the major markets where a good deal of the advertising dollars are spent. And it is the hunt for advertising dollars, rather than ideological zeal, that drives the strong personalities of talk radio.

Rush Limbaugh is probably the best known of the ultra-conservative, strident and sometimes witty commentators on the air. According to a

producer of his nationally syndicated program, Stuart Krane, Limbaugh believes that “my reason for being is to gain as large an audience as I can, hold them for as long as I can, so as to build confiscatory advertising”. (It is not clear what “confiscatory advertising” is).

Talk radio is not a significant competitive threat to newspaper ad revenues. But it is important for publishers to distinguish the reality from the myth of talk radio’s political power — a myth that newspapers helped publicize. The time people spent listening to talk radio has dropped since the 1980s. At peak listening time, no more than 6% of the adult population is listening to all the programs scrambling for audiences in this format. (Over time, however, these numbers add up: In a 1995 poll by the Times Mirror Center for The People and The Press, 23% of those surveyed said that they had listened at some time “yesterday or today”.)

People who call into radio shows are no more representative of the public than those who write letters to the editor. They are, respectively, 5% and 4% of the population, according to the same study.

Talk show hosts most often describe their respondents as “people who are angry”. Talk show listeners say they are attracted mainly by the chance to eavesdrop on other people’s opinions, rather than because they agree with them. These listeners are, above all, those who have the time to listen. They include a disproportionate number of elderly and retired men.

Do these facts mean that newspapers should shrug off the talk radio phenomenon? Hardly. The press has always provided a forum for opinions and sentiments that never find expression in the legislative deliberations that are a mainstay of newsroom reporting. Traditionally, letters to the editor encompass the views of the eccentric, the semiliterate, the uninformed and the bigoted, as well as the voices of reason, wisdom and considered dissent from newspapers’ own editorial pontifications. Ongoing controversies among letter writers create strong reader involvement.

Letters make up less than 1% of a typical newspaper’s editorial content, yet they generate high reader interest. As competing

metropolitan newspapers have disappeared, there have been fewer channels through which the public can utter its comments and grievances.

When most sizable towns had two or more papers, these may have carried redundant news items on the same subjects, but one could be sure that the letters columns were different. Today, with all newspaper budgets under a steady squeeze, many editors have been tempted to cut down on this space.

Few metropolitan dailies can afford to be as generous as *The East Hampton Star*, a New York state weekly that has long had the policy of printing in full all the letters it receives that are not obscene or libelous. (Some skate pretty close to the edge).

Certain correspondents preempt valuable space week after week until they get tired or fade away. But the *Star's* two or three full pages of letters offer a picture-window look at what's on the minds of its constituents. From expressions of thanks for the return of a lost cat to woe over American foreign policy, they give readers insights that cannot be found in straight news reports.

It is this traditional, participatory role of the press into which talk radio has edged. Its high visibility is symptomatic of a public need that publishers should try harder to satisfy. The interest in lay commentary on the issues of the day is manifested also by the attention paid to Weblogs — not only those prepared by widely publicized gossip-mongers, but those posted by ordinary folk recording their daily personal routines and reactions to the day's events. People are curious about others' views and experiences. This is what gives letters to the editor their appeal — however silly they may be.

Choosing and pruning letters is an art that should be encouraged and given the newsprint it deserves. Radio and the internet are great for those who feel the urge to hyperventilate. Letters to the editor should start people thinking.

Editors may judge from letters, calls and public contacts how readers respond to what they publish, and readership surveys may seem to

make the feedback process complete. Some publishers have been intrigued by the idea of a customized newspaper that would run a summary of the news and otherwise be made up only of those sections, features or news reports that a particular reader wanted. In an era of ink-jet printing, this might be as manageable as the personally addressed direct mail that's now taken for granted, or the specialized editions that some magazines routinely deliver. And it would save an awful lot of newsprint!

The internet has created a vast new market for all the copy that newspapers handle and never print. But the lure of this kind of interactivity should not obscure the professionally edited newspaper's indispensable packaging function. A newspaper's character makes it more than the sum of its individual components, and it's the whole package, not the elements, with which readers interact.

4.5. Explaining Entertainment Media Content

The term "family newspaper" has always stood for restraint in the selection of words and pictures. From the comic strips to the financial pages, newspapers offer something for readers of all ages and offer it without giving moral offense. That makes them now virtually unique among mass media in their adherence to traditional standards of propriety. In contrast, obscenities have become common, even obligatory, in films, television programming, popular music lyrics and video games. As a result, they have increasingly entered everyday discourse¹².

The pages of the press abound with descriptions of outrageous deeds, ranging from individual acts of murder and other savagery to the accounts of terrorist acts and mass atrocities. These are often described with a vivid detail of verbal imagery that television news usually

¹² This theme is developed in my book, *Over the Edge: How the Pursuit of Youth by Marketers and the Media Has Changed American Culture*, (Chicago: IVAN R. DEE, 2005).

excises from its visual presentation of the same stories. (Filmed entertainment is, of course, another matter).

Are newspapers out of step when they blue-pencil the raunchy words and images that pervade other media? Can they appeal to young readers without serving up the kind of piquant expressions that these folks seem to favor? In a 2004 Harris Poll, seven in ten respondents (69%) said there were some words and expressions they would rather not hear around them. Young people are more tolerant than older ones of what used to be called “foul language”. But people of any age take words and images in context, and might be shocked to see on newsprint what they accept unblushingly on the tube or screen.

Film makers and television producers, eager (each for somewhat different reasons) to reach young audiences, have bent the old rules more and more, arousing indignation among parent groups and self-appointed defenders of morality. The consequences follow a familiar pattern: (1) Congressional hearings; (2) calls for restrictive legislation to avoid exposing children to content supposedly unsuitable for them; and (3) pledges by the industry to regulate itself. Self-regulation, beginning with the movies and adapted to television and video games, has taken the form of labeling entertainment, initially with designations indicating ages at which parental vigilance should be exercised, and more recently with descriptors (V for violence, D for dialogue, etc). of the elements that should make them wary.

Rap and hip-hop music albums carry labels warning of sexually explicit lyrics. Videocassettes, DVDs and video games also put labels on the package, so any user starts with at least a rough indication of what’s to come. The rating of a movie (as G, PG, PG-13 or R) appears at the box office and in advertising, but is easily overlooked by audiences attracted by the stars or the promotion. In the case of television, which occupies by far the greatest amount of entertainment time, the content descriptors that appear briefly at the opening are never seen by the large proportion of viewers who flip channels.

Should the battles over content labels concern editors at all? Newspapers are crammed with gossip about entertainment celebrities. Movie box office receipts and the rise and fall of network series get

prominent coverage. Apart from reviews, newspapers occasionally run thoughtful commentary on media trends. The violence, language and sexual content of programs like HBO's "The Sopranos" and "Sex and the City" have been much discussed by newspaper critics, just as the escalation of movie violence was a generation ago.

But specific information about media content is hard to find, though it could be of vital interest to parents who want to control what their kids watch. It could be routinely incorporated as an integral part of the television program schedule or included in film reviews. If such descriptions become as widely disseminated as financial quotations, they would also remind film and television producers that the public is being alerted to shows they might not want their children to watch.

The press's commitment to freedom of expression, no matter how abhorrent that expression may be, should not discourage it from tackling the media's transformation of social mores as the big news story it really is. Consider the enormous amount of time and money that Americans of all ages spend on entertainment, and the widespread tendency to assume that what they are seeing represents common and approved behavior. Looked at this way, is film and TV content getting the critical scrutiny it deserves? Isn't that one of the functions of a "family newspaper?"

5. Journalism Education in the Digital Era

5.1. The Task of Journalism Education

Journalistic professionalism requires training as well as talent and temperament. Three big and interdependent questions face journalism educators: (1) Are we entering an age of universal access to massive amounts of raw, unbundled information, which anyone can take or leave in any quantities desired? (2) Are mass media obsolete? (3) Is there a future for print on paper? What happens to the market for journalism depends on the answers to those questions.

Whether you define journalism as an art, a craft, a trade, a profession, or a business, you will probably agree that it is a *job* and that the function of journalism education is to provide students with the skills required to enter the job market. From the beginning, journalism schools and departments focused on newspapers as the biggest prospective employer of their students. That has changed as more graduates go into advertising or public relations, and as more of them aspire to glamorous careers in broadcasting. Fewer than one in four aspires to a career in newspapers. The changes in orientation are coming faster than ever now in the era of electronic news.

At its best, in Western democracies the press has had the vital political function of maintaining constant surveillance over government at every level. Curious, painstaking, inspired, crusading journalists have fought bureaucracy, uncovered scandals, exposed corruption and inefficiency. Often they may have done this for less-than-noble motives: to boost readership or to serve the political allegiances of their papers' owners. These base reasons have nothing to do with the splendid results. Investigative journalism requires a commitment on the part of a newspaper's management, an investment of human resources and of precious newsprint. It also takes courage, as I have already stressed

5.2. What New Media Mean for Journalism Education

As the death of newspapers reduces the opportunities for journalism school graduates, the growth of new media expands them. But it will call for a different set of skills and temperaments, and this is not necessarily a happy thing. There is a difference between journalism and reporting. (I use these familiar terms in this context only to differentiate two functions that can rarely be separated in practice). If you agree that the distinction is valid, for which of the two should students be prepared?

The rise of new media expands the demand for reporters who can keystroke simple sentences and strings of numbers. Reporting is nuts-and-bolts, no-nonsense information-gathering and packaging. Reporting wants just the facts, ma'am. Journalism entails investigation, explanation, and a point of view. Journalists are storytellers, fascinated with the human experience, alert to the drama of conflict and struggle, infinitely curious about the motives and meanings behind events. Reporters use nouns and verbs as blunt utilitarian instruments. Journalists indulge in figures of speech; they use words as symbols, to evoke empathy, indignation, pity, or anger. Most of what appears in the *National Enquirer*¹³ is journalism, albeit of a very ripe kind, and most of that in *Investors' Daily* is reporting.

Journalism inherently requires that stories be told in depth. Even before the internet, extended coverage of the news had diminished. Partly this is due to the example set by television news. Partly it is due to the rising price of newsprint and the tireless emphasis on cost-cutting. Too many newspaper editors are convinced that readers are pressed for time, impatient with detail, and conditioned to ingest the news in pellet-like form.

Of course, people who choose not to read are not cut off from the news. The movies, radio and television have deepened the public's acquaintance with the wider world — at least with its memorable

¹³ A sensational tabloid specializing in gossip and scandals, sold in supermarkets.

horrors and tragedies. The bulk of broadcast news is reporting, in the sense that I used it earlier, rather than journalism. It is epitomized by the two-minute wire-service radio bulletin on the hour, already a fast-disappearing format. “German armies marched into Poland today from five directions”. “President Kennedy was shot and killed today in Dallas”. Just the facts, ma’am. This is a far cry from Edward R. Murrow reporting on the Blitz in London in 1940 or Peter Arnett in Baghdad for CNN in 1991, but it is far more typical.

Electronic news carries the danger of degenerating into the equivalent of the old stock market ticker tape, spewing out an endless series of figures and symbols geared to the transitory and the insignificant. Occasionally the stream of numbers may be interrupted by a terse bulletin announcing an unexpected calamity that might affect the market. Information isn’t knowledge, and facts don’t add up to wisdom. The preoccupation with data is at odds with the journalistic quest for meaning, a quest that can only be met through the insights that come from accumulated experience.

A friend of mine is an economic journalist who has spent a long and distinguished career specializing in one of the world’s leading industries. He has interviewed and hobnobbed with all of the principal players and has acquired an intimate familiarity with the technology, economics, and politics of an extraordinarily complex business. To keep busy after his retirement from a senior editorial position, he has become a consultant to one of the many electronic news services that have sprung up in the last few years. What he has found alarming is an emphasis on the transmission of up-to-the-minute reports on pricing, trading, transactions, investments, personnel shifts, and all the other evanescent minutiae of the market of the moment. There is a profound distrust of intelligent interpretation of the big forces and long-term trends that shape the industry’s future direction. The management suspects his motives in wanting to attend a major industry conference he has attended for years in Europe. “Our local stringer can cover it!”

In electronic data bases, the public has at its disposal an incredible reference facility, with innumerable business and scholarly uses. But it’s not going to make journalism an obsolete skill. Few private

individuals have reason or inclination to conduct their own investigative search of secondary sources; people want information professionally picked, processed, and interpreted. They want this done with an understanding of the human stories that mere facts disguise and distort; they want it done with literary style, through the use of language that evokes imagery and emotions. That is the job of journalism, and it explains why journalism's future largely remains with print on paper.

Most Americans now have electronic access to unlimited amounts of raw information. That information will have to be packaged, as will the fun and games that most mass media are really all about. So in the era of personalized communication, those media are not obsolete. Newspapers will keep on going.

The real question for journalism educators is: Are you training journalists or reporters?

6. Maintaining Readership

6.1. Young Readers: A Lost Generation?

It's been almost thirty years since newspapers woke up to the fact that younger people weren't reading them the way they used to do. Since then, the attrition has become progressively worse. Editors refer to the "video generation", but television has been around for nearly sixty years. It made its impact on the parents of today's teen-agers long before it touched *them*.

Television and the internet are less to blame for the changes in newspaper reading habits than is the transformation of the American family. In the two wage-earner household, free time is tighter, conversation more sporadic and a newspaper subscription far less of a certain presence than it used to be. Yet almost all teenagers and young adults look at newspapers at least once in a while.

Is there a "lost generation" of newspaper readers? Historically, it has always been true that young people acquired the newspaper-reading habit when they settled into jobs, marriage, home ownership and the responsibilities of family and civic life. But as is well known, both by newspaper people and by advertisers, movement into the mainstream of regular readership has become progressively less of a sure thing.

Extrapolations of the existing trend show the newspaper audience disappearing into thin air as successive generations rear their children in households where no newspaper is ever present. Is this really going to happen?

The first thing to remember is that, unlike the great flap over mounting "illiteracy" a couple of decades ago, no one is arguing these days that

young people aren't reading any more. They read magazines and other publications — especially free ones — that come their way and pique their interests. As for the internet, the text may be on the screen, but it's still text. And if newspaper managements don't get too impatient, their Web sites will remain the preeminent sources of local news.

The next thing to remember is that most young people remain newspaper readers, even if they have abandoned the kind of regularity with which their parents perused the home-delivered paper. "Yesterday", the proportion of young people 18-24 who read a newspaper in 2004 was 67% of the level for the public at large, in the top fifty markets¹⁴. But that disparity diminishes when we look at a broader time period. Over the course of the last week, the percentage of 18-24-year-olds who have read at least one issue of a newspaper was 88% of the national average. Reading *frequency* is the main problem to be addressed.

Part of that problem arises from the challenge of distributing papers to a youthful population constantly on the move, and unlikely to have a home subscription. But a large part of the problem involves content — the editorial challenge of appealing to the special tastes of young readers without alienating the more mature ones who make up most of the audience.

What is it that young readers go for? They are by far the most avid users of the internet. Do cable networks like MTV and the Comedy Channel provide a model for newspapers to emulate? One way to answer the question is to compare the patterns of magazine readership among young people and the general public¹⁵. Some magazines, like *Rolling Stone*, *Teen People*, *Marie Claire* and *Seventeen* are of course specifically aimed at this age group. Not surprisingly, business publications like *Business Week*, *Forbes*, *Fortune*, *Barron's* and *Kiplinger's* have comparatively few young readers. So do travel and golfing magazines that address the affluent crowd. But the levels of readership for the news weeklies (*Time*,

¹⁴ Scarborough Research.

¹⁵ Mediamark Research data provide a fresh view of the similarities and differences.

Newsweek, and *U.S. News*) among the 18-24 group are at about nine-tenths of those for the public at large.

There are strong differences among magazines that are aimed at a single sex. For example, among young women *Cosmopolitan* and *Glamour* have two and a half times their average percentages of readers and *Vogue* twice as many. Magazines devoted to weddings and child-care understandably rank high. Traditional home-making magazines like *Family Circle*, *Better Homes and Gardens* and *Ladies Home Journal* attract relatively few young readers with their established formulas of domesticity.

Playboy, *GQ* and *Penthouse* attract twice as many readers among young men as among all men, and *Maxim* nearly four times as many. Among sports-oriented publications, *Sports Illustrated* ranks high; boating, hunting and fishing magazines low. Health and fitness is a highly popular subject; so are cars and computers. *Popular Science* does well among young men, *Scientific American* less so.

Newspaper editors evaluating their own mix of content might learn a good deal by looking at the magazines that have done well among young readers. Previous research has shown that there are significant market-by-market differences in magazine penetration, and those numbers are accessible in A.B.C. reports. Daily newspapers cannot become clones of “alternative” weeklies, like *The Village Voice* or *The Bay Guardian*, but these and other free publications have shown indisputably that young people will read about what interests them. A number of Latin American papers have established their own competitors in the form of daily tabloids oriented to entertainment, sports and technology. Both Chicago newspapers have followed their model, the *Sun-Times* with *Red Streak*, the *Tribune* with *Red Eye*. Neither of these has met with striking success. *Quick*, published by the *Dallas Morning News*, and *Express*, by the *Washington Post*, are distributed free. In addition to these weekday papers, weekly tabloids specializing in entertainment have been launched by a number of papers.

Young people are a most difficult target to capture, but the future of newspapers depends on them.

6.2. Winning Young Readers

“What’s the single most important thing newspapers can do to get young readers?” an earnest publisher asked at a recent meeting. The answer may have sounded flip: “Put out the best paper that you can!”

The management of every newspaper knows that its future depends on winning the allegiance of new young readers, but they don’t all use the same approach. You have to catch them while they’re young, especially if they’re growing up in households where a newspaper is not a daily presence. Newspaper in Education programs are the best instrument for this. About 700 newspapers have such programs, but 95% of them serve only elementary and middle schools, not high schools, which should be the prime target).

School distribution accounts for no more than 1% of total daily circulation, though in some competitive markets it’s a not insignificant element in an ongoing circulation war. NIE programs require an investment in promotion and distribution. Strong programs require a coordinator and a staff, usually made up of experienced former teachers, who can train other teachers how to use the paper in subjects as diverse as reading and writing, arithmetic, economics, geography, history and politics. Most NIE programs use specially-created training materials to help with this task. The Stockton (California) *Record* provides teachers with a monthly newsletter.

A lot of classroom distribution is sporadic and without follow-up. Handing out papers — paid or free — is not of much value in itself. What’s needed is a sustained program, with lesson plans, teacher training and effective promotion. NIE is essential life insurance for the newspaper business. Investments in it can’t be stinted.

Some papers distribute current issues of the paper to schools at a reduced charge, some get banks or other institutions to sponsor them, and some provide copies free of charge, though these are sometimes returned copies of day-old papers.

Of course readership depends on a paper’s editorial content and appearance. The *Seattle Times* runs an opinion page every Sunday for

young people. A group of young reporters critique every issue of the paper and generate ideas to make it more attractive for people in their age group.

In Anderson, South Carolina, the *Independent-Mail* brings in a high school student as a summer intern in the circulation department. The *Columbia Missourian* distributed a blank four page tabloid and asked readers to sketch in their ideas on how to use the space.

These ideas won't work for every paper. The following check-list may be incomplete, but it's a reminder of what's being done. Apart from Newspaper in Education programs, here is what newspaper managements should be working on:

1. Run plant tours for school groups. They can show kids the complexity of what you do, the care that goes into your product, the powerful force you represent in your community. There's no better way to establish authority and create a sense of involvement. That's especially important as there are fewer juvenile carriers who have a direct personal connection with your paper.
2. Become a resource for high school journalists — influential among their peers and possibly among your future staff recruits. Have them meet the people behind the bylines, learn about their work. They might even give you some good ideas.
3. Support existing literacy programs and help launch new ones if they are needed. This may require work with school systems, service clubs, church groups and other volunteer organizations in the community. Newspapers may or may not be among the instructional tools, but they will be a beneficiary.
4. Consider starting up your own youth supplement or special publication for free distribution in schools. The *Orange County Register's Varsity*, devoted to high school sports statistics, is mailed to a customized address base of students.
5. Reexamine your coverage of school activities, controversies, politics, personalities, sports. Many papers run pages or columns dedicated to school news or teen news, with teen writers. Names are the key. Whatever you do, do it without condescension.

6. Be sensitive to young people's passion for news of entertainment and popular music. Can they rely on you to tell them where to go for a cheap good time?
7. Study the alternative weeklies that circulate in your area. You're not about to follow their formulas (you'll lose your present readers if you do), but they should be a source of ideas you can borrow.
8. Find out, through research, how young people react to your paper's content, design and graphics. If they are impatient with long articles and remote subjects (as they tend to be) is this *why* they're not readers, or *because* they're not?
9. Audit your present content mix for its interest to kids. Newspaper reading starts in childhood. What is there each day in your paper that parents would want to share with a ten-year old, or that ten-year olds would seek out on their own?

Newspaper managements have been told that to attract teen-agers they should run more pictures and less text, keep items very short and never jump a story from the front page. But newspapers aren't written and edited for teen-agers, and what attracts them may repel adults.

Many of the steps that newspapers take to attract young readers start from the mistaken premise that adolescents define themselves primarily as adolescents. Like people at any age, they have diverse interests, complex identities and far-reaching curiosities. Adolescence is an age for experiment, new activities, fresh ideas and experiences. Newspapers have cut their regular coverage of the specialized subjects to which established readers used to turn and which led young readers to explore new worlds. Unique among the media, newspapers encompass the full range of human interests. That's why the answer to "what's the single most important thing newspapers can do to get young readers?" is — good newspapers.

6.3. Are the New Tabloids a Model?

Metro, the world's leading assemblage of free dailies, began distribution on Philadelphia subways and buses in 2000. With 160,000

five-day circulation, *Metro*'s first edition had six and one-half ad pages and one page of notices for the Philadelphia transit system (SEPTA) out of 24 stapled tabloid pages. SEPTA received \$15,000 monthly plus 2 percent of adjusted gross ad revenues - a minimum \$30,000 - and theoretically set some restraints on content. A lawsuit brought by several newspaper groups charged that this was a dangerous exercise of government power and pointed out that SEPTA had hitherto banned newspaper sales on buses, trains and station platforms.

Metro follows a formula launched by its owner, Modern Times Group in Stockholm, in 1995. With 200,000 circulation in that city, the free daily captured 10 percent of the newspaper ad market and turned a 35 percent pretax profit its first year. Executive Vice President H. C. Ejemyr calls *Metro* "a real cash cow".

Besides Philadelphia, Metro publishes in New York and Boston. Altogether, in 2005 there are 40 editions in 61 cities in 16 countries. In England, where Metro publishes a Newcastle daily, other publishers have preempted the formula by introducing their own free dailies. The Guardian Media Group offers Manchester *MetroNews*; Associated Newspapers, the *Metro North-West* in Manchester and *Metro London*. All have substantial staff-written content. The largest daily in the Netherlands, *De Telegraaf*, launched the free tabloid *Spits*, with a circulation of 125,000. *Metro*, unlike *Spits*, has a contract with the transportation agency and a circulation of 250,000 in Amsterdam. In Madrid, an independent local group brought out a similar paper called *Madrid*. Meanwhile, in Buenos Aires, *La Razón* converted to free distribution. Finally, in New York City, the Tribune Company, publisher of *Newsday*, brought forth *amNew York*.

In virtually all these cases, the public relies on mass transit, and single copies have been more important than home delivery. Still, the history of free dailies contrasts with the uphill circulation struggles of newspapers in most Western countries.

The free tabloids have been heralded as a way to convert young people to the habit of reading, and then of buying, a mainstream newspaper. Newspaper sales always have been price-elastic, though perhaps not as much as other consumer products because so many consider

newspapers a necessity. Still, raising prices almost always causes sales declines, and lowering prices hikes sales.

The *Los Angeles Times* lost 41 percent of its single-copy sales in its home market between 1990 and 1996; when it dropped its price to a quarter, it regained 26 percent and held flat at the same level into 1999.

Other dailies experience different patterns. The relationship between price and circulation is not perfect. With single copies, much depends on the coins required. The ratio of single-copy to subscription sales and prices complicates matters. In a competitive situation, one paper's price changes obviously determine what other papers do. In Denver, a circulation war saw six-day subscription rates fall to \$3.12 a year.

Industrywide, as I noted earlier, circulation has fallen steadily as a percentage of revenue. Yet publishers know they must maintain readership to hold advertisers. They have raised prices to readers at about the rate of inflation, and far less than ad-rate hikes.

Community weeklies' circulation more than doubled in the last 30 years, while dailies' circulation fell. Today, a large proportion of weekly circulation is free. Is there a lesson in this for the daily press? The *Village Voice's* decision in 1996 to convert from paid to free distribution was based on the desire for growth. Circulation had been 100,000, and the decline in newsstands and other retail points made distribution dicey. With the *Voice's* youthful readers, subscriptions were only 12% of sales and would not be increased easily. The owners had recently purchased a free alternative weekly in Los Angeles and were impressed by its performance.

The *Voice* gave up "a couple of million" dollars a year of circulation revenue but made up for it by double-digit annual ad growth. In spite of the whopping rise in circulation, to 250,000, advertising-rate hikes have been kept to 5-to-6% a year. The news hole has grown too, but not nearly as much as the advertising.

The *Voice* uses an independent contractor to distribute through 2,000 New York City racks. Its 176 tabloid pages, jammed with ads and long articles, contrast sharply with *Metro's* short bulletins. Yet both raise the

troubling question: Is the struggle for paid circulation worth the cost? Even the typical American daily that relies on home delivery might save expenses if it converted to free Total Market Coverage. Would additional ad dollars compensate for lost circulation revenue?

The question is not easily answered. But one point requires no second thoughts: A paper that the reader pays for inevitably, and deservedly, gets more time, attention and credence than a giveaway.

6.4. Ethnic Readership

People of Latin American origin (most of them Mexican) are now the largest non-European minority in the United States¹⁶. Great shifts in America's population have been caused by immigration and differences in the birth rates of various ethnic groups. This has affected the nation's political balance, and the composition of the American people. The changes will have a strong effect on newspapers.

The darkening of America is a major, continuing news story with great political and social consequences. It adds urgency to the newspaper industry's belated recognition of the need to step up minority staff recruitment. But it also carries important implications for readership and advertising, because race and ethnicity are indissolubly mixed with social class and purchasing power.

If a darker country would also be a poorer one, newspapers would have fewer readers, and advertisers fewer good customers. One doesn't have to look far, in the slums of America's cities, to see a nightmarish Third World vision of poverty, demoralization and alienation.

Rarely voiced, these are the troubling overtones of the forecasts now being offered about America's racial future. *Time* magazine¹⁷ has

¹⁶ Latin American Hispanics are not classified as non-White by the Census unless they so define themselves.

¹⁷ April 9, 1990.

predicted that in 2056, “the ‘average’ U.S. resident, as defined by Census statistics, will trace his or her descent to Africa, Asia, the Hispanic world, the Pacific Islands, Arabia - almost anywhere but white Europe”.

Statements of this kind travel the conference circuit, repeated until they become conventional wisdom. The fact is, no one knows exactly what the composition of the American public will be 100 years hence. This will depend on the relative rates of birth, death and immigration of different racial and ethnic groups. It cannot be simply extrapolated from the rates of change between any two censuses. Immigration policy represents political decisions. Birth and death rates reflect economic well-being, education and family structure.

The practice of labeling people of selected origins as “minorities” bears no relationship to the tremendous variations in the circumstances and short-run prospects of individuals in different groupings. Asians are probably far less disadvantaged today, relative to the majority of the population, than Eastern and Southern Europeans were a century ago. Among Latin Americans, different nationality groups show widely disparate rates of successful adjustment and upward movement on the social scale. The disintegration of the male-headed family unit among Blacks has created unique and urgent problems. Making up 12% of the nation today, Blacks represent a distinctive and undervalued element of the nation’s human potential.

What should newspapers do about all this? A number of them have launched Spanish-language editions, daily or weekly. (The *San Jose Mercury News* also has a Vietnamese edition). Newspapers should maintain and accelerate their commitment to hire, train and promote minorities. They should be sensible in this effort, because most papers are published in small towns that don’t have sizable minority communities. This is a largely big-city matter.

They should avoid such vague vogue jargon as “multicultural diversity”, recognizing that every minority group is unique and that most can’t be defined in racial terms at all.

They should work harder through Newspaper in Education programs to get to the kids from homes where parents don’t read newspapers or even English.

They should strive to give all kinds of people the feeling that the newspaper is for them and not just for some distant Establishment. In part, this is a matter of covering the news minority people want to know. But it's also a matter of using the editorial power of the press, persistently and persuasively, to confront the problems that are shaping their lives - notably employment and housing.

Only as the disadvantaged move into the social and economic mainstream will the darkening of America mean the brightening of America and not its impoverishment.

6.5. Sunday

What's happening on Sunday? Americans spend their weekends no differently than they did a half dozen years ago¹⁸. Television viewing hours remain essentially unchanged. The number of households and the years of completed schooling continue to edge up. Yet Sunday newspaper circulation and readership have slumped downward. They now lag behind the daily figures.

This follows an extended period in which Sunday circulation stayed firm while weekdays steadily eroded. Sunday withstood weekday declines because it remained an anchor point as many Americans dropped their subscriptions and read less regularly.

Historically, single-copy sales have accounted for a higher proportion of circulation on Sundays than on weekdays, and increasing time pressures seem to take a toll on those sales. The busiest, most active people are less likely to complain that they have no time to read than people with plenty of time on their hands.

The downward trend is especially disturbing because Sunday has for a long time represented a growing share of newspaper advertising and

¹⁸ According to the national time-budget studies conducted by the University of Maryland Survey Research Center in College Park.

revenue. Sunday papers have not suffered from editorial neglect. Many have sprouted new sections and fresh designs. The national newspaper-delivered magazines such as *Parade* and *USA Weekend* have promoted the special attributes of Sunday reading: leisurely, reflective, a shared family experience. In 2004, Time Inc. revived the legendary *Life* magazine as a Friday newspaper supplement, but it was attracting little advertising.

A 2001 survey of Sunday readers in six markets confirms the long-observed fact that the best guarantee of readership is a subscription. The study presents a paradox. The less often people read a Sunday paper, the more likely they are to claim that they read one more often than they used to. The explanation, of course, is that they were nonreaders to begin with. Reports on past activity always tend to be framed in terms of present activity. Thus infrequent readers who say they are “reading less” show the lowest level of interest in the Sunday paper’s content.

The report categorizes such subjects as personal finance, entertainment, college sports and travel as “low interest”. Actually, they represent the segmented interests that add up to make the Sunday newspaper an attractive package for different kinds of readers and provide its strength.

Among people over 55, readership on Sundays has registered only slightly higher than on weekdays, while among younger people, age 18-to-34, it is almost a fourth higher. Still, Sunday readership by 18-to-34 year-olds fell 8% between 1996 and 1999, and readership by those age 35-to-44 sank 6%. These represent serious and dangerous drops.

Young people are the heaviest users of the internet and correspondingly of newspaper Web sites. But little evidence links Web usage to the loss of the newspaper-reading habit, and it will prove hard to convince advertisers that fast-vanishing young readers will flock to newspapers on the internet.

Meanwhile, in other places, Sunday newspapers appear to be on a roll. In some European countries such as France, where union rules long

discouraged their publication, new Sunday products have successfully debuted. In others, like Britain and Spain, publishers have fattened up existing Sunday editions with bright new sections and aggressive, often ingenious promotional competitions to win new readers. Britain's four "quality" national Sunday papers carry a total of nearly 100 sections and supplements. Readers buy Lisbon's weighty Sunday-only *Expresso*, sold in a plastic bag, on faith, without seeing the headlines.

Transporting such innovations to North America presents difficulties. Both in Europe and Latin America, ad-packed newspaper Sunday magazines printed on heavy coated stock boast brilliant and sophisticated design. This especially characterizes Sunday publications in countries that lack a highly developed consumer magazine industry. European publishers have expanded Friday and Saturday editions with targeted sections like one that Madrid's *El País* aims at young people, adding sales of 100,000 copies. But sections of U.S. metropolitan Sunday newspapers, typically printed days in advance, leave little press capacity for enlarged Saturday editions.

The challenge of Sunday readership is inseparable from the loss of the newspaper reading habit among successive generations of young people. Restoring circulation on weekdays and Sundays should remain newspapers' top priority.

6.6. Building Subscription and Single-Copy Sales

Getting people to read the newspaper is not just a matter of content and design; it depends on distribution. A principal mechanism for subscription sales has been telemarketing, but about half of all U.S. home phones have been placed on a "do not call" list, forcing a major change in sales tactics. Papers have responded by reverting to old methods they used before phone selling became universal. They solicit by mail, with sales crews sent out to cover small neighborhoods at a time, and by expanding the number of retail locations where subscriptions are sold. As subscription sales have eroded, there has been a new concentration on single-copy sales.

Most newspapers experience considerable turnover or churn in their subscribership, as readers move or simply become disinterested. Considerable ingenuity has been used to reduce the rate at which subscribers leave and to win them back. The problem is especially acute in the case of new subscribers won by promotions. In Columbia, SC, *The State* sends those who cut off their subscriptions a postcard that reads, “Breaking up is hard to do. Let’s give this relationship one more chance”. It’s signed by a member of the newspaper staff with his personal phone number. Discounted rates are offered as special inducements to resubscribe.

Newspapers have used their Web sites to make subscribing easy, with special offers as inducements to pay in advance or by credit card. To win new subscribers, the Poughkeepsie (New York) *Journal* provides a copy of its weekend paper with a special wrapper to people who have just moved into the area. Such sampling usually goes with a very low-priced introductory offer. The Charleston, South Carolina *Post and Courier* has a one-day sale, with subscriptions at a reduced rate. They also have partnerships with ten different athletic teams to promote the paper at their sporting events.

The Modesto (California) *Bee* sends out crews dressed in distinctive uniforms to call on delinquent subscribers. The Seattle Times sends out a high-quality “Loyalty Calendar” as a year-end gift. In Springdale, Arkansas, the *Morning News* has a special venture with a local grocery chain that provides food items to subscribers.

In Arizona, the *Scottsdale Tribune* provides a “Welcome Wrap” to introduce new readers to the newspaper’s contents. EZ-pay systems¹⁹ are widely used to get people to sign up, with a choice of premiums or lotteries for major gifts.

Newspapers have long provided incentives for regular readership, either by subscription or by daily purchase. American circulation directors decided a long time ago that these promotions led only to

¹⁹ These permit subscription costs to be charged directly to a bank account or credit card.

short-term gains, and that the readers attracted by these offers quickly drifted away after they got what they wanted.

However, newspapers still provide premiums to subscribers, often in cooperation with advertisers. Some, like the Contra Costa (California) *Times*, collaborate with sports teams or local retailers to offer special values both to existing and new subscribers. Others like the Jamestown (New York) *Post-Journal*, offer “Advantage” cards that provide discounts at local businesses. The Lakeland (Florida) *Ledger’s* card gives a 20% discount on purchases. The San Diego *Union Tribune* holds a party for new subscribers at the city’s world-famous zoo.

The *Arizona Republic* of Phoenix offers subscribers frequent flier mileage on a cooperating airline. The Augusta (Georgia) *Chronicle* presents a set of gifts to subscribers every time they renew. The Harrisburg, Pennsylvania *Patriot-News* puts special emphasis on motivating its own circulation sales staff, with great prizes in a ten-week contest.

The New York Times tries to persuade its readers to give subscriptions as gifts to friends and family. The *Messenger-Post* in Canandaigua, New York has expanded its office hours, engaged in an extensive ad campaign, set up tables at community events, produced T-shirts and hats as give-aways and passed out bags of goodies.

To promote the reading habit, a number of papers like the *Chicago Tribune*, the St. Petersburg Florida *Times* and the Richmond, Virginia *Times Dispatch* run book fairs and special programs that draw a crowd. The Modesto *Bee* has a book club. All such events engage the reader with the paper.

To develop single-copy sales, the Utica New York *Observer Dispatch* has developed promotional material that shows dealers how much they can earn by promoting sales. It shows how newspaper sales build traffic and increase sales of other items. A number of papers, like the Spokane, Washington *Spokesman-Review*, the Dayton Ohio *Daily News* and the Orange County (California) *Register*, promote sales at restaurant chains by giving their customers copies at a very low price.

The Columbus Ohio *Dispatch* teamed up with two disparate advertisers, a grape juice bottler, and a car dealer, on a promotion that gives a free copy with a juice purchase and also a chance on winning a new car. The Cherry Hill (New Jersey) *Courier-Post* offers chances on a motorcycle. The Eugene (Oregon) *Register Guard* runs a combined promotion with a motion picture chain and a pizza chain.

The Portland (Maine) *Press Herald* allows restaurants to buy copies at bulk rates so they can be passed out free to customers. The Willoughby (Ohio) *News Herald* worked with a car dealer to combine a major steady ad campaign with a lottery for a new car among regular readers. The Dayton (Ohio) *Daily News* also selects target audiences for special pages on different days of the week, with games that offer prizes to regular readers.

What is more important than the individual cases I have cited is a point of strategy that they have in common. They start with the basic tenet of marketing: Put yourself in the customer's shoes, whether you're selling an ad or a subscription. Use research to understand his needs and try your best to fulfill them. Make sure that advertising and circulation people understand what their counterparts are doing, and make sure that editorial staffs understand that a good newspaper is also a successful one.

7. Does Journalistic Excellence Pay Off?

7.1. Quality in Newspapers²⁰

This chapter addresses three questions: (1) What is quality in newspapers' editorial content? (2) Can quality be measured? (3) Does quality matter?

What is quality in newspapers' editorial content?

The hallmark of any craft or profession is an adherence to certain generally accepted standards of performance and a respect for meritorious achievement. The quality of a product or service can be judged by its creator or producer. It must be distinguished from value — the individual consumer's judgment of the benefit relative to the cost. Value is always a matter of subjective judgment. Almost any improvement in quality comes at a price, and for many products small improvements come at what consumers may consider to be an excessive price.

American editors and journalists share a fairly broad consensus on what constitutes excellence in the press. When experienced news people are asked what makes for quality, a number of words and phrases inevitably surface: integrity, fairness, balance, accuracy, comprehensiveness, diligence in discovery, authority, breadth of coverage, variety of content, reflection of the entire home community, vivid writing, attractive makeup, packaging or appearance, easy navigability. In the American tradition, but not always accepted elsewhere, is the clear differentiation of reporting and opinion. Another term that surfaces is "resources". Though these are invisible

²⁰ This chapter originally appeared in the *Newspaper Research Journal*, v. 25, no. 1 (Winter 2004), pp. 40-53.

to the reader, they are the *sine quo non* of all the other attributes. The relation of resources to quality is, in fact, a central concern of those who have thought seriously about the subject.

For me, a key word, rarely mentioned, is “interesting”. That may be because journalists instinctively understand that what bores some readers is of passionate interest to others. The newspaper’s unique strength lies in its ability to assemble large amounts of information, much of it of concern only to small constituencies.

Are the attributes of a newspaper’s content or appearance the true indicators of how good it is? Doesn’t the value assigned by consumers (both readers and advertisers) provide a better sign of quality? Why shouldn’t financial profitability or marketing success (defined by circulation or advertising growth) be taken as objective measures of editorial performance? A paper that grows may be deemed to be better than one that is just holding its own or losing ground.

Most American newspapers function on a local stage. Their commercial potential is constrained by the size and prosperity of their home markets. For this reason they cannot be evaluated like media that operate on a national scale (magazines, network television, films and books). Enormous social changes have affected different parts of the country in different ways and are reflected in individual newspapers’ growth or stagnation, which may have no relation to their content.

Hollywood moguls seem to believe that a movie that brings in the greatest box office return is also the best movie, regardless of what the critics think of it. But the circulation gains and losses of a newspaper in a small Midwestern county seat cannot be compared with those of the *Arizona Republic* in its growth market.

If the best consumer products tend to outpace their competition in market share, isn’t the reverse also true: that strength in the market is in itself a demonstrable indicator of excellence? In the case of most consumer goods, purchasing decisions are influenced by factors other than inherent merit: price, effective distribution and promotion, past product history and the attractions of competitors.

Aside from public utilities, few products or services enjoy the kind of monopoly that all but a relative handful of American dailies exercise in their local markets. The process by which this has occurred has accelerated. In 2002 45 markets had more than one paper. Only 19 of these had two publishers battling head to head, as in New York, Boston and Chicago. Twelve had joint operating agreements, with separate editorial managements but a common production and business operation. Fourteen had common ownership of morning and evening titles. Fifteen years earlier, in 1987, there were 112 markets with more than one paper — 27 with fully competing ownerships, 20 with JOAs, and 65 with morning and evening papers produced by a single publisher.

Newspapers do, of course, face competition from alternative local sources of news and advertising, but they are unchallenged in their ability to provide the unique information services made possible by daily publication and a wide readership base. The monopoly position that most dailies enjoy derives from their unchallenged ability to provide a town or metropolitan area with the comprehensive information that provides residents with a sense of civic identity. This unique and entrenched advantage makes it difficult to use circulation penetration or audience level as a sign of quality, since readers have a wide range of tolerance for variations in content and style in what many consider to be a necessity of daily life.

This tolerance may set a floor below which only a spectacularly dismal editorial product can fall. Yet there are differences in the circulation patterns of papers with different attributes. Papers of similar circulation in cities of equivalent size are run in different ways and produce somewhat different assortments of content on any given day. These differences can be evaluated by independent observers, using subjective standards that may be condemned as irrelevant by those who measure quality by financial performance.

In newspapers, as in all media, there is a continual conflict between the satisfaction of the producers' professional imperative and the more lucrative satisfaction of the public's appetite for the sensational or the titillating.

Many years ago, I opened a discussion of newspaper quality with a quotation from the August 3, 1752 issue of the *New York Gazette*,

whose editor “earnestly entreats all those who are angry at him for printing things they don’t like” to recognize that if he and his colleagues “sometimes print vicious or Silly Things, not worth reading, it may not be because they approve of such Things themselves, but because people are so viciously and corruptly educated, that good Things are not encouraged”.

I went on to say that the modern editor “still faces the same dilemma... He is a moral agent, voicing the aspirations of his society, turning his lantern into its dark corners. But he is also an artisan, out to earn an innocuous dollar, and often finding that he can best do so by satisfying the public’s meanest appetites”. Balancing these two impulses requires a constant weighing of what editors know to be important against what readers find interesting.

A great editor of the *Times of London* observed nearly a century ago, “There has been a tendency to follow the tastes of the vast number of people who can read at all rather than of those to whom reading means a high standard of literary and intellectual enjoyment”²¹. Of Rupert Murdoch’s two national dailies in the United Kingdom, *The Sun* has five times the readership of *The Times*. I doubt if the proprietor considers it to be five times as good a paper, or even a better paper. He would say, I suppose, that it fills a different market niche, satisfies a different sort of reader, and is equally good at what it sets out to do. But observers who reject circulation size as a criterion of excellence would insist that *The Times*, because of its seriousness and authority, provides its public with far better entrée into the complex and ugly realities that *The Sun* helps its readers avoid.

Can quality be measured?

The great Victorian physicist Lord Kelvin famously remarked that “when you can measure what you are speaking about and express it in numbers you know something about it; but when you cannot measure

²¹ “Newspapers”, by HUGH CHISHOLM, 11th edition of the *Encyclopedia Britannica*.

it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind”²². A contemporary specialist on Shakespeare, Frederick Gard Fleay, had earlier (1874) written, “If you cannot weigh, measure, number your results, however you may be convinced yourself, you must not hope to convince others”.

If measurement is a prerequisite for scientific knowledge, can it be applied to the assessment of quality as well? Scholarship on the subject of journalistic excellence has used a number of criteria. The purpose has been less to discover how excellence can best be defined than to see how it relates to membership in a group or chain, public ownership, or local newspaper competition. The opportunity to compare competitive and non-competitive situations is fast disappearing as papers die or merge.

Can we judge quality in an intellectual product as we judge a material one? The performance of a machine is readily measured, in the field or in the laboratory, by a number of empirically determinable characteristics: its efficiency and ease of operation, its durability, its ability to withstand shock or stress, its operation under different conditions.

Assessments of mechanical or operational quality are not unknown in the newspaper business. The productivity of phone-room circulation subscription solicitors can be measured empirically; so can the tensile strength of newsprint, the viscosity of ink and the number of hours a press runs without a breakdown. When it introduced *USA Today*, Gannett prepared rigorous standards of color printing to which a wide assortment of local newspaper contractors were required to conform, thus raising their performance for their own papers to a higher level.

Do such ratings of production quality have a counterpart on the editorial side of newspapers? Judgments are constantly being rendered on journalistic achievement, but can these judgments have the same objective character as those about mechanical performance? I don’t

²² WILLIAM THOMAS, BARON KELVIN, *Electrical Units of Measurement*, 1881, 80-81.

believe they do, because journalism, like the other arts of human expression, is simply not amenable to evaluation by extrinsic and immutable criteria.

Judgments of how well information, thoughts, emotions and experiences are expressed and communicated are rooted in a particular time and place. This applies to peer judgments of excellence or achievement. The American press adheres to a different conception of journalistic excellence today than it did 100 or 200 years ago, and a very different conception than those accepted in other countries with different journalistic and political traditions.

Critics speak of “the test of time” in judging the value of a creative work. In such a process, the ranking of individual pieces is meaningless. It is futile to compare the “quality” of “War and Peace” with that of “Jane Eyre” or “David Copperfield”, because each of these novels is unique, and in a different category of merit than those that sell millions of copies with the help of massive promotion and prominent display in chain bookstores. (In saying this I am, by the way, rendering a personal opinion that cannot be upheld by any quantifiable evidence).

If sales are to be accepted as the acid test of excellence, does professional judgment matter at all? Is Barbara Cartland, (the author of an endless stream of sentimental popular romances) a greater writer than Honoré de Balzac, because her books have sold more copies? Professional critics evaluate any creative project in the context of what was done before and what is being done elsewhere. They judge it by its capacity to touch, arouse, inspire and endure.

To judge journalistic quality entails the same exercise of subjective judgment that one brings to any other creative effort. *De gustibus disputandum non est*, “no quarreling about taste!” goes the Latin proverb. Book reviewers and movie critics disagree with each other, and we each individually may disagree with them in giving our own opinions of specific books or films. This is because assemblages of words and images resonate in different ways with different people and in different settings. In the art market, a school of painting that is hot one year may lose its luster by the next. Novels that are greeted

enthusiastically are remaindered by the end of the season. A hit at Cannes may bomb in Chicago. Shakespeare's works underwent a long period of obscurity before his reputation resurged in the nineteenth century.

Why is the assessment of editorial excellence as murky as critical judgment of poetry, chamber music or architecture? Because, as with any other form of art, journalism's accomplishments are intangible. It operates in the realm of ideas; its potential for exerting influence and power resides in its ability to arouse passion and empathy.

Hold on, you may say. Journalism is not all about war and peace, heroism and catastrophe. It's about the routine of the police blotter, school board debates over the luncheon menu, the fluctuation of stock prices and all the other routine minutiae of life in our complex society. All the more reason, I would say, to judge the way all this is put together.

Newspapers differ in ways that can be empirically observed and measured. For example, substantial variations have been recorded in their levels of accuracy and readability. But most of a newspaper's salient characteristics exist in the eye of the beholder. They are not easily amenable to independent measurement, though they can, of course, be evaluated by the audience or potential audience or by professional peers.

Are awards an acceptable measure of a newspaper's quality? They are, surely, an indicator of how that quality is assessed by colleagues. The subject of awards often carries in its train the epithet of elitism. The yardsticks applied by a selective assemblage of judges are inherently bound to differ from those that govern editors' decisions at the grass roots, or the predilections of readers searching for diversion rather than enlightenment.

This charge is heard in every profession that faces a constant need to balance its business needs against its standards of craftsmanship. Critics of the arts are expected to provide their judgments about the merits of a painting, play or novel rather than their appraisal of its popular appeal. Even in a world without outside critics, every public human expression is judged by competitors and colleagues.

Peer assessments by editors are made routinely through hand-picked juries as well as by sampling surveys²³. Hundreds of awards are bestowed each year by state and regional newspaper associations, covering a wide array of categories. On the national level, the most prestigious awards are unquestionably the Pulitzer prizes, followed by the George S. Polk awards. (In both cases, prizes are given to news organizations other than daily newspapers).

It is hard to establish quantitatively the rules by which awards are bestowed. During my professional lifetime, I have had the occasion to serve on many juries to award achievements, not only in the field of media. I have rarely served on a jury that came to unanimous agreement on a first ballot.

How do most editors define quality? Pulitzer and Polk juries hardly represent a cross-section of practicing journalists. In 1977, I conducted a mail survey of 746 editors, members of the American Society of Newspaper Editors (ASNE) and the Associated Press Managing Editors (APME)²⁴. I asked them to rate the importance of seven attributes of editorial quality. Accuracy was number one, followed by “impartiality in reporting”, “investigative enterprise”, and “specialized staff skills”. “Literary style” finished last.

In addition to these subjective criteria, I asked the editors to rate each of 23 other attributes on a scale of +3 to -3. These included (just to take the top few in rank): “high ratio of staff-written copy to wire service and feature service copy”, “total amount of non-advertising content”, “high ratio of news interpretation and backgrounders to spot news reports”, and “number of letters to the editor per issue”.

In comparing editors’ own responses with levels of reader interest as they perceived it, I found that, overall, what editors “think is good in a

²³ As an instance, long before he became dean of the Medill School of Journalism, Loren Ghiglione picked judges to evaluate New England papers. *Evaluating the Press:*

The New England Daily Newspaper Survey. Southbridge, MA: Editor, 1973.

²⁴ LEO BOGART: *Press and Public: Who Reads What, When, Where and Why in American Newspapers*. HILLSDALE, NJ: Lawrence Erlbaum Associates, 1989, 253-265.

newspaper is not too different from what they think readers like". Still, they drew a sharp distinction on a number of points. For example, the presence of an action line column²⁵ was ranked number one in reader interest, but 13 as an index of quality.

Today's editors evaluate quantitative indicators of newspaper quality much like their predecessors in 1977. In 2002, Philip Meyer and Koang-Hyub Kim surveyed 285 ASNE members, using the same criteria that I had editors evaluate in 1977²⁶. They found little change, though open-ended questions showed somewhat more emphasis on quality of design and on ease of reading.

In my 1977 survey I asked editors how their papers were doing. Those whose papers' circulation was growing were more inclined {than those of declining or stagnant papers) to believe that newspapers would gain readers by changing content and less inclined to say that the problem was one of promotion, selling and distribution. They were also more likely to feel that "good papers are successful in building circulation".

Editors of papers that were gaining circulation were no different from those with stagnant or falling circulation in the size of their papers' news hole relative to the advertising, in the proportions of staff-written editorial content and in the proportion of feature material.

Should the quality of smaller papers be assessed by different criteria than those that apply to larger ones? Big papers, with bigger and better-paid editorial staffs, bigger news holes and greater resources, come closer than smaller papers to what editors (including small-town editors) consider to be the editorial ideal. Small-town readers may be less demanding, since the editorial product is familiar to them. They may also have fewer opportunities for comparison. But these hardly seem like reasons to relax standards of excellence.

²⁵ Readers can call or write to the action line to voice their problems with local government and the columnist takes the initiative of seeking resolution of their complaints.

²⁶ Philip Meyer and Koang-Hyub Kim, "Quantifying Newspaper Quality: I Know It When I See It", Paper presented to the annual conference of the Association for Education in Journalism and Mass Communication, Kansas City, July 30, 2003.

Are differences in quality between big and little papers the result of a different editorial emphasis? Editors of big papers rated “individuality of character” higher than editors of small ones, while these rated “civic-mindedness” higher.

Northwestern University’s Impact project has conducted an intensive content analysis of 104 dailies, subdivided into five circulation categories²⁷. Larger papers (over 200,000) run more pages on a typical weekday (an average of 85, compared with 28 for those between 10,000 and 25,000). The big papers also contain substantially more staff-written material (44%) than those of under 100,000 (29-31%). (The differences are even larger in the fatter Sunday editions). In the biggest papers, three-fourths of the front-page stories are staff-written, compared with three-fifths of those in the smaller ones.

There is virtually no difference in the proportion of all stories focused on national news, though the smallest papers (under 25,000) carry less international news and somewhat more with a local, state or regional focus (55%, compared to 48% for the biggest papers).

In the same study, content was classified under sixteen themes (politics and government, police and crime, disasters and accidents, business and personal finance, sports, parenting and religion, science, technology and environment, health, travel and home, education, jobs, automotive, community announcements, obituaries and “ordinary people”, movies and television, popular music, arts and other). Sports, politics and crime account for over half the total. Remarkably, however, the mix is virtually identical for newspapers in all five size groups.

The 23 attributes included in my 1977 survey have been used in a number of other studies in the last quarter-century, with rather consistent results. Using a later modification of these items, in a survey of rank and file journalists, Michael and Judee Burgoon and Charles Atkin found that in news stories, accuracy ranked first, followed by

²⁷ Readership Institute, Northwestern University, *Micro Content Analysis Report*, Evanston, 2001.

depth, impartiality, investigative enterprise, literary style and sophistication of treatment²⁸.

A number of editors criticized my original list on the grounds that it failed to include items that they considered vital in assessing a newspaper's quality (like those in my first list of seven: "individuality of character", "investigative enterprise", and the like). These critics did not realize that I regarded the editors' survey only as the preliminary to a large-scale content analysis of the American press. My real purpose was to see how successful papers differed from unsuccessful ones in respect to what editors themselves considered to be the indicators of quality. That required me to limit the attributes to those that could be measured objectively -- in most cases with a ruler, actually -- and not simply left to subjective judgment. Regrettably, for lack of funding, this second phase of the research was never carried out.

However, Stephen Lacy and Frederick Fico did use the 1977 editors' survey as the basis for a content analysis of 114 papers. They constructed a "quality index" of the seven most prized attributes and added an additional category -- the productivity of reporters (or the pressure on them (measured by the square inches of copy divided by the number of reporters listed with by-lines)).²⁹ They found no difference either between large and small papers or between those that were group-owned and independent³⁰. They conclude, "financial resources are related to circulation; newspapers in larger cities thus will tend to be better than in small communities because they will tend to have more circulation".

Fico and Stan Soffin went on to content-analyze nine "prestige" newspapers and nine Michigan dailies. They found that there was a tendency toward imbalance in the coverage of controversial issues

²⁸ *The World of the Working Journalist*, Newspaper Readership Project, 1982.

²⁹ A recent replication of this oft-cited study failed to produce the same results. PHILIP MEYER, *The Vanishing Newspaper* (Columbia: University of Missouri Press, 2004).

³⁰ STEPHEN LACY and FREDERICK FICO, "Newspaper Quality and Ownership: Rating the Groups", *Newspaper Research Journal*, v. 11, no. 2 (Spring 1990), 42-57.

(less apparent in page one stories) and that (putting it delicately) large-circulation papers were “not more imbalanced” than smaller ones³¹.

Do readers’ own interests agree with editors’ assessments of what readers want? Since my 1977 analysis, other studies have rated quality by surveying readers’ evaluations and comparing their views with those of editors. George Gladney questioned 257 editors about 17 “standards of excellence” and found that those of larger papers place more emphasis on staff enterprise, professionalism, comprehensive news coverage and interpretation, while those on smaller papers place more value on community leadership, local news coverage and community press standards³². Gladney also found, in a survey of 291 readers, that they agree with editors on the importance of integrity, impartiality, editorial independence, strong local news coverage and accuracy. Editors put more emphasis on professional staffing goals and on good writing³³.

Readers’ evaluation of a paper’s credibility has been taken as a touchstone in a painstaking study by Philip Meyer and Yuan Zhang. In 21 counties where readers of 26 Knight-Ridder papers had been surveyed they found a strong correlation between trust in a paper and the “robustness” of its circulation³⁴. They concluded that a newspaper’s credibility with readers is related to its ability to maintain circulation.

Readers’ trust in a newspaper must be considered a component of their attachment to it. The sense of affinity, I suspect, is bound to be higher in competitive markets where readers have a choice. Readers’ regard for the

31 FREDERICK FICO and STAN SOFFIN, “Fairness and Balance of Selected Newspaper Coverage of Controversial National, State and Local Issues”, *Journalism and Mass Communication Quarterly*, v. 72, no. 3 (Autumn 1995), 621-33.

32 GEORGE A. GLADNEY, “Newspaper Excellence: How Editors of Small and Large Papers, Judge Quality”, *Newspaper Research Journal*, v. 11, no. 2 (Spring 1990), 58-72.

33 GEORGE ALBERT GLADNEY, “How Editors and Readers Rank and Rate the Importance of Eighteen Traditional Standards of Newspaper Excellence”, *Journalism and Mass Communication Quarterly*, v. 73, no. 2 (Summer 1996), 319-331.

34 PHILIP MEYER and YUAN ZHANG, “Anatomy of a Death Spiral: Newspapers and Their Credibility”. Unpublished paper, 2003.

papers they read (as defined by credibility, liking, respect or any other indicator of attitude) is not necessarily a direct indication of their quality. Ups and downs in the public's ratings of media generally tend to follow in tandem with their appraisal of other institutions. Polls that measure presidential approval ratings demonstrate how the public's transitory short-term judgments differ from those made by historians with a longer-range perspective and access to much collateral information. If circulation strength is the critical criterion, one can only assume that readers are better judges of a newspaper's value than editors are of its quality.

Another study by the Northwestern University Impact group asked a panel of 24 readers and non-readers to judge the attributes of 51 newspapers, which they were asked to read daily for two weeks. The panel came up with 39 "descriptors" by which they rated the papers. One group of characteristics was determined to be inherent in all newspapers; others were "intellectual" or seriousness, "visual", "community", ("ordinary people") and "obtrusive" (bringing attention to the paper itself). A statistical analysis assigned the papers to eleven clusters. The first of these, which was judged high in all attributes other than "community", was made up of large papers. A second, consisting of small and mid-size papers, rated low on all five attributes. The remaining clusters included newspapers of varying size and received varying degrees of distinction on the individual attributes. The report observes that "circulation size appears not to be the key predictor for the presence or absence of most of the qualities the reader panel identified". (The small size and unsystematic selection of the reader panel and the ambiguity of the findings raise questions about this conclusion).

The inference I draw from the research reviewed here is that big papers are superior to small ones in ways that are not related to the mix of content they offer.

Does quality matter?

Analyzing confidential data from the Inland Press Association survey of newspaper finances and operations, William Blankenburg refers to

the “assumption that news-editorial quality is somehow profitable. That is, if the publisher elects to enhance the news product, readers will be attracted and revenues will increase. This proposition has been asserted frequently and investigated occasionally, with difficulty”³⁵.

Gerald and Donna Stone and Edgar Trotter used a mail survey of editors who selected good and bad papers in all 50 states³⁶. A majority of the superior papers were big; a majority of the inferior ones small. They concluded that quality accounted for 3% of the variance in circulation.

A number of studies, using various indicators of excellence, have found evidence that better newspapers do better in the market³⁷. For example, Fico and Soffin found a strong relationship between quality, as measured in 1984, and circulation in 1985. They suggest that “from a reader’s perspective, one might argue that a quality newspaper is one that the reader finds useful”³⁸.

Are newspaper revenues an indicator of editorial quality? All journalists want to hear that quality reaps benefits on the bottom line, but it is never quite clear whether good papers are more successful or whether successful papers are better able to afford the investments that make them better.

Papers that show the greatest growth in circulation and advertising are those whose competitors have gone out of business or where morning-evening combinations have been folded into the morning paper. Circulation losses and gains must be seen in relation to the growth of the market, the changes in population wrought by immigration and the

35 WILLIAM B. BLANKENBURG, “Newspaper Scale and Newspaper Expenditures”, *Newspaper Research Journal*, v. 10, no. 2 (Winter 1989), 97-103.

36 GERALD C. STONE, DONNA H. STONE and EDGAR P. TROTTER, “Newspaper Quality’s Relation to Circulation”, *Newspaper Research Journal*, v. 2, no. 3 (Spring 1981) 16-24.

37 ESTHER THORSON, “What Does the Academic Literature Tell Us?” Unpublished paper presented to the American Society of Newspaper Editors, April, 2003.

38 STEPHEN LACY and FREDERICK FICO, “The Link Between Newspaper Content Quality and Circulation”, *Newspaper Research Journal*, v. 12, no. 2 (Spring 1991), 46-57.

political configuration of the metropolitan area. A metropolitan daily in a city that has managed to swallow up its suburbs (like Houston) must inevitably do better than one in a city (like St. Louis) ringed by independent municipalities, localized civic identities and concerns and strong suburban competition in either daily or weekly form. With the right external conditions, even bad papers may flourish; with the wrong ones, even the best papers may struggle to keep going.

As the preceding discussion suggests, a newspaper's editorial quality reflects a number of distinct factors; it cannot be reduced to a single attribute. Circulation growth (or stability in the face of adverse trends) arises from effective promotion, well-organized circulation and distribution functions, intelligent research and superior printing production. Good advertising management also enters the equation, because advertising attracts readers and accounts for four-fifths of newspaper revenues. While it depends on circulation (which may be a more direct reflection of journalistic merit), the social and geographic composition of the readership also comes into play when advertising budgets are allocated. Moreover, in places where readers still have a choice, advertisers don't split their budgets in proportion to the circulation figures; they gravitate toward the paper with the larger number of wealthy readers.

In my observation, newspapers that maintain high journalistic quality also are likely to be well managed in their business operations. Regardless of their size, they are characterized by higher morale, greater team spirit and more energetic and efficient operations. To a large degree, this reflects the leadership of an extraordinary publisher who combines strong managerial skills, a committed engagement with the community and a courageous sense of editorial mission. The prototype may be a big city James Gordon Bennett or a small town William Allen White, but there are also memorable partnerships like that of the Louisville *Courier-Journal's* publisher Barry Bingham Sr. and his doughty editor Norman Isaacs. Such unusual individuals may be found in papers of all sizes. Are they as likely to spring to the fore in the era of corporate ownership as they were in the time of individual proprietorships and fierce competition? This brings us back to the question of how quality is defined.

What papers are judged to be the best? In the early 1980s, I compiled a list of papers whose staff members had won Pulitzer or Polk awards and compared them with other papers of the same size. The prize-winning papers showed a greater ability to sustain their circulation in the face of the general decline in the level of readership. The better papers were generally the ones that survived, but not always. (Are the surviving *New York Post* and *Daily News* better papers than the deceased *Herald-Tribune*?) Some years later, H. Allen White and Julie L. Andsager found that papers in competitive markets were more likely to win Pulitzer prizes³⁹. They commented that competing papers applied greater resources and thus produced a greater variety of journalism. Such analyses are less meaningful today, because of the near-elimination of second and third newspapers in most metropolitan areas.

I have now looked again at Pulitzer and Polk awards given to dailies to see how they were distributed among papers of different sizes. In the case of the Pulitzers, between 1990 and 2003, 173 were won by major metropolitan newspapers; twelve went to papers with a circulation ranging between 60 and 100,000 (including three to the *Christian Science Monitor*, and seven to small newspapers. Between 1990 and 2002, 106 Polk awards went to metropolitan dailies, six to papers in the medium size range, and four to smaller dailies.

Today a very small group of large dailies sweep a high proportion of the major prizes. In the case of the Pulitzers, 173 were won by major metropolitan newspapers; twelve went to papers with a circulation ranging between 60 and 100,000 (including three to the *Christian Science Monitor*), and seven to small newspapers⁴⁰.

39 H. ALLEN WHITE and JULIE L. ANDSAGER, "Winning Newspaper Pulitzer Prizes: The (Possible) Advantage of Being a Competitive Paper". *Journalism Quarterly*, v. 67, no. 4 (Winter, 1990), 912-919.

40 One each went to the Washington, NC *Daily News*, the Virgin Islands *Daily News*, the Ames, Iowa, *Daily Tribune*, the Grand Forks, ND *Herald*, the Great Falls, MT *Tribune* and the Rutland, VT *Herald*.

Between 1990 and 2002, 106 Polk awards went to metropolitan dailies, six to papers in the medium size range, and four to smaller dailies⁴¹.

It must be remembered that while most readers (like most people) are in large metropolitan areas, half the papers published in the United States have a daily circulation under 15,000. Of the handful of small papers that have been honored with Pulitzers or Polks, most are well above that size. At the opposite end of the range, the *New York Times*, *Wall Street Journal* and *Washington Post* account for a substantial proportion of the prizes awarded to metropolitan dailies.

Setting aside the question of whether national awards are indeed a measure of a newspaper's quality, it is certainly possible to argue that large papers have been able to grow, possibly outpacing and then stifling their competitors, because of their journalistic excellence. But it seems more convincing, looking at the evidence, to conclude that large papers have the resources to hire and nurture outstanding journalistic talent, to provide the organizational support and the relief from deadline pressures that permit reporters to investigate complex subjects, and to make space available for the full-scale coverage that defies the ordinary limitations of the news hole.

Might newsroom budgets offer a better indication of excellence than editors' opinions or reader responses on surveys? Among papers of similar circulation, does greater editorial investment per reader produce a greater return in profitability? Such questions become especially important in a business recession, when newspaper staffs undergo significant retrenchments.

The evidence suggests that investment in the newsroom accompanies rather than produces excellence. As Wayne Danielson and Adams⁴² have shown, the size of a newspaper's staff and the use

⁴¹ The *Berkshire Eagle* won two; and one each went to the Yakima, WA *Herald-Republic* and the *Daily Southtown* in suburban Chicago.

⁴² WAYNE DANIELSON and JOHN B. ADAMS, "Completeness of Press Coverage of the 1960 Campaign", *Journalism Quarterly* (1961), v.38, No. 3, 441-452.

of a number of wire services are associated with completeness of news coverage. Significantly, they defined “completeness” in relation to issues covered by *The New York Times* during the 1960 national election campaign. For these authors, the *Times* set the gold standard.

Is it realistic for other dailies to take the *Times* or the *Washington Post* as models? I have elsewhere recounted a conversation with the *Denver Post*'s great editor and publisher, Palmer Hoyt: “When I gave him a candid and dismal appraisal of the quality of most newspapers, he challenged me to name one I respected. I answered, ‘*The New York Times*.’ ‘And what percentage of the people in New York read the *Times*?’ ‘Maybe 20 percent.’ ‘Do you think I could publish a paper that was read by only 20 percent of the people in Denver?’”⁴³

Size, in and of itself, is not inexorably linked to quality. Great newspapers have succumbed to the reduction of advertising budgets and the movement of readers to the suburbs: The New York *Herald-Tribune*, the *Washington Star*, the *Chicago Daily News*, the *Philadelphia Bulletin*. And there are papers of substantial circulation that never win prizes and that editors generally may regard with indifference or disdain. Are they more profitable because their publishers stint on the spending required for quality? To find the answer requires an examination of internal accounts at a level of detail that even publicly owned companies do not generally disclose. This is precisely the approach that the Project for Excellence in Journalism has followed, using data from the Inland Press Association. The Project's Tom Rosenstiel examined 2001 results from 318 newspapers, and finds that (except for papers of over 100,000 circulation – which account for over half of the total readership) higher investment in newsrooms is associated with higher revenues. (Rosenstiel acknowledges that the mystery of the chicken-egg relationship remains unresolved)⁴⁴.

⁴³ LEO BOGART, *Finding Out* (Chicago: Ivan R. Dee, 2003), p. 247.

⁴⁴ Untitled paper presented to the American Society of Newspaper Editors, April 9, 2003.

Editors of publicly-owned newspapers place somewhat higher value on a high ratio of news interpretation and background to straight news reports than do editors of privately owned papers⁴⁵. (This may simply reflect their papers' typically larger size). Public ownership is associated with more pressure for short-run profits. Lacy, Mary Alice Shaver and Charles St. Cyr have found that group-owned papers have lower operating margins and spend a greater percentage of revenues on expenses when they face competition. Public ownership is a more compelling force on budget squeezes than competition⁴⁶.

This supports a commonly held notion that publicly owned companies have "made a pact with the Devil – Wall Street", in the words of *The New York Times* business columnist Gretchen Morgenson⁴⁷. The publishing tycoon Dean Singleton has observed that private companies like his Media News Group must open their books to investors when they seek capital financing, and are judged by the same criteria as publicly owned firms.

A conclusion opposite to that reached by Lacy, Shaver and St. Cyr comes from Rick Edmonds at the Poynter Institute, who finds that publicly owned companies do not differ from privately held ones either in their staffing or in retrenchments during business recession⁴⁸. The number of full time newspaper employees, relative to circulation, has risen, especially at smaller papers. Some papers have staffing to circulation ratios nearly double those of others. However, the most generously staffed newspapers are not always the best⁴⁹.

45 MEYER and KIM, *op. cit.*

46 STEPHEN LACY, MARY ALICE SHAVER and CHARLES St. CYR, "The Effects of Public Ownership and Newspaper Competition on the Financial Performance of Newspaper Corporations: A Replication and Extension". *Journalism and Mass Communication Quarterly*, v. 73, no. 2 (Summer 1996), 332-363.

47 In a panel discussion at the 2000 meeting of the American Society of Newspaper Editors.

48 RICK EDMONDS, "News Staffing and Profits", paper presented to the American Society of Newspaper Editors, April 9, 2003.

49 As defined by a survey of editors.

In 2002, the average profit for ten of the largest publicly owned newspaper companies was 21.3%. The companies that own what are generally considered the country's three best papers (*The New York Times*, the *Wall Street Journal* and the *Washington Post*) posted an average profit of 12.4%⁵⁰.

So – does journalistic excellence result in more successful newspapers? Yes, if success is defined, as it once may have been, by the pride of the journalists who write and edit their contents. Not always, if one considers profit as the truest token of achievement. Some of America's worst newspapers are notorious for their profit margins of 40-50%. Excellence, I have argued, is hard to define and measure with precision. The question of how it relates to commercial success has been tackled in a variety of ways by scholars of the newspaper business. Whatever the criteria they use, the conclusion is clear: a newspaper's investment in its news operation is likely to yield a solid return. What counts, however, may not be the dollar amount of that investment, but how it is spent – in short, its quality. And how is that quality to be measured?

⁵⁰ This was reduced by Dow Jones' dismal showing that year, brought on by depressed financial markets. It must be noted that most of the companies have properties other than daily newspapers. The New York Times Company's profit margin was 17.7%, the Washington Post Company's 14.6%.

8. Using Research

8.1. Why the Census Matters

How old are you? Where did your ancestors come from? Whom do you live with? How much money do you make, really? Taken individually, those are highly personal questions that a lot of folks are reluctant to answer. Aggregated for 290 million people, they provide the input that is absolutely essential for our information society.

Facts are the raw material out of which newspapers manufacture their products. More than most other businesses, newspapers rely on the accuracy of facts that describe their own communities and the nation as a whole. They have a great stake in the reliability of the decennial Census, whose methods became a subject of bitter political controversy in 2000. Consider the ways in which Census figures affect the media:

1. Journalists now routinely make use of electronic data bases that document the social trends reflected in specific news events. Census numbers are the bedrock for much of this information. They underlie the projections that anticipate the shifting age, color and education of the population, the growth and decline of regions and cities, the emergence of social problems and pathologies. Thus they lead editors to reshape their beat assignments and prompt editorial writers to put new items on the agenda for public discussion.
2. Newspaper marketing depends on Census figures to gauge growth potential and business successes or failures. Circulation statistics are meaningless unless they can be related to market size and growth. Strategic plans, advertising sales budgets, distribution territories – all must start with knowledge about population and housing. Surveys of media audiences and of consumer buying patterns require an underpinning of Census data to ensure that they accurately represent the market.

3. As institutions, newspapers can't be strong if their home towns are in trouble. Funding for a number of Federal programs is determined by allocations based on population size; in many cities, these funds are a significant catalyst for the local economy. This last point, of course, is the one that made the methodology of the last Census a political football.

The law requires every resident of the United States to stand up and be counted every ten years, but for a variety of reasons, an increasing number are staying put. The reasons are familiar: more people living alone and in unconventional arrangements, more illegal immigrants, others evading the law or just trying to stay inconspicuous, a widespread resistance to unwanted sales solicitations and inquiries.

It's harder than ever to surmount this resistance. Checking the records for one poor Brooklyn district, I found that only 38% of the 1990 Census long form mail questionnaires were returned. Naturally, the Census Bureau doesn't stop there. They keep trying with expensive personal interviews to get a complete count. Even so, and even allowing for some double-counts, they missed between four and ten million people in that year's Census. Those missing people weren't distributed randomly across the country; they were concentrated in precisely those urban areas where social problems are most rampant and where the interests of many major newspapers are most at stake.

The statisticians at the Census Bureau proposed to supplement their count in 2000 with large-scale sampling surveys to make the results truly reflective of the population. Their methodology had the unqualified support of *every* professional organization in marketing and social science. Yet it failed to gain approval from Congress because of its political ramifications for the apportionment of seats in the House of Representatives.

When the Founding Fathers of the republic mandated a decennial body count to assign Congressional districts, they could not anticipate the complex nation that America has become two and a quarter centuries later. Honest, accurate information will be ever more essential in the 21st Century, as the rate of social change accelerates.

Unlike their predecessors, today's newspaper managements are hesitant to use their editorial clout to advance their own self-interest. But here is a case where self-interest and the country's interest are identical. The press depends on the accuracy of fundamental facts of the national life. In 2000 it failed to grasp the opportunity to say so, forcefully.

8.2. Measuring What Newspapers Deliver

Statistics are a vital instrument in newspapers' competition with each other and with other media. But those statistics are not always well understood. Upon its lamented demise, the *Los Angeles Herald-Examiner*, a paper with 222,000 paid circulation, was repeatedly reported as having 222,000 readers, when actually it had 2.6 per copy, 583,000 in all. A front-page story by executive editor Max Frankel in *The New York Times* of August 19, 1996, commemorating that paper's purchase by Adolph S. Ochs 100 years earlier, referred to its "10,000 readers". With a sale of 10,000 copies each day, the Times reached a lot more readers than that. If experienced editors sometimes confound circulation and readership, it's not surprising that advertisers and politicians make the same mistake, and vastly underestimate newspapers' reach and power.

What could be more fundamental than the concept of paid circulation - the number of copies a periodical actually sells? Yet in some parts of the world, the notion remains unfamiliar. Many publications define their size by their print run, rather than sales, which vary from day to day depending on the news, the weather, competition and a host of other transient factors beyond control.

It took years of tumultuous debate and struggle to create the Audit Bureau of Circulations in 1916 and to produce the audited circulation figures that newspapers and their customers now take for granted. ABC's own auditors periodically conduct plant visits to verify publishers' sworn statements.

Radio broadcasting brought with it the system of audience ratings and forced magazines and newspapers to the concept of "total audience".

Circulation data were downplayed in favor of readership statistics. It has been argued that circulation, with its smaller numbers, is an outmoded measure holding newspapers back in the race for advertising. The clamor intensifies as broadcasting faces challenges from new forms of electronic communication in which newspapers have a growing stake.

While this battle rages, newspaper generals must remember previous wars.

Paid circulation can be measured comprehensively, with an actual count of tangible objects (copies distributed and sold or returned). Similarly, hits on a home page of the World Wide Web can be logged electronically with precision, and attendance at trade shows can be tabulated through body or ticket counts. (ABC actually tried doing this for a while, but abandoned the venture. It *does* audit traffic on the Web sites of member newspapers).

It is not surprising that the Audit Bureau's advertiser and agency constituencies have pushed it to move beyond paid print publications. ABC's probity and competence at its traditional job have at various times prompted suggestions that it audit broadcast ratings reports, exposure to outdoor billboards, attendance at trade shows-and unpaid print circulation. In 1990, ABC began to publish reports for giveaway or "controlled" circulation of consumer magazines. Magazines that are at least 70% paid have the option of reporting their non-paid circulation in supplemental publishers' statements and audit reports. Other magazines can report both their paid and non-paid circulation on a different set of forms.

The forms for controlled circulation are of a different color than the pink sheets that report paid sales. They are subject to checks of whether the subscribers are in the "field served" by the magazine, and whether they have signed a request to receive it. The chairman of the ABC Board of Directors has said that these changes "mean exciting times". They certainly do.

Producing a statement on paper of a different color does not change its authority as an audit report. The special cachet conferred by ABC's

seal of approval has not been subdivided into categories of quality or relevance. Buyers of advertising usually lump all ABC numbers under a single heading, and the media comparisons they make on their office computers treat them as having identical meaning.

The precedent set for free magazines was cited by some advertisers in urging ABC to start auditing free newspapers. A good many newspapers thought this was a good idea.

Controlled circulation magazines are directed at specialized, geographically dispersed target populations. Free newspaper circulation is generally concentrated in particular localities but distributed by varying methods to a heterogeneous public, which responds to the product with highly varying degrees of attention and interest. No free paper could stay in business if it limited delivery to people willing to fill in the kind of subscriber questionnaire card used by controlled-circulation magazines.

Sooner or later, any real check of whether shoppers reach their intended public must go beyond a publisher's statement that they were delivered to a certain number of households, or in bulk to a given number of pickup sites. As in the case of direct mail, mere distribution does not mean that every copy finds a reader. (There is no guarantee of this even with paid circulation, where money changes hands and can be counted). To find out whether reading takes place requires a survey.

ABC now reports the distribution (misnamed "circulation") of its members' free newspapers. This includes Total Market Coverage (TMC) products, which have taken on increased importance. Total Market Coverage provides delivery of a specially produced tabloid to households that are not newspaper subscribers. Essentially this serves as a wrapper for advertising inserts, but it also contains some editorial matter drawn from the newspaper itself. It gives advertisers complete coverage of the market, or the areas they want to reach, and it helps to build circulation by raising awareness of the paper's features among people who would not otherwise regularly see it.

In going beyond paid circulation, ABC relies essentially on the honesty of the publishers' sworn statements. (The dishonesty of some

publishers' claims led to the formation of ABC in the first place. In 2004, the newspaper business was scandalized when a number of major newspapers, including Long Island's *Newsday*, acknowledged that they had been systematically exaggerating the number of copies they sold).

Circulation describes the number of copies a publication sells rather than the number it distributes or the number of people who read them. A far different measurement problem emerges when ABC places its imprimatur on audience data, such as readership surveys of magazines, free newspapers and TMC products.

ABC now also publishes 294 "reader profiles" based on surveys. These are produced by 25 research companies, all using somewhat different methods. Even if they were all produced with identical questionnaires and field organizations, these are subject to all the errors – statistical and human – that occur in all market and opinion research.

ABC's vetting of audience estimates obscures the difference between a considered purchase and acceptance of a handout. The organization must certainly adapt to the challenges of the new era in telecommunications and to new demands from advertisers. But when it reports free distribution for periodicals, the traditional concept of auditing no longer validly applies. Do newspapers really want to accept the notion that a copy handed out free serves the advertiser just like a copy the reader pays for?

The best things in life are free, but people generally place a higher value on a product they pay for more than on one they get for nothing. This fundamental rule of economics and human nature explains why many people ignore "shoppers" (free newspapers) when they are readily available, and why shoppers are read in a more cursory way than regular newspapers by the people who do pick them up. To say this is not to deny the editorial merits of many free publications — or their advertising effectiveness.

Fighting for advertising share, especially in confronting retailers who make heavy use of inserts, newspapers argue that their editorial

integrity and credibility with readers provide values that go beyond the ability to distribute messages in bulk. They have fought the advertisers' tendency to think of circulation numbers for paid and free publications as being equivalent. This tendency is fostered by media buyers who think in terms of crude concepts like "cost per thousand" and "reach and frequency". These notions reduce all media to common terms, ignoring the profound differences in the way they communicate.

The audiences for publications distributed free, like those for broadcast listening and viewing audiences, can only be estimated by questioning samples of the public. The numbers fall prey both to statistical errors and to far more troublesome mistakes that arise out of the flawed and vulnerable human enterprise of survey research. Twenty years ago, ABC ventured onto this terrain and was engulfed in quicksand. Apparently, the lesson did not stick.

The relationship between circulation and audience varies tremendously. The number of readers per copy goes up (1) when a publication is a fast read (*People* vs. *Time*) and quickly disposed of; (2) when it appears less frequently, providing more days of active life before replacement by a new issue (Sunday magazines such as *Parade* vs. daily newspapers); (3) when it is sold copy by copy rather than by subscription, and thus is more likely to reach beyond the household in which someone buys it; (4) when its penetration is low, offering more opportunity for pass-along to people who have not already seen it

As the two-wage-earner family becomes the norm and daily routines grow less predictable, newspaper subscriptions represent a diminishing part of total circulation. Newspapers may demonstrate that single-copy buyers make almost as attractive advertising targets as subscribers but "almost" isn't "as good as"; advertisers are not likely to miss this point.

Newspapers are quite justified in claiming all their pass-along readers — the people who look at a paper somebody else has bought and abandoned. But they should not fool themselves. The fewer papers they sell, the higher the proportion of readers who fall into this category. Magazines generate far more pass-along than newspapers do because any given title, even a giant like the *Reader's Digest*, sells to

only a minority of the public. A paper that goes to four of every five households in its home market — and there are still quite a few — lacks much potential for pass-along. Advertisers know this, but not all newspaper people do.

Newspapers cannot beat magazines at their own game. Yes, they have to sponsor surveys that demonstrate who their readers are. Sure, audience research helps sell advertising. Its real value ought to be in forcing newspaper managers and editors to reflect on the continuing problem of how to attract the growing numbers of people who are *not* part of the audience.

Newspapers and advertisers have relied on the Audit Bureau's hard numbers that show the number of copies readers have actually bought. When those numbers mean anything else, they mean something less.

8.3. What Numbers Should Count? The Case of NIE

What constitutes paid circulation? *USA Today* and *The Wall Street Journal* sell papers in bulk at a steep discount for distribution by hotels and airlines. In 2002, the Audit Bureau changed its rules to permit papers to include this “third-party” distribution, some of which is paid for by advertisers. ABC reports these bulk sales separately, but their inclusion is constantly questioned. They represent 18% of the Friday circulation of *USA Today* and 8% of *The Wall Street Journal*'s. *The Denver Post*'s Sunday circulation was inflated by 8%, or 100,000 copies, by the inclusion of this distribution. For *The San José Mercury News* and *The Houston Chronicle* the proportion was 8%⁵¹.

Another widely used form of bulk distribution is in Newspaper in Education programs. Papers distributed in schools account for no more than 1% of total daily circulation, and are shown as a separate category in ABC reports. Under long-existing guidelines, any paper that is sold at half price or better is counted as paid circulation; those that are given

⁵¹ Analysis by *The New York Times*, January 10, 2005.

away are not. The rules lump all distribution to schools, regardless of whether the copies are paid for. School circulation is excluded from household penetration figures, and can not go over 5% of the total. Affidavits and instructional material must be filed to support claims of free distribution.

Many urban school systems have had their budgets cut and can not afford to pay for newspapers in NIE programs. Some circulation managers believe that knowledgeable advertisers understand the value of school circulation, whether or not it is paid for. They regard setting a 5% cap on school circulation as a “non-issue”.

But it’s a very big issue indeed for others who fear that large newspapers might be in a position to abuse the system and pump up total circulation by concentrating free school distribution within areas where they face strong local competition. “They can flood the market”, one points out. Another worries about “dumping” free papers in the classroom, and thinks they should not be included in the count. “This proposal distorts the industry’s measuring stick”, he says.

“This is a case of the haves versus the have-nots”, as one circulation director puts it, pointing out that the dominant paper in a competitive market is always in the catbird seat. A former teacher, now a newspaper executive, insists that papers will not be read if they are given away, and reports, with some passion, that school janitors “revolt” against having to dispose of the papers students leave behind.

The *Los Angeles Daily News* generates \$80,000 in annual revenues from corporate sponsors of its school program. One circulation director fears that newspapers might lose such outside funding: “If you give them away free to some schools, you have to give them to all”. Another observation is that “teachers want the papers, and they’ll find a way to get them even if they have to pay for them out of their own pockets. You don’t have to give them away”.

NIE is necessary life insurance for the newspaper business; investments in it can’t be stinted. But the debate over was not really about NIE at all; it was about ABC’s abandonment of the principle that its auditing should be limited to *paid* circulation.

8.4. Reporting Election Polls

Surveys are not just a matter for the business side of newspapers. They are an important element of content too. In the apparently endless presidential election campaign of 2004, press reports of who was ahead in the polls often took precedence over the substantive issues debated by the candidates. News people are always and understandably hungry for the latest piece of information, but the latest poll out isn't always the most reliable. No one can expect editors and reporters to be polling experts, but they should have the good sense to consult those who are.

At the start of any campaign, the incumbents in office will be the political figures whose names the voters already know. This changes as the primary races heat up, as new personalities become visible and as the state-by-state polls begin to hit the front pages. As always, television will be telling us who's ahead at every step along the way, and finally it will tell us who's won before the ballots have all been counted.

Poll results have become a major component of election reporting, as campaigns increasingly test the promotional prowess of rival political consultants more than the principles espoused by the candidates. Between 1992 and 2002 the polls used by the television networks were largely dependent on a single source, Voter Research and Surveys (later renamed Voter News Service), a consortium originally formed by CBS, ABC, NBC and CNN. This replaced the expensive, individual research efforts that the networks had mounted in the past, and that had produced alternative numbers and sometimes discrepant predictions.

In 2002, a series of discrepancies forced the dissolution of VRS. Its exit polls on Election Day among people who had just left the voting booth were replaced in the 2004 campaign by polls conducted for a "National Election Pool" of media by two private firms (Mitofsky International and Edison Research).

There still were newspaper-supported state and local polls, of course. Politicians still hired research companies to conduct proprietary studies for their own campaign planning purposes, and then leaked the

results to the press when this served their purpose. Each network's experts could seek their own new angles in analyzing the statistics they all were using. But essentially those statistics dominated the perception of what was happening - on the part of the media, the public and the politicians.

Pooled exit polls were a godsend for journalists who like to minimize the anxiety of choosing from among discrepant sources. But they disturbed those who believe that both voter turnout and voting decisions are affected when it is generally believed that an election outcome is clearly known in advance.

Naturally, the pollsters have tried to allay that illusion. They reported margins of sampling error. In pre-election surveys, they reminded the public of the critical role of the undecided, of the possibilities of last-minute changes of mind. But such disclaimers generally did not get much attention from reporters, and the numbers were likely to be taken as the literal truth. That was a big mistake, because a survey's chances of being off the mark are no different when it is the only wheel in town than when competitors' findings look different.

Occasional forecasting errors can't negate the fact that polling is now an integral part of the electoral process and of the press coverage of that process. Democracy is best served when that coverage is analytical rather than descriptive, when it interprets the differences in the penchants of the various components in the electorate, and when it relates political choices to the underlying strains of popular beliefs on real issues rather than to the personality traits that candidates project in their television commercials.

Newspapers have the space to render such interpretations, while television has time only to tell us who's ahead today.

Newspapers should continue to sponsor surveys of their own. This will continue to remind voters and politicians alike that even the best polls are estimates, not facts.

Polls intended for publication are done by different means than those done privately for the candidates or party organizations and leaked to the

press if the results look good. Political consultants are adept at manipulating the interpretation of polls done by others. They also, with varying claims to being qualified, conduct their own studies along the lines of commercial advertising research – testing the appeal of different themes and arguments, assessing candidates’ comparative personality strengths and vulnerabilities. Such studies can be done on a shoestring, compared to the expense of running large cross-sectional samplings.

Forecasting election outcomes from poll results is a tricky business.

Pollsters are not only expected to deliver precise estimates of the public’s choices; they must base those estimates on the choices of those who are really going to cast a ballot. This is daunting indeed in the case of primary elections to fill local offices, when only a small fraction of the electorate may turn out.

In 2000, the polls all agreed in predicting a close election, though no one could have predicted the problems of Florida’s “butterfly ballot” and the “hanging chads” – let alone the Supreme Court decision that put George W. Bush in the White House.

In 1996, eight national election surveys all predicted a Clinton victory, by margins that ranged between seven and eighteen percentage points on the eve of the election. Had the election been close, the disparate results could easily have produced different forecasts of who the winner would be.

The polls showed inexplicable variations and fluctuations during the course of the race. Toward the end of June, a Yankelovich Partners CNN/*Time* poll was showing a Clinton lead of 6 points at the same time that an ABC/Washington Post poll showed a 20 point advantage.

The fundamental difficulty in election polling is determining who is actually going to vote. Research organizations ask people whether they are registered and have voted in past elections and about the firmness of their intentions to vote. This produces somewhat different numbers than those based on everybody’s preferences.

The Harris Poll began its early pre-election surveys in 1996 by reporting the opinions of the general public, then switched its base to

registered voters in the summer. In September and October it moved on to those who said they were “absolutely” or “very likely” to vote. Finally it went to the 50% of the original sample who were “absolutely” certain to vote and who (if eligible by age) said they voted in the last election. Needless to say, people who take the trouble to vote are not a general cross-section of the public.

Turnout is affected by the weather, and the choice of a candidate can be swayed by unforeseen news just before the election. Turnout may also depend on public interest in concurring local or statewide contests. It makes a very big difference in some presidential election years but not in others.

Calculations of turnout are based on the number of valid ballots cast in relation to the voting-age population, though this includes millions of aliens, recent movers and felons who cannot be counted exactly. Some states allow registration at voting time. An unknown number of enthusiasts register in more than one precinct. Between 70-80% of election poll respondents claim to be registered, but not all of them are. Many registered voters don't vote, and there is no easy way of determining who will.

Political choices are volatile, like all expressions of opinion. It is a marvel that the pollsters' track record is, overall, as good as it is. The projectability of all survey findings depends in good measure on sample size, which is determined by the budget. The polls run by leading news organizations are generally done well, but none of them can afford to do as many interviews as they'd like. This may sound weird, but it takes just as many interviews with blacks, Hispanics or young people aged 18-24 as it takes for a sample of the whole population, to produce findings that have the same level of statistical confidence.

Today most survey findings are published with a brief accompanying statement about their margin of error, commonly given as plus or minus three percentage points when the response is evenly divided in a sample of 1,000. (An important qualifier is that there is one chance in twenty that the error is greater). The margin gets smaller as the sample increases and as the response gets farther from an even

division. “Error” does not mean a “mistake”. It is a statistical term, based on pure mathematical probability, which assumes that the sample is perfectly representative and the survey process itself completely unflawed. In practice this never happens.

An error margin of plus or minus 2% or 5% does not mean that the true numbers fall within that range. That would presume that the only sources of error in surveys arise from sampling. But errors can creep in from faulty questionnaires, poor interviewer training, and mistakes in coding and keying answers.

Budgets set limits on sample size and on the time-consuming procedures required to make samples properly representative of their parent populations. There are innumerable lapses between plans and execution. The public has become steadily less cooperative as telephone interviewing is increasingly identified with the annoying intrusion of telemarketing. Accidental and inexplicable occurrences can affect the top-line survey findings that find their way into the headlines. Most survey results are based on just a fraction of the people who should have been picked by pure chance.

People who can't be reached differ from those who are, in ways that may be reflected in their opinions, including their political choices. This is also true of people who are reached but who refuse to go through a whole interview. There have been more such people with each passing year.

To compensate for sampling flaws, all the election polls — using their own special formulas — weight results to conform to the characteristics of the population, as described by the Census. The trouble is that Census figures, even though updated by annual surveys, share the affliction of all those who seek to extract information from an ever more recalcitrant public.

Some pollsters still use curiously personal ways of adjusting their data to conform with their hunches. This starts with the respondents who can't answer questions, because they “don't know”, are reluctant to answer, or haven't made up their minds. One unresolved technical question pollsters face is how to dispose of the people who claim to be

registered voters and who intend to vote, but who have still not made their pick at the time they are interviewed. This can be a substantial proportion when a race is in its early stages.

The very fact that polls are not unanimous presents a constant reminder of their inherent uncertainties, which journalists and the public alike seem reluctant to accept. Integrity and professional competence cannot insure total accuracy in an enterprise that entails lots of gut judgment and thrives on dumb luck.

State and local polls use different questions to define likely voters, different sampling procedures, and different quality controls. Some are year-around operations; others are activated only for election campaigns. Many work on shoestring budgets. Polls once run by specialists on major newspapers are now, with a few exceptions, farmed out to independent research organizations.

One source of error with which pollsters have had to reckon is the rate at which interviews are actually completed and conform to the initial sampling plan. Most surveys of all kinds are done on the telephone, and the rate of response to pollsters has been steadily slipping. Good research organizations call back repeatedly, but the people they never reach are never exactly like the ones they do. This difference becomes even more marked when polls are done on the Internet, as a growing proportion are.

Large and growing numbers of people use telephone answering machines to shield themselves from interviewers or refuse to cooperate in surveys. In many recent elections the results have been off the mark even in exit polls.

Reputable research organizations are acutely aware of these matters, and use sophisticated weighting models to bring their samples into balance with the characteristics of the whole population.

The key to good research is transparency – a willingness to set forth exactly what was done and leave the books open for anyone to check on it. Professional pollsters who belong to the American Association for Public Opinion Research commit themselves to do just that. But of

the many hundreds of firms that did some form of election polling — national, state or local — in 2004, only a small fraction are led by or employ AAPOR members. Some of the pollsters most often quoted by the news media are not in this category. The explanation of their methods is sometimes deliberately opaque or not given at all. Some do private polls for one political party and also do media-published polls on the side. News organizations should be wary of the credentials of those whose polls they publish or quote.

The news media often misrepresent or misinterpret polls either because they take them too literally or because, at the other extreme, they underestimate their technical complexity. It's important to remember (1) that projections from election surveys are uncertain because many people change their minds and some who say they will vote don't, (2) that all surveys are subject to errors that go beyond the laws of chance, and (3) that survey statistics arise from a series of professional judgments; just because they come out of a computer does not make them right.

Do polls affect election outcomes? Publication of polls stopped one week before last year's French election because of fear that they affect the actual vote. In the United States, restricting or banning them is not an option. As the Harris Poll's Humphrey Taylor puts it, "Our job is to publish and be damned". Did some pro-Dole people not bother to vote because the pre-election polls showed such a big lead for Clinton? It is just as reasonable to suppose that many Clinton supporters didn't vote because they thought his victory was a sure thing. Did the polls underestimate the Dole vote because Republicans distrust the "liberal" media, and see polls as their instrument? The more likely explanation is that Dole's better-educated, higher-income supporters were more likely to vote than Democrats were. The social differences that explain variations in turnout are also reflected in political choices.

There can only be one winner in an election race, and political polls are judged by their accuracy in forecasting who that will be. Yet elections have been won by the narrowest margin of the popular vote, and the peculiar institution of the Electoral College makes projections of the national popular vote nothing more than a preliminary indicator of the outcome state by state.

The polls of which one should be most wary are the ones that never get published, the research that is done by and for political consultants. The biggest operators in this domain are outside the reach of the research profession, and are not committed to the standards and codes of its associations. They do not follow the fundamental rule of explaining to all comers exactly what they do. With sometimes skimpy evidence and shabby inferences, they cultivate the notion that politicians should cater to the superficial vagaries of public opinion rather than lead it through the strength of their convictions. Editors and the public should pay less attention to the inexact art of election forecasting and more to the sinister implications of political marketing.

8.5. A Research Agenda for Newspapers

American business relies on market research to gauge its sales potential, to understand consumers' reactions to its products, and to evaluate its promotional efforts. In every field, there has been increased reliance on massive syndicated services that provide repeated measurements that chart changes in sales and market share. Correspondingly, less funding and energy are dedicated to the fundamentals that underlie a product's appeal and business success.

The same trend can be observed in the newspaper business. There is never an ideal time to suggest new ways for publishers to spend money, but research is an investment essential to long-term growth. What kinds of studies might newspapers usefully be undertaking?

My wish list would push beyond the studies that individual newspapers do, which tend to be highly specific to their own markets. My proposals require imagination more than money.

1. Retailing, traditionally the mainstream of newspaper advertising, has been transformed by bankruptcies and mergers, the growth of such new giants as Wal-Mart and Costco and badly hit by new forms of selling and distribution. Shopping used to be considered a form of entertainment and newspaper ads lured customers to stores.. If shopping is just a chore to a lot of people increasingly

pressed for time, what are the implications for purchasing from catalogues, on the internet or by telephone in response to televised commercials?

Shopping in the era of the two-wage-earner household does not have to be studied on a national scale. A few years ago, the publisher of a mid-size paper faced the opening of a third big shopping mall in his market. Would it attract new customers from the hinterlands, as hoped, or simply fractionate the existing retail business?

A before-and-after newspaper survey on this subject would not only have fascinated local advertisers, but it also would have made the major chains sit up and take notice of that paper. The study could have been done on a shoestring. It would have raised a lot of issues that concern editors: about the nature of community identity in an age when people move on the interstate highway rather than on Main Street. But this study was never done.

2. National packaged goods advertisers face a growing number of competing brands as they struggle to get into the stores and in position on the shelves. In this age of brand proliferation and continuous coupon promotion, what has happened to brand awareness, to brand loyalty, to the traditional function of brand image advertising itself? It takes ingenuity, rather than big research budgets, to get into this arena.
3. There is a constant need for case histories of successful newspaper advertising - both national and retail - not just to prove that it works, but to provide more direct evidence of what works best to produce sales. This can be done best at the local level, and it can be demonstrated with purchase data from supermarket scanners.
4. Circulation success stories often reflect changes in the competitive situation, or the growth of the market itself, rather than the ingenuity or effort of the particular newspaper involved. Why not start by looking at the *character* of newspapers rather than at their circulation trends? What are the real differences in the content of papers whose circulation has grown – or declined – at sharply different rates?

5. In considering content, editors ought to depart from traditional categories (to which frequent and infrequent readers respond very similarly) and dig deeper into the symbolic meanings of what newspapers print.

Classifications like “national” and “local” news make arbitrary distinctions, when much falls into the twilight zone. There are stories that grab the reader and others that don’t, regardless of where they originate. Partly this is a matter of what they’re about; partly it’s a matter of how they’re approached by the writer and played by the editor.

Literary critics have been concerned with precisely the same problems that newspaper editors face: trying to understand how language manages to present images and arouse feelings. We know far too little about the process by which this occurs or how the words in newspaper texts interact with the illustrations and the design that brings them together.

In the early 1950s, both television and the established media generated all kinds of studies - ingenious in conception and methodology. These studies were made to help sell advertising, but they produced important information about how television was changing the world. Now other great changes are under way that have led to a greatly reduced impact of television advertising. Neither television nor its rival media can make an effective case to advertisers by using the ratings on which most of the research money is spent.

Of course, newspapers need audience numbers that are produced in a standardized fashion and that are comparable from market to market. Those numbers can be analyzed in unique and imaginative ways. But the research that grabs advertisers’ attention, that gets talked about, that reflects credit both on the practitioner and on the sponsoring medium, is the research that breaks the mold.

9. Newspaper Marketing

9.1. Breaching the Wall

The “wall” separating editorial departments from contamination by the business side was erected well over a century ago when advertising replaced circulation as the mainstay of newspaper revenue. Though not always honored in practice, the distinction between “Church” and “State” has long been considered the cornerstone of credibility with readers – a value that translates into credibility for advertising too.

Editors argued correctly that advertising worked only if it was believable, and that readers’ faith in the newspaper’s honesty and integrity would vanish if they thought that the news was slanted to serve advertising interests. The wall separating the news and the business operations was so high that members of the two staffs were often not permitted to speak to each other.

There is, no doubt, a sharp distinction to be drawn between “shoppers” whose news content consists mainly of puff pieces for advertisers and those free weeklies that are successful enough to cover the news with full autonomy regardless of what any advertiser may think. Only publications for which readers pay are in a position to regard the public, rather than advertisers, as their primary constituency. (That is why auditing paid circulation has been the bedrock of newspaper marketing, while the)

Television network and station managements have rarely come from the news side, and the traditional journalistic values have meant little to them. (GE’s president, Jack Welch, once proposed that the network exact a charge from publishers whose authors were interviewed on the popular “Today” show).

With the rise of cable, specialized news channels have vied for the tiny minority of news viewers. The networks abandoned gavel-to-gavel

coverage of the political conventions and live coverage of vitally important Congressional committee hearings because they interfered with the usual procession of soap operas and game shows.

Sponsorship of broadcast programming was followed by product placement in films and television shows, and the intrusion of brand names and logotypes into strategic positions in sports stadiums, so that the video camera sweeps them in with the action.

For an advertiser, sponsorship is thought to provide more than mere exposure to a brand name or message, but a favorable connotation, even a sense of gratitude on the part of the public. Advertising increasingly pops up in unexpected places. *USA Today* is only one of a number of newspapers that put ads on page one.

Delicate decisions on content may be subtly influenced by managers' knowledge of the larger interests of a medium's owners, without the need for any direct intervention on their part. This process may have been quite straightforward in an era when railroads and mining companies owned newspapers, but today the forces at play are infinitely more powerful. Following the general trend in American business, media companies have merged into larger and larger corporations, including many with operations outside the media business. The very size of these companies makes their managements strong defenders of the status quo. Even corporate giants who vigorously compete in some spheres of activity enter easily into joint ventures, thereby extending the boundaries of their material interests. These interests have become ever more global in scope and therefore more sensitive to pressures from the thugs who run the state apparatus of many countries where the owners of American media companies do business. As I already noted, media tycoons like Disney's Michael Eisner and News Corporation's Rupert Murdoch have modified media content destined for China, though Eisner did not bow to Chinese demands that a pro-Tibetan film be withdrawn from distribution in the U.S.

On the local level, the *Columbia Journalism Review's* running compilation of "darts and laurels" provides innumerable examples of newspapers and television stations caving in to pressures of one kind or another. In many larger cities a youth-oriented alternative press

provides an outlet for dissident views and reporting of stories that the mainstream newspapers don't cover (often for good and sufficient reasons).

In the earlier days of broadcasting, sponsors maintained a close control over the programs in which their advertising appeared, sometimes even producing the programs themselves. But sponsorship of that type has almost disappeared, as commercials are scattered across schedules planned to produce maximum exposure to consumers of a particular type.

In a complex, fractionated and competitive environment, media managements are impelled to maximize the size of their audiences. To stand still is interpreted as a lack of dynamism. They must grow to retain advertisers' esteem and to keep their cost per thousand at an acceptable level. As we have seen, the contents of news media have become increasingly softer, with hard news, important and serious (and often unpleasant, difficult-to-digest) information, giving way to what a fickle public finds comforting, titillating, entertaining, easy to take.

As the technology and ownership of media blur the distinction between print and electronics, the success of media businesses depends increasingly on the decisions of government, embodied in regulations, legislation and judicial rulings. This must make the people who run them more sensitive to the political effects of their news coverage. At the same time that political advertising has become a considerable component of television revenues, politicians have found it increasingly necessary and expedient to court the media. This creates another source of pressure on journalists. And when national policies are involved, informed reporting may be perceived as a direct challenge to the national interest.

The purpose of journalism is to disseminate information and ideas. The purpose of marketing is to maximize revenues. The way to do this may be by creating ancillary products that provide new uses for existing assets (as when newspapers set up Web sites or publish books based on articles and photographs in their archives). It may be done by creating new editorial sections that are designed to attract extra advertising (whether they deal with a county fair, mutual funds, or fall fashions). There has been an explosion in the number of such sections, often

created by the paper's advertising department or turned over to an independent contractor who sells the advertising and provides the text). It has even been proposed that advertisers be allowed to "sponsor" certain standing features of a newspaper, like the weather report or baseball box scores, much as they can sponsor a radio or television broadcast.

In all media, a point of view can be expressed not merely in the words and images of content, but in the initial selection of content. In broadcasting, information is diffused not only through straightforward newscasts, but through documentaries, talk shows and live coverage of events.

An important rationale for media mergers is that they create giants with the financial and intellectual capital to compete effectively in the world's markets, especially those with the greatest potential to expand in the next century. At the news conference that announced the Disney Company's acquisition of Capital Cities/ABC, Disney Chairman Michael Eisner spoke enthusiastically about the opportunities in China and India (though he did not make it quite clear why these would be greater for a combined company than for each of the two existing giants). But the market he seemed to have in mind was essentially for time-filling apolitical pap. Foreign *entertainment* (in which sports is now a major component) is generally acceptable to the most repressive authoritarian regimes. *News* is not, as China has shown by exerting strict (and in the long run, unenforceable) controls) over the internet. Satellite dishes now adorn the rooftops of the elite in most poor countries, though they are outlawed in places like Iran and Malaysia.

The corporate interests of media conglomerates continue to be reflected in controversial decisions on content. In the book business, Putnam, when owned by MCA, was pressured by music tycoon David Geffen to drop a candid biography of his friend Calvin Klein, after the authors had received a \$400,000 advance.

How far can the avoidance of counter-productive juxtapositions go before it becomes censorious or punitive? "We vote with our dollars", said an automobile dealer displeased with a Minneapolis radio's station's consumer report.

The sense of collegial responsibility to tell the truth and serve the public interest distinguishes the professionalism of news media from the pragmatism that characterizes most other business enterprises. The wall between the business and editorial sides of newspapers should be strong to assure journalistic integrity, but it should not be a barrier to communication and to a common dedication to the enterprise.

9.2. Aiming the Newspaper at the Customer

Newspaper *enterprises* are by no means locked into the mechanics of printing words on paper, but *newspapers* are.

All media unify and differentiate people. They give us common information and experiences that we share with others, and they also provide us with the means to distinguish ourselves from others by indulging our individual curiosities and tastes.

Newspapers have always served these contradictory purposes in two different ways. The very choice of a newspaper, in the era of a highly competitive local press, allowed each reader to define his own personality and outlook. He could choose a paper because of its political party orientation, or because it concentrated on business affairs or on police work and scandals. This kind of personal definition is harder to make with the disappearance of competing local daily newspapers. Readers must find their ideological or personality models through their choice of national newspapers — where they exist — or through magazines.

The second way in which newspapers have always helped readers express their individuality is through the reading process itself. Every newspaper contains vastly more information than is wanted by even the most diligent reader. Even for a paper with a million readers, there are no two that follow the identical pattern as they go through it.

This kind of selectivity may have reached its limits, in two respects. (1) Of the enormous information resources on which editors can draw, only a small amount can be printed economically. (2) Readers, under

greater time pressure than ever, are impatient; they don't want to plough through information that doesn't concern or interest them.

As we look at what has happened to other media, the trend toward specialization is obvious, not only in print but in broadcasting and cable. The number of options for viewers and listeners is steadily expanding everywhere, and will take a quantum jump with new techniques of electronic data compression. The boundary line between the packaged mass media as we have known them and individual, one-on-one communication has fast disappeared, with the internet, interactive television, CD-Rom data bases, the adaptation of the telephone system infrastructure to video signals, and the merger of computing and telecommunications.

Local newspaper markets have traditionally been defined as geographic territories. But market segmentation primarily differentiates people by their interest preferences rather than by where they live. Newspapers have begun to sort out their readers too, but they must do it within the confines of their restricted distribution areas. Since the nineteenth century, newspapers have had pages or sections dedicated to particular subjects that attracted predictable sub-audiences — sports, business, homemaking, fashion, entertainment and the arts. In recent years, the range of such specialized subjects has grown enormously. We see not only daily pages and weekly sections on topics like travel, science, automobiles and education, but periodic special sections dealing with holiday and seasonal themes, or with topics that range from camping to computers. These sections bring in advertising; they also may attract some readers.

A different kind of market segmentation is geographic zoning, which began under demand from preprint advertisers, who wanted only limited distribution in the areas near their stores. In the United States, by far the largest amount of zoned distribution takes this form. Zoned preprint delivery has allowed daily newspapers to meet competition from direct mail and from local shoppers and free sheets. It has, however, weakened the newspaper's function as a unifying force for its community, since many advertisers want their preprints distributed only in the wealthier suburbs and ignore the impoverished areas of the central city.

So far, segmenting audiences by geographic zones or by special sections takes newspapers only a small distance toward the goal that many advertisers would like to see: the capacity to deliver customized messages designed just for the special characteristics of an individual reader or household.

Advertisers have always understood that they weren't selling to "everybody" —that only certain kinds of people were likely to buy whatever they were selling. What prompts their accelerated interest in "targeting", which has fostered the growth of specialization in all media? There are several reasons.

One is the enormous increase in the number of brands entering the packaged goods market each year. The only basis on which newcomers can survive is by finding an appropriate niche, defined by personality, price, or the benefits ascribed to the brand. To achieve this, they look for appropriate and congenial media vehicles.

A second reason is that computer technology has made it possible to track product purchases with a new kind of precision, and to link vast amounts of data on consumers and their buying and media habits. In theory this heightens the efficiency with which media can be selected and evaluated. In practice it has often meant that information of dubious validity is accepted into the data base, on the false assumption that it is better than no information at all. The main point is that advertisers, in their sometimes misguided zeal to become more "scientific", are determined to direct their messages only to the people that will be buying, and don't want to waste their messages on the rest of us.

In discussions of market segmentation, a number of points stand out:

1. There is still a considerable gap between advertisers' desire for a newspaper that is geared just for a specific kind of reader and newspapers' ability to supply this kind of pinpoint targeting.
2. It is one thing to deliver different versions of the newspaper to geographically defined areas (which may correspond to certain social characteristics as well) and quite another matter to deliver different versions to individual, widely scattered, households.

3. Significant issues of protecting personal privacy arise when newspapers or other media can match their distribution lists to individual names identified in a computerized data base.
4. Technical developments have emphasized assembling and inserting equipment to produce different versions of the same newspaper, rather than changes in producing the basic run-of-press product.
5. Ink-jet technology has thus far been used only in a secondary way, on mailing labels and card inserts, rather than as a potential means of changing production methods to produce a fully customized product.
6. It is now technically possible to manage computer- controlled production of newspapers, adding special sections geared to each individual subscribing household, labeled and bundled in proper sequence. But significant problems remain to be solved before such a system can be put into practice — in the tensile strength of newsprint, in the practicality of maintaining production schedules, and in the ability of the carrier force to distribute different products to the individual subscribers on a route.
7. Newspapers' substantial investment in sectioning, zoning, TMC products and alternate delivery systems have been driven by advertiser demands rather than by editorial concerns. The original impetus to customize arose from an awareness that newsprint costs had steadily risen for many years, while the cost of electronic communication had been going down. Many people in the industry believed that the solution was to eliminate parts of the paper that a particular subscriber did not want (thus cutting down on the newsprint consumed), and to substitute additional information that was of interest (thus adding value). Advertising revenues depend on how well newspapers fulfill their basic function, which is to serve their readers.

9.3. Maintaining Integrity

More than ever, all media have been scurrying to find new revenue sources. NBC Sports, for example, has run special programs about

sports personalities who, by more than coincidence, are also featured in the commercials. A network vice president, Jonathan Miller, defended the practice in an interview with *The Wall Street Journal's* Joanne Lipman by saying, "We've got to find new and different ways of doing business". The program is "never going to show these companies in a bad light, because that isn't the intent of the show".

Does this sound familiar? Newspapers are not alone among print media in seeking unconventional ways to build advertising revenues. Advertisers, under comparable pressures of their own, are seeking — and often getting — advantages and concessions that would have been denied them in better times.

No advertiser can tolerate the appearance of a damaging counter-message next to his own message. It is altogether reasonable for an airline to yank an ad rather than run it next to a story that reports the crash of one of its planes. Advertisers have generally become more conscious of the editorial and programming environment, although they still tolerate the presence of competitive counter-messages on television. But there is a pretty clear line between trying to avoid contradiction to one's sales pitch and demanding an added measure of support for it.

In the magazine business, which for the most part traffics in entertainment and service rather than in news, the use of editorial space to serve advertising interests has now become commonplace. This has taken the form of themed issues, issues with only a single advertiser, and "advertorials" that, though labeled, are often difficult for readers to distinguish from regular articles. Special issues and advertising sections represent a growing percentage of all magazine advertising. An issue of *Fortune* had Chrysler as the only advertiser. Understandably, newspaper managers have sometimes felt they could learn from such practices.

Newspaper editors, well aware of the company balance sheet, have become more flexible and sympathetic to positioning requests. Unconventional ad formats like the island position, formerly inconceivable, have become accepted at many papers. (Even the conservative *New York Times* has run a J-shaped ad for Jet Blue

Airlines). There have been moves to go beyond minor cosmetic changes in the relationship of news and advertising.

That relationship has already changed for a number of reasons. One is that, with the growth of inserts, advertisers increasingly use newspapers simply as vehicles for distribution. The acquisition of high-speed inserting equipment has encouraged many publishers to accept and develop special themed sections on holidays, education or civic events, with editorial matter designed primarily to support advertising. Most of this advertising represents new business, so there is every indication this will continue.

Advertisers are often the first to discover new areas of public interest (hi-fi and computing equipment are two examples) that may have real news value. But in developing new beats, features and sections in such areas, it is vital to uphold the same reporting standards that a good paper maintains in its more established coverage.

Newspapers are sometimes too quick to abandon a subject when the advertising starts to go elsewhere, even though the topic may continue to have tremendous reader appeal. This seems to have happened in the case of the food pages, which have been undergoing steady attrition in many dailies as national coupon advertising has gone into Sunday inserts and some major grocery chains have shifted to direct mail.

In the basic run-of-paper product, newspapers have turned to a greater editorial emphasis on conveniently packaged regular feature sections designed to appeal to readers' utilitarian and avocational interests - but also capable of serving advertisers. This trend was originally billed as an effort to serve circulation marketing needs - to meet the new and expanded interests of readers on the run. But the principal consideration often seems to be the ad revenue potential rather than the emergence of new reader constituencies.

In some instances, themed sections have been openly removed from editors' control. The *Raleigh News and Observer* has put its Sunday automotive and real estate sections under the direction of its advertising department. The editors of that estimable daily will presumably still feel free to present investigative reports on gas-

guzzling cars and shady building developers, but these will be reported in the general news pages.

Newspaper advertising works because of the reader's trust in the paper's honesty, objectivity and authority. Newspapers need all the advertising revenue they can get, and they go broke when the flow diminishes. But what distinguishes newspapers from matchbook printers and billboard operators is that their primary obligation is to the public, not to the advertiser.

Newspapers must continue to seek untapped ad sources and provide incentives for advertisers to look their way. If local conditions require them to tailor themed editorial content to fit the bland supportive model that their customers require, then such material should be clearly labeled for what it is. The advertisers can't complain, and readers will appreciate the candor. Above all, even in tough times, it's important to cover all the news, even when it rubs some advertisers the wrong way.

9.4. Sections

The "sectional revolution" has been one of the notable developments of the past 25 years in newspaper formatting and marketing. Although the results of the revolution are most evident in the themed, free-standing sections that most metropolitan papers now run once a week on an alternating schedule, they are also visible within the body of the paper to identify the subjects that appear on a daily basis: sports, business and entertainment.

As editors know, each part of the paper has its own aficionados. This translates into different readership levels and profiles for different sections. Advertisers are becoming more conscious of this situation as the idea of target marketing takes a firm hold.

In other media, the advertisers say, they buy selectively, picking magazines, radio stations or television programs whose audience characteristics resemble those of their best customers. And those

media sell selectively, too, charging more for high-rated shows and for those that attract big-spending consumers.

Some advertisers ask: Why shouldn't newspapers also differentiate between the parts of the paper that virtually everyone looks at (like the main news section) and those that interest only a minority (like the obituaries), between the parts that are geared to the wealthy (like the business pages) and those that minister to the humble (say, the page that carries the daily horoscope)? Is it reasonable to apply the same rate to a given advertiser regardless of where the ad runs?

Newspaper ad executives ask this question, too. So do executives engaged in long-term planning who confront the probabilities of eventual increases in the costs of newsprint, ink and production, and ponder the possibilities of "unbundling" the elements of the paper - pricing and selling them individually both to readers and to advertisers.

Newspaper research directors (of whom 103 were surveyed by Bob Oney of the *Raleigh News & Observer*) are inclined to believe that section readership numbers help rather than hurt sales. Forty-three percent call them a "powerful sales tool", while 31% consider them "detrimental" and 11% say they have little or no effect. But this generally positive opinion is seldom converted into practice. While 85% of the researchers have measured section audiences, a mere handful use the results to sell advertising, and only about a third release the results to advertisers on request.

A third of the research executives say local advertisers assume that most readers read most of the paper, but half are aware that competing media use section readership data to sell against newspapers.

There is a long history to this. For many years, newspapers did valuable continuing studies that measured the "noting" (that is to say, the claimed recognition) of individual ads. Radio and television salespeople typically suggested to advertisers that newspaper ads were being "seen" only by the readers who remembered them. Because newspapers' audiences dwarf those for broadcast programs, this was a way of trying to cut them down in customers' eyes. The success of this

negative selling tactic caused newspapers to abandon the kind of ad performance research that intrigues agency creative people.

For similar reasons, newspapers resisted a move by Scarborough Research (a leading supplier of local audience statistics) to report section readership as part of its syndicated local market studies. The questions were asked but the information was never published. The matter was especially delicate because Scarborough has a working arrangement with Arbitron, the dominant radio rating service, which markets audience and product-consumption data to local radio and TV stations. Another research company, the Simmons Market Research Bureau, in its national surveys, asks about the reading of specialized material but does so in a generalized way. Nearly three readers in five answer affirmatively when Simmons asks if they “usually read or look at every page of the entire newspaper”, although closer research finds a fair amount of variation in opening pages with different kinds of content.

Readers approach the paper as a total package, and they understand what’s in the different parts. When they set a section aside, as they may especially be inclined to do with a fat Sunday paper, it’s with a good understanding of what lies inside.

There can therefore be no “scientific” way of setting ad rates differentially to jibe with the varying readership levels. (This does not mean newspapers won’t or shouldn’t charge a premium to guarantee placement in an optimum editorial environment).

Advertisers of all kinds will increasingly expect more detailed and timely information about reading habits for individual newspapers. It makes no more sense to withhold section readership data than it once did to avoid doing audience research on the grounds that advertisers naively assumed that *everyone* read the paper. Those section numbers look a lot less dangerous if they are embedded in a larger body of useful and interesting facts that document the high level of the public’s interest and trust in newspapers, the satisfactions they provide their audiences, and the power of newspaper advertising to influence what consumers buy.

9.5. Tailored Newspapers

Segmenting audiences by special sections takes newspapers only a small distance toward the goal that many advertisers would like to see: the capacity to deliver customized messages designed just for the special characteristics of an individual reader or household. This makes sense for advertisers. It makes problems for the newspaper medium.

I referred earlier to two forces that drive advertisers' accelerated interest in targeting:

- (1) The enormous increase in the number of brands entering the packaged-goods market each year. The only basis on which newcomers can survive is by finding an appropriate niche, defined by personality, price or benefits. To achieve this, advertisers look for appropriate and congenial media vehicles.
- (2) Computer technology that makes it possible to track product purchases with a new kind of precision. Retailers know who their charge-account customers are and what they buy. National advertisers can link vast amounts of data on consumer buying and media habits. Both kinds of advertisers are determined to direct their messages only to the people they think will be buying.

If market segmentation is inevitable, what should newspapers do about it?

Newspapers have a long way to go before they can supply the kind of pinpoint targeting that some advertisers are calling for. Using geo-demographics, ZIP-code areas, census tracts or even carrier routes, different versions of a newspaper can be distributed. However, this represents a very different kind of targeting than tailored delivery to individual, widely scattered households, as is done in computerized "merge-purge" programs that match subscribers with a store's own customer list.

Through computer-controlled production methods, it is now technically possible for newspapers to add special sections geared to each subscribing household. But significant problems remain before

such a system can be put into practice. One complicating factor is the tensile strength of newsprint. Production schedules must be maintained precisely and without human error. The carrier force must be up to the task of distributing different products to the individual subscribers on a route, just like the U.S. Postal Service or the United Parcel Service.

The impetus to customize arose from the idea that eliminating parts of the paper that particular subscribers did not want would cut costs, while substituting information of interest would add value. Advertising, rather than editorial, concerns have driven newspapers' investments in sectioning, zoning and Total Market Coverage. But the readers should come first.

There are, of course, electronic ways to transmit the information that now appears in newspaper columns (and a lot more besides) to suit each individual. Newspaper *enterprises* will go this route because they are by no means locked into the mechanics of printing words on paper. However, *newspapers* are.

10. The Battle for Advertising

10.1. No longer Number One

A century ago, newspapers had most of the advertising business to themselves. Forty years ago, sellers of space were proud to tell customers that newspapers carried more advertising than television, radio and magazines put together. In 2004, television — broadcast and cable — carried \$58 billion dollars worth of advertising, compared to newspapers' \$49 billion. There is another important contender: direct mail, which had \$52 billion.

Looking beyond advertising, if we add what readers spend, newspapers attracted about \$11 billion in 2004. When the cost of cable television subscriptions are included, television, including cable - basic and paid - and satellite services, collected \$56 billion from advertisers and subscribers. This does not include the billions that are spent to buy, service and run television sets. Any way you look at it, television is now a bigger business than the press.

These numbers reflect what the economy spends rather than what the media take in. But the essential point is that newspapers have lost the perceived sales advantage of being unmistakably the market's most popular media choice.

Being number one is good for morale, but it does not influence individual advertisers' decisions as they weigh media buys. It also has little direct bearing on market share or the profitability of individual dailies.

As they contemplate the changing market-share figures, thoughtful publishers should ponder questions concerning their medium's threatened rank: What has happened to the industry's sales firepower? Attrition in the number of dailies has also reduced the number of

salespeople spreading the generic gospel of newspapers. The merger and disappearance of sales representative firms has also reduced the visibility of newspapers among national advertisers.

Should media classifications be redefined as we move into new forms of telecommunication? As newspapers exploit new sources of revenue, like electronic-information services (which include advertising) and alternate delivery of magazines and product samples, where should these fit in advertising-media trend lines?

Why can't newspapers bring in more of packaged-goods' growing promotional spending? As burgeoning numbers of cable channels continue to fragment TV audiences, new product advertisements — not just coupons ads but product announcements — should find their way back into newspapers. This won't happen automatically. It's got to be coaxed.

And finally, is it time to re-evaluate circulation pricing? Single-copy prices of dailies and of consumer magazines have both gone up in equal amounts, but magazine circulation has risen, while newspaper numbers have slipped. Newspaper readership is price-sensitive, but price hikes by themselves do not account for the drop in circulation.

And circulation and advertising are inseparable.

10.2. Inserts

Retail and national advertisers now spend nearly two-thirds as much money on newspaper-distributed inserts as on run-of-press (ROP) ads. Twenty years ago, they spent three times more on ROP.

The growth of classified advertising (now threatened by the internet) has not offset the decline in ROP display ads. While the sums spent on preprints are chalked up in the totals of ad investments in newspapers versus other media, nearly three dollars in five go to printers, not to papers. Preprints offer economies of scale, excellent color and targeted distribution. Why shouldn't everyone rejoice in the trend?

One reason: The growth of inserts reflects a retailing revolution, the triumph of new mass merchandisers and the decline of the traditional department and specialty stores with whom newspapers forged a close interdependence for more than a century. Those stores ran ads day in and day out, beefing up daily newspaper bulk and adding to reader appeal. The ads reflected the freshness and immediacy of the store's tactical merchandising decisions; they were newsworthy.

By contrast, over half of preprints run on Sunday. Their content reflects merchandising strategies planned long ahead. Preprint advertisers typically maintain a lower ratio of ad spending to sales than big ROP advertisers did in the past.

Increasingly, they also are shifting to partial runs, which account for 44% of the total in 2005. By distributing inserts only in zones near advertisers' stores, newspapers can compete effectively with the zip-code specificity of direct mail. However, their economic base becomes fractionated and perhaps more vulnerable. More and more advertisers now tend to buy newspapers' delivery capabilities on a cost-per-thousand commodity basis, with scant regard for the editorial environment that is so important to the acceptance and credibility of ROP ads.

The editorial content of newspapers, essential for their success, is the area where the rising tide of inserts may leave the greatest residue of problems. With more advertising going into inserts, has the news hole been affected? Of 208 editors polled in 1996, over half reported that news holes had shrunk in size (not share of pages) in the previous year. Editorial matter takes a smaller share — though it has a bigger absolute size — of the space in bigger papers than in smaller ones. During the 1980s, in major markets, news holes remained at about 38 percent of ROP pages. With the shift to preprints, they now occupy a larger share. In 2005, they were 41% of all newspaper pages.

Five large newspaper groups that provided me with confidential information showed a drop in display ad pages. As a share of the total number of pages in newspapers, *including* insert pages, news pages actually seem to have increased. Over a 10 year period from 1986 to 1996, preprint growth (in column inches) almost exactly matched the drop in total *ROP* advertising (display and classified).

Not many papers go to the trouble of counting column inches for inserts; they look at dollar volume. Because preprints come in such a variety of formats and distribution patterns, they are extraordinarily difficult to measure and track exactly. The changing cost of newsprint affects their economics, too.

While advertising dollars are periodically reported, the industry has for several years lacked measures of overall actual space use. Re-establishing this count is vital for an intelligent appraisal of newspapers' growing dependence on inserts.

To hang on to preprint customers and win back lost grocery accounts requires aggressive attention to the subject of postal rates. Converting preprint customers back to ROP may call for action on several fronts: raising the sights on ROP color quality; exploring imaginative pricing incentives that encourage the incorrigible insert advertiser to experiment with weekday ROP ads; reinforcing that message when it comes to Sunday inserts; and using fresh research to demonstrate established truths about the effectiveness of ROP.

10.3. When Recession Hits

Newspapering lives under the gun of day to day deadlines. This is what creates its preoccupation with immediate problems and its impatience with those that loom in the ephemeral future, like a month from now. When advertising revenues are declining or stagnant, publishers wonder, "Is this just a cyclical trough, or a portent of terminal illness?"

A number of legitimate reasons for pessimism are offered by a consultant for a newsprint company pondering a half-billion-dollar investment in a new paper-making machine: (1) Weekday circulation penetration continues to drift down, and young people just aren't reading the way they once did. (2) Classified advertising is being steadily nibbled away by the internet, specialized free publications, telephone Yellow Pages and cable. (3) Retailing has restructured, learned to live with lower advertising-to-sales ratios and found other

media to cover its customers. (4) Advertising is increasingly less productive, while sales promotion grabs at manufacturers' budgets.

Newspapers should never relax their efforts to meet competitive challenges. But consider the reasons to be optimistic:

The biggest reason is that the health of newspapers has always been closely linked to that of the American economy. With only minor deviations and setbacks (as in the aftermath of terrorist attacks), that economy has been on a course of continuous growth. Real per capita gross national product has more than doubled since 1960, and that growth is going to go on for the foreseeable future.

The most fundamental cause for confidence is that the population base for a productive economy will expand, simply because there are more people of working age, substantially more in the years of peak consumption (35-54), and a higher proportion of them in the workforce.

Productivity is strongly linked to education. While the American school system needs much improvement, the average number of years of schooling has been going up steadily. The United States lacks the national technology policies of countries like Japan or France, but it has in place a huge structure of advanced technology that provides the basis for more innovation.

Even if the economy keeps growing, isn't advertising getting a smaller piece of it? When J. P. Morgan was asked what the stock market would do, he said it would fluctuate. That sage prediction can also be made about the national advertising-to-sales ratio, which has, in fact, gone through a series of fluctuations since the end of World War II, generally lagging gross domestic product.

Advertising has become less cost efficient as its volume has grown, but this is mainly true of television, with its ever-more-fractionated audience. The success of manufacturers' incentives to consumers or retailers depends upon the reputations of enterprises and their products. Those reputations are built by advertising. There is no way that this essential function will lose its economic value.

That means more spending and more advertisements than there are now. For years, sales promotion budgets have grown, and newspapers, as carriers of coupon-filled grocery inserts, have been a major beneficiary of this trend. But some big advertisers, like Procter and Gamble, have cut back on promotion. Estimates of total trade and consumer trade promotion volume have been wildly exaggerated. In 2004, promotion spending was a fraction of what was spent on all forms of advertising.

If we can look forward to a growing economy and expanding advertising budgets, does this mean that newspapers will retain their share?

The competition has indeed become more intense, and will become even tougher. But newspapers that master electronic applications of their databases should be able to withstand the assault on their classified business and develop significant new profit centers.

The changes in retailing leave no room for complacency. However, it is still price and item advertising that makes the merchandise news on which store traffic depends. Storewide promotions or concept merchandising simply lack credibility unless customers can visualize them in terms of specific merchandise values, and this is where newspapers have a strong edge over broadcast campaigns that sell the store rather than what the store is selling.

As long as newspapers can deliver good coverage, they offer an advantage that becomes ever more priceless in an era of segmented media and mass consumption.

10.4. Selling Newspaper Advertising

Readers say that advertising is one of the newspaper's most attractive and useful elements. And readership is what advertisers buy. When one grows, so does the other.

It is impossible to separate innovations on the business side from those in the editorial product itself. Editors have become increasingly aware

that the newspaper is a business enterprise that must make a profit to survive, and that this requires a collaboration of all departments, including production, to ensure success.

One example of this, already noted, is the creation of zoned editions to serve different neighborhoods or sectors of a paper's circulation area. Naturally, this works only for the larger newspapers that have the bulk of total circulation. Localized products carry news of that particular zone. This requires extra news reporting, but it also boosts circulation by giving readers the feeling that the paper is directed specifically at them and their interests.

Another example of synergy is the creation of regularly scheduled themed sections and of special supplements. These bring in new ads and new readers, and they require fresh editorial matter that some papers assign to outside contractors to avoid contaminating their regular newsroom staffs.

There are a number of ways in which newspapers have geared up to build advertising in their basic printed product. For example:

- (1) The Denver Newspaper Agency handles advertising sales and other business management functions for two formerly competing dailies, *The Denver Post* and *The Rocky Mountain News*. Advertisers are given great flexibility in the form of zoned editions, Total Market Coverage, and a variety of other products. They can deliver post-it notes and bags of merchandise samples. There is imaginative use of sales promotions, using a number of different media, and a 26 week "Table for Two" contest, with restaurant meals as prizes. A Home Buyer Fair features a \$25,000 sweepstakes. In a "Guaranteed to Sell" program, a classified ad runs online for 30 days after it appears in the paper, or until the item sells. Ad rates have been put on a multimedia basis, with contracts based on category and total expenditures instead of on run-of-press volume alone.
- (2) The San Diego *Union Tribune* says its sales representatives are now more like media consultants. An intensive staff training program teaches them how to satisfy customers' needs. They learn to compare newspaper schedules with broadcast ratings and show

in broadcast terms the inefficiency of relying on broadcasting alone. They demonstrate how adding a print schedule adds more frequency and greater depth to a television or radio buy. The advertising director says, “We’re selling with data in a quantitative way, taking our readership figures and applying them to customers’ direct targets”.

The *Union Tribune* has restructured its ad department. Each sales team has its own support staff — artists, copywriters and billing people. This improves communication, employees’ morale and customer service, so there is less need for billing adjustments. The paper’s sales staff sells advertising for its Web site and other printed products besides the daily paper. They sell a large array of products and services. One contact, one bill.

There are a number of recurring points in the efforts of newspapers that have been successful in building their advertising volume. Here are a few:

- (1) Take a marketing approach rather than a sales approach. This means understanding the customer’s business and demonstrating how the newspaper’s capacities match his needs. It means using any available research about his market, the newspaper’s audience and the strengths and weaknesses of the competition.
- (2) Make sales staff training a continuing task. Motivate the sales force and reduce turnover with bonuses and commissions. Keep compensation competitive with the people who are selling against you. Don’t limit the sales training program to new hires. Experienced sales people can benefit from sessions that refresh their skills and keep them current on the best practices.
- (3) Use market research and sales analysis to identify the best advertising prospects to call on. The targets should include those using other media but also those using your paper less than they should. Set sales goals and make sure that your staff is working to meet them.
- (4) Follow up systematically on sales calls. If you make a proposal to clients, check to see if they’re thinking about it.
- (5) Try to sell schedules, not just individual ads. Stress the importance of repetition and continuity.

- (6) Don't be afraid to ask for the order, with every call the staff makes.
- (7) Make sure that the sales force keeps call reports and that they are studied when a follow-up is required.
- (8) Don't take established customers for granted. They need continual attention.
- (9) Try for more business from existing customers. In Florida, the *Palm Beach Post* offers classified advertisers the option of listing the same ad under several different headings, for instance, by location and by price range — of course at a premium rate.
- (10) Make sure to cover every potential advertising decision-maker — the novice media buyer at the agency as well as the client's director of marketing.
- (11) Try to establish high-level contacts. The customers' top managers may not want to worry about advertising, but they will be flattered if they are called on by the owner or publisher of your paper.
- (12) Put together a strategy of reaching agency creative people. Show them what's going on in other newspaper markets and stimulate them with bright ideas that they can adapt.
- (13) Individualize sales presentations. Try to tell customers something useful about their market that they don't already know.
- (14) If a client is already committed to other media, demonstrate the synergistic effect of a multimedia advertising campaign that uses newspapers, both in extending reach and frequency and also in tapping creative approaches that appeal to different segments of the market.
- (15) Show flexibility in placing ads where they haven't appeared before. They might earn a premium rate. Ads can appear in unusual patterns on a page or in the middle of text instead of always being placed at the bottom.
- (16) Try for excellence in service. Don't pass over customer complaints. Make sure that telephone calls are put through quickly and that calls from strangers are answered courteously.
- (17) Be "user-friendly". Try to reduce the hassle and paperwork involved in placing an ad.

- (18) Build a data base that covers the vital statistics about the population, buying habits, and competing media in your market. Use hand-held computer technology that allows your sales people to access information while they're in the field.
- (19) Remember the importance of information about who your readers are. Keep your audience information up-to-date and analyzed in a way that makes sense to your customers. Good market research is vital for every aspect of a newspaper's operations.

Ignorance of how advertising really works is rampant among the young people who plan and buy it. Advertising is communication. Illuminating the way newspapers communicate can be more useful in selling than updating audience demographic statistics.

Newspaper people are often too engaged in the crises of the day to pay much heed to the lessons of the past. In some cases, it may be useful to produce fresh data to buttress old arguments. But the first step is to become familiar with the powerful *existing* evidence that newspaper advertising works.

10.5. Grocery Advertising

Food ad expenditures in newspapers have fallen precipitously. Yet dailies have much to offer grocery advertisers: strong editorial, excellent coverage of the best customers, and the opportunity to reach readers close to the time they plan and shop.

The grocery business is changing fast, as the big chains have consolidated and the giant discounters have entered the food business. Wal-Mart, the nation's largest employer, has been opening its 220,000-square-foot Supercenter grocery stores at the rate of three a week.

The bigger they are, the more these big companies show their muscle in dealing with media and the more likely they are to regard advertising impressions as a commodity, with scant concern for the context in which their ads appear. That is why the direct mail companies have taken a large chunk of grocery ads.

Grocery-chain executives make advertising plans well in advance on a national or regional level. The proven merits of retail newspaper advertising, once widely known and accepted, are unfamiliar to a new generation of store managers. Inserts draw most newspaper grocery advertising, and printers take a big cut of the total investment. With a huge chunk going into part-run distribution, the newspaper no longer brings the same messages to all its readers.

Traditionally, food advertising was concentrated on “Best Food Day”, usually Wednesday, because planners assumed that was when shoppers drew up lists in preparation for the main weekly buying expedition, which occurred after Friday paychecks came in. Although a large part of grocery shopping still takes place on the weekend, manufacturers’ coupon inserts run mainly in the Sunday edition. But people eat every day of the week, and their food shopping is more dispersed than the promotions.

Hearst Newspapers’ former Marketing Vice President, Henry Wurzer, says the main battle now is to hold on to the free-standing insert business rather than to induce advertisers to switch back to run-of-paper. He points out that if only one newspaper in a metropolitan area does a good job, but the others don’t, food advertisers are more likely to turn to direct mail.

Hearst’s *Houston Chronicle* has wrested supermarket insert business from mailers by providing 100 percent household coverage. The *Chronicle* offers two midweek TMC programs, using mail and alternate direct delivery to reach non-subscribing households. The paper also aggressively pursues printing business.

The *Chronicle* offers food coverage five days a week. Its specialized sales account executives have become experts on food marketing who attend grocers’ conferences to understand clients’ needs and outlooks. The *Chronicle*’s database provides valuable marketing information, and its original research helps tailor schedules that fit the individual requirements of chains that serve different groups of customers. The staff even has helped clients set up World Wide Web sites.

“You’ve got to invest to build understanding”, says Mark Lester, the *Chronicle*’s retail-advertising manager. “And you’ve got to think beyond the Wednesday food pages”.

The *Chronicle* offers three distribution zones for its separate Food, Health and Happiness stand-alone sections on Saturdays. Executives have sold grocery advertising into its fashion section, its Dining Guide and its Sunday TV book. In Lester's view, building food business is all about relationships.

National advertising remains a problem. "We haven't broken the code on that one yet", Lester admits. But the picture for national is not altogether bleak. With network TV delivering ever-smaller audiences, Procter and Gamble, which for years spent 80% of its \$3.3 billion annual ad budget in television, has taken a fresh look at its media allocations.

They are not the only national grocery advertiser that should be looking again at newspapers in the new era of fractionated electronic media.

10.6. Who's Selling National Ads?

In 2004, newspapers got only 5% of all national ad investments, or 11% of those in major media. How can that share get bigger?

In 1904, when newspapers carried most of the nation's ads, Malcolm H. Ormsbee and John E. O'Mara (as they later reported) "studied the national newspaper field carefully and its picture was not a pleasant one. National newspaper rates were flexible and, in some cases, newspaper circulation reports were determined by the imagination of the publisher". One hundred years later, the firm that O'Mara and Ormsbee founded was a division of Landon Associates, one of a small handful of surviving independent newspaper sales representatives. Their business has been in the throes of an uncomfortable metamorphosis. Rates, long ironclad, are flexible again. Managements are pruning sales expenses. The computer and the internet have changed the relationships of buyers and sellers. Most important, the cast of characters is different — and a lot smaller than it used to be.

Newspapers First, a consortium of 40 major market papers, also represents 39 others in mid-sized cities, through a division, Newspapers

Now, Tribune Media Net represents the papers owned by the Tribune Company. Some big papers (*The New York Times*, *Washington Post*, *Chicago Sun-Times*, and *Boston Globe*) maintain their own national sales offices. A number of other dailies in the next size tier put their own people out on the road to call on major accounts, though many have melded national into display sales departments. Newhouse-owned Metro Suburbia now represents outside newspapers, including some smaller Gannett papers. The head of one important sales organization speaks of “the disintegration of the representative business”.

That business has always had a curiously ambivalent relationship with its client newspapers. In the old days, a publisher on a trip to the Big City counted on the “rep” to get tickets to the ball game or reservations at an exclusive restaurant. The rep’s commissions were under a persistent squeeze. “Newspapers consider it a badge of honor to get representative costs down”, observes a veteran of the business. The inevitable result has been a sales force weakened in quality and numbers.

Some of the traditional reps’ routine but vital ad-handling functions have been taken over by new companies that process orders rather than sell. Electronic billing has shrunk the paperwork involved in handling insertion orders.

While the reps are restricted to quoting the published card rates, a variety of new organizations can offer discounts by getting advance commitments from the newspapers. For example, the Newspaper National Network (a subsidiary of the Newspaper Association of America) provides a flat cost-per-thousand to advertisers in certain targeted categories where television has long been the preferred medium. A dozen state and regional associations offer advertisers the possibilities of a discounted package buy, though not many national advertisers confine their schedules to a single state. Valassis and other packagers of free-standing inserts deal with newspapers directly. The McClatchy-owned Newspaper Network (TNN) works up newspaper insert schedules to client needs, bypassing the reps and focusing on the lowest possible price.

National advertising has become harder to define, as a growing proportion of it is placed as coop or directly at the retail rate. One

executive calls this “a gray area, with many conduits to reach the newspaper”. Recognizing this, Landon is devoting more of its resources to help newspapers develop retail and classified business. “One size no longer fits all”, says Owen Landon, the president of the rep firm. His operations are subdivided into a number of divisions serving papers of a particular size and type with “shared values”. Because agencies build their schedules from the top down, smaller papers tend to be dropped as rates go up. Selling regional lists of smaller suburban titles is one way to get back in the running. “Mass audiences went out with [the great mass magazines] *Life* and *Look*”, says Metro Suburbia’s Bob Schoenbacher, who believes that newspapers will attract more national business by segmenting their readership.

In contrast to the past, newspapers today rarely run luncheon presentations for media buyers or trade press ads aimed at them. Yet national advertising can’t be built without constant contact with media buyers. In 1960, about 650 local offices were listed in a directory of national newspaper representatives. There were 59 in Chicago alone, with 225 sales people. At that time, most major markets had several newspapers, and the reps spent more energy fighting their competitors than other media. Still, there were several thousand of them out on the street every day, calling on agencies and clients, delivering a newspaper sales pitch, showing the flag. Today, across the country, there are less than 150 working for rep firms – fewer than are deployed by any one of the major TV networks. There may be another 125 national sales people employed by individual newspapers and groups. Is this adequate muscle for an \$8 billion business that ought to be a lot bigger?

10.7. Winning More National Advertising

What should newspapers do to raise their share of national advertising? This question elicits few fresh suggestions from media gurus, but lots of familiar complaints.

Bruce Goerlich, Senior Vice President of Western Advertising, lists the perceptions that must be corrected: (1) the national-local rate differential is unfair; (2) newspapers are a difficult medium to buy; (3)

they don't provide readership data of the same quality as those of national magazines; (4) they "don't really want national advertising. They're not aggressive in meeting customers' needs. They're complacent about their stagnant circulation. They've drifted over to soft news".

Erwin Ephron, an independent media consultant who trains newspaper sales staffs to sell against broadcast, urges newspapers to think, "What can we do that's unique and valuable to advertisers?" The answer, he says, is their immediacy and their relatively high unduplicated audience. "The problem is not that they're not a good medium; it's just that they're another ball game" than television, radio and magazines, because they are used for special purposes. "It's like Earth and Jupiter, two different worlds. The most difficult part is cost". Ephron also cites "the lack of commonality across the country in terms of perceived media value and demographics".

There is a steadily widening differential between national and local rates, which papers have traditionally kept low on the grounds that retailers were steady customers, while national advertisers came in and out. Jack Cohen, who long headed newspaper buying for DDB Needham, regards this as the principal obstacle. "It's the big number one, and number two and number three. Newspapers' attitude is, 'We're not getting that business, so when we do get it, let them pay a premium.' Newspapers are now the only medium whose rates are non-negotiable". (This is no longer always the case since he made that statement). He points out that the cost of a black and white page in the country's top ten papers more than doubled, while circulation fell. Cohen believes that newspapers have not paid enough attention to building circulation, especially among younger people.

While he praises progress in color and in special interest sectioning, Cohen catalogues national advertisers' other grievances. Although they pay a premium, up-front positioning goes to the retailers. Cut-backs in page width by major papers have weakened the Standard Advertising Unit system, a hard-won advance that neutralized the great discrepancies in ad sizes that formerly prevailed in the business. (At one time there were over a thousand different size modules,

creating a mammoth production problem for agencies). Discounted incentive rates offered to packaged-goods companies are resented by established newspaper advertisers. They are also confused by the large number of organizations that offer one-order one-bill programs. “Almost every state newspaper association has one now. It drives us crazy”.

The chairman of a leading media buying service asserts that in dealing with newspapers, “We have very little information to work with. Right now most people just regard it as a mess. I’m not interested in trying to coordinate the individual statistics for each paper. The more good information that is available, the more valuable the medium becomes”.

“Newspapers think, ‘We’re the only game in town and they have to buy us,’” says an agency media director. “But advertisers have learned that they don’t have to buy newspapers at all”. Relations are marred by discrepancies in the rates quoted by different offices of the same paper. “The bookkeepers at the newspapers have control over what ads run. The newspapers want letters of credit. In TV we work with make-goods⁵² all the time. The newspaper sales force says, ‘Buy my paper. It’s a good paper.’ Too often the sales people are order-takers. They don’t have the sophisticated marketing sense we get from other media. Somebody has to sell the medium”.

McCann-Erickson’s Robert J. Coen thinks the increased splintering of broadcast audiences presents an opportunity for newspapers. He suggests “a heavy promotional campaign” to make the point that newspapers represent the only way to saturate a market. This should be backed, he advises, with “hard research” that demonstrates their ability to provide deep penetration against individual targets.

No action by a single newspaper can affect advertisers’ use of the whole medium. That will take a concerted industry effort — to satisfy clients’ persistent demands for convenience and information, to update the extensive existing evidence of newspapers’ unique advantages, and

⁵² In television, “make-goods” are substitutes provided to advertisers whose commercials did not run according to contract.

to get the story across to the tens of thousands of people who make media decisions. With retail and classified increasingly vulnerable to new competitors, newspapers cannot afford to pass up the great potential in national advertising.

10.8. Does Newspaper Advertising Cost Too Much?

Does newspaper advertising cost too much? No. Unique among the mass media, newspapers constitute a huge manufacturing business, requiring enormous capital investments and large operating expenses for personnel, newsprint, power and ink. Their profit margins are generally lower than those of broadcasting stations and cable companies.

Does newspaper advertising cost too much? Yes. By the yardsticks generally employed by advertising agencies and buying services, newspapers' cost-per-thousand (CPM) for run-of-paper ads and inserts is far higher than that of electronic media - four times higher, by some calculations. But as retailing has become more dominated by giants that employ ad agencies and plan campaigns on a national scale, the misuse of the CPM concept could damage newspapers' core advertising business.

What's wrong with the CPM concept? Nothing, as long as planners use it to compare the cost efficiency of competing newspapers or competing magazines, radio stations or television networks. The cost of delivering a full-page ad to 1,000 units of paid circulation, or even 1,000 readers in a newspaper's audience, differs considerably for different dailies, depending on overall circulation, the character of the readership and local-market competition

Similarly, a given budget can buy different television schedules that deliver audiences with varying numbers of gross rating points⁵³,

⁵³ A gross rating point is the percent of the public viewing the programs that carry a company's commercials, whether they are exposed for the first or the fiftieth time.

depending on the nature of the individual programs in which (or next to which) the commercials are placed, the amount of viewer duplication, and viewers' incomes and ages.

Within either medium, this is an oranges-to-oranges comparison, and the media planner can make a reasonable decision by looking at numbers and then applying good judgment to temper the cold statistical results. Intermedia comparisons don't wash.

Cost-per-thousand gets messy when it is applied to different media, rather than to different publications or stations ("vehicles" in the technical jargon) in the same medium. The concept founders on the unit of comparison, a problem that hits newspapers harder than any other medium because newspaper ads come in so many different sizes, ranging from a column-inch to a double page spread.

By contrast, 30 seconds remains the typical unit on television and 60 seconds on radio. Internet CPM generally is based on a banner-sized unit, but it can be applied to "clicks" on the banner, to the number of "hits" on the page, or to the total number of computers accessed. With television long ago having emerged as the primary medium for most national advertisers, the CPMs for other media have been framed to contrast with the TV standard.

What size newspaper ad has a communications impact equivalent to 30 seconds on TV? The agency planners who must answer this question are apt to start out by thinking of their brilliantly produced commercials, considered raptly in the quiet of an office viewing room. They may feel that even a full-page print ad is a rather inadequate equivalent to all that sight, sound, motion and color.

Then they feed that evaluation into a computerized media-selection model and gasp at the results. CPM typically is based on the total audience for an advertising schedule. The numbers then can be discounted on the basis of assumptions about actual exposure to the advertising. This apples-and-oranges game ignores fundamental differences in how print and broadcasting communicate messages.

Readers respond instantly and selectively to messages relevant to them. Commercials, too often repeated ad nauseam, are easily tuned

out of awareness - and increasingly tuned out mechanically with the help of the ubiquitous remote-control device.

Fighting false premises about cost efficiency is not something that one newspaper can do effectively. It requires an industry-wide effort. For years, newspaper-sponsored research showed steady declines in the memorability of TV commercials as more and more of them crowded into a finite amount of viewing time. Since the last of these studies, in the mid 1980s, television has become vastly more fractionated, its commercial audiences far less attentive.

The only cost-per-thousand that makes sense is the cost of generating sales results.

10.9. The Importance of Marketing Intelligence

Knowing where one stands *vis-à-vis* the competition represents the most fundamental element of marketing intelligence. This involves (1) knowing the actual size of the market, which defines the potential - at least for the moment; (2) knowing how much business each competitor does and where that business comes from; and (3) knowing the trends over time in these measurements.

This information is vital for any company that wants to motivate its salespeople by showing them opportunities, wants to allocate its sales and promotional resources where they are most needed, and wants to plan intelligently for its future growth.

Of the billions of dollars American industry invests in consumer research, by far the largest part goes to measure market share. Even broadcast ratings come under this heading.

Newspapers, confident of their dominance in the local advertising market, have been singularly lacking in the comprehensive information that other industries take for granted. For many years, a family-owned business named Media Records Inc. employed a small army of little old ladies in tennis shoes and green eyeshades, armed

with rulers and lined paper, to measure and count lineage, advertiser by advertiser. After a series of big financial deals, that organization survives as a minor holding of the Dutch conglomerate VNU. (It is under the umbrella of TNS Media Intelligence/CMR).

The data are now published in a combined report with those for other media. This is great for national advertisers and agencies, which want a simplified and comprehensive picture of how their media budgets and strategies stack up against competitors’.

But the accuracy and projectability of the newspaper advertising figures are substantially weaker than they once were. In 1960, Media Records measured 409 papers in 142 markets. In 2004, TNS reports were issued for 152 newspapers in 60 markets.

For a number of years, it has appeared self-evident that the best and cheapest way to measure newspaper advertising is by using the newspapers’ own internal billings information. As part of the Newspaper Advertising Bureau’s Future of Advertising Project in the late 1980s, a system of Standard Advertiser Codes was devised that would have gotten papers everywhere to coordinate their reporting, with common classifications and account numbers and standard reporting periods. The data would have been fed to a central assembly point. The resulting local reports would have been valuable to papers in neighboring or similar markets, and the national reports would have given the press a state-of-the-art authority that would outstrip the rather rudimentary information available from some other media.

There are commercial services that sell local media expenditure information, and explicit, point-by-point explanations have been published explaining how to estimate what competing media are doing. This isn’t easy. On smaller papers, it means diverting precious manpower. It means investing in the future rather than in the demanding present. It means grappling with the difficult question of how the local market actually is to be defined - as the U.S. government’s Metropolitan Statistical Area, television’s Area of Dominant Influence, or the newspaper’s Retail Trading Zone.

Newspapers should have a realistic sense of where they actually stand in the marketplace. That knowledge is the first step toward winning back advertising that has been lost to competing media.

10.10. Branding Newspapers?

In the wonderful world of marketing, where each day is new and improved, freshly coined buzz-words set the agenda for articles, speeches and seminars that encapsulate the conventional wisdom of the moment. While new names for old concepts may be useful if they prompt reexamination of established practices, they can also confound good thinking by making the complex seem simple.

The currently vogue term “branding” provides a good example. Newspapers are being exhorted to establish and promote their individual brand identities, and even the whole newspaper medium has been described as a “brand” locked in battle with such other media “brands” as television and magazines.

Does this make any sense? Consider why branding acquired its present eminent place in the vocabulary of marketing. Brands of merchandise emerged in the mid-19th century along with mass manufacturing and standard packaging. Manufacturers who put their names on their products raised them up from commodity status and charged a premium for the guarantees of quality and integrity that the names implied. Differentiating the brand from its competitors has always been the key task of the product advertiser, an especially challenging task when, as so often happens, there is really very little difference to talk about.

“Brand image”, a notion that evolved soon after World War II, started with the premise that for many a product, the intangibles associated with its package design and advertising might weigh more heavily in the balance of consumer choice than its actual attributes. Especially for low-interest packaged goods, the creation of suitable advertising, invariably preceded by extensive research, has been considered the key to competitive advantage.

As the wave of corporate mergers and acquisitions began in the 1980s, Wall Street suddenly became aware that a brand's favorable familiarity to the consuming public represented a valuable, invisible asset. Creating "brand equity" suddenly became a high promotional priority. And as has happened before on what used to be called Madison Avenue⁵⁴, the subject was quickly enveloped in pretentious nonsense. One writer, Sal Randazzo, proclaims that every brand has a soul, "its spiritual center, the core values that define the brand and permeate all other aspects of the brand".

The term has been applied indiscriminately to everything from nations to individuals. Political consultants who formerly referred to their candidates as "products" now label them "brands". Tony Blair wants to "rebrand" Britain. Management guru Tom Peters urges every ambitious worker to "create a message and a strategy to promote the brand called You".

If that's the case, why shouldn't newspapers also focus on their brand identity? Some argument along these lines might be made in those few remaining competitive markets where papers use advertising, typically on television, to distinguish themselves from the opposition. But almost all North American newspapers today are unique in their markets. As always, they have to convince advertisers of their special merits, as well as of the generic virtues of the daily press. But as a consumer product, newspapers have little in common with individual brands of toothpaste, detergent or chocolate-chip cookies.

The reputation of a newspaper, the appreciation of its singularity and excellence, can be embellished by intelligent promotion, but cannot be created by it. Advertising backed by a substantial budget and good distribution can make large numbers of people aware of the name of a new mouthwash or deodorant and link it to their needs and wants. But the public's perception of a newspaper is infinitely more complex and is based on reality rather than myth. Readers and nonreaders see the same paper differently, but their responses are apt to be based on

⁵⁴ Historically, the advertising agency center of the world.

meaningful experience rather than on transient exposures to a jingle or slogan.

Call it reputation, image or what you will, the way a newspaper is regarded reflects its editorial content, its design, the opinions it disseminates, the way it does business and serves its constituency.

All of this has nothing to do with the superficialities of “branding”. It has everything to do with *character*.

11. The Structure of the Business

11.1. The Changing Structure of the Media System

A passion for ideas is not easily compatible with the profit goals of today's media corporations. Elsewhere in the world, one can still find newspapers - usually national newspapers - that, in the nineteenth-century tradition, are mouthpieces of particular political parties and are sometimes directly subsidized by them. There was a time in the United States also when competing newspapers maintained distinctive political positions and, along predictable party lines, supported or opposed whatever local officials were in power. But advertisers, putting their money into direct mail and broadcasting, no longer choose to afford spending in second and third papers.

All but a handful of American newspapers today are alone in their markets. To avoid offending any substantial part of their constituencies, they have become depoliticized. Every forthright expression on the op-ed page must be balanced by a contrary view. A growing number of papers no longer make editorial endorsements of candidates for public office. The *St. Paul Pioneer-Press* dropped daily editorials altogether for a while. Yet if devotion to the truth is journalism's reason, the formulation of opinion is its heart.

Among national newspapers in many European countries, there is a sharp distinction between the quality press, with its limited readership, and the giant popular press, devoted to personalities, gossip, scandals, and bare breasts, with hardly any space for news of consequence.

Media are an ambivalent social influence. By creating many separate specialized interest constituencies, they accentuate variety and differences among people; they are socially divisive. On the other hand, by providing a constantly replenished fund of shared information and ideas they create the connections that enhance human relationships.

In the past, newspapers accentuated social class divisions by distinguishing the informed elite from the masses of people who had to rely on oral rumor to extend their knowledge of the world beyond what they could personally observe. In contrast to the elite status of newspapers in much of the world, U.S. newspapers, since the nineteenth century, have always been identified as a true mass medium, an extraordinary unifying and cohesive force, giving everyone access to the same pool of vicarious experience. That may be changing. As newspaper and news magazine reading slowly erodes, the class divisions reassert themselves.

The demand for journalists declines as daily newspapers continue to disappear, though the losses are counterbalanced by the growth of specialized media of all kinds. In recent years, with the evolution of niche marketing for many consumer products, national advertisers have increasingly been fascinated by media that deliver highly selective audiences.

Common occupations or avocations can arouse deeper feelings of affinity than can common residence in a particular geographic community. A growing number of publications - whether they are financial or sporting newspapers, scientific and trade journals, or magazines serving the special interests of dog lovers, philatelists, or cooking enthusiasts — affirm the shared interests of people who are widely dispersed.

Specialization has also been manifested in radio and television. As the number of cable channels multiplies, programming tends to be differentiated along the familiar lines of taste, educational level, and social class that characterize print media. The video audience has fractionated further as a result of the Telecommunications Act of 1996, which allows the telephone companies to supply video entertainment and information and the cable systems to offer telephone services. Thus, like radio before it, television, which began with pretensions to universality of reach, has become subdivided, reestablishing the consciousness of class differences that conflict with the ideal of a civic community.

Both advertising support and audience attention have shifted to nationally uniform audio-visual entertainment at the expense of

newspapers — locally oriented, information-centered print media. For several reasons, the appeal of the audiovisual media cuts across the municipal boundaries that define most daily newspaper audiences.

(1) Radio and television signals are transmitted over a wider area than the effective same-day distribution range of a typical daily newspaper. (2) Broadcast media, which flow in time, are preeminently used to fill time. Entertainment, unlike news, is not linked to a particular place. (3) The mass audiences generated by broadcast entertainment have attracted national advertising, especially for low-interest packaged goods that primarily seek to register their brand identity and image. In the United States, reliance on television advertising has become so great that many large consumer-goods firms define their sales territories in terms of television coverage areas rather than along the traditional lines set by geography, transportation arteries, or governmental jurisdictions.

Throughout the world, national television news disseminates the same visual records of war, terror, and catastrophe, thus promoting a global communality of imagery. The public is inured to scenes of slaughter in distant places, although the goriest documentation never gets on the air. But television news is surrounded by entertainment and has taken on many aspects of entertainment. The television networks have responded to diminished news audiences and increased competition by cutting their news budgets, reducing staffs and eliminating overseas bureaus. They have also introduced “pseudo-news” programs - tabloid television devoted to scandalous and sensational trivia about personalities - that are created outside the jurisdiction of their news divisions.

Although most Americans now say they get most of their national and world news from television, the audience for the network evening newscasts is much smaller than it used to be. Local or regional news, in the United States at least, attracts the largest part of the audience; it is highly profitable for television stations. The public distinguishes one station from another mainly by its newscasters. On the local as on the national level, television familiarizes viewers with government officials and other political personalities. But local newscasts are

customarily produced by staffs only a small fraction of the size of those employed by newspapers in the same cities. They rarely have the resources to do serious original news coverage. They are dominated by ephemera and trivia. Vivid footage of burning buildings and battered victims of crime are the staples of local television news everywhere in the world. There is little patience for coverage of the routine affairs of government, which preoccupy much of local newspaper reporting and are strikingly non-photogenic.

Cable television, in many cases, televises the proceedings of town councils and other municipal agencies, and presents debates on civic issues. Such programs provide the opportunity for an enriched debate on the issues and concerns that face cities, but their audiences are minuscule.

Broadcast news programs have never been able to match the independence shown by newspapers, for several reasons. Since radio spectrum frequencies are allocated by government license, broadcasters may be somewhat more reluctant than newspaper publishers to challenge entrenched political powers. But much more important, serious journalism requires time and effort on the part of the audience as well as of the reporter. Time and effort are exactly what amusement-seeking television viewers wish to avoid. An intelligent interpretive report on a significant subject simply cannot be summarized in a seven-second sound bite or even in the one minute of a typical broadcast news report.

11.2. Is Media Monopoly a Menace?

Control over mass media, in every advanced democracy, has steadily moved into fewer hands. How, if at all, does this imperil the free flow of information? Concentration and globalization are universal features of today's industrial world. In the oil, automotive, soap, tobacco and drug industries, a smaller number of international companies wield ever greater market power. Propelled by growing capital requirements and by the incessant demands of capital markets for larger profits and

more efficiency, companies in every field of enterprise buy out, merge and consolidate. They cut deals with competitors, seek to preempt or crowd out upstart rivals, exploit new technologies, identify and coopt new ideas and fresh talent. In general, this development seems to stimulate productivity and economic growth, though it is sometimes accompanied by a disregard for broader social interests, a narrowing of consumer choice, the destruction of many individual smaller enterprises, and the disruption of innumerable individual lives.

In most countries, the process is constrained by politically imposed restrictions on true monopolies, leaving the handful of large firms that dominate an industry — whatever their common interests and private arrangements — to struggle vigorously over market share. Corporations driven by their shareholders' expectations of continual growth must venture into unfamiliar terrain, thereby introducing new elements of volatility. In an era of ubiquitous technical innovation, markets that appear to be stable can be transformed by the sudden emergence of unexpected competition.

As one of the world's largest and fastest growing industries, mass communications shares all of the characteristics of the other fields of enterprise to which it often has important economic links. A small number of major advertisers account for a large percentage of the advertising revenues on which most media depend as their primary source of income. A small number of giant advertising agency groups place a growing share of these investments and their major clients tend to set the ground rules under which media buying decisions are made for all the others. Retailing, the other main source of advertising income, shows similar concentration into large, centrally managed chains. So do the mechanisms of distribution — cable systems, booksellers, motion picture theaters, video and music stores.

And media organizations themselves have been bound together into conglomerates (like News Corporation, Viacom, Time Warner, Bertelsmann, and Matsushita's MCA) that cross the traditional boundary lines among individual media, and even the boundary lines between individual and mass communications. The line also blurs between the creative function of generating media content and the

public-utility function of distributing it. In the age of telecommunications, the needs for capital are vast, the incentives to master exotic technology compelling.

Those who believe that this is the best of all possible mass media worlds can argue persuasively that, in the past few years, every advanced country — including those in which broadcasting is still a state monopoly, or in which state television holds a privileged position — has seen an explosion of media choices, that new channels of communication are constantly opening, and that the intense competition for audiences and talent is driving the media system forward in ever greater fulfillment of popular demand. In this resplendent universe of ever-expanding possibilities, enterprises arise and exist to serve a great variety of tastes and interests. The market, with its sensitive measuring mechanisms, is highly responsive to those interests, providing the public with the optimum array of publications and programs that match its desires.

To question this thesis requires us to face the direct question of whether the market for mass communications is exactly comparable to the market for detergents, analgesics or other consumer products in which manufacturers either make what the public will buy or perish. If it is, then the present arrangement of things is probably all for the best. The long-run interests of the public may not always be served by catering to its immediate appetites, as in the case of demand for tobacco, liquor or candy. If it is legal to consume a product, why should it not be acceptable to sell it too?

But is the consumption of ideas and images really no different from the consumption of goods? The ideas and images that the mass media disseminate shape collective life, form social values and determine the course of history. The information that individuals absorb becomes part of the culture that everyone shares in ways that have different consequences than choices in toothpaste or breakfast cereal.

Universal education is generally accepted to be a prerequisite of a civilized society, and it is ruled by standards that transcend what most children are instinctively predisposed to learn. Free and democratic exercise of choice would mean the demise of geography and algebra as

school subjects, so education is not usually considered to be an appropriate arena for the uninhibited play of market forces. Mass media are, at the least, as important as schools in determining national character and destiny, and the market is just as flawed a guiding mechanism.

The objectionable features of commercial culture have been deplored long before they were enhanced by the mighty power of international media conglomerates. Scoundrels, charlatans and cynics have abounded among media entrepreneurs since Gutenberg went bankrupt. What is different today is that the goals of corporate profit leave less and less room for idealism, inspiration, risk, iconoclasm and defiance of the status quo. The strong moral and creative impulses that fire journalism and the arts are subordinated to the demands of the quarterly earnings statement. The springs of information have increasingly been overwhelmed by the flood of electronic entertainment, where the greatest profits are to be found. Throughout the corporatized media world, there is a sameness to the criteria of success, to the view of the public, to the denial of responsibility. In today's giant communications empires, the media lords, their bureaucrats and their hired talent all regard themselves as instruments of that higher force, popular demand. But it is a demand that they themselves create — by publicity, promotion, and most of all, by the regurgitation of the familiar and the formulaic — while they purport to follow it.

Rainer Fassbinder's film, "Mother Krausen's Trip to Heaven", offers a nightmare vision in which a single company runs all of Germany's media from an antiseptic office tower. Even Josef Goebbels in his heyday didn't go that far. How few owners, controlling what percentage of a nation's mass communications, constitute a menace to democracy? This question is not easily answered, but sooner or later it must be addressed.

11.3. Newspaper Chains

American dailies were once independent family businesses, whose proprietors were rewarded in many ways that could not be expressed

in monetary terms. But only about 300 independents held on as the overall number of dailies plummeted. The majority, under group ownership and increasingly under public ownership, are inevitably ruled by the financial yardsticks of the corporate world.

What does this transformation mean for the intangible performance standards of public service?

Answers are often anecdotal, some embodied in revelatory memoirs by embittered ex-editors recounting lost battles against the Philistines. Family feuds among newspaper heirs always make juicy gossip. But even the repentant confessions of Gannett's former chairman, Al Neuharth⁵⁵, provide no hard evidence of the consequences when the cold-hearted corporation takes over from long-standing heir-to-heir succession.

Consolidation now touches every field of the economy and appears inexorable in the media, where mergers of staggering size continue to generate surprise, excitement - and concern.

Even in the doldrum years of 1990-94, newspaper companies were half again as profitable as other publishing firms, according to an analysis by Michigan State University's Hugh Martin. Editors' surveys show that profitability guides the thinking of those who work for public corporations, but editorial quality still remains important. For the management of any publicly traded company, profitability tends to be defined in short-run terms: by stock-market security prices, rather than with an eye on the eventual payoff from current investments.

An incidental byproduct — and often a not-so-incidental motivation — of the trend to newspaper takeovers has been a reduction in local competition between dailies that once characterized the business. Addressing NAA's 1996 convention, President and Chief Executive Officer John F. Sturm said, "It might be nice to go back to those days when every city had three dailies and newspaper was king. But anybody who thinks we will might also leave a porch light on for Elvis".

55 ALLEN NEUHARTH, *Confessions of an S.O.B.* (New York: Doubleday, 199?)

Well, leaving a porch light on is never a bad idea. Competition makes for better newspapers, as managers have to spend more money on news operations. Their papers have bigger staffs, bigger news holes and more color. But it becomes impossible to disentangle the effects of competition from the effects of changes in ownership.

A study by Stephen Lacy, Mary Alice Shaver and Charles St. Cyr⁵⁶ casts light on this matter. They examined 1990-93 data provided by Value Line Ratings and Reports on 11 publicly owned U.S. newspaper groups with revenues of \$100 million and more.

Since both public ownership and competitiveness cannot be defined in hard-and-fast terms, Lacy and his colleagues used rather broad categories in their analysis. For example, they called a market where another daily had at least 5% penetration “competitive” – hardly a realistic criterion. They differentiated the companies according to the degree of inside control by the original family owners (98% in the case of Pulitzer, as contrasted with 7% for Gannett).

What did they find? The broader the ownership (that is, the less insider control, the greater and the more predictable the earnings, and the tighter the ratio of expenses to revenues. The more the competition, the higher the ratio of expenses to revenues and the lower the operating margins. As the authors put it, “The pressures of maintaining a newspaper attractive to readers and advertisers in these markets produces lower margins...For all newspapers, the task is to balance financial realities with journalistic values, with the understanding that these two factors influence each other in the long run “

Amen. But there are other factors, not analyzed in this research, that distinguish individual companies and affect profitability. Some own big newspapers in markets with distressed central cities; others occupy smaller markets with healthier economies. Furthermore, dailies don’t constitute all the competition in today’s fast-changing media world. More than ever, all the media bitterly fight for ad dollars and the public’s dollars and time. The dailies that survive

⁵⁶ STEPHEN LACY, MARY ALICE SHAVER and CHARLES ST. CYR, *Journalism and Mass Communication Quarterly*, v. 73, no. 2 (Summer 1996), 332-363.

most prosperously for the longest time will be those - publicly owned or private - that provide customers with the greatest value. Journalistic value, that is.

11.4. The Demise of Local Competition

Business recessions have not been kind to struggling second newspapers in a city, even when they are published under common ownership with the market's leading daily.

Only 17 cities in 2005 have fully competitive newspapers (down from 37 in 1980); joint operating arrangements are down from 20 to 12. And just 12 a.m.-p.m. combinations (under common ownership) remain. The total number of dailies has fallen steadily, from 1,763 in 1960 to 1,456 in 2005.

The papers that died were losing money; they failed by the test of the market. Apart from nostalgia and regret over the loss of jobs, is there any real reason to mourn their passing?

The communities they served surely have cause for concern. A surviving paper may be more economically sound, add writers and features, expand its news hole, and try to be comprehensive and fair in handling controversies. Still, any real news story, no matter how seemingly trivial, deserves to be covered by more than one set of eyes and ears. The resulting gain in perspective far outweighs the cost efficiency of having just one reporter at the scene.

When we move from straight reporting to interpretation and commentary, the need for alternative versions becomes even more evident. Critics and editorial writers are unjustifiably more powerful when their views go uncontested, except in the letters columns controlled by their own editors.

No daily newspaper would accept the argument that it has a local news monopoly. Virtually every community has neighborhood weeklies, shoppers and broadcast outlets that provide a variety of information

sources. But let's face it: Dailies are unique both in the breadth and size of their audience and in the extent of their coverage. No other medium comes close.

In the short run, a surviving newspaper prospers when its contemporary perishes or is absorbed. But over the long term, the prosperity of newspapers requires competition, not just from other media but from other dailies. The explanation, paradoxically, is in advertising.

Advertising decisions come from companies that make overall judgments on media before they select individual newspapers. It is these companies that have progressively siphoned more of their newspaper budgets to broadcast and direct mail. The foremost reason is the decline of newspaper penetration and what the advertisers perceive as a loss of reader involvement.

Daily penetration of the U.S. press (the ratio of circulation to households) has dropped steadily - in good part due to newspaper deaths. When people can choose from more than one local newspaper, not only are they more likely to read more than one, they are more likely to read any at all. Audience levels are highest where readers have a choice.

In the mid-1970s, three out of five Americans had access to two or more locally published dailies. The ratio is now less than one out of five. This remarkable change is much more precipitous than the well-known losses in readership and advertising market share, but it may be a harbinger of further changes to come and certainly illustrates the difficulty of reversing these trends.

Can the newspaper business collectively reinvigorate the competition it needs to flourish — competition that runs contrary to the short-run self-interest of individual enterprises? If this is a soluble problem, the first step is to put it high on the agenda and give it the serious discussion it deserves.

Some single-ownership papers have fostered editorial rivalry and initiative by maintaining separate news staffs, offering different

features and editorial viewpoints. What if ownership and responsibilities for news operations were exchanged among the surviving a.m.-p.m. combinations?

An owner would retain control of production, advertising and circulation but would swap its editorial management of the unprofitable (usually evening) paper with that of a comparable paper in another market. In effect, this would create joint operating arrangements where there are now monopolies. (JOAs have been failing, too, but at least they give second papers a chance).

The idea may seem as outrageous as Jonathan Swift's "Modest Proposal" to solve the problem of the 1729 Irish famine by slaughtering the country's children for food. (His bitterly facetious suggestion was intended to rouse the British public and government from their torpor). If you think my idea is far-fetched, dear reader, think of a better one. The future of the press depends on the strength of the reading habit, which atrophies when readers lack a choice.

11.5. Can Newspaper Competition be Revived?

Early in my career at the Newspaper Advertising Bureau, I was scheduled to be on a panel of media spokesmen before the International Advertising Association on the afternoon of the day when the *New York Herald Tribune* announced that it was folding.

My boss then was Charlie Lipscomb, whose motto was "sell and repent". He said, "Don't bring it up, but if anyone mentions it, say that this is *good* for newspapers. The surviving papers will be stronger, so they will be better to advertise in".

I didn't take his advice.

In fact, I began my talk with an expression of personal dismay at the death of this great newspaper.

I was amply rewarded afterward by a conversation I overheard in the men's room: "Those guys were just doing a canned pitch. Except the newspaper guy. He was sincere".

So if you think what follows is stupid, remember, it's sincere!

I want to repeat two familiar points:

1. Like most American businesses, newspapers don't invest enough for the long term.
2. They act as though they control their own individual destinies, when their success largely depends on what they all do together.

I also want to make a third point, which is that newspapers have much at stake as a business in preserving and fostering daily newspaper competition, on which their long-term growth depends.

It will take you a much shorter time to read these words than to listen to me say them aloud.

But it took me much longer to think through and write them than it would take me to read them to you.

This fundamental difference between spoken and written communication is the reason for my confidence that newspapers will be around, and flourishing, a hundred years from now.

The printed word has a unique power to evoke reflection and to resonate in the imagination.

That is why other media simply do not substitute for daily newspapers. No newspaper has an advertising monopoly in its market. But a daily newspaper is irreplaceable and, therefore, *non-competitive*, when it is the only daily left in town.

Multi-media companies must balance their investment between those media where the payoff will be greatest and those where there is the most at stake in other ways that can not be expressed in dollars and cents: tradition, civic responsibility.

It is publishers' sensitivity to those intangibles that has led a number of them to keep money-losing papers alive in defiance of all conventional business wisdom.

And all publishers, in multi-media companies or not, face two other problems of balance: One is weighing a good showing on the next

quarter's balance sheet against long-term revenues. The second is weighing the benefits they get immediately and directly and those they will get eventually as part of an industry that is gaining ground.

As individuals, we are accustomed to having such choices more or less imposed on us. We may not have children, but we pay for schools; we pay the firemen even when the house isn't burning.

Managers in business are free of any imposed necessities to act like ants rather than like grasshoppers.

No one can tell them not to squeeze costs to show a profit today when this may lead to a loss five years later.

Nowhere is the question of balance between short-run individual interest and long-term collective interest better illustrated than in the area of advertising. Advertisers make judgments about newspapers as a medium long before they make decisions about putting individual papers on a schedule. Over half the revenues for a typical newspaper come from multi-market advertisers, generally located outside its own market. Yet newspapers' advertising sales function is structured and budgeted as though they were still picking up orders from Main Street merchants instead of getting them from Chicago or Dallas. Of the billions spent to sell and service advertising, virtually none goes to sell newspapers as a medium. That is ridiculous, as ridiculous as the 0.2% of gross income that newspapers spend on research and development.

A meeting of senior newspaper marketing directors reviewed the trend data on loss of share in display, the erosion of ROP into preprints, and the growing dependence on classified, with all its vulnerability to new competition. One of those present slipped me a note. It said, "How do we get the publishers to understand that this is urgent?" How?

On what basis are newspapers being compared with other media, and why have they lost market share? Above all else, they are judged by their perceived vitality or lack of it. On the subject of readership, the question of what they can do individually and what they must do collectively takes on a different focus than in the case of advertising.

I asked a Japanese publishing executive to explain why their daily circulation per capita is 2.2 times as high as in the United States. The answer was, this is the publisher's main concern. *This* is what he is judged by.

The battle for circulation and readership will be won or lost at the local level, through newspapers' own individual efforts. But it must be energized by an adequately financed program in the collective interest of the whole business.

Second and third papers in competitive markets have died because advertisers use the dominant paper out of all proportion to its percentage of the circulation. In single-ownership combination markets, advertisers have exerted pressures to eliminate what they consider wasteful duplication. This is why more and more publishers have discontinued or merged their afternoon papers, and in most cases the surviving paper has been stronger economically and better journalistically.

Why do fewer newspaper titles lead to a drop in readership? Primarily because of the heterogeneity of public tastes. In most major American cities a generation or two ago, different papers served different social class constituencies. Not so long ago, in the afternoon field in New York City, there was a paper with preponderantly Protestant readership, a Catholic paper, and a Jewish paper. A reader *chose* a paper. It reflected and expressed his personal identity in a way that a surviving single-ownership newspaper cannot do.

The people who are most likely to feel passed by are those at the bottom end of the totem pole — the kind who once read the sensational tabloids of another era, the readers of the supermarket weeklies. They are the heaviest viewers of television, the big fans of trash television. 160 years ago, a London paper called the *Twopenny Dispatch* specialized in “Murders, Rapes, Suicides, Burnings, Maimings, Theatricals, Races, Pugilism and every sort of devilment that will make it sell”. It's no wonder that Sir Walter Scott warned his son-in-law, “Your connection with any newspaper would be a disgrace and degradation. I would rather sell gin to poor people and poison them in that way”.

The people who respond to this kind of journalism are not the ones whom advertisers generally are most interested in. When Rupert Murdoch solicited advertising for his tabloid *New York Post* from the head of a fashionable department store, he was reportedly spurned with the statement, “Your readers are my shoplifters!” Yet the fact that people of low income have drifted out of the daily audience lowers newspapers’ numbers and weakens their very special claim to be the universal mass medium.

When there is one daily left in town, it must necessarily try to be all things to all men and women, and there is no way that can be in a complex metropolitan region. Everyone’s paper is no one’s paper, or at least not one that anyone is likely to feel very strongly about.

Publishers in single-daily markets are keenly conscious of the special responsibilities they bear: they bend over backward to be even-handed; they are printing more editorial matter than ever before.

But what are the effects of having just one reporter in town who is covering each beat, just one reviewer for each cultural event?

Well, what about TV, you may ask. The question answers itself!

At a newspaper editors’ meeting held in the last days of the Soviet Union, Yuri Dubinin, the Soviet Ambassador, was asked about media freedom in the era of Glasnost.

He said, no doubt more diplomatically than accurately, that the press was now free to write anything it wished. And he added, as a result, “Every family that used to read one newspaper now buys at least two”.

Newspapers aren’t just a public utility, like the gas company, because they deal in *ideas* that emerge from the clash of ideas. Presenting liberal and conservative political columnists side by side on an op-ed page may give readers a choice of ideas, but it does not give them a choice of identities — which they had when there were local papers with sharply distinctive personalities. What community newspaper would today dare to call itself, as one in Lynn, Missouri, once did, *The Unterrified Democrat*?

While the hard realities of business life bring about daily newspaper deaths and mergers, the circulation of free weeklies, or “shoppers” has greatly increased. They reach the very kinds of people whose readership of dailies is most irregular.

Shoppers, even newspapers’ own TMC products, can deliver advertising just as daily newspapers can. They cannot replace newspapers’ editorial functions. Except for a handful of alternative weeklies catering to the entertainment interests of young adults, the non-daily press exists only to serve the interests of advertisers, not of readers.

The emergence of desktop publishing technology has drastically reduced the cost of entry into the newspaper market. Anyone can now compose and make up a newspaper on a shoestring and have it printed by a job press — or by a number of them. But how do you get that paper out and sold? The publisher of a small shopper who wants to go daily in a metropolitan center is not easily going to develop technical solutions to the problems of mass distribution.

It is certainly not in the interest of any established paper to make life easy for new competitors who want to enter the market. Yet it is in the collective interest of the newspaper business to develop and disseminate the technology that facilitates such market entry.

I have no illusion that this is about to happen. If competition revives, it may be less because new players will enter the field than because existing dailies may become more aggressive toward each other.

In packaged goods marketing, fewer companies do a bigger share of the business but, paradoxically, more brands are on the shelf each year. That’s because existing companies, as they expand, get into others’ territories with new products of their own. There are glimmerings of this among newspapers in Pittsburgh, the Tampa Bay area, the Twin Cities⁵⁷. If this trend continues, it will give many publishers headaches, but it will also spur the readership of newspapers and, therefore, spur the interest of advertisers in the press.

⁵⁷ Minneapolis and St. Paul, Minnesota.

The question remains:

Is the advertising marketplace large enough to support more daily newspapers in the metropolitan areas that have most of the people and most of newspaper circulation?

With \$263 billion being spent on advertising in 2004, there should be enough to go around, even if it means crowding the other media a bit. A medium that's growing, that's feisty, that gets people excited, is going to get a bigger piece of the pie.

A century ago, a publisher proclaimed that he was "almost disappointed" when his newspaper investment yielded a profit. He said, "I went into the *Daily News* not to make money, but to advocate principles". In today's hard cruel marketing world, newspapers that can't make money won't be advocating principles for long. But more than ever, making money depends on having principles to advocate and on facing off with local competitors who have principles, too.

11.6. Why Newspapers Must be a Mass Medium

Can newspapers continue as a mass medium in an era of targeted marketing and specialized audiences? Should they? Publishers are being urged to adapt to advertisers' demands that their messages go only to their best customers. They are being told that reaching everyone implies "waste". But exhortations for newspapers to reconfigure themselves as an "upscale" medium simply rationalize the failure to retain lower-income readers.

The attributes of a major mass medium, taken as a whole, are not the same as those of the individual publications or channels that comprise it. The aggregate weekly audience for each major medium - newspapers, television, magazines and radio - encompasses more than 80 percent of adult Americans.

Each medium generates its own audience pattern. Better-educated people read more; lower-income people watch a lot of television;

younger people spend more time listening to radio and working the internet. Yet advertisers can use supermarket tabloids, the Arts and Entertainment cable network or radio stations with a “beautiful music” format to reach audiences whose characteristics differ sharply from those that generally typify magazines, television or radio.

Local daily newspapers have been different in an important respect: They segment their audiences not primarily by age or social class, by interests or personality types, but by *geography*. This remains their most powerful advertising sales point, even though the strength of the argument has been weakened as the nature of advertisers’ markets has changed. Amid the heterogeneous sprawl of vast metropolitan regions, retail locations are scattered and community identification is often uncertain. The residents of high-income towns at distant and opposite ends of a commuting belt have more in common than they have with the people of the central city.

In the new world of data-based “geodemographic” marketing, where people live matters mainly when printing mailing labels. It no longer indicates how they are to be informed or persuaded to buy. It is much more efficient for certain advertisers to use selective media - like magazines or cable - that essentially ignore where the audience is located.

“Class” media continue to have the kind of appeal they have always offered to advertisers, except that “class” now represents an infinitely greater number of possible subdivisions related to age, skin color, career aspirations or parental status. Still, specialization does not guarantee an advertiser’s success. While magazine behemoths like *Reader’s Digest* and *TV Guide* have lost circulation, the mushroom growth of specialty publications has not been the salvation of the magazine business. There are limited opportunities, in readership or advertising, for such specialization on the local level.

In the past, newspapers competing in the same market established clear-cut identities and had audiences that represented different social sectors. As competition has dwindled and morning/evening combinations have consolidated, the surviving paper in a market has tried - with varying degrees of success - to satisfy everybody. Over the

short run, this has been good for business, if not for character. And character is what ultimately determines the business fate of media.

Newspapers are a medium that has always provided material that generates specialized and segmented audiences. Just as gender, to a substantial degree, differentiates readers of the sports and food pages, so there are differences between the readers of columns on foreign policy and advice to the lovelorn.

Advertisers have always been aware of these differences when making requests for specific positioning in the paper. Some have demanded rate adjustments based on the levels of readership for different types of pages or sections. And ultimately, large newspapers may find it technically feasible to deliver customized content to subscribers.

But such developments should not obscure the important fact that consumer interests and audience interests can never be defined precisely in advance. Just as many individuals who have never gone beyond grade school follow the fortunes of stocks and opera stars, many of modest means buy new Cadillacs and mink coats. Rich people buy more of most products — not all — than poor people do, but most Americans are at neither extreme, and advertisers can't ignore them. That's why keeping newspapers a mass medium makes marketing sense as well as being a civic necessity.

11.7. Newspaper Associations

Restructuring" has become a popular word to describe organizational change under external pressure. It has been applied to the Chinese economy, to American retail chains beset by mergers and buyouts, and even to newspaper professional associations.

The newspaper business has made great progress, both nationally and at individual companies, in overcoming the sense of separatism within its various professional and occupational components. Separatism arises naturally in any business where different departments jockey for

management attention and favor, and where personal rivalries are sometimes disguised as the principled defense of departmental turf.

Ben Franklin wrote the news, hustled for ads and set type for his paper, but in a more complex age the idea of journalistic autonomy is firmly and properly established. Separatism became an article of faith in the 19th century, as editors established their independence from the business office. Only with the emergence of serious readership problems have editors been talking more often and more candidly with their colleagues on the business side. Among the business-related departments, cooperation has also gotten much stronger — encouraged by the practice at many papers of setting up marketing units with overall responsibility for advertising sales and service, circulation, promotion and research. Financial executives have become increasingly involved with the management of information that cuts across departmental lines.

Specialists in each of these areas have been learning more about the others, and there has been more of a crossover in individual career paths. These developments reflect what has happened throughout corporate America. They arise out of the need for generalists who can integrate different specialties. American publishers have sought to accelerate this inevitable process when they brought together newspaper executives from most of the non-editorial fields into an umbrella organization (the NAA) that would broaden their perspectives, encourage collaboration and cut down on the costs of maintaining separate associations.

No one was willing (publicly, at least) to contest these estimable objectives. In few industries have specialized organizations developed to the high degree that they have in the newspaper business.

Not all their meetings were of uniformly high caliber. There were always bound to be cornball speakers, repetition of the obvious, and insufficient time for talk about big, unresolved issues. These shortcomings were more than offset by the enormous amount of useful information exchanged. Such exchanges are especially important because knowledge and operational technology, in every area of newspaper work, have become progressively more complex and less accessible to outsiders.

In other fields, large professional associations are often subdivided into sections that serve specialized interests and hold their sessions as part of a general convention. However, these conventions are typically conducted on a monstrous and totally impersonal scale, and they do not offer an appropriate model for the newspaper business.

This business has attracted outstanding people because it is fun. Fun comes from the pleasure and pride one gets from associates and the motivation of being part of a great public enterprise.

The associations fostered a sense of participation in a nationwide fellowship. They provide members with stimulation, learning experiences, job opportunities, memorable good times in interesting places, and — above all — camaraderie and friendship. Talking nuts and bolts at buzz sessions is a more productive experience when the conversation can be continued over a cup of coffee or a glass of beer. Belonging to an association creates a spirit of professionalism that goes beyond holding down a job title; it gives newspaper marketers an identity.

Getting everyone together in the big melting pot can't replace cozy gossip with one's friends. That warm intimacy is what the national newspaper associations offered, what state associations still offer, and it's what has made the business hum.

12. A Changed Media World

12.1. Enter the Computer

Early in the twenty-first century, the established media are deeply uncertain, even anxious, about their future. Technological innovation is moving so rapidly that today's terminology and concepts are outmoded tomorrow. Only a few years ago, everyone was speaking of the "information superhighway" - a phrase rarely heard any more. Then it was "500 channels" - both an under- and overstatement. Then "interactivity" was going to turn everything upside down. Now it is here, and it already seems like yesterday's word.

Once upon a time, computers were used to compute. A full-page advertisement in the *Sunday New York Times Magazine*, 10 March 1996, carried this headline: "Never scoop cat litter again.... Computer technology creates the only self-cleaning litter box!" Computer technology is not only changing the way human beings relate to their pet cats, but the way they relate to each other in space, time, and the quality of their contacts. And it is changing the media.

The transformation of all information, verbal and visual, into digital form has put the computer at the center of the communications world. We use it with CD-ROMs to store information, with modems to transmit information over telephone wires, coaxial cable, or fiber-optic strands. Modems in turn make possible electronic information services on the internet.

The market for every form of new technology is expanding. Components keep getting smaller; manufacturing costs keep going down. Flat liquid crystal display panels get thinner and acquire new capacity. High definition television facilitates the transmission of multiple streams of data and thus will make interactive capacity routine. Data compression makes it possible to present fast-moving

real-time video images on the computer screen and to expand the use of the broadcast frequency spectrum. A new generation of high-fidelity video DVDs will be played on the computer rather than on the TV set. Print media production was already going electronic a quarter-century ago, making it possible to distribute text in an electronic format as well as on the page. It is now a commonplace truth that there is no longer a line between print and video or between mass and individual communications.

How does this great transformation impinge on journalism? New communications technology will change the established media that connect people to the places where they live and to each other. And it will affect journalism indirectly by changing urban economies and the way people move around.

There will be a drain on many sources of media revenues. Real estate agents are using computers to share properties for sale. They can allow prospective customers to take virtual house tours. Electronic telephone directories can be kept continually current. Advertisers who already moved in that direction have changed the economics of newspaper classified advertising.

The essence of urban life, what gives it its vitality and intellectual energy, is the density of population, the intensity and randomness of direct human contacts. Not only handshakes and embraces, but all the nuances of emotion that can be expressed and exchanged face to face are lost when mediated by letter or telephone. They disappear altogether when the computer keyboard becomes the instrument of communication. How powerful a force will it be?

On-line chat groups flourish on the electronic networks, their participants drawn from what is literally a worldwide web. Anyone can create his or her own Web site, posting news about what he or she has eaten for lunch or dreamed about last night. Enthusiasts for this activity assert that those who participate constitute a community, that they are bound together by genuine ties of feeling and share each others' joys and sorrows. But these largely anonymous electronic contacts are mainly impersonal and superficial. They are reminiscent

of the chance connections radio amateurs used to make three-quarters of a century ago, when the letters “CQ” tapped out in Morse code could bring responses from fellow “hams” in distant and exotic places. Not long ago the same notion was behind the fad of citizen’s band radio. No sane person sits by the telephone, dialing numbers at random in the hope of making new friends. Once the novelty fades, the contacts lose meaning.

In a quite different category are the electronic bulletin boards set up for people who share a specialized professional, business, or avocational interest. Such facilities speed the flow of information and permit the exchange of opinions and current news on topics of common concern. They bring together people anywhere in the world who might rarely have the opportunity to meet, and they multiply the frequency of contacts among individuals who otherwise meet only at occasional conferences or conventions. No one can doubt that these services will grow tremendously, because they serve the vital interests of the small but significant numbers of people who are actively seeking information.

Academic scholarship, commercial marketing research, and journalism have been profoundly affected by the availability on line of government and industry statistics, wire service news, professional journal articles, and a rich variety of data⁵⁸. These resources enormously reduce the time formerly spent in libraries or archives to gather intelligence and to make comparative analyses. Reporters, researchers, students, and professors can be more productive, but that does not eliminate the need for newsrooms or for schools, universities, and research centers.

Not so very long ago, streets in the downtown business district of any great city were filled with messengers carrying messages from one business office to another. The telephone changed all that. Along with the automobile, it helped to disperse business activity and population farther into the urban perimeter where rents and labor costs are lower

⁵⁸ The most startling development was the 2004 announcement by Google that it was engaged in a long-term project to place the contents of major libraries on the Web.

and social problems are fewer. Routine data processing and office services have long ago left corporate headquarters for cheaper locations. New communications technology has accelerated this trend. Yet there comes a point where decentralization is counterproductive - where the savings are outweighed by the loss of intellectual stimulation. My hunch is that point has already been reached.

In a recent telephone conversation, I asked a woman I was talking to in another city if she would pass on a message to a colleague who sits in an office adjacent to hers. Her response was, "I'll send him an e-mail". In my day, when you had something to say to someone next door, you got up, walked over, and, if the person was not on the telephone or in a meeting, you talked to him. Perhaps with busy executives, intimate personal conversations are now obsolete, but I doubt it. When we eliminate the smiles, the cups of coffee, the small talk and gossip that surround the bare bones of business transactions, we destroy some of the major satisfactions of work.

Magazine articles sometimes describe happy and successful individuals who work at home with the aid of a computer, a modem, and a fax machine, but I doubt that most people would find such a routine very satisfying. Two-way communication will not bring fundamental changes in the work place and will not make cities obsolete. However it could make them less exciting places to live in and less interesting territory for good journalism.

Journalism is much more directly affected by the revolution in electronic communications, which is shaking up the world of mass media in a number of different ways. It is forcing media companies to diversify. Print publications and television organizations are adapting their content for computer retrieval. The changes are attracting a considerable amount of interest and money from advertisers.

Advertising agencies have developed an obsession with electronics. They are fearful of being left behind if they fail to master the secrets of the Web. So far, however, advertising through on-line services is extremely expensive relative to the number of people reached; its coverage is limited and difficult to measure. The total advertising investment is out of all proportion to the return, but it is still small in

terms of absolute size. The estimates range from \$7 billion and up in a \$264 billion business. The amount is bound to grow larger and become a major media force.

In 2005, nearly three-fifths of the American population are hooked up via telephone or cable to the internet. That includes a lot of people who dip in and out. (Some on-line services lose and replace ten to fifteen percent of their subscribers each month. A third of the people with internet accounts have not used them in the last three months).

But the hookups are coming, inevitably. In the United States, two of three households own computers. Millions of people use them at work. They are familiar and they represent a mass market. The garage mechanic who crawls under my car uses a computer to produce the itemized bill for his services. With computers almost universally present in half the nation's schools and a new generation of computer-skilled children, the technology is hardly the private preserve of an elite. Yet it is often pointed out that access to on-line information accentuates the social gap between those who have access to information and those who do not. In a country where the telephone is considered a necessity of life for people on public assistance, there has been a great deal of discussion about the possibility of guaranteeing access to electronic services as a universal public good.

However, there is no more reason to assume that on-line services will be dedicated to instructional purposes than there was to assume that CD audio players would be used mainly to listen to Buxtehude and John Cage. The future home communications system will probably not be analogous either to today's computer screen or to today's television set. And its main use will be for entertainment, not for enlightenment. By far the greatest home use of personal computers is recreational.

Yet it is the so-called information flow that's been grabbing everyone's attention. Almost all newspaper, magazine, and book publishers agree that they must gear up to deliver their output electronically. The premise is that a profitable market of consumers are willing to pay extra for the convenience of accessing information selectively and when they want it.

As publishers act on these assumptions, their new ventures expand the need for people who can handle and rearrange information. One model that has been presented to us is that of the information-seeker with a menu, getting just the news that is wanted. The *Louisville Courier-Journal's* Barry Bingham, Jr., once had this vision, but he applied it to the printed product. He would use all the unprinted news that came in and save expensive newsprint by just giving readers what they wanted. Electronic news would lend itself even better to this idea of a customized product. If the reader is in control, who needs the journalist?

The idea of individualizing media content has come about largely as a result of advertisers' interest in targeting, an interest that has always existed but which can now be met more efficiently. Vast new databases identify individual consumers and minute classes of consumers in terms of their consumption of products and media. This is demonstrated by the remarkable growth of business information services that supply — on-line or in hard-copy form — statistical and technical data, like credit ratings, stock quotations, and syndicated market research.

Publishers understand that their greatest resource is their capacity to package information, not the machinery to print and deliver it. The book business has moved aggressively into cassettes and CD-ROMs. For publishers of newspapers, magazines, and newsletters, the real opportunity lies in the capacity to supplement what is printed with copy that never survives the editing process and to link current reports with retrieval of related material from the archives or from other electronic sources. Publishers are determined to seize control of the profits to be found in alternative electronic means of delivering their texts. In 1993, only twenty U. S. daily newspapers had Web sites. In 2005 almost all do.

At the same time that they are investing in Web editions, publishers have been under great financial pressure to contain their current operating costs. Before it was absorbed by the Tribune Company, Times-Mirror eliminated its new media division. Knight-Ridder years ago abandoned its Viewtron videotex experiment after a \$50 million

investment, later sold a subsidiary that provided on-line financial data and quietly closed a laboratory in which it was developing an electronic newspaper on a tablet.

So are printed newspapers headed for extinction, along with a lot of budding journalistic careers? My strong conviction is that they will keep on going, at higher prices to the reader, who will pay a larger part of the cost. That means fewer readers, but perhaps proportionately more for national dailies.

The cost of newsprint keeps rising while the cost of electronic transmission goes down. Even when the subsidies stop, electronic news services will grow, providing limited, customized information. But does anyone believe that if printed newspapers disappeared, an equivalent number of people would take the time to absorb an equivalent amount of information from the computer screen?

12.2. How Changing Electronic Technology Helps Newspapers

Changes in technology that engage newspapers directly generate a good deal of discussion. But events underway in the broadcast arena may have an even greater impact than the rise of newspaper Web sites. Broadband communication, now present in 21% of U.S. households, promises to erase the distinction between the diffusion of text and video. Since it gives users faster access to more input, it seems likely to erode attention to television advertising. A TV set is already being used in half the rooms where there is a computer, but broadband will eventually lead to a new generation of equipment that will combine both functions in a single appliance.

Apart from that, broadband accelerates a trend long under way; as the number of accessible channels continues to multiply, the television audience is ever more fractionated, with predictable effects on the medium's cost efficiency.

Attention to TV advertising faces an even greater threat from the Personal Video Recorder (PVR), exemplified by its best-known brand,

TiVO. This device, which costs about \$500 in 2005, has two functions. (1) It records broadcast and cable programs for later viewing, and can be programmed to store not only the viewer's specific choices but also the preferences reflected in past viewing patterns. (2) It permits the rapid zapping of commercials that typically account for a fourth of air time.

Only a small proportion of American households have this apparatus, but by all accounts they love it. When the price of the gadget comes down, as it inevitably will, it may well achieve the same high rate of penetration as the DVD player, which grew from nothing to 50% in a period of five years as its cost went below \$100.

TiVO is not the only player in this game. Replay, a rival company, clips commercials automatically from the surrounding programming. Two satellite services, DirecTV and EchoStar, provide TiVO as an optional part of their subscription, housed in a single set-top box. There is a strong likelihood that cable services will offer similar options at some time in the not-so-distant future. Set manufacturers may incorporate the feature into future designs, which will be changing anyway as TV goes digital and interactive. (It is supposed to be all-digital by the end of 2006, but this is unlikely).

Some skeptics doubt that viewers will want to pay extra to eliminate commercials when they find it too challenging a task to program their VCRs. Viewers already find many ways to avoid TV ads by switching channels, shifting attention to household chores or reading matter, or by leaving the room. "Why should I cut the commercials when they give me the time to go to the kitchen for a beer?" asks one luminary in the advertising agency business. But many of his colleagues are justifiably concerned, and television executives even more so. They have stepped up the amount of product placement in commercials, and even initiated some "commercial-less" shows that revert to the ubiquitous presence of logos and images, as in the early days of sponsored programming.

For years, TV has dominated national advertising because of its presumed attention-getting power and economy. What proportion of the audience must be lost before television's cost-per-thousand begins to look like a questionable item?

It will take quite a while before television loses its allure for advertisers of low-interest packaged goods. But it shouldn't be necessary to wait until every household has the capacity to avoid commercials altogether.

The rise of zapping devices is symptomatic of the public's impatience with the amount of viewing time into which unwelcome advertising has intruded. It takes up 30% of early morning TV, 35% of daytime TV, and 27% of prime time⁵⁹.

Newspaper ad salespeople should be closely monitoring the new technical developments in TV. These present a good occasion to remind advertisers how much TV commercial effort already goes to empty rooms, and to reassert the ability of newspapers to put a message in front of the people who might be persuaded to buy.

12.3. Newspapers in the Age of New Media

Infomercials, according to the people who make them, are a multi-billion dollar medium in 2004, helping to strengthen television's position as the dominant force in national advertising. Why should any sensible person want to spend a half hour in the middle of the night watching an extended sales pitch for a Kenmore Vacuum Cleaner? Sears is betting that there are a lot of viewers out there who have vacuum cleaners on their minds and for whom that 30-minute commercial represents important, useful and timely information.

Infomercials, like home shopping channels on cable, reflect a recognition that advertising is not inevitably an imposition on the public, but something it actively needs and wants. Most people welcome advertising in print but regard it as an intrusion on their broadcast entertainment — an intrusion they tolerate because of the benefits it brings. But, if probed, people won't generalize about any

⁵⁹ Research released by the Association of National Advertisers and the American Association of Advertising Agencies.

form of advertising. Some commercials are more welcome than others, and for a minority (large enough to make a viable audience for infomercials or for cable shopping channels like QVC), commercials themselves provide enough entertainment to warrant spending time with them.

So infomercials are here to stay if they turn out to be an efficient way of delivering extended sales messages — more efficient, say, than the CD-Roms and videos that are now sent out routinely to prospective car and home buyers, cruise travelers or insurance prospects.

The internet makes it easy to summon up an extended, moving low-key message that explains the merits of any consumer product. This may not be as useful for selling detergent as for washing machines, or for heating oil as for furnaces, but it illustrates how new communications technology has profoundly affected advertising — and therefore the newspaper business. On balance, it may strengthen newspapers' competitive advantages.

The communications revolution is producing alternatives to which advertisers will be diverting money from existing media, but it is becoming harder for advertising to maintain its efficiency. More of the time the public devotes to media is no longer accessible to advertisers at all. Advertisers are already making increased efforts to burrow into this time, through product placement in films and television programs, signboards at televised sporting events, promos in videocassettes, commercials in movie theaters, “underwriting” of public television programs. Unsolicited advertisements spin off the internet and fax machines and on to computer screens.

The near universality of television remote-control devices makes it easier to avoid commercials. There may be an increasing distinction between wanted and unwanted advertising. It seems inevitable that more advertising will be summoned on demand, perhaps even at a price to the consumer, and that advertisers will be information-providers in the same sense as producers of entertainment and news.

Advertisers who have been obsessed with audience counts will have to become increasingly concerned about the communications context in

which their messages appear. But context may become more unpredictable, as viewers are given the technical capacity to choose programs to suit their own timetables rather than on a fixed broadcasting schedule.

Does the distinction between print and broadcasting still make sense in the interactive multimedia era? It does, because text remains a unique form of communication. Yet a distinction must be drawn between text and print. Electronically displayed text on a computer screen or a liquid-crystal display tablet offers flexibility, opens up vast archival resources and tailors information to the reader's specifications. But no matter how fast and user-friendly its control mechanisms become, it can never offer the speed and tactility of communication on the printed page.

Newspapers sell against other media on the basis of their market coverage, their audience quality and their rates. Rarely, these days, do they seem to sell their unique generic capacity to spread the advertiser's word widely and to capture the selective attention of the customers who might be ready to buy — readers who *want* the information in the ads.

12.4. The Death of Print, Again?

"The Death of Print is going to happen, far sooner than many of you think!" Daniel Okrent, *The New York Times's* ombudsman, proclaimed when he was Time Inc.'s Editor-at-large.

"Why should we keep mowing down the forests and spending billions on ink, postage and production when we can deliver the same content quickly, conveniently and at almost no cost?" This question is posed by Donald Kummerfeld, head of the International Association of Periodical Publishers.

One answer is that the computer screen is not as user-friendly as the printed page. In a laboratory experiment at Ohio State University, matched groups of students read identical articles either as printed text

or on a desktop computer screen. The printed version was rated as more understandable.

But the desktop computer's cathode ray tube won't remain the medium of display. Cell phones and other hand-held devices download information from the internet. It is only a matter of time before readers can get their news comfortably on a thin flexible panel, with high resolution and the capability of saving selected items electronically or in hard copy.

It's a long way from the laboratory into mass production, but Okrent (who describes himself as an "ink-stained wretch") suggests that new devices for displaying content will be given away by the big media companies, "on the cell phone model". "We aren't interested in making money off of hardware; we make money off of what you read and watch and listen to". He cites "the potential of digital advertising", with its capacity for immediate interactive consumer response.

The Web is already a major source of news. A third of the public (and almost half of those under thirty) now get news on-line at least once a week, 15% on any given day. Over half of this last group (or about 6% of the total public) say they go to a news site specifically to get the news. Among investors, the internet ranks with television and newspapers as the main source for stock market updates and financial advice, and among active traders, it far outstrips the two other media. Reflecting their youth, internet news users also show above average interest in science and technology and in sports.

In a much-cited survey⁶⁰, seven out of ten internet users picked "to get news on line", compared with nine out of ten who said they went on line to do research and the same proportion who said it was to communicate with friends and family. Another study⁶¹ used a tougher approach. For each Web site used in the past 24 hours, respondents were asked, "What particular reason did you have for using that site?" Seven percent (2% of the total public) volunteered that it was to get news.

60 Made for America On Line by Roper/Starch.

61 By Statistical Research, Inc.

Whatever the exact figures, a lot of people are getting news on the Web, and the numbers will grow. But what kind of news are they getting? All major Web sites display a handful of top headlines on their home page. Is a glance at those equivalent to a look at a newspaper front page, where headlines, text and illustrations form a seamless pattern for the eye to explore? News on the Web seems more like an extension of broadcasting, which reduced news coverage to a recitation of brief bulletins, rather than of print, whose forte is the extended story.

The growth of the internet has made it almost impossible to prevent the dissemination of information that poses a threat to authority. But it also hastens the spread of misinformation. The fact that facts and ideas of all kinds, true and false, are widely accessible, does not mean, however, that they automatically gain attention. Ultimately, what gives news an impact is the authority of the vehicle that carries it as well as the number and nature of the people who read, see or hear it.

A strength of the Web is its ability to present individual readers with a selection of content tailored to their interests. This is also a weakness, if it means that they are no longer exposed to what they haven't expected and didn't know they wanted. Readers shuttle backward and forward through a printed newspaper. Perhaps technology can find a way to do the same on a sheet of electronically activated plastic, and perhaps advertisers will be willing to pay the cost. Perhaps.

The internet has given newspapers a chance to use their own editorial and advertising databases to provide information beyond what is printed in the paper itself. Links to other web sites, beyond the newspaper's own, allow anyone pursuing information to explore the narrowing branches of an information tree, progressively getting additional details on matters of special interest. These can be presented in the form of text, still photographs or moving pictures.

Although new, improved display mechanisms are in the offing, the internet does not lend itself to sustained story-telling. Book publishers have rushed to put titles on the Web; with a Palm Pilot, a traveler can take a whole library along on a trip. A Stephen King novel was offered on line in short installments at a volunteered dollar apiece, but the

author was discouraged by the results. Would it have done better if it were sold in one piece?

In recent years, newspaper editors have been told repeatedly that people are “too busy to read”, and they have cut story length. In the age of the disembodied electronic news bulletin, the underlying assumption should be reexamined. There’s all the more reason to cover the news in depth, with wise interpretation, passionate commentary, and the kind of good writing that somehow just doesn’t quite work on a tube, a screen, or even a flexible tablet. As they strengthen their presence on the Web, newspapers will be forced to rethink and enhance the advantages of their traditional printed product.

12.5. Print and Electronics

Newspapers are going to die”, Frank M. Daniels III, former executive editor of *The News & Observer* of Raleigh, Virginia, predicted in 1996. He continued, “As printed, daily newspapers will disappear over the next 15 to 20 years”. At the same time, Roger F. Fidler told the Asian Advertising Conference that electronic papers would replace printed editions by 2005. Fidler, though wrong, is an innovator who had spearheaded a Knight-Ridder project to place an electronic newspaper on a tablet. (In 2005 he was pursuing the same idea on a computer screen).

When two such sensible and seasoned newspaper professionals agreed that the age of newsprint was ending, their prognostications had to be taken seriously - even though both pioneered the movement to go on line. Most editors and publishers have understood that electronic information services would grow into a true mass market. Almost everyone knew that newspapers had to gear up to deliver their output electronically to consumers willing to pay extra to access information selectively when they want it.

But will electronic services substitute for the printed word that now goes out daily in more than 58 million newspapers? If that were to happen as suddenly as Daniels and Fidler predicted, it would constitute a first in the history of media. Television, which indeed took about 15

to 20 years to achieve mass penetration, did not wipe out either radio or film, though it changed them - and print media as well.

Why can we be confident that printed newspapers will prosperously survive the electronic onrush?

- (1) Newspapers offer authority because they are tangible. Paper has permanence, at least in relative terms. It can be cut, torn, saved and referred to repeatedly. Handling it provides a tactile pleasure - even though the ink may still come off on one's hands. The computer display of the future may well appear on a lightweight, portable tablet as Fidler predicted, or on a thin, flexible plastic tablet, but it is unlikely to be folded, rolled up and carried about.
- (2) Newspapers are comprehensive. The computer screen provides a menu, just as the newspaper provides an index. But no reader scans the index or news summary and reads nothing more; the very bulk of the paper demands investigation, exploration and serendipitous discovery of unanticipated delights and shocks. The computer user must navigate past an array of icons. The printed paper requires no intermediaries, no preset paths to get to what the individual finds useful or interesting.
- (3) Newspapers offer efficiency. The eye can scan large quantities of information at a glance to zero in on whatever is relevant for the reader. A computer screen carries messages of limited length and requires further instructions and body movements to go on to the next step. Technological advances will increase the speed and ease of access, but will not easily duplicate the print reader's instantaneous coordination of eye, brain and hand.

While computers lend themselves well to the display of terse factual data, such as financial tables or sports results, they provide a far less comfortable medium for communicating narrative. Readers savor both the content and the style of a story, and move back and forth from what they are reading to what they have read and are about to read. They want to sit back, at ease.

- (4) Newspapers remain economical. The pricing of on-line news to the subscriber bears no relationship to the true cost of providing the content, in many cases because the printed product has already borne the basic expense of generating the text.

Media economics represent a delicate balance. The cost of newsprint keeps rising while the cost of electronic transmission drops. Publishers are learning how to make money by expanding their electronic services. Their real opportunity lies in the capacity to supplement printed reports with copy that never survives the editing process, and to link current content with related material from the archives.

Even when the subsidies stop, electronic news services will grow, providing limited, customized gobblets of information. But the packaged, printed product with mass appeal will best serve society's needs for years to come.

Today and on any given weekday, 105 million Americans will be reading a newspaper. The power of the press will not easily be stilled.

12.6. The Rise of Newspaper Web Sites

In 2003, three-fourths of American newspaper Web sites (including two-thirds of those run by papers under 50,000 circulation) were profitable and almost all of them were increasing revenues⁶². Most newspaper World Wide Web sites in the United States and Canada began in the mid-1990s. In a worldwide survey I conducted in 2000⁶³, responses came from 550 newspaper executives, including 242 in the United States and Canada. (As might be expected, the survey drew its heaviest response from large newspapers that already had established Web sites or were preparing to do so, and less response from smaller papers).

The longer a site had been in business, the more likely it was to be profitable. Other findings: The internet was not replacing the printed product. Audiences still were small compared with those for newspapers. The typical newspaper site got relatively few users in the

⁶² Survey by the Newspaper Association of America.

⁶³ On behalf of the Innovation International Media Consulting Group for the World Association of Newspapers.

course of a week, compared with the cumulative impact of its daily circulation. Yet three sites out of ten attracted more than 50,000 visitors each week. Most of the biggest newspapers got over 100,000 visitors weekly; worldwide, three-fourths of the largest papers get more than a half-million page views per week. For them, the Web was already a powerful mass medium.

Only 36% of North American newspaper Web sites were updated more often than once each day. But as one executive points out, “Real-time information is the key to success. The once-a-day publishing cycle is dead. Users demand information now, and if you don’t give it to them, they’ll find an alternate source that will”.

Serving small audiences, 85% of Web editorial staffs had five people or fewer. A small number tried to produce an original product, and 27% carried on journalistic initiatives of their own, at least occasionally. But three-fourths offer content that was mostly or entirely lifted from the newspaper itself.

Advertising potential remained unfulfilled. Half of the newspaper Web sites had a special advertising sales staff, while the rest relied on the print sales force. Typically, this staff was small (five persons or fewer), suggesting that newspapers were dedicating funds proportionate to their present modest Web revenues rather than to the growth potential. One executive urged, “Take advantage of your print sales force. They have a relationship with your potential advertisers that would take a long time to cultivate by a new online sales executive”. But a contrasting opinion from a survey respondent is that selling ads on the Web requires a specialized set of skills: “Getting newspaper sales people to sell ads on the Internet, even with training, is almost impossible”.

Although free information was widely available on the Web, some newspaper executives thought that their medium should have held out and charged consumers. Collecting marketing data from site users was a common procedure, and one suggestion was, “Don’t give it all away at the beginning. At least get personal data from the users if you’re afraid to charge money. Running your newspaper content right into a free Web site will cost you some paid circulation”.

One recurrent message was, “Move fast, or else someone else will. Persevere. Think expansively, and from the customer’s point of view. The world has changed, and newspaper companies must change. Do not pit print against electronic efforts, but make them cooperative and complementary”. Another respondent comments, “Often, newspapers want to wait and see what works for other papers before they jump into the Web waters. But what has worked for those other papers is the fact that they took the initiative and got in first”.

How were Web sites staffed? One survey respondent suggested, “Take a little time from selected members of your existing editorial staff to help build the site”. Another reported, “You don’t need to hire large numbers of new staff to build an attractive, profitable Web site”. And a third commented, “Always start small and grow your team as the need arises. Our group started as a department of two people and gradually grew to a separate company of about 40 people”. Also, publishers were warned, “Internet people are expensive in relation to our news team. They tend to have high financial expectations, want equity, and are vulnerable to being recruited away”.

Salary levels for people in this area are greater than that of the printed product, not to mention that those people are hard to find. Training and retraining represent a critical part of the venture. “The main issue is the ability to effect cultural change and get all staff to realize they are operating in a multimedia business”.

Are Web sites by-products of the printed newspaper or autonomous ventures that eventually may grow to dwarf their parents? A fourth of all responses, and even more on larger papers, indicated that the Web operation was separate; one fifth had the Web editor reporting directly to the company’s top management. But 55% of Web editors worked under the newspaper editor. Three out of five Web staffs {eight out of ten on the largest papers) were housed in the main newsroom, but those in separate locations were no less likely to derive most or all of their content from the printed newspaper.

There are differences of opinion on how the Web team should fit with the rest of the organization. One view is, “The Web site should be part

of the business, complementing but not replacing the printed paper”. Others think that the Web site should not be connected to the newspaper.

Some newspapers, like *The New York Times*, which began with a separate news staff, have decided to rely only on adapting content written for the print product. Many respondents in our survey stressed the importance of differentiating the two products. “The biggest lesson we have learned is the need to stay focused on it. We treated it as an after-fact of the printed product. We now see it as a very strong arm that we need to focus our time on”. A common admonition was, “Do not make a copy of the printed newspaper on the internet. There should be added value for the reader in the online newspaper”. Added value may take the form of content that interests only a limited segment of the public. “Our purpose is to get subscribers to some types of information that is special in nature, like prices of commodities in the market, and tenders and bids”.

“Simply hosting pages doesn’t work. You need to promote the portal with features loaded on it, such as free e-mail and chat rooms. It is better to have niche portals rather than a general Web site”. Adds another, “For generating visits and page impressions, it’s absolutely necessary to offer services like share prices, telephone charges, online charges, information about taxes, new jobs, education”.

Publishers were advised to take advantage of one of the Internet’s “unique characteristics, interactivity”. But this feature presents its own challenges.

“Readers on the Web are very impatient and less tolerant of shortcomings. If you mess up, they let you know immediately and in a not-so-nice manner”.

Newspapers have the infrastructure and the resources in talent and capital for success on the internet. But this takes patience and a large amount of trial and error. The Web is an entirely new medium. It cannot be entered merely as a cursory adaptation of what appears in print. It demands an integrated approach to information that soon will be delivered in audio and video form as well as through text.

This in turn will call for a fresh approach to the organization of both the editorial and advertising functions. It will require linking with other newspapers and other news organizations, tapping newspapers' rich archives and the vast amounts of information available from government and other independent sources. And it will require a better understanding of how the public acquires both its information and entertainment in an era when both are in overabundant supply.

As retail merchants develop e-commerce, newspapers might well take on the new and potentially profitable service of handling transactions for them. This goes beyond advertising, but builds on the newspaper's traditional role as a trusted intermediary between business and the public. As the internet becomes more complex, it requires a technically qualified sales force to educate customers about its uses. This, and the demands of the technology, will require commitment and capital on the part of newspaper companies to keep up with local and national competition.

As they plan their investments in the Web, publishers must carefully consider their accounting procedures. An executive may think a paper's site is breaking even because its advertising revenue covers its marginal Web operating costs. But this is a delusion if it does not also include a proper share of the newspaper's editorial and administrative expenses. Making the Web pay off takes time and effort. But newspapers have no alternative. This is what's happening.

12.7. Classified On Line

Of all the components in a traditional newspaper, text-only classified ads lend themselves best to the internet. They easily convert to the World Wide Web format, more so than illustrated display ads. Their brevity makes them easy to read on monitors. Most readers come to classified ads interested in the information they contain and ready for the active search process that the Internet encourages.

A 2001 study⁶⁴ shows that among a dozen newspapers in 10 countries, advertising contributes 40 to 87% of total revenue, and classified ads bring in 10 to 68% of the advertising in the paper itself — an extraordinary range. Individual categories of classified ads also show enormous variation; for instance, employment ads generate 6 to 61% of the total.

Employment ads represented two-fifths of 2003 Web income. Two years earlier, in the United States, almost as many home buyers named the Web a “most important source” of information as named newspapers. None of the newspapers studied reported that print business had suffered. Still, most publishers face stiff competition on the Web from specialized sites established by independent entrepreneurs as well as by associations of auto dealers, employment agencies and real estate agents.

Most newspaper executives expect the Web to become an increasingly important contributor to revenue. Unlike the dot-com companies that experienced both spectacular growth and a dramatic financial debacle at the start of the twenty-first century, publishers bring to the Web strong and familiar brand names and reputations for credibility and community service. This is universally recognized as their greatest asset in this new venture. As Wes Freas, vertical-products manager of the *Arizona Republic* in Phoenix, observes, “Finding a home, car and job are in most cases local decisions. That’s our competitive advantage”.

Without exception, newspaper executives are extremely optimistic about the future of Web classified ads. No one sees evidence that Web advertising has become more productive for clients than print, though in some instances it may be more effective at targeting prospective customers. Most people suspect that the combination of print and internet ads produces added value for advertisers.

⁶⁴ I prepared this for the World Association of Newspapers on behalf of the Innovation International Media Consulting Group.

Some newspaper Web sites offer an assortment of news and information that includes classified ads. Other papers maintain special sites for advertising categories such as real estate or automobiles, with the idea that these facilitate searches and compete better against independent Web services.

In some cases, newspapers also cooperate in arrangements that expand searchable databases. Such partnerships are hampered by the lack of consistent subject headings. A car purchaser may have to look for “automobiles” on one paper’s Web site, “cars and trucks” in a second, and “motor vehicles” in a third.

Publishers also lack a universal practice regarding the length of time classified ads are posted on newspapers’ Web sites. Some remain on line only as long as they appear in the newspaper, perhaps only a single day. Others stay for as long as 90 days.

Some newspapers automatically link Web classified ads to orders for print ads and adjust their rates accordingly. Others make Web advertisements optional add-ons. In some cases, they can be bought independently.

Publishers have not found a generally accepted formula for setting rates. These may be the products of marketing intelligence about the rates on competing Web sites, or whatever the traffic will bear.

In the print newspaper, classified display ads have different production requirements than text-only ads and often are sold differently. The distinction persists on line.

While text is easily assembled under appropriate headings, display finds its equivalent on the Web in banner, island and column advertisements that require art and sometimes video embellishments. Selling this form of advertising may demand a separate sales force and project manager.

In theory and practice, managers disagree on how to sell Web classified ads. Should they be handled by the newspaper’s salespeople, who have established relations with real estate firms, car dealers and employment

agencies whose contracts provide a large volume of linage and who typically represent the bulk of classified business? Or does the internet require a breed of specialist oriented to the demands of the computer age and unburdened by the baggage of the print tradition?

The answer depends on whether managers regard Web advertisements as an extension of print, sold and ordered jointly, or an integral part of a package of Web-delivered information. The *Atlanta Journal-Constitution's* classified Advertising Director, Dean Welch, counsels, "Keep your classified product in your classified department, with that manager. Integrate online selling into your regular print sales". But at other papers, online classified ads belong to the Web operation, a different company sometimes housed in a separate location.

Coordination problems can arise in spite of lip service to the principle of integrated selling. Rivalry between print and Web sales staffs may sharpen their competition to the point where customers regard the media as adversarial rather than complementary.

As yet, printed newspapers receive only a tiny percentage of their insertion orders on the internet, but this proportion will surely grow. Newspapers created Web sites by transferring text already composed on computer systems. This text was in most cases reconfigured and in many cases rewritten to meet the visual and search requirements that differentiate the computer monitor from the printed page. For classified advertising, the conversion has been simple.

At the same time, few newspaper publishers seem to have grasped the full potential of the internet to go beyond simple text display. Other entrants into the market have been more ready to offer users additional options: the opportunity to make immediate, direct contact with the advertiser and to receive or convey information, to submit resumés, or to take online virtual tours of homes. Such additional value for customers, along with the additional revenue opportunities they offer, require investments in technology and personnel that publishers generally have been reluctant to make.

The sheer volume of classified ads on a Web site makes scrolling through them a far more difficult and time-consuming task than

running one's eye down a column of printed text. Newspapers individually address the challenge of making their sites user-friendly by facilitating searches with key words and simple point-and-click graphics. But the engineering problems they encounter call for research solutions that might best be handled under the sponsorship of major industry organizations.

Internet technology changes day by day. Video streaming improves in quality and speed. Interactive capacities constantly expand. These developments do not mean that the text format, transferred from the newspaper's classified pages, will lose its place. It merely means that lists of cars and houses for sale, jobs waiting to be filled and people anxious to make acquaintances will be richly supplemented by other services.

Without exception, newspaper executives voice optimism about the continued importance and value of the traditional classified product as they envision further explosive growth of their Web sites. For the foreseeable future, print classified advertising will remain a mainstay of newspaper revenue. It should not be neglected as managers' attention shifts to the growing Web.

13. Where Next?

13.1. Priorities for the Press: How Global?

To what extent is the situation of U.S. newspapers unique, to what extent are they shared with the press in other countries?

Readership and advertising are the main preoccupations of newspapers everywhere, not just in the United States. But newspapers in different countries also face distinctive problems. In a 2001 survey⁶⁵, I asked the heads of national newspaper associations to rate the importance of twenty subjects on a scale from 0 to 10. The responses received from 37 executives in 31 countries show a wide degree of variation. Every challenge but one was rated 10 by some respondents, and every challenge but one was rated 0 or 1 by others.

To illustrate some of the features that make countries unique:

In Austria, one national newspaper with regional editions has 40% of the readership and is as big or bigger than the regional papers. The three leading newspapers have a combined readership of more than 80%.

South African dailies face “a mismatch of skills and jobs, AIDS, low literacy and the draining of editorial resources”.

In Brazil, purchasing power is concentrated in the same “higher classes” as newspaper readership.

By contrast, in Sweden, with a very strong newspaper-reading tradition, 93% of the circulation is home-delivered.

⁶⁵ I conducted this study for the World Association of Newspapers on behalf of the Innovation International Media Consulting Group.

In Russia, newspapers have failed to share in an overall advertising boom and publishers have failed to unite in their common interests.

Given such highly individual national situations, can newspapers agree on what is important and what is not? There are areas of consensus.

Among the countries represented, daily readership ranges from a high of 88% to a low of 16%. Maintaining and building circulation tops the list of challenges. Improving distribution ranks closely behind. Attracting young readers ranks high as a priority. In places as disparate as the Netherlands and Argentina, attracting new readers among the growing immigrant population is a top priority.

Newspapers' share of total advertising is as high as 52% in one country and as low as 7% in another. Classified represents between 46% and 3% of newspapers' total ad revenues. Concerns about advertising run closely behind those on readership. To a large degree these reflect the worldwide economic slowdown. But the problem is sharpened by some long-range trends — notably competition from television and radio. In a few places, competition from free newspapers is severe; in others it is considered of no importance.

All of the countries covered by our survey enjoy what would generally be considered a free press. Yet government interference and regulation are rated high in nearly a third of the responses. (The average rating, 5.6, is lowered by an almost equal number who consider this an issue of little or no importance).

Not all government restrictions involve freedom of expression. In Turkey the press faces “governmental interference in promotional activities”.

A revolutionary change in government may open new opportunities for the press. In South Africa, the end of apartheid has meant “the project of integrating readers rather than in the past where newspaper products were aimed at particular race groups is progressing well. The democratic transition has created an environment free from civil strife and media repression”.

The relationship between press and politics is often complex. In Japan, “The power of the press is very strong and newspapers lead public opinion. However, in terms of diversity [of opinion] we have yet to achieve a satisfactory level”.

Not all government restrictions involve freedom of expression. In Turkey the press faces “governmental interference in promotional activities”.

Under some circumstances, newspapers may actually welcome government actions that restrict the economic power of their competition. For example, in Italy, “broadcast advertising should be limited more rigorously”.

There is also a division on the subject of (government-set) high postal rates, which gets a top priority from nearly a third of the respondents and very low priority from others. The *cost of newsprint*, affected by tariffs, quotas and other government regulations, is also of considerable importance in many countries, but of little moment in others.

A conflict between national and local press interests gets a 10 rating in only one country, but is generally seen as unimportant, giving it the lowest score of our 20 items. By contrast, a substantial minority regard lack of long-term planning and investment as a major problem for the business. Here too the answers cover a wide range.

Government interference and regulation are rated high in nearly a third of the responses. In a few countries, criminal or terrorist threats to journalists are a serious problem. Labor relations are high on the list of priorities in a few places, but they generally receive a middling rating. A shortage of qualified personnel also falls into the middle range of priorities.

Competition from other media has challenged the editorial side of newspapers as well as advertising departments. Competing with 24-hour news in other media gets a very high rating from nearly half, while creating a multi-media news operation appears to be of less importance.

Is the industry plagued by a failure of newspaper publishers to unite in their common interest? Views on this point are highly dispersed from place to place, with a majority not identifying it as a serious problem.

A conflict between national and local press interests gets a 10 rating in only one country, but is generally seen as unimportant. By contrast, a substantial minority regard lack of long-term planning and investment as a major problem for the business. The panelists unanimously agree that in their own countries, for the rest of the current decade, newspapers will continue as printed products and not be replaced by electronic forms of distribution. About three out of five believe that newspapers will continue to maintain separate news operations, but a sizable minority say that newspaper newsrooms will be integrated into multimedia news operations.

Half of those responding foresee newspapers continuing to lose share of advertising. Twice as many say that classified will become a smaller part of newspaper advertising as say it will be a larger part. Opinion divides almost evenly between those who foresee a rise in average daily readership and those expecting a drop.

The main concerns of newspaper managements are focused on the business side of publishing rather than on the art of journalism. This focus is understandable, but it should not be forgotten that the economic structure of the press rests on the quality of what it offers the reader.

If a thread of pessimism runs through some of the responses, it should be offset by the realization that growth in the global economy and in advertising investments will inevitably resume. As they examine their priorities, shouldn't newspapers be placing even greater emphasis on the question of how to use their enormous resources to master the information technology of the future? In this respect, American newspapers share a worldwide concern.

13.2. Some Questions for Newspapers to Debate

American newspapers differ so greatly among themselves that they rarely agree on strategy to regain readership and advertising share. Here are some of the key areas on which the best minds in the business diverge:

1. Who pays? With newsprint and other costs rising, should the necessary revenues come from the advertiser or the reader? To stay competitive, some say that papers should avoid raising ad rates and instead charge readers more for a product that costs a lot more to produce than what they pay for it. But papers that raise their prices inevitably see some circulation drop, if only in the short run. Papers that occupy a unique market niche, like America's three national newspapers *The Wall Street Journal*, *USA Today* and *The New York Times*), may be better able to hold on to their prosperous readers when they raise the copy price, but most dailies are in non-competitive markets and also provide a unique information service for their localities.
2. Free vs. paid. One of newspapers' main values for advertisers used to be that they reached almost everyone in their markets. Free newspapers strive to recover this unique function. How long will it be before a general circulation daily decides to emulate this approach, without cutting its editorial quality or integrity? Would advertisers up their ante?
3. Reaching young readers. The new free dailies are primarily directed at the young people who aren't reading as they did or should. Most papers prefer to go for them with youth-oriented sections, "teen-age news" features and weekend entertainment supplements. Research shows that adolescents and young adults share many news interests with older ones. Is it counter-productive to single them out as a special category?
4. Changing format. In Britain, a number of national newspapers (notably *The Independent* and *The Times*) have switched to tabloid size (euphemistically labeled "compact"). This has proved popular with commuters and brought substantial circulation gains. However, the experience of continental European dailies that have cut page size indicates that after a short-term rise, circulation falls to its former level unless it is accompanied by new editorial elements that add value to the product. Cutting page size changes a paper's character and creates enormous hassles with advertisers over rates. Is the end result worth it?
5. Changing content. Do readers already know what's happening from news broadcasts and the Internet before they look at their

morning paper? If they do, why not cut story length and put the emphasis on easy reading rather than hard news? Well, a lot of people want to revisit what they already know, want in-depth analysis and opinion and want to dig into the hundreds of news items that never find their way into the news bulletins or headlines.

6. The wall. Has the wall between “Church” and “State” crumbled as more papers run special sections and supplements to attract advertisers looking for the right environment to reach customers with special interests? No paper will endorse a political candidate to please a big advertiser. But how should editors respond to more subtle influences as papers veer from hard news to become daily magazines?
7. Crusaders or neutrals? In the heyday of local competition, newspapers expressed strongly contrasting editorial opinions on everything from world affairs to local garbage collection. With most markets today down to a single daily, some publishers hesitate to offend any segment of their audiences. How strong and independent an editorial voice do readers want, or will tolerate?

Important as these questions are, newspaper executives usually don’t have, or make, much time to reflect on or debate them. There is always another edition to get to press, another technology upgrade to be made, another online or cable challenger to contend with.

The challenge for every management is to find the time to discuss these subjects with all the players at hand: editors, circulation, advertising, research and promotion managers. The big issues confronting American newspapers won’t be resolved unless the industry is thinking about them, hard.

