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Preserving the American Community Newspaper

in an Age of New Media Convergence and Competition

by

Steve Wilson

Under the Direction of David Cheshier

ABSTRACT

The intention of this project is to provide broad based and practical advice for American community newspapers. Print editions of papers have experienced stagnation and decline over the past several decades and today face an increasingly complex media environment, and as a result there is the potential for them to be rendered obsolete. Competition with technology based media, or *technomedia,* is the primary catalyst for this decline. Through a combination of background research and interviews with industry professionals, this project will attempt to develop tools for print newspapers to remain relevant and even profitable in the American media landscape of the 21st Century.

INDEX WORDS: Online news, Newspapers, Dailies, Internet, Circulation, Readership

Preserving the American Community Newspaper in an Age of New Media Convergence and Competition

Steve Wilson

A THESIS

Presented in Partial Fulfillment for the

Degree of Master of Arts

Georgia State University

Committee

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Stephen Michael Wilson

2005

APPROVAL

Preserving the American Community Newspaper in an Age of New Media Convergence and Competition

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List of Abbreviations

AJC- ***Atlanta Journal-Constitution***

AJS - Albuquerque Journal-Sentinel

ANPA - American Newspaper Publishers Association

ASNE – American Society of Newspaper Editors

CMI - Competitive Media Index

CNC – Corporate News Chain

DH – ***Daily Herald***

DMA – Designated Market Area

DT – (*Watertown) Daily Times*

FCC – Federal Communications Commission

JG – ***Janesville Gazette***

MDCP – ***Midwestern Daily Chain Paper***

MIT – Massachusetts Institute of Technology

MJS – ***Milwaukee Journal-Sentinel***

NAA – Newspaper Association of America

NCN – New Century Network

NWH – ***Northwest Herald***

PER – Print edition renewal

PI – Project Impact

RBS – Reader Behavior Score

RIA – ***Rock Island Argus***

Chapter One

Introduction: Newspaper Competition in a New Media Environment

"I've worked in the newspaper business for more than a quarter century - the last 10 years in online publishing. My family has published a daily paper in Connecticut since 1877, making me among its fifth generation in the industry. I'd like to see the newspaper industry survive into a sixth generation. But it won't happen in its current direction."

-Vin Crosbie, President/Managing Partner of Digital Deliverance LLC; from Crosbie, "What Newspapers and Their Websites Must Do to Survive," *Online Journalism Review,* March 2004)

Mr. Crosbie's prediction is a harbinger for his family's industry. As one participant in an increasingly complex media environment, newspapers can no longer take their traditional role as the nation's primary news source for granted. Changing definitions of the newspaper roughly correspond to the emergence of the newspaper itself, which has survived in one or another format for approximately seventeen hundred years. Today the newspaper remains the most trusted and comprehensive news source, but industry trends have subverted its economic viability, potentially setting the stage for imminent demise. Assessing the seriousness of these threats, and developing guidelines for daily newspapers to thrive given extremely significant new competition, is the subject of this thesis.

Newspapers first began to achieve a mass-market readership as of the 1830s (Currie, "Electronic Penny Press? Forecasts for the Future of Online Publications"" Academic Research Project, University of Florida, 1997, p.1). Well established as a mature industry by the 1920s, newspapers are today at a critical juncture. As Phillip Meyer writes in *The Vanishing*

Newspaper: " By 2001, newspaper household penetration was down to 54 percent. But while household penetration declined newspaper influence and profitability remained robust. Now both are in peril" (Meyer, Phillip The Vanishing Newspaper, Columbia, MO University of Missouri Press, 2004, p.5). Newspaper journalist Geneva Overholser relies on an even more drastic rhetoric of impending catastrophe: "The newspaper business often seems willfully headed toward extinction. It's not simply a question of not knowing any better – though it's true we know woefully little about ourselves, eschewing the research-and-development function other industries avidly pursue. The thing is, we even ignore what we do know" (Overholser, Geneva "Voices: Newspapers," *Columbia Journalism Review*, September/October 2002, p. 1). With respect to aspects such as skills training, credibility and other areas, Overholser indicates "A rather discouraging body of evidence that we simply don't want to know how to help ourselves" (Overholser, "Voices: Newspapers," p. 3).

While economic consolidation and industrial arrangements dominated analyses of the American newspaper industry in the 1980s, contemporary media market trends have shifted attention to the emerging competition between print dailies and their electronic rivals, namely technology-based media that are now widely referred to as *technomedia*. Rivalries among media format are nothing new, of course – radio was perceived as a threat to the newspaper in the 1920s, as was television in the 1950s and the Internet today. Yet the totality of the environment created by *technomedia* has placed the future of the newspaper *at great risk*.

In 1995 the New Century Network (NCN) was established. A consortium of nine major newspaper companies, the intention of NCN was essentially to unify online efforts for their

respective papers – papers then representing 85% of the dailies published in the United States ("Why 1998 Was the Turning Point for Newspapers," Digital Deliverance, June 9, 2004, p.2).

Despite internal strife early on, by 1997 NCN was showing some progress in achieving its goals. By 1998, however, industry trends were becoming increasingly apparent. Bob Cauthorn, Director of New Technology for the *Arizona Daily Star,* spoke at an *Editor and Publisher* conference in Houston. Cauthorn posed the following to the attendees: "Why are you just fighting defensive battles?" Cauthorn spoke of the "defensive and complacent" approach the industry was taking to address its very survival. He spoke of how the industry was merely defending its traditional practices, rather than embracing new media to develop new sustainable ones. Unfortunately, most of the executives who should have heard that speech had already left the conference. NCN dissolved later that year, perhaps foretelling what will happen to the broader industry unless new approaches are developed (Digital Deliverance, "Why 1998 Was the Turning Point for Newspapers," p. 6). One of the purposes of this project will be to demonstrate how, on behalf of the newspaper, such can be a winning fight. Gregg Jones, chairman of the Newspaper Association of America, provides a holistic overview of what general approach the industry must take: "Everything is now related to dealing with new competition, new cost pressures, new consumer demographics and behavior, and new opportunities to grow outside traditional definitions of what constitutes a newspaper" (Jones, Gregg "Looking Ahead, Just Beyond ROI," *Presstime*, March 2005, p.2).

In April 2001, the NAA held its annual conference in Toronto. As David Whelan describes, the publishers in attendance at this event "had little to cheer about" (Whelan, David

"Who's Reading the Paper?" *American Demographics*, 2001, p. 1). Industry trends were not promising for daily newspapers, especially with respect to competition from other forms of media, advertising revenue and declining trends in circulation. "Over the past decade," says Whelan, "the industry has consolidated, modernized operations, and even adjusted editorial content in an effort to boost circulation for advertisers. Nonetheless, today it still finds itself struggling to attract readers. Total morning and evening newspaper circulation has hovered around 60 million since 1960, despite increases in population and improvement in education levels." When conditions change, and the industry doesn't, the situation has become stagnant, and this is the current context for newspaper production: the industry remains profitable, but occupies a stagnated role in today's media market that clearly threatens future profitability. The intention of this project is to analyze past and current trends and to chart specific suggestions daily papers can embrace to prevail in the new media environment. While it may seem to be simple common business sense to "give customers what they want," it is important to take into consideration larger trends, societal and industrial, when applying this logic to the daily newspaper.

Other research on the newspaper industry, such as the Newspaper Association of America (NAA) "Leveraging Newspaper Assets" project, have focused heavily on empirical data documenting decline: circulation figures, readership trends, and so forth. While this information is an essential precondition of an accurate industry analysis, this project looks beyond a purely statistical analysis of the daily paper by going straight to the source. Representatives of a number of newspapers were directly contacted, and asked to specify how

their papers have recently adapted. Much of the information gleaned from these interviews is included here, but the critical information came from members of editorial and management staffs. The selected newspapers are located in media markets which encompass a total of four states in the Midwest, and represent an effective cross section of the readership landscape from a major city to smaller rural communities. The representatives of the papers contacted are not researchers but practitioners, and have accumulated considerable hands-on experience with the input they provided. Information from additional newspapers, from both articles and one additional interview, provide supplemental input.

In one respect, the newspaper industry does not presently face anything it hasn't faced before. As Philip Meyer discusses in *The Vanishing Newspaper*, newspapers have been "minimizing their decline" since the 1920's. They have been "adapting to a long string of new technologies that disrupted their then existing business models: radio, television, high-quality printing for direct mail advertising and high-quality print media" (Meyer, Phillip The Vanishing Newspaper: Saving Journalism in the Information Age Columbia, MO, University of Missouri Press, 2004, p. 32). Nevertheless, despite recent efforts to remain profitable, the industry cannot take limited gains for granted. Today's technomedia-saturated media environment is increasingly complex. Operating with one major competitor poses a particular challenge; operating with many drastically changes the dynamic.

Philip Meyer states that the industry is presently in a "harvesting" position. As a long matured industry, newspapers are now addressing their stagnant position by "raising prices and lowering quality" (Meyer, The Vanishing Newspaper, p.10). With this comes a heavy

dependence on name recognition to uphold circulation and profit; i.e., cashing in on a reputable brand name to the extent possible. Unfortunately, this approach is by its very nature desperate, only likely to exhaust resources that cannot be replenished. Specifically, "once harvested, the market position is gone" (Meyer, The Vanishing Newspaper, p. 10). As Meyers discusses, newspaper managers were in harvest mode at the beginning of the current century, ostensibly to foster "new ways of delivering news and advertising" (Meyer, The Vanishing Newspaper, p. 10). As an industry with a long history of success and profitability, this was a risky venture with little or no assurance of success.

Newspapers at risk

As Vin Crosbie has documented, summarizing Newspaper Association of America (NAA) data, newspaper print editions have experienced steady readership declines over the past four decades. "More than 80 percent of American adults read a newspaper in 1964, but only 58 percent did in 1997, according to NAA. In 2003, an estimated 54 percent read each weekday. Most analysts predict that fewer than half of adults will read the paper everyday by the end of this decade" (Crosbie, "What Newspapers and Their Websites Must Do to Survive," *Online Journalism Review,* March 2004, p. 2). Crosbie regards the decline in newspaper readership as

"accelerating. Most surveys predict that young people won't read print editions when they grow older. At one time it was generally accepted in the newspaper business that people are more likely to read newspapers as they grow older" (Crosbie, "What Newspapers and Their Websites Must Do to Survive," p. 2).

In addition to declining readership trends, circulation is another critical issue newspapers must confront. Crosbie cites a 2001 NAA sponsored study indicating that by 2010, only six years from now, just nine percent or adults aged 20 to 29 will be reading weekday papers.

"The effect of this trend on the newspaper industry has already been sharp. The combined weekday circulation of all U.S. dailies has dropped from 62.8 million in 1985 to 55.2 million in 2002. Just in the years since the start of the millennium, most major U.S. dailies have seen their weekday circulation drop between one and four percent. Many believe these trends in unchecked, herald a death knell for the printed newspaper industry within our lifetime. "By my calculations," [Dr. Phillip] Meyer archly remarked, "the last daily reader will disappear in September 2043. Most other analysts predict the demise will be sooner. Managing decline has long been a forte of the newspaper industry"(Crosbie, "What Newspapers and Their Websites Must Do to Survive," p.2).

Crosbie cites a speech made at a 1999 newspaper conference by Earl J. Wilkinson, Executive Director of the International Newspaper Marketing Association. Wilkinson mentioned a newspaper executive who sees his job as keeping profits high while overseeing a steady decline of his newspaper's circulation base – a "common situation" in today's newspaper industry. Crosbie discusses one media trend observable over the past 40 years, which he calls *gravitation*. The idea refers to the trend among media users towards "whatever mix of media vehicles that best satisfies each of their own unique mixes of generic and individual interests-mainly at the expense of generic media vehicles such as newspapers and traditional television

networks" (Crosbie, "What Newspapers and Their Websites Must Do to Survive," p. 6). *Fragmentation* is the more commonly accepted term for this trend, and it is clearly an issue newspapers must confront.

Crosbie describes three fundamental tactics the news industry must embrace to survive. First, it must use new technologies to match the existing cornucopia of information content to satisfy each reader's unique mix of interests. Second, the industry must understand that neither newsprint nor the Web nor digital editions nor wireless is the total answer, but a true convergence of all of them into a single unitary product will become necessary, even inevitable within the next ten years. The third and final step is to focus less on the industry's ability to produce content and more on its unique service of delivering a complete package of content to readers – a change requiring newsrooms and corporations to go beyond traditional definitions of "news" and "syndicated sources." As Crosbie puts it: "It makes no sense to transplant the generic publishing limitation of the analog press into 21st century media" (Crosbie, "What Newspapers and Their Websites Must Do to Survive," p. 7-8).

Given the enormity of these challenges, newspapers cannot thrive in a defensive mode. Managed decline is still *decline*, and therefore papers must stake out an identity claim. They must stress their pervasive and comprehensive nature and in doing so demonstrate why they are still the most important news source. This project aims to provide newspapers with some practical tools to assist in doing this. The tactics cited above by Mr. Crosbie represent an overview of the more specific action plan to be devised by this research project.

As defined by the Dowden Center at the University of Georgia, media convergence "represents the confluence of all different media content into different formats, the crossover of corporate entities into one another's turf, and the increased control of individualized content by media consumers. Convergence is a critical issue to media scholars and all students of media" (Dowden Center website, 2004, www.dowdencenter.com/futuremedia.convergence.asp). The MIT Media Lab's work on visual convergence illustrate how media players have "converged." Each of the following three circles represents one major segment of the media landscape: the broadcast/motion picture industry, the print /publishing industry, and the computer industry. Figure 1 represents the level of convergence overlap as of 1978; Figure 2 shows the evolution of this convergence as of the year 2000.

Figure 1: The state of overall media 'convergence,' as of 1978

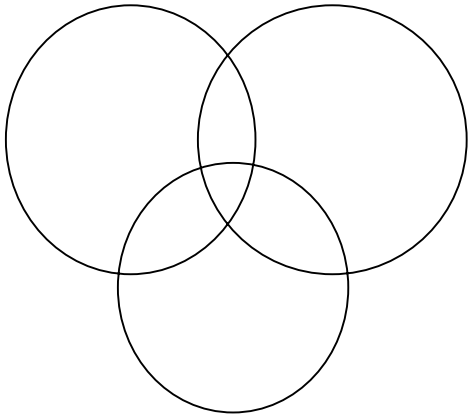
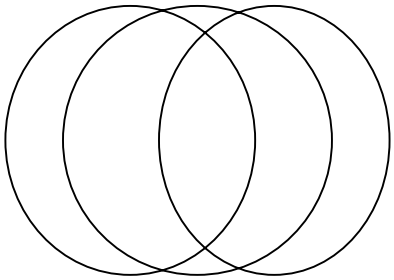


Figure 2: The state of overall media convergence as of 2000



Source: Fidler, Roger Mediamorphosis (Thousand Oaks, CA: Pine Forge Press, 1997, p. 26).
Diagrams are imprecise, offered for illustration purposes only.

Clearly convergence has continued unabated over the years. It remains to be seen if at some point, the model/diagram above will conflate into a single media circle or full media convergence, where all players have virtually equal roles as the standard for the merging market. The critical aspect of this question is whether emerging media markets will usurp the traditional gatekeeper function of the newspaper.

To Roger Fidler there are six fundamental principles to *mediamorphosis*. The first of these is *co-evolution/co-existence* – which occurs in an expanding, complex and adaptive system. The second is *metamorphosis*, the gradual evolution of new media out of the old forms. Third is *propagation,* where new media forms assume characteristics of older ones, i.e., common media "languages." The fourth is *survival*. The fifth is *opportunity/need*, where newer forms of media result from perceived societal needs, and not simply as new technology becomes available. Finally, the sixth principle is *delayed adoption*, the standard time period of one human generation (20-30 years at least) for new media forms to become economically profitable.

Several of Fidler's six steps speak directly to events presently shaping the newspaper industry. With respect to co-evolution/existence, newspapers have had little choice but to adapt. The second point, metamorphosis, speaks to how radio news emerged as a technology based supplement and potential competitor to the newspaper, which was in turn followed thirty years later by television news. New media have propagated themselves heavily by their affiliation with newspapers, with major examples including WGN Radio/TV and the Chicago *Tribune* company. With respect to the notion of delayed adoption, the New Media have become profitable (with the momentary exception of online news, which for the most part has not yet become independently profitable; still, online sources are not yet twenty years old). The emerging media environment is a complex, adapting system. From radio to the online news, New Media have evolved from the newspaper and has used its characteristics to come into its own.

It was not always taken for granted that different media forms could successfully co-exist. As recently as 1979, when the Massachusetts Institute of Technology's (MIT) Nicolas Negroponte suggested that overlapping media technology should be treated "as a single subject" his point was taken as novel. From his work and others the notion of *multimedia*, or media integration, was born (Fidler, Mediamorpohosis, p. 25).

Newspapers have, of course, sought to take advantage of new media opportunities by offering an ever-expanding number of online services, and this is clear evidence of at least limited convergence. Yet it may be a mistake to assume that this evolution will further reduce the number of media outlets. As Fidler notes, "Common assumptions that the present convergence will lead to fewer forms of communication, or ultimately to the demise of

established forms such as newspapers or magazines, are not supported by historical evidence" (Fidler, Mediamorpohosis, p. 26). Despite the dislocation which convergence threatens to bring upon the print newspaper industry, Janet Kolodzy offers a positive outlook on convergence: "Convergence means cooperative relationships between television, online and print media. In places where this already exists good journalism still flourishes" (Kolodzy, Janet "Everything that Rises," *Columbia Journalism Review,* 2003, p. 1). "Few people get their news from one source anymore," says Kolodzy. "Just look at the ways people got news about the war in Iraq. They used TV for immediacy, online for diversity and print for context. Journalism's adaptation to that fragmentation has been sluggish."

There is also the issue of geographical reach. Newspapers and the Internet have fundamentally different geographic markets. With the prominent exception of Gannett's *USA Today*, almost all American newspapers are sold within the parameters of a specific geographic area or location. The Internet obviously lacks such a restriction.

Within the context of his notion of *mediamorphosis*, Fidler has defended a "30-year rule" (Fidler, Mediamorpohosis, p. 9). Initially coined by Paul Saffo of the Institute of the Future of Menlo Park, CA, the idea holds that there is a "relatively consistent pattern of accelerated development" common to a new media technology. This pattern unfolds in three moments, each lasting roughly a decade. In the first decade, new *technomedia* evoke considerable excitement. The second decade tends to be characterized by a medium's increasing penetration into social conventions and considerable flux within the new medium itself. In the third phase a new *technomedia* becomes standard and accepted. Saffo also coined the phrase *technomyopia*, which

occurs when a culture mistakenly overestimates the "potential short term impacts of a new technology" (Fidler, Mediamorphosis, p. 11). This three-part pattern operated with all the major media developments of modernity – telegraphy, photography, radio, television – and now it is clearly at work with the Internet and online news. Yet as opposed to being technomyopic, I contend that the impact of online news and other technomedia has not been overestimated. With respect to, readership, circulation, advertising, and branding, the direction of the print daily is at best stagnant, if not imperiled. Despite localized success stories the print component of the newspaper industry cannot be assured of future profitability. Proactive steps must be taken for the print newspaper to remain a significant part of the media landscape.

Recent Media Ownership Legislation Trends

One way to put some additional perspective on the emerging media environment is to understand the legislative environment which created it. As Roger Fidler discusses, the constitutional framers, in drafting First Amendment press freedoms, were mainly motivated by the terrible experiences of British press censorship (Fidler, Mediamorphosis, p. 122). A century and a half later, however, a re-evaluation of the U.S. government's mandated role in preserving media freedoms became necessary as electricity facilitated the growth of *technomedia*.

The 1934 Communications Act empowered the Federal Communications Commission (FCC) to regulate and allocate the communications spectrum. Specifically, the spectrum must be upheld and maintained with respect to the maximization of "the public interest, convenience or necessity" (Gomery, Douglas "The FCC's Cross Ownership Rule," A Report by the Economic

Policy Institute, 2002, p. 2). It is important to note that while the law specifically regulated the for-profit broadcast communications industry, its larger purpose was by no means strictly limited to profit maximization. Promotion of "a vibrant democracy" has become an equally important factor here: "To this end, we need to abandon the pure free market economic approach that assumes that profit maximization is the paramount goal of a media enterprise. Because newspapers and broadcasters are not simply firms reducible to profit-generating equations but rather are large, complex social, cultural and political institutions, they need to be analyzed through an institutional economic model that takes into account externalities, both positive and negative, that have an impact on the public welfare" (Gomery, "The FCC's Cross Ownership Rule," p. 2).

This reasoning underwrites the most important communications guidelines implemented since the ratification of the First Amendment. Ideas are treated not simply as another commodity, but as an essential complement to the free society Americans are striving to build for themselves. Although this initial guideline was critical, subsequent debates and legislation set in motion an ongoing debate which continues to this day.

In 1941, Congress initiated Local Radio Ownership and National Television Ownership Rules. Broadcast company owners in both radio and TV were prohibited from owning outlets able to reach more than 35% of the nation's homes (PBS, Media Regulation Timeline, p. 1). This landmark legislation, when combined with the earlier Communications Act, represented the first of many Federal laws and regulations designed to manage the rapidly changing media landscape. Four years later, the United States Supreme Court in *Associated Press v. U.S.* wrote; "The widest

possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public." This phrase encapsulates the argument for placing limits on cross-media ownership, and remains in force to this day (Hickey, Neil "Media Monopoly: Behind the Mergers," *Columbia Journalism Review*, 2002, p. 1).

The evolution of cross-ownership guidelines has continued. In 1970 the Newspaper Preservation Act was passed, preserving twenty-two existing "joint-operating agreements" (JOA's) but limiting the creation of future ones to U.S. government approval. Under JOA's, two newspapers are merged with respect to advertising, business and production departments while editorial and newsroom components remain separate. Subsequent federal court decisions have upheld this act.

With respect to newspapers, these legal actions came to a watershed in 1975, when the FCC enacted the Newspaper Cross-Ownership Prohibition Act (PBS, Media Regulation Timeline, p.1). This law, upheld by the U.S. Supreme Court in 1978, essentially prohibited joint ownership of both a newspaper and a television station in the same market. As Jonathan Knee of Columbia Business School notes: "When the broadcast/newspaper cross-ownership restrictions were adopted, the three television networks of the time held more than 90% of the viewing audience and only 17% of households subscribed to cable." Furthermore: "The cross-ownership rules were only part of a broad collection of regulations put in place in the 1960's and 1970's (most others have since been modified) to prevent one party from owning more than a single local outlet. In the media environment of 1975, this regulatory perspective

was at least understandable, if not necessarily justified" (Knee, Jonathan "Should We Fear Cross Media Ownership?" *Regulation*, 2003, p. 16-17).

Knee's comment speaks to the ongoing debate regarding media cross-ownership, a debate which reached another critical juncture one year ago. On June 5, 2003, the FCC voted 3 to 2 to lift restrictions on media cross-ownership in the same city. Specifically with respect to newspapers, the FCC "revised the rule limiting cross-ownership of a newspaper and a broadcast station in the same market. The only exceptions to these provisions are newspaper/broadcast cross-ownership arrangements which were 'grandfathered in' prior to the 1975 ruling," a prominent example of this being the Chicago *Tribune* and WGN-TV and Radio.

Early predictions regarding the impact this decision would have on news quality were largely negative. The Commission received some 750,000 highly critical responses to their decision (McChesney, Robert and Nichols, John "Standing Up to the FCC," The Nation, May 15, 2003, p. 16) and both Democrats and Republicans in Congress expressed reservations about relaxing the restriction. Commissioner Copps spoke with particular vehemence regarding the "enhanced gatekeeper control" exerted by a handful of media companies over the nation's news discourse:

> "Two very divergent paths beckon us. Down one road is a reaffirmation of America's commitment to local control of our media, diversity in news and editorial viewpoint, and the importance of competition. This path implores us not to abandon core values going to the heart of what the media means in our country. On this path we affirm that FCC licensees have been given very special privileges and that they have very special responsibilities to serve the public interest. Down the other road is more media control by fewer corporate giants. This path surrenders to a handful of corporations awesome powers over our news, information and entertainment. On this path we endanger time-honored safeguards and time-proven values that

have strengthened the country as well as the media" (Copps, Michael "Statement of Commissioner Michael J. Copps- Dissenting," FCC Press Release, June 2, 2003, p. 1).

Copps was especially concerned that the FCC's decision would pave the way for a single company to own not only a given community's only newspaper, but up to three of its TV stations and eight of its radio stations, as well as the local cable system. To name just one hypothetical, this could mean that one company might buy the *Atlanta Journal-Constitution*, the local news affiliates for the "Big Three" national networks, Comcast, and the top eight radio outlets in town. If that company happened to be Turner Broadcasting, which of course already owns CNN, Copps' worst fears would be confirmed. One corporate entity would have a virtual lock on the Atlanta news market.

Newspaper industry professionals have long expressed reservations regarding cross-ownership among broadcast and print outlets. As Lieberman and Davidson argue:

"Those who wanted to keep the cross-ownership restrictions fear that the public will end up with fewer independent sources of information and opinion about their communities. Important issues may be ignored if the leading newspaper and TV news organization, which used to compete, end up covering the same stories and may even use the same reporter. The danger would be compounded if the media consistently shared a point of view when expressing their editorial opinions" (Lieberman and Davidson, "Five Ways the FCC Altered the Media Landscape," *USA Today*, 2003, p. 2).

While Congress eventually did not support the rulings, the incident rightly provoked discourse about preserving an open marketplace of ideas in American media.

At one point in Zanesville, Ohio, the only newspaper, television station and radio outlet in town were owned by the same company. According to research done on Zanesville residents

in comparison to other local communities, concerns regarding local cross ownership are well founded. Zanesville residents, with the same "ultimate news sources," as it were, tended to be less well informed, receive less news and used less non-local media to get their news. Furthermore, Zanesville residents reported a higher level of "public acceptance" of their media (Compaine and Gomery, Who Owns the Media? Competition and Concentration in Mass Media, 2000, p. 46-47). In other words, they were more likely to believe what their local media reported and thus less likely to seek out alternative viewpoints from other media sources, local or otherwise. "Newspaper-television cross ownership increased story overlap between the co-owned media by 17% compared to similar independently owned media," with "potentially harmful" effects. Subsequent to the legislative ban, newspaper-broadcast cross ownership has virtually disappeared in the U.S. (Compaine and Gomery, Who Owns the Media? Competition and Concentration in Mass Media, p. 47).

The legislative environment is one set of conditions under which newspapers both have and continue to function. The other, and perhaps more significant one is the ongoing multimedia environment, with respect to both the rise of technology-based media as well as the rise of the corporate newspaper chain. Chapter two will provide an overview of each, as well as provide a starting point for newspapers to remain the prominent news source.

Print editions of newspapers offer a level of comprehensiveness and accessibility not offered by any other news medium at present. Randy Siegel, President and Publisher of *Parade* Magazines describes them as such: "Once consumers are exposed to this medium, they actively seek it out because it is lightweight, portable, spam-free, cookie-free, keyboard-free, simple to

operate and astonishingly inexpensive to receive–not to mention disposable" (Siegel, Randy "The Oldest Medium Still Matters," *Presstime*, December 2005, p.1)

One could argue that market forces and market forces alone should determine the fate of a given media outlet. This rationale is fine if you are a conservative politician running for office. Yet if you are a newspaper industry executive you are justifiably moved to work to secure your products' place in the market. This project is designed to offer at least a few ways this can be done.

Chapter Two

Historical Overview and Recent Trends Regarding Newspaper Competition in the New Media Environment

"Newspapers are facing unprecedented structural change and complexity due to evolving consumer demographics and shopping behavior, transformations within our advertisers' industries, technological advancements, and emergence of new competitors. These trends suggest that newspapers' current business model needs transformation, perhaps sooner than many expect."

– Barbara Cohen and Craig Kaczorowski, "Forecast 2005: Looking Beyond the Horizon" *Presstime*, 2004, p. 1

The Corporate Newspaper Structure

Two interrelated trends have led to the increased group ownership of newspapers. The first was a decline in the overall number of daily papers. As Demers notes, 559 dailies have been merged or consolidated out of existence, with more than half of the disappearances occurring between 1937 and 1943. This represented a remarkable six-year 28% decline in the number of U.S. dailies from the historical high, a number which would never again be reached and based on long-term trends likely will never be.

The second and most critical factor in the consolidation trend is the rise of the corporate newspaper chain, or *CNC*. With important developments in journalistic news writing, such as a greater emphasis on fact-based reporting and the "Inverted Pyramid" style, the Civil War years saw the most explosive growth in the industry. A product of the Industrial Revolution, the number of mass-circulated newspapers proliferated as the national economy developed. By 1900

there were 1,967 dailies in the United States, of which 1,940, or 98.6 % were independently owned.

Acquisition and ownership of U.S. dailies by CNC's occurred during two main periods. Between 1900 and 1930, the percentage of papers owned by CNC's rose from 1.4% to 16% percent of all dailies (Demers, David The Menace of the Corporate Newspaper: Fact or Fiction Ames, IA: Iowa State University Press, 1996, p. 46). Acquisition of dailies by CNC's virtually halted during the Great Depression and the Second World War. Although numerous factors contributed to this, the most significant was competition from radio news, thereby initiating the newspapers' tenuous and permanently conflicted relationship with *technomedia*.

In his dissertation "A Logistic Regression Analysis of the Economic Factors Affecting the Survival of Sister Newspapers in the United States," Greg Lisby studied the nature of newspaper competition as of the late 1980's. His specific focus was on the relationship between so-called "sister papers," morning and evening papers "competing in the same market and yet published by the same company" (Lisby, Gregory C. "A Logistic Regression Analysis of the Economic Factors Affecting the Survival of Sister Newspapers in the United States," Knoxville, TN , University of Tennessee, Dissertation, 1988, p. 1). In reviewing how "chain ownership provides greater financial resources to pull a paper through hard times" as well as "also generating pressures for profit performance," Lisby demonstrates an understanding of the momentum of the American daily.

Umstead (Umstead, Matthew "Effects of Ownership and Circulation on Editorial Presentation in West Virginia Newspapers," Dissertation, Morgantown, W. Va.: (West Virginia

University Libraries), 2000) analyzed newspapers in West Virginia to analyze the effect of corporate news chains on editorial news content. While his work focused primarily on news/editorial content, he also makes a broader point which underscores ongoing trends: "Mass syndication and chain-owned newspapers have gained a dominant voice in American print journalism in the last twenty-five years. Similar to the first chains established by E. Howard Scripps, William Randolph Hearst and Joseph Pulitzer of a century of more ago, newspaper chains have enhanced control through their metamorphoses into large media conglomerate corporations." Umstead's final conclusion was that "The new fourth estate cartel has molded the voice of news editorial to protect its advertising sector and corporate bottom line" (Umstead, "Effects of Ownership and Circulation on Editorial Presentation in West Virginia Newspapers," p.8).

Clearly newspapers have become primarily a corporate chain product and will likely remain so, with all the implications therein. As Fred Goodman: "Dutifully, newspapers each day fill column after column with details of the latest strategic moves and thinking. Often left unasked: What is the newspaper's part in the story?" (Goodman, "On Fitting In," *Presstime*, 2005, p. 1). For this he provides a case in point. The Walt Disney Company's recent $19 billion acquisition of Capital Cities/ABC Inc. also included the net purchase of eight daily papers (including the *Kansas City Star* and the *Fort Worth Star-Telegram)* and dozens of weeklies. At the time of the deal, the FCC Newspaper-Broadcast cross-ownership rules were under review. While the repeal of these rules was overturned, the question remains – will the legislative

environment allow or encourage multimedia giants such as Disney to aggressively continue to promote their print news efforts? And if so, how can they do so the most effectively?

Clustering

Justified or not, newspapers have felt economically threatened and thus have reacted defensively to the emergence of technology driven media. Copeland and Martin regard the end of the Second World War as the point at which the afternoon and daily began to go extinct, the result of everything from television news to increased traffic congestion in major city centers, which undercut the ease with which papers could distribute afternoon editions as effectively as they had been doing: "No one factor killed the newspaper, but all of these factors convergence to ensure the demise of the afternoon or evening newspaper" (Copeland, David and Martin, Shannon A. "The Function of Newspapers in Society – a Global Perspective," in Agnes Hooper Goetlieb (ed.), Newspapers in the Twentieth Century (Westport, CT: Praeger, 2003,) p. 131). CNC's such as Gannett (the most newspaper oriented CNC), Thomson, Knight Ridder, Cox and others are "swapping properties like baseball cards, unloading papers that don't fit their geographic strategies and acquiring ones that do" (Bass, Jack "Newspaper Monopoly," *American Journalism Review*, 1999, p. 1).

Different CNC's use varying terms for this practice, but the most common one is *clustering*. Clustering can be described as the "brainchild" of New Jersey newspaper businessman William Dean Singleton. After engaging in the first tax-free exchange of newspapers in the mid-1980s, he purchased two newspapers located within thirty miles of each

other. He also coined the term, which Jack Bass has defined as "the geographic concentration of interconnected companies and institutions within a field" (Bass, "Newspaper Monopoly," p. 6). Common features of early clusters have included consolidation of production, acquisition of high-tech research tools, new ad sales strategies, and shared content and journalistic expertise (Asher, David M.. "Welcome to Clusterland," *Presstime*, May 2002, p. 4).

David A. Asher of the NAA spearheaded a project to measure the ongoing effect of clustering: "True clusters involve cooperation in one or more areas such as advertising, content, marketing or production. However, the mere presence of jointly owned properties can provide some sort of enhanced market presence" (Asher, "Welcome to Clusterland," p. 1-2). Asher cites statistics which show the number of clusters had increased to a total of 223, or a jump of nineteen in one year. And 2001 circulation among dailies within existing clusters rose by forty percent. Most significantly, Asher states: "In some cases, clusters may be merely an interim step to full media convergence," as "liaisons between radio and television stations have become routine, and partners often share a common Internet brand, yet it remains a novel idea to tie in print (to such arrangements)" (Asher, "Welcome to Clusterland," p. 2). For the sake of their print holdings, the novelty of print tie-ins is likely to become a standard.

While there are clear economic advantages to clustering, the impact on the nature and quality of news information provided by such papers is uncertain. From Bass's description, clusters are in effect by their nature geographic. As such, close geographic proximity threatens to undermine the "diversity of journalistic voices" the Federal Communications' Commission was created to uphold, a fact that will discussed later in greater detail.

Circulation

Circulation trends are another serious issue for the modern newspaper industry. According to the NAA's 2004 Facts about Newspapers research report, after a circulation peak in 1996 of 60,797, 814 on Sunday, this figure is down to 58,494, 695 for 2003. Evening papers have also experienced a precipitous decline, from 16,717,737 in 1993 to 8,255, 136 a decade later. Morning editions have hovered around 45 to 46 million since 1997 representing slight yet not necessarily sustainable increases (2004 Facts about Newspapers; A Statistical Summary of the Newspaper Industry, NAA, 2004). These figures are particularly sobering for smaller papers. For dailies with circulations between 25,000 and 49,999 for the same survey period, a 1.2 percent decline in circulation was standard, and this figure was 1.8 percent for papers with circulations under 25,000 (Albers, "Attracting Younger Readers," *Presstime*, April 2002, p. 1).

Newspaper syndicates are particularly hard hit by fluctuating circulation revenue. Dave Astor of *Editor and Publisher* concluded: "This is not an easy time for syndicates." Since 1985, newspaper syndicates have closed 220 general-interest dailies, a twenty percent drop in the number of daily papers. Astor indicates that while some syndicates will survive this trend, they will have to significantly revise their content to do so (Astor, "Now Longer the Cat's Meow?" *Editor and Publisher*, 2002, p. 10). This assessment is fully applicable to the industry as a whole.

Phillip Meyer regards circulation as the "consistent" measure of the state of the newspaper industry. This is so because, in his words, it is "audited and publicly available" (Meyer, The Vanishing Newspaper, p. 78). Rather than simply looking at "raw" circulation,

Meyer opts for a refined set of circulation measurements. These include, first, focusing on home county circulation; this tends to reflect the most accurate data regarding local census figures and advertising. Second, focusing on *penetration;* or *circulation divided by households;* this is an effective gauge of how well a paper relates to its community. Third, circulation should be treated as *dynamic variable*, examined over time; this allows autonomy for editorial decision-making regarding the robustness of its circulation.

The example of the *Los Angeles Times* is indicative of the now-rocky, risky environment for daily newspapers. The development of the *Times* under publisher Otis Chandler had been, in the context of American journalism history, "one of the stories of the century" (Prochnau, William "Down and Out in L.A." *American Journalism Review*, January/February 2000, p.2), and even in the late 1980's the *Times* remained an extremely profitable news organization. Yet by the late 1990's it had fallen into disarray due to high-level mismanagement and what the industry refers to and *ego-circulation*, a term referring to a paper operating in markets that do not generate significant revenue. One can clearly conclude from the experience of the *L.A. Times* that a daily must not only make sound business decisions, but must also be in a position to connect with its respective markets.

Perhaps the research project closest in design to this one is the one undertaken by the Inland Press Association in Illinois. Its "Cost and Revenue Study," undertaken in conjunction with its analysis of overall circulation trends, determined that "top performing newspapers have achieved substantial gains in profitability, particularly through classified growth, without sacrificing spending in news-editorial departments" (Craig, Randy, Inland Press Association,

"Cost and Revenue Study," 2004, p. 1). Although circulation is only one factor in judging newspaper health, it is important to note that all but one of the papers Craig studied had a daily circulation lower than 75,000. As the vast majority of newspapers nationwide are smaller papers this study defends an important point: Regardless of the readership available to a specific paper, whether 7,500 or 7,500,000, fundamental tools are available to any paper for enhancing readership and profitability. This project will elaborate these tools and present them in the context of workable guidelines, which ostensibly can be followed by any type of newspaper.

Despite their now precarious situation, it is important to place newspapers within the context of their survival *potential*. Localized optimism doesn't disprove larger industry trends. It is frequently noted that despite the regular predictions of impending doom newspapers have faced since the 1920s, they have managed to survive. Chip Brown makes the point that the industry has some measure of inherent survivability. "It's a safe bet the $54 billion newspaper business is not about to sink into oblivion tomorrow," says Brown. "By some measures the industry is the healthiest it's been in more than a generation. Ad revenue was up 6.3 percent in 1998. Circulation numbers have stabilized after two decades of steady decline: Yes, the numbers were down last year in seven of the top ten markets, but they were up in 19 of the top 30, and the bottom line according to the NAA is that newspapers are still among the most profitable media companies" (Brown, Chip "State of the American Newspaper: FEAR.COM," *American Journalism Review*, June 1999, p. 5). Brown goes on to note that newspapers remain profitable "despite their infatuation with the web." The NAA's spring 2003 Competitive Media Index (CMI) showed that in the top 50 media markets, newspapers continue to reach eight out of ten

adults over the course of a given week (Owens, Shelia "NAA Finds Newspaper Readership Steady in Top 50," NAA, 2003, p. 1). With respect to daily readership, CMI reports that more than half of all adults in those same markets are reading a newspaper daily. As NAA President John Sturm has pointed out: "Newspapers don't happen to be on when you're in the room. If you're reading a newspaper, you're engaged in it – and eight in ten people choose to be engaged each week." (Owens, "NAA Finds Newspaper Readership Steady in Top 50," p. 1). Sturm commented on the "importance" of newspapers in the lives of readers. "When you look at the impressive number of people reading the newspaper every day, you get a sense of how important it is to their lives," he notes. "The daily appetite for newspapers tells advertisers that newspapers are delivering the reader base that advertisers value, particularly in a difficult economic climate" (Owens, "NAA Finds Newspaper Readership Steady in Top 50," p. 1). From indicators such as these, there is at least the *potential* for newspapers to reestablish themselves as the single most important news source. Nevertheless, these slight rebound statistics do not negate overall decline for the industry, and the implications therein. When you look at the overall state of the industry over the past four to five decades, newspapers remain in a stagnated position and thus in some degree of jeopardy.

Walter Lippmann spoke to the unique relationship between a newspaper and its community some fifty years ago: "American newspapers large and small, and without exception, belong to a town, a city, at the most a region." Lippmann argued that the secret of a "truly free press" is its participation in a decentralized system ownership and management (quoted in Overholser, "In the Age of Public Ownership, the Importance of Being Local," *Columbia*

Journalism Review, November/December 1999, p. 1). Dailies succeed because they are part of their particular local establishment. What remains to be seen is if they can continue to remain profitable and relevant in the face of ongoing media mergers and in the perpetually evolving media environment.

A newspaper's local orientation and community relationship

The local orientation of a newspaper is not the only factor making it important to a community, but also the comprehensiveness of its coverage. Maintaining local connectivity is obviously vital to a paper's ultimate survival. Newspapers are well aware of this fact, as exemplified in a series of ads run by the *Atlanta Journal-Constitution* in February 2004. One showed a young Atlanta professional with the caption: "On ajc.com, Maria Vasquez found a review of last night's Democratic debate, a big accident on I-285 that would make her drive downtown slower, and five new responses to her personal ad." The example may be hypothetical, but the range of news emphasized here is typical of the newspaper's online edition, which remains the only news medium capable of addressing political coverage, traffic, and a subscriber's social/personal life all at once. The ad closed by stating: "All the things you're interested in, and whole range of things you will be."

Newspapers have seen success at promoting local charities and other causes, augmenting their perceived roles as community pillars. The *Sagit Valley Herald* in Washington State sponsors an annual Christmas Fund for needy children, including an annual Christmas party and a year-round food drive, among other items. The *Milwaukee Journal-Sentinel*, in partnership

with the U.S. Postal Service, began a literacy program which remains in operation. Numerous other papers of varying sizes and geographic locations engage in similar projects, ranging from local heritage festivals to benefits for cancer research. As Gyles puts it: "Few organizations are in a better position to bring communities together and build on their strengths than newspapers" (Gyles, Barbara Z. "25 Ways to Promote Your Community," *Presstime*, November 1999, p. 1). Clearly newspapers can play an important community function beyond their role as purveyors of news information.

Regardless of the state of the newspaper industry, its vitality is also linked to the level of sustained readership *longevity*. An important perspective here is that or Dr. Eric Meyer of the University of Illinois and vice-president and co-owner of Hoch publishing. An expert in newspaper design, Meyer attributes daily circulation losses to societal factors rather than industrial ones: "The single statistic most closely related to whether a person subscribes to a newspaper is the length of time he or she has spent as a working adult living in his or her current residence, particularly if it is a home he or she owns. A mobile society is a less-likely-to-subscribe society" (Meyer email, 2004). The NAA cites its own data to confirms this:

> "Because of declines in readership since 1997, we now find that only individuals who have lived in a community for more than 10 years are particularly likely to be regular readers. Newspapers readership and usage of other traditional media has declined essentially equally among owners and renters, though renters remained much less likely to read" (NAA, "Leveraging Newspaper Assets," 2000, p. 34).

This same study documented that 56% of homeowners surveyed regularly read the local newspaper, while only 39 percent of renters do (this reflecting 1997 data). By 2000, these numbers had dropped to 51% for owners and 31% for renters.

Meyer's larger point connects the success of local newspapers with the level of connectedness readers feel with their local paper: "The more a person feels as if he or she is directly impacted by or has direct control over the news covered in a newspaper, the more likely he or she is to read that newspaper. How closely people identify with a community is an essential factor. The more disconnected from societal institutions and, in particular, politics and government we as a nation become, the less likely we are to read a newspaper" (Meyer email, 2004). Meyer understands the central significance of overall circulation, but notes that circulation tends to be higher among smaller papers in smaller, suburban and rural communities than in major metropolitan markets. Hence, as Lippmann indicated and the experience of the *Los Angeles Times* showed, a closer identification with community translates into greater loyalty to one's local newspaper. To preserve this loyalty, the research implies that newspapers will have to accept a revised role in an emerging media landscape.

The rise of *technomedia*

In April 1924, at the annual meeting of the Associated Press, the emergence of radio as a tool for news distribution was discussed as a "topic of concern" (Jackaway, Gwenyth L. Media at War: Radio's Challenge to the Newspaper, 1924-1939 Westport, CT: Praeger, 1995, p. 14). Shortly thereafter, the American Newspaper Publishers Association established a committee to

examine the implications of radio broadcasting for the newspaper industry. Their report, issued in 1927, provided some level of comfort and encouragement. At that point, some 48 U.S. newspapers owned radio stations, 69 sponsored programs run by stations they did not own, and another 97 provided on air (Demers, The Menace of The Corporate Newspaper: Fact or Fiction, p. 48). The high levels of reported media interpenetration seemed to show that newspapers were effectively using the new medium to promote themselves and were achieving some measure of success.

Nevertheless, the newspaper industry continued to harbor concerns about radio. Initially, most radio stations lacked the resources to provide news coverage at a level anywhere near the one provided by newspapers. Perhaps for this reason newspapers were willing to embrace a complementary relationship with the new medium, running stories on radio technology and promoting radio in other ways. The most prominent early example of this was the *Chicago Tribune*. Its radio outlet, WGN was essentially a mouthpiece for "the Trib," proclaiming it as the "world's greatest newspaper" (Jackaway, Media at War: Radio's Challenge to the Newspaper, p. 12). Radio was simply a high-tech supplement to newspapers, billboards or other traditional promotional methods.

However, the introduction of radio ignited a major concern among newspaper industry ranks. They soon became concerned that their roles, and perhaps their very livelihoods, would be undercut by new, cutting-edge media technology. The so-called Biltmore Agreement of December, 1933 achieved an early compromise between newspapers and radio. The deal essentially guaranteed that the print media would retain its traditional news and information

function while radio would assume a primarily entertainment function. In 1934 a ten point agreement was reached by the American Newspaper Publishers Association (ANPA) National Radio Committee to limit competition from radio, but this agreement was largely ineffective, lacked legal standing, and was abandoned in 1938 (Demers, The Menace of the Corporate Newspaper, p. 48). Newspapers continued to see the potential profit in radio, with the number of newspapers owning or affiliated with stations more than doubling between 1933 and 1938 (Parcell, Lisa and Sloan, W. David American Journalism: History, Principles, Practices, Jefferson, N.C., McFarland and Co., 2002, p. 279).

If the goal for the newspaper industry in the "Press-Radio War" was to prevent radio from establishing itself as a news and advertising medium, it failed. If the goal of radio in this was to diminish the newspaper or do away with it altogether, it also failed. Newspapers did survive, but it's important to note that they did so in fewer numbers and in a situation of increasingly concentrated ownership. They learned, for the first time, that the most effective way to triumph over *technomedia* was to own it.

To paraphrase Roger Fidler, it was more than discovering the potential applications of new media forms which served as an impetus for the early growth of the radio industry, an industry which would "have the effect of bringing people together via the airwaves" (Parcell and Sloan, American Journalism, p. 10). This new technology was also driven by a "vision of broadcast radio as a unifying force for the nation as the railroads and telegraph had been in the previous century" (Fidler, Mediamorphosis, p. 91). When radio first evolved into a national medium, the United States was just fully encountering the implications of industrialization and

mass immigration. Given the increasing size and diversity of the nation, culturally and economically, it was becoming increasingly clear that the role of communication technology was more than simply providing news. It had become an essential component in building national harmony. Furthermore, as events in Europe preceding the rise of Adolph Hitler and the Second World War demonstrated, radio had an additional advantage. It could report news with a "personality driven" nature, which is to say, the personalities of the radio commentators themselves (Parcell and Sloan, American Journalism, p. 279).

The transformation of the broadcast media continued with the birth of the live television era, technically started by its display at the 1939 World's Fair. At first, radio seemed more threatened by television news than newspapers. The legendary radio journalist Edward R. Murrow is famously remembered for early skepticism of TV news and CBS owner William Paley, who saw TV a simply radio's extension, agreed that radio was at greater risk (Parcell and Sloan, American Journalism, p. 286). Newspapers started TV stations in markets across the U.S., perhaps most notably in Minnesota's Twin Cities. The *Minneapolis Tribune*, in conjunction with the *St. Paul Pioneer Press*, established two local TV outlets and thus began a competitive relationship which continues to this day (Parcell and Sloan, American Journalism, p. 286). Quickly the national press began to converge with TV, with the formation of the Associated Press Radio-Television in 1954 and the "Big Three" TV news organizations at very roughly the same time – the late 1940's and early 1950's. As Fidler discusses shows, the convergence of media technology was underway. As of "the middle of the 20th century, television would co-

evolve with telephony, wireless, telegraphy, facsimile, radio, and motion picture. All would benefit to some extent with each other's development and would diverge and fill a different niche in the ever expanding human communications system" (Fidler, Mediamorphosis, p. 95). Thus began the most significant *mediamorphosis* of the Industrial Age. From radio to the Internet, newspapers remain in a struggle with other media to preserve their viability.

While radio and television at their respective beginnings did change the function of news dissemination to an extent, the Internet may well represent the most comprehensive threat to newspapers yet. Chip Brown referred to the beginning of the online newspaper industry as "a business story first and a story of journalism and cultural evolution second." Brown discusses the historical would-be assassins of the newspapers, from telegraph photography in the 1880's, to Radio in the 1920's and up until the Internet today" (Brown, Chip "State of the American Newspaper: FEAR.COM," *American Journalism Review* June 1999).
p. 5). While no one of these was enough to zap newspapers, their collective evolution has developed a media environment which may yet succeed in obliterating newspapers if they don't soon rise to the challenge.

It is important to place print newspaper editions in the proper context with respect to technomedia. Under the theory of *Technological Determinism*, coined by Marshall McLuhan, the history of human communication can be divided into four basic periods; tribal, literate, print, and electronic. Of these, newspapers are essentially a product of the third one, the 'print' age. Under this theory, whatever the predominant mode of communication for a particular age represents what people of that age perceive as "truth."

(http://www.allsands.com/Misc2/technologicalde_ubp_gn.htm, 2005, p. 1-2) Having been in effect the medium of choice throughout the print age, newspapers are now in a new position of being products of news technology (computer, printing presses, etc.) instead of being direct news/technology outlets in of themselves. This is what distinguishes print from technomedia, and this project is an attempt to provide suggestions for print editions of the American community newspaper to continue to effectively crossover into the new age.

Kolodzy discusses the collective benefits of media convergence: "Hundreds of print reporters operate in major cities with only handfuls of television reporter and few, if any, online reporters. With convergence, TV and the Internet get the depth of reporting and expertise that newspapers offer. In exchange, newspapers reach people who would never buy a newspapers, let alone subscribe to one" (Kolodzy, Janet "Everything that Rises; Media Convergence is an Opportunity, not a Curse," *Columbia Journalism Review*, July/August, 2002, p. 2). Kolodzy closes with this challenge to the media industry: "Journalists can devote their energy to debate the red herring of cross-ownership or they can channel it to make it work." Clearly, in the new media environment, news consumers don't have to worry about depreciation, or diversity, of product. What do newspapers specifically need to be concerned with?

Rich Gordon rightly views electronic distribution of information as the paradigm through which convergence takes place – within the "hability of digital electronics" (Gordon, Rich "Convergence Defined," *Online Journalism Review*, November 2003, p. 2). Three basic components, or "modes" all dealing with content, make up the current convergence environment: creation, distribution and consumption (Gordon, "Convergence Defined," p. 4). Furthermore, he

places convergence into the context of larger corporate culture through which it occurs: "Ownership and tactical convergence can be implemented without transforming the culture of a media company, though it will probably be more successful the more the culture changes" (Gordon, "Convergence Defined," p. 15). Rather than being a single event, Pablo Boczkowski of MIT regards "Innovation in online newspapers" as "an ongoing process in which different combinations of initial conditions and local factors lead publishers along different paths" (Boczkowski, Pablo "Redefining the News Online," *Online Journalism Review*, 2004, p. 1).

Perhaps even more significant is Boczkowski's contention that having moved heavily online, news product is less "journalist-centered" and more "user-center." This clearly refers to the new media environment where the news consumer is the one with options to choose from, as opposed to the more traditional role of the journalist deciding what is news. Boczkowski notes:

> In so doing, at least two transformations appear to distinguish the production of new-media news from the typical case of print and broadcast media: The news seems to be shaped by greater and more varied groups of actors, and this places a premium on the practices that coordinate productive activities across these groups. This in turn seems to influence the content and form of online news in three ways. The news moves from being mostly journalist centered, communicated as a monologue, and primarily local, to also being increasingly audience centered, part of multiple conversations, and micro local. (Boczkowski, "Redefining the News Online," p.3).

He goes on to discuss the four active participants in this new dynamic: multiple newsrooms (i.e., multimedia partnerships), advertising and marketing personnel, design/technical personnel, and Weblog/online chatroom participants. Clearly the new media environment is a news *consumers'* market. As Rich Gordon describes it, journalists who engage in tactical convergence have "a wide range of reactions" (Gordon, "Convergence Defined," p. 9). Reactions not withstanding,

and with all due respect to their traditional roles, journalists can no longer regard themselves as the sole judges of what counts as news, however much they knowingly did this in the past or not.

With respect to convergence in media organizations, Rich Gordon discusses five primary contexts, or "meanings," through which the process of convergence takes place. These include ownership, tactics, structure, information gathering, and presentation (Gordon, "Convergence Defined," p. 6-17). Gordon calls ownership the "multiple content or distribution channels," citing Disney, Vivendi Universal and AOL/Time Warner as examples on the global scale. Prominent national examples here in the U.S. include Hearst and A.H. Belo, the later of which owns newspaper, broadcast, Internet and other media interests. Such ownership arrangements have always been controversial, prompting concerns regarding the "stifling of diversity" in view points and resulting in Federal legislation designed to preserve such diversity, both discussed previously in this project.

Three specific subtopics encompass the *tactics*, or "tactical convergence" media companies have engaged in content, marketing and revenue enhancement. These represent cooperative activities engaged in by, for example, a newspaper and an Internet news site, or a TV news station and a news site, to effectively cross promote each other. It's important to note that ownership convergence and tactical convergence are not mutually inclusive. News organizations can engage in one, but not necessarily the other.

Again, change in organizational *structure* is not an inevitable facet of tactical or ownership convergence, but the former makes the latter considerably more likely. Prominent examples here include the *Orlando Sentinel*, the *Star Tribune* (of the *Minneapolis Star*) and one

of the interview subjects for this thesis, the *Indianapolis Star*. All of these organizations have experienced structural changes, regarding the roles of their reporters and other staff members, after having engaged in convergence.

"Multiple media tools," or the use of information gathering, is the centerpiece of the convergence issue. Specifically, print reporters "don't see themselves carrying video camera or audio recorders as they do their jobs" (Gordon, "Convergence Defined," p. 13). Multiple format journalism is prompting reporters and newsroom staffers to re-evaluate their roles, whether they want to or not.

The inevitable by-product of change in media technology is that new technology means new formats for news *presentation,* in conjunction with revised roles for the gatherers of that information. Three prominent technological factors here are desktop computer, portable devices (i.e., laptops), and interactive television.

A prominent and revealing example of newspapers/technomedia convergence is the case of the *Tampa Tribune*. Along with its news website, TBO.Com, and the local WFLA-T news affiliate, the Tribune has made an effort to "hack through the convergence wilderness without a map" (Stevens, Jane "TBO.com; The Folks with the Arrows in their Backs," *Online Journalism Review*, April 3, 2003, p. 1). Owned by Virginia-based Media General, the *Tribune* and its broadcast/internet counterparts merged into one centralized location and created a centralized news reporting apparatus. WFLA-TV's news director Forrest Carr views the convergence in a positive light. "For us it's made better journalism," Carr explains. "We can put a story out, have it on TBO.com, the *Tampa Tribune* and TV, thereby creating a voice that just wasn't there before

for our journalism, so that our stories have more reach, more power and greater effect" (Stevens, "TBO.com; The Folks with the Arrows in their Backs," p. 1). There were some initial concerns. Converging software and information systems among the three was problematic, and the changes undercut news operations to at least some extent, allowing competitors to get stories the Tribune/WLFA/TBO.com organization did not. Yet on the other hand there were no staff reductions, and in fact TBO.com brought on thirteen new people for its news operation. From this, clearly there are potential benefits to news organizations from convergence, if only to assuage fears regarding newsroom layoffs.

Can similar claims be made specifically with respect to the role of the newspaper? Can the newspaper alone demonstrate "more reach, more power and greater effect?" The *Tribune's* managing editor Donna Reed believes this is possible. "It's changed the dynamic of the newsroom," says Reed of the three-way convergence. "Deadlines are constant. We have a new way of thinking, visually because TV and online are so visually dependent, and newspapers are not. So, I think it's made us a better paper visually; it's made us smarter in being timely and succinct" (Stevens, "TBO.com; The Folks with the Arrows in their Backs," p. 1).From twenty newspapers with their own websites in 1994, the number of online papers skyrocketed to nearly 5,000 by June 1999, and more are added every year. A 1999 survey determined that 24 percent of all newspaper websites were earning more money than they were spending (Brown, "State of the American Newspaper: FEAR.COM," p. 4). With only 24% of websites profitable, few industries would be willing to engage in such a gamble, but the newspaper industry may not

have a choice. Michael Scherer discusses the advent of online news within the context of the industry's future as a whole:

> At stake is nothing less than the future of print journalism. Several recent studies suggest that print readers are turning to the Web for news. Traffic on newspaper Web sites in seven of the ten largest U.S. markets grew far faster in the first half of 2002 than the total Internet user base, according to comScore, an online market researcher. At the same time, consumers with six years of Web experience are three times more likely than Internet newcomers to decrease their print newspaper reading, according to Forrester Research. Another recent poll of online newspaper readers under the age of thirty found that 31 percent had reduced their print readership because the same material is online, a number that is expected to grow. "Newspaper circulation has been declining for years, and you see an online segment with great increases. One plus one equals two," says Lynn Bolder, executive vice president of comScore" (Scherer, Michael "Newspapers Online: Why information will no longer be free" *Columbia Journalism Review*, January/February 2003, p. 2).

Melinda Gipson presents the advent of online news in a way that could perhaps be described as adventurous; in a context that one could argue once described print editions of newspapers:

> To survive, online newspapers must become the great explorers of the Internet they way there used to be explorers of the uncharted Earth. They need to collect and share useful and unique voices with their audiences in a manner that delights and informs. They need, in turn, to make their aggregations and creative expressions more accessible to others online by getting on Google's radar. They also may need better tools to optimize their inventory, but even that doesn't go far enough. (Gipson, Melinda "Blazing New Ad Frontiers" *Presstime*, February, 2005).

The NAA presents a traditional "good news/bad news" approach to understanding the advent of online news: "The good news is that overall satisfaction levels for newspapers have not declined. Satisfaction with Sunday newspapers remains high and satisfaction with weekday

newspapers is up slightly, though still behind Sunday. The bad news is that the Internet has emerged as a major new competitor that enjoys as high a level of overall satisfaction as the Sunday newspaper" (NAA, "Leveraging Newspaper Assets," 2000, p. 62). An analogy: people may "have a high level of satisfaction," or even the same level, for their own old Sony Walkman, but if their new iPod allows them to carry more music, is more compact and gives better sound, they will likely go with the latter. The same NAA study identifies five core components which news consumers regard as important: ease of use, credibility, depth of coverage, personally appealing, and core values (NAA, "Leveraging Newspaper Assets," p. 92). According to Melinda Gipson: "Nearly one on three Internet users read an online newspaper in January, according to Nielsen/NetRatings' combined home and work Internet audience panel. The figure also represented an increase of 11.2 percent over December's digital newspaper reach" (Gipson, Melinda "The Digital Edge: Online Newspaper Readership Gains," *Presstime*, April 2005, p.1). This only confirms the reality that newspapers must scramble to preserve the profitability of their print editions.

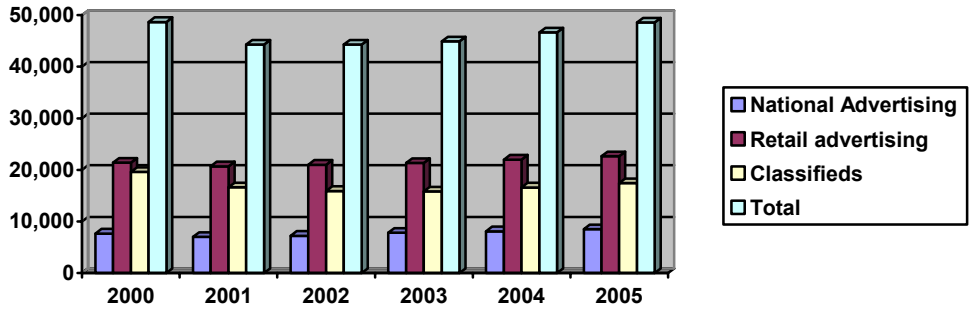
Scherer also discusses how many CNC's have invested in online technology which will enable them to better track their related readership. Clearly this represents a priority shift for the industry, desired or not. If Chevron, Shell or British Petroleum shifted their research efforts from petroleum to nuclear or solar power, due to war or depletion of oil reserves, clearly their future in the oil industry would be called into question. Yet their role as an energy provider would remain clear. Newspapers may have to make a similar choice, i.e. to solidify their role as news organizations, not simply newspaper publishing companies.

Niche theory and advertising

In early newspaper history, businesses seeking to market goods or services in newspapers didn't have to pay for their promotion. Commercial information at that time was treated as any other type of news and was simply printed as such (Bogart, Leo Press and Public, Hillsdale, NJ Lawrence Erlbaum Associates, 1989, p. 14). The development of the American penny press represented the beginning of mass retail and significant advertising revenues for the American newspaper. The industry would soon view advertising as a critical profit center and by the middle of the 19th century generated about half of all revenue from it.

James Conaghan: "Advertising continues to be the mechanism connecting consumers, old and new, to goods and services generated by economic expansion. Newspaper advertising-in print and online-is a crucial part of that connection" (Conaghan, James "The Road Ahead: Modest Positive Outlook for 2005," *Presstime*, 2005, p. 6). As Conaghan illustrates with the following statistics, advertising spending for American newspapers, while having declined slightly in the retail and classified sectors, has increased overall during the past five years.

Figure 3: Recent Advertising Spending Trends



Source: Conaghan, James "The Road Ahead: Modest Positive Outlook for 2005," p. 6

Conaghan explains the importance of these figures: "Newspaper advertising has continued to grow past the 2001 recession. After finishing 2003 with a 1.9 percent gain, which ended two consecutive years of decline, newspaper ad performance in 2004 will likely gain just under 4 percent when all the numbers are finalized – a clear indicator of progress in the aggregate" (Conaghan, "The Road Ahead: Modest Positive Outlook for 2005," 2005, p. 3). Due to its inherent resilience in the face of an economic downturn, newspaper advertising is clearly a market force which will remain formidable. The question is whether advertising revenues will be preserved by print newspapers or will be increasingly co-opted by their online counterparts?

With the development of the Internet and World Wide Web technology in the early 1990's newspapers immediately perceived, and justifiably so, a new round of competition from technomedia. Peter Francese, founder of American Demographics, has observed that "Newspapers publishers have heard rumors of their imminent demise again and again" (Francese, Peter "Stop the Press!" *American Demographics*, 2003, p. 38). In the new media

environment, these rumors now possess an unprecedented level of urgency. Robert Niles comments on this impending challenge: "Technology that allows advertisers and readers to better connect continues to drive economic changes in the news business. The Internet hammered the newspaper business over the past decade, and now new technology for placing ads on Web sites promises to challenge remaining news industry business models" (Niles, Robert "Technology Threats to Advertising Breach Newsroom Walls," *Online Journalism Review*, January 2005, p. 1). Furthermore, as Scherer indicates, more and more classified advertisers are leaving print for online:

> Between January 2001 and June 2002, U.S. newspaper revenue from help-wanted ads dropped by 40 percent, a $5.4 billion shortfall, according to Borrell Associates. Despite the current economic downturn, many analysts believe that much of that business, along with real estate and automobile listings, will never return to print papers given the rise of less expensive sites like Monster.com, Autotader.com and Realtor.com (Scherer, Michael "Newspaper Online: Why information will no longer be free," *Columbia Journalism Review*, January/February, 2003, p. 2).

Since newspaper production is a manufacturing enterprise, the costs of production (newsprint, content production, distribution, ink, etc.) place newspaper advertising at a competitive disadvantage relative to online promotional activity. If the *Chicago Sun-Times* wants to triple its readership, it has to increase its raw material consumption, production, and distribution costs, not to mention expanded marketing budgets in proportion. The Internet only needs to do the last of these, and that may well be a highly fluid expense. And if www.ajc.com wants to grow from accessing one to three million readers, the expansion won't impose new materials or significant per-reader production costs to expand web hits. A print paper edition

would need to expand these costs. As Phillip Meyer discusses, broadcast has always had this advantage, and now online news is discovering it (Meyer, The Vanishing Newspaper, p. 63).

Jeffrey Klein speaks to the print/online competitive dynamic, where print faces a dire predicament: "Overall, Internet advertising is growing at an astounding pace. In the U.S. Internet advertising generated $1.92 billion in 1998, more than double the 1997 total, according to a study conducted by Price WaterhouseCoopers for the Internet Advertising Bureau. Newspaper classified executives are concerned – and they should be" (Klein, Jeffrey "For Sale on the Web," *Online Journalism Review*, June 1999, (modified April 2004) p. 3). Klein goes on to ponder the question of whether print classifieds will at some point be replaced entirely by online advertisements.

With respect to advertising, each media format has its own inherent strength. From this perspective, "niche theory," which has been used to understand advertising competition between media, has arisen. Niche theory essentially holds that there are inherent roles for all media formats with regards to their advertising base. Broadcast advertising functions as an imperfect substitute for its newspaper counterparts, but at least a potential substitute nonetheless. With online news, their may be new opportunities for niche market which will benefit both print and online editions.

Figure 4: The Percentage of Advertising Expenditures by Given News Media

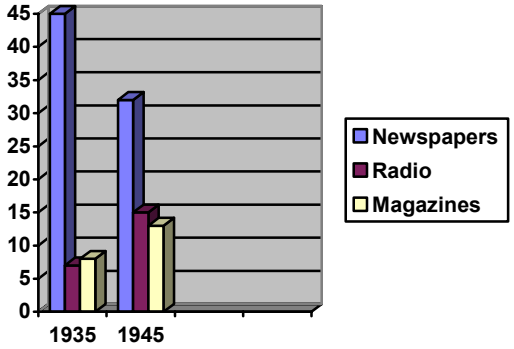
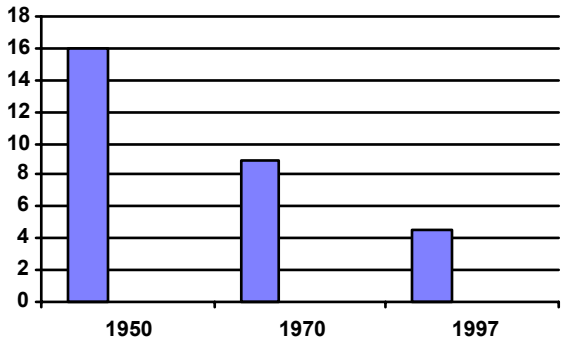


Figure 5: National Advertising for Newspapers Between 1950 and 1960 as a Share of Total Advertising Expenditures.



SOURCE: (Compaine and Gomery, Who Owns the Media? 2000, p. 39).

As David Whelan illustrates newspaper executives are "scrambling" to retain their traditional advertising function and prominence. These efforts, almost by default, appear to be extending to their efforts to retain readership as well:

> In its latest attempt to demonstrate its own vitality, the industry has embarked on an effort to modernize the metrics that gauge newspaper performance. The idea: By understanding the demographics of readers – what they read and which coupons they clip – editors and publishers could serve them better by tailoring content and advertising. In fact, many believe that the readership movement is absolutely critical to the future success of the industry. (Whelan, David "Who's Reading the Paper?" *American Demographics*, July 2001, p. 1).

It is not simply the inherent function of the newspaper which secures its advertising revenue. Newspapers, whether profitable or barely breaking even, are typically the only major newspaper in a respective market. This appeals to advertisers, since they do not have to double or triple their advertising budget to market in other local, competition outlets (Compaine and Gomery, "Who owns the Media?," p. 39). Broadcast outlets generally cannot offer such an edge, since they are generally more numerous within a given area. To provide a specific local example: No fewer than three or four local television stations, not to mention many cable ones, provide advertising for the metro Atlanta area, forcing local advertisers to be either very selective in which stations they advertise or to spend considerably more to advertise on multiple channels to reach the larger viewing audience. Yet the *Atlanta Journal-Constitution* is *the* newspaper for the region (a few suburban dailies not withstanding) and their advertisers don't have to pay advertising costs to a competing daily.

Can print and online advertising effectively cooperate? Melinda Gipson offers the following:

> Tips for new media ad salespeople: Attend the brainstorming meetings of your print counterparts as they angle for ad dollars. Make your own presentations of ad formats, and see if any leap out to category sales managers. If nothing registers, at least ask what three categories of advertisers now spend online but maybe not in

> the paper. See how you can widen the circle advertisers taking full advantage of both (Gipson, Melinda "Making Much of More," *Presstime*, 2005, p. 1-2).

This suggests there may well be an inherent role for both print and online advertising efforts. If so, what is the role of each in the new multimedia environment?

Multimedia packaging

Newspapers receive approximately one-third of their advertising revenue from classifieds. Competition from television advertising produced a direct decline in newspaper ad shares for the general media market, from 26.4% in 1986 to 22.5% ten years later. When the Internet /new media threat emerged, many papers "quickly and heavily invested in such online sites as CareerPath.com, PowerAdz.com, AdOne and Classified Ventures and also used those companies for added exposure for national ads. Most have also put their own local classifieds online" (Boynton, Robert S. "New Media May Be Old Media's Savior" *Columbia Journalism Review*, July/August 2000, p. 1).

Boynton cites the Real Cities effort by the Knight-Ridder chain. A composite of thirty-one of their dailies established an Internet site that in 1999 earned $31.4 million in additional revenue. The *New York Times* by comparison has charged for full access to its website, but does not charge those merely visiting the site. By analyzing the personal data readers provide to their website when they access it, the *Times* was able to determine that half the respondents had never purchased the paper's print edition. During the following six-month period, circulation for their print edition grew by 12,000. Granted, this newspaper operates in a huge news market, but the

effective complementarily relationship of print and online editions indicates such a relationship can *potentially* be beneficial for both. Michael Scherer discusses how reader registration, once done on an experimental basis, now allows chains to market to certain kinds of advertising consumers, a trend which is "continuing" (Scherer, "Newspapers Online," p.1).

Newspapers also tend to attract more affluent readers, another fact which makes them desirable for advertisers. As Fidler puts it: "While television offers more glitz and attracts larger audiences, newspapers provide advertisers with a much greater percentage of the most desirable households-those with higher incomes and better education - than any other form of mass media" (Fidler, Mediamorphosis, p. 131). Larry Pryor, former editor of the *Los Angeles Times*, speaks to the need of dailies to adopt an *e-commerce* media market: "I think we're in a totally critical stage. What's driving online journalism at the moment is e-commerce; that's more important than content. If publishers get too far into e-commerce retailing, they're going to tick off their retail advertisers. But if they continue to lag behind, defending their classifieds and deferring to retail advertisers and not getting into e-commerce, they're going to lose their financial base" (Brown, "State of the American Newspaper," p. 8).

Jeffrey Klein speaks to how newspapers must address online convergence: "Concentrate your resources and your people on growing the new stuff" (Klein, "For Sale on the Web," 2002, p. 4). Klein believes there is "real cause" for newspapers to worry about online classifieds, implying that a negative consequence of this would be reduction in operations to maintain profit margins (Klein, "For Sale on the Web," p. 4). The profit margin of classified ads, as Klein points out, is usually over 80%. Hence, in such a scenario, news operations could suffer greatly

as a result. Furthermore, online recruitment, or "help wanted" ads, may represent "the greatest pain" for newspapers. Recruitment sites such as Hotjobs.com offer options to jobseekers, such as the ability to block out certain companies, which print help wanted pages are hard pressed to do (Klein, "For Sale on the Web," p. 2-3).

To paraphrase Compaine and Gomery, relatively little attention has been paid to intermedia competition with respect to advertising. Yet the work done so far suggests that the newspaper industry, if only by default, has so far benefited with respect to advertising. In an industry with one major player in nearly all markets, greater access to higher income consumers and an inherently more comprehensive nature, can newspapers remain a significant media presence?

Tim Kennedy of the *Tribune* Company views the trend of cross-ownership as important to the profitability of media companies, specifically focusing on the notion of media integration: "There are people within the *Tribune* who think this strategy could add as much as $1 billion in value to the company over time. It is not a stretch to say we can add a point of market share wherever we have cross-ownership. The more we see and the more we do together, the more value we find. If you can get an additional one percent of market share by integrating media, for *Tribune* that is between $150 million and $200 million in revenue in just five key markets where the company owns print, broadcast and interactive operations" (Halie, John "Convergence Dollars and Sense," *Presstime*, 2005, p. 1).

With respect to increasing advertising revenue, the trend of media convergence may be an important indicator. As John Haile, retired editor of the *Orlando Sentinel*, puts it:

> Elsewhere around the industry, companies that are cross-selling with other media outlets that they own are often targeting a 3 to 5 percent increase in ad revenue over the next five years. Depending on how much of the market a newspaper and broadcast combo share already, the increases translate into anywhere from a half-a-percent bump in market share to a couple of points. Those may seem like small numbers, but Jim Moroney, publisher of the *Dallas Morning News*, points out that capturing and additional half a percent of the Dallas as market would translate into "two or three cents" in earnings share. Which is, Moroney says, "nothing to sneeze at." (Halie, *"*Convergence Dollars and Sense*,"* p. 1)

The recent economic recession gave newspapers extra headaches with respect to advertising revenue, a trend only now changing, as James Conaghan of the National Newspapers Association reports:

> Optimism in the employment sector is good news for newspapers. The sharp employment drop three years ago had a devastating impact on help wanted advertising in newspapers, which suffered a dollar decline of 35 percent in 2001, another fall of 23 percent in 2002 and another estimated 10 percent reduction last year. From a peak level $8.7 billion in 2000, recruitment plunged more than 50 percent to just under $4 billion last year (Conaghan, James "The Road Ahead: Modest Positive Outlook for 2005," *Presstime,* 2004, p.2).

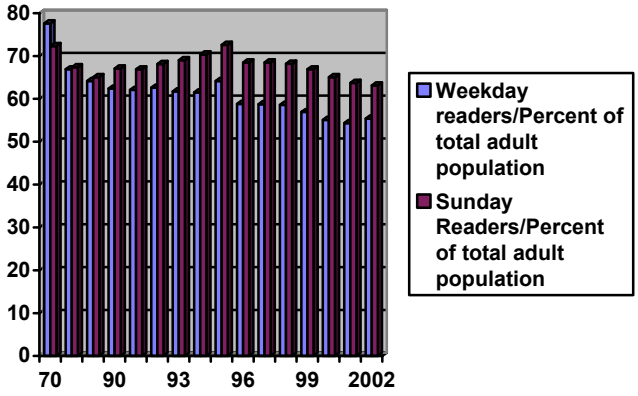
Conaghan summarizes his research with the following optimistic prediction: "All told, the newspaper advertising business can reasonably expect a gain of about 4.1 percent this year" (Conaghan, "The Road Ahead," p. 4). Naturally, the broader economic situation also plays an important role in determining the fate of the newspaper industry. This does not, however, negate the impact of the emerging media environment, which has a far more fundamental say in what will happen to newspapers, with newspapers' self preservation efforts not withstanding.

Readership

Early newspaper readership was quite small. Newspapers focused entirely on political decrees and announcements and very few individuals outside the political elite read them. However this readership base expanded considerably with the 19th-century development of penny press papers in the United States.

Figure 6 reproduces a statistical summary of an NAA survey of newspaper readership., conducted in July and August of 2003, for a 33-year period beginning in 1970.

Figure 6: Percentages of Weekday and Sunday Readers



SOURCE: NAA, 2003, "U.S. Daily and Sunday Newspaper Readership Audience"

What is noteworthy, but by no means definitive, about these figures is that they seem to undercut pessimism regarding readership for dailies. While one can detect a slight decrease

during the 33-year survey period, readership never dipped below 50% during the week (in fact surpassing the previous year's figure on two occasions) and never below 60% for Sunday readers. Furthermore, relatively little decline has occurred since 1994, the year the first newspapers introduced their Web editions. Nevertheless, slight decline is still decline, and the industry must nonetheless react accordingly to minimize, even reverse, such declines in the future. These statistics speak to a situation for dailies and weeklies which can at best be described as uncertain.

Teddi Dinely Johnson illustrates how newspaper executives across the country are beginning to understand the "risks" need to be incurred to for their product to remain competitive and combat circulation losses. According to research done by the University of Chicago, readership has declined by approximately one percent each year since the 1960's. In 1970 70% of adults read the paper each day, as opposed to 40% as of 2000 (Johnson, Teddi "The Readership Challenge: Publishers Beware," *Presstime*, May 2004, p.7)

The NAA, in conjunction with the American Society of Newspaper Editors (ASNE), also recently carried out newspaper readership research. They examined how people used daily newspapers, Sunday and weekly papers, television, radio and magazines, as well as Internet and direct mail. According to Lee Stinnett, ASNE President, "We need to find out where newspapers stand in today's competitive media environment" (Lewthwaite, Tim "Media and the Masses," *Presstime* 1997, p. 2). The study found that newspapers "remain a staple in the media diet of most Americans" (Lewthwaite, "Media and the Masses," p. 3).

Strong evidence confirmed the continuing relevance of the employment classifieds and day-to-day advertising: "Three quarters of respondents rely most on daily and Sunday newspapers when job-hunting. Weekly papers came next, cited as the chief source by 16 percent" (Lewthwaite, "Media and The Masses," p. 3). On November 19, 2004, members the NAA's Federation leaders met in Chicago to assess tools for enhancing readership. They came up with the following; preach readership throughout the organization, understand you cannot afford to fail at building readership, develop more consistent advertising campaigns that promote the value of the newspaper experience, know your customers, and invest in brand building" (Albers, Rebecca Ross "Federation Leaders Contribute Input to Readership Initiative," *Presstime*, January 2000, p. 1).

Despite industry predictions, readership levels remain very high. Seventy-six percent of adults surveyed said they had read a daily newspaper in the past week. Fifty-nine percent said they had read one the previous day, and sixty-seven percent said they had read one the previous Sunday. Yet perhaps the most significant of these figures dealt with the percentage of readers who were "extremely of very satisfied" with their local paper: fifty-seven percent (Lewthwaite, "Media and The Masses", p. 3). To use a current analogy, if an incumbent president seeking reelection achieved an outcome where fifty-seven percent of likely voters polled said they were "extremely satisfied" with his performance, he should rightly be confident about his reelection prospects. Yet this is the "upside" of the ASNE research – other data should raise important concerns the newspaper's future. These readership figures do nothing to dispel the indications regarding the industry's stagnated condition.

Only forty-seven percent of those surveyed regarded newspapers as providing fair coverage. The percentages of those surveyed who felt newspaper should seek solutions to community problems and provide news which helps their local communities were measured at only forty-three and fifty-five, respectively. For a medium regarded as the most important in providing local news coverage, this is a serious warning sign (Lewthwaite, "Media and the Masses," p. 6). Rich Gollin of the NAA provides a more "cautionary" note: "Editorial people cannot adopt a referendum model when looking to make changes. National results like these cannot be used as a basis for adding or subtracting sections. The best way to do that is with a market specific study that looks at the individual paper. Newspapers are increasingly part of a multimedia world and we have to look for niches where we do things better than anyone else. We have to be high quality in everything we do" (Lewthwaite, "Media and the Masses," p.6).

NAA chief economist and vice president of marketing and business analysis Miles Groves found these figures "very powerful" (Lewthwaite, "Media and the Masses," p. 3). Yet it is instructive to note that the core audience identified by this study tended to be older, well educated, financially stable, and white. The percentage of people over 65 who read papers is seventy percent, compared with thirty-six percent for readers under 34. Of even greater significance was the fact that while newspapers ranked second to last behind all other media in terms of overall satisfaction, including Sunday papers. Only direct mail came in behind dailies (Lewthwaite, "Media and the Masses," p. 4). Newspapers are regarded as less "interesting" and less likely to "stir your imagination" than other media. The study also suggested that local television stations are becoming a "fierce rival" for the role of community news sources, a role

traditionally dominated by the local daily. Again, these represent sobering trends for daily newspapers.

David Mindich discusses two points regarding newspaper readership which have "general uniformity": that individuals age in proportion to their age group and that each successive generation born after 1920 consumes less news than its predecessor.

> While these data point to a substantial decline in daily newspaper readership, they do not fully reveal the decline in the amount of news that young Americans actually get from newspapers. When we couple these data with time studies, a clearer picture comes into view. The Pew Research Center for the People and the Press asked respondents who read a newspaper yesterday to estimate how much time they spent with it. Not surprisingly, twice as many elders read the newspaper as did youngsters. What is surprising is that even among newspaper readers, older Americans read far longer than younger ones. Of the minority of 18-24 year olds who say they read the newspaper yesterday, only 41.3% did so for 30 minutes or more. The vast majority of the oldest age cohorts read for 30 minutes or more. (Mindich, David Tuned Out-Why Americans Under 40 Don't Follow the News New York, Oxford University Press, 2005, p. 28-29)

Andrew Kohut cites research which indicates that, with respect to young readers, the problem stems not from lack of reading but rather the choice not to read newspapers. "Once again, fewer people are reading newspapers, and the declines in readership are greatest among young adults and the younger segment of the baby boom generation," says Kohut. "But the same survey shows that young people are reading books and magazines at least as much as older Americans. So it's not that the young don't read, it is that newspapers are not what they choose to read" (Kohut, Andrew "Young People are Reading...Everything but Newspapers," *Columbia Journalism Review*, July/August2002, p. 1).

Kohut emphasizing the importance on the generation gap here, citing reports that newspapers are the most popular choice for readers aged fifty and older, at 54%, while that figure was only 32% for those under fifty. As Kohut puts it; "It is no exaggeration to say that the future of newspapers depends on attracting these younger readers" (Kohut, "Young People are Reading...Everything but Newspapers," p.2).

NAA Research has identified three points which speak to the importance of addressing age of readers; these include the relationship between age and daily readership, progressively lower readership levels for each survey year, and that readership habits are "fixed by the time an age cohort is 30" (Davis, Nancy, "Born to Read?" *Presstime* 2004, p. 1). As Jon Donley points out: "If newspapers themselves are having trouble hitting this age group, why would you think that the same recipe, served up online as leftovers, would fare any better?" (Donley, Jon "One Man's Simple Recipe for Attracting Younger Readers, *Online Journalism Review*, (no date listed) p. 4).

Fully in keeping with other industry observers, Donley regards young readers a critical market to be dealt with a higher level of precision;

> My advice is look for communities of young people who feel ignored by print product . Any newspaper editor who deals with the public has a pile of complaints in his inbox from groups that feel they're passed over. These complaints are often valid? Such groups are the victims of small news holes and staffing limitations. Give them their turf online. If possible, let them build the content day to day. And keep it local. Prepackaged youth content has never worked for us...there are just too many much better niche sites out there on the Internet. What we can do better than anyone else is provide a local online community, in context of local content. (Donley, "One Man's Simple Recipe for Attracting Younger Readers," p. 4)

Andrew Kohut affirms the comparatively higher level of readership among people born in 1942 and earlier: "Newspaper readership among those born before 1942 has remained relatively steady over the past eleven years, with significant declines only among those over age seventy. Newspapers have done a better job than the evening network newscasts in hanging on to their older audiences - but that is a dubious distinction" (Kohut, "Young People are Reading... Everything but Newspapers," p. 2). Dubious or not, this distinction should be held as evidence that newspapers do have the *potential* to surpass their technomedia counterparts. How, when and why are the issues to be addressed. Randy Bennett of the NAA indicates that younger readers are a particularly important group for a multi-platform approach; "Young readers graze through a variety of media options, so offering them access to content through the main newspaper, targeted publications, web sites, e-mail alerts and other digital media makes a lot of sense in attracting them to the brand" (Johnson, "The Readership Challenge, Publishers Beware," p. 2).

An important participant in the evaluation of newspaper readership trends is the Readership Institute at Northwestern University. Launched in 1999, the Institute was motivated by a desire to reverse declining readership trends. Three basic areas of study constitute its work: consumer reaction to newspapers, the news content of papers, and the business organization producing content and services. Its survey sample included roughly 100 newspapers and 37,000 individual readers, and over a third of those surveyed replied.

While the work of Project Impact illustrates some general approaches newspapers might take to increase readership, the study again indicates that younger readers require special focus. Mike Noe, the Internet News Editor for the Rocky Mountain News, notes that "All the market

research shows that the readership is skewing older. The younger audience is not subscribing to the newspapers. This is a major concern" (Trombly, "Newspaper Web Sites Struggle to Attract Younger Readers," *Online Journalism Review*, July 30, 2003, p. 1). A Belden Associates survey found that nine percent online newspaper readers fell between the ages 25 and 34; a similar study by Minnesota Opinion Research showed only 11 percent of online newspaper readers are between 18 and 25 (Trombly, "Newspaper Web Sites Struggle to Attract Younger Readers," p. 2). What does this means for print editions? Gary Meo of the Scarborough Research Group has found little increase in print or online reading among younger readers (Trombly, "Newspaper Web Sites Struggle to Attract Younger Readers," p. 2). There is apparently little evidence that online editions are promoting sales and subscriptions of their print counterparts among younger demographics.

One newspaper that has recently tried to make attracting younger readers a special priority is the *Milwaukee Journal-Sentinel* (MJS). In conjunction with Northwestern's Project Impact, the paper began an eleven-week project in August 2003 designed to determine the best way for the paper's advertising to reach younger readers. Robin Seymour, the MJS's research director, commented on the paper's need to appeal to the young: "It's our biggest opportunity area. It's huge, with a capital "H." Readership Institute Director John Lavine spoke to the importance of cultivating younger readers: "If you don't replace older readers, your newspaper is in peril" (Patterson, Brook "Wanted: Tomorrows Loyal Readers" *Presstime* April 2004, p. 3).

Education level also correlates with newspaper readership. The NAA's "Leveraging Newspaper Assets" report clearly reflects this: "Newspaper readership has been and continues to

be more common among better-educated segments of the population. Yet regular newspaper readership had declined roughly equally at all education levels, despite the fact the biggest gains in Internet usage have occurred among college graduates" (NAA, "Leveraging Newspaper Assest," 2000, p. 31). This last point has particular pertinence. The fact that recent graduates are embracing new media demonstrates why print news must converge, or continue to converge, to preserve this diminishing sector of their readership. Young people do want news, yet they have been cultured, so to speak, to seek this news from technomedia. Newspapers must retain their role as a news primary, not a news surrogate.

Jon Donley, editor of the *New Orleans Times-Picayune'*s online version Nola.com, feels that there the "ingredients are basic" for gaining and keeping online readers. They include: "give them local sports and school news, a forum to discuss their issues, and the ability to build their own content day to day" (Interviewer, "One Man's Simple Recipe for Attracting Younger Readers, p. 1). Donley cites his Websites' "test audience of seven teenagers" and cites sports, particularly football, as a staple in the readership diet of younger people. What is important to determine is if print editions can continue to yield a similar following for their editions. Donley comments on the overall future of the industry:

> I believe that the news industry as a whole is going to survive only by making itself relevant to the real world habits of readers. The time is past when the high priests of journalism can get away with spoon-feeding the public "What it needs to know" as opposed to "what it wants to know." The Internet has liberated readers to get information from whatever source they like... and also to be an active participant in that growing community pool of information. We can't stuff the worms back in the can. If we don't seriously work on ways to adapt and insert our corps of professional journalists into this new world in a way that pays, it's

> going to leave us behind. There is still time for this to happen. (Donley, "One Man's Simple Recipe for Attracting Younger Readers," p. 4)

The "liberation" to which Mr. Donley refers could represent an early grave for the industry, if advice such as his is ignored.

Working in conjunction with Project Impact, the MJS began an initiative to make positive changes and develop practical applications from PI's work. MJS Editor Marty Kaiser spoke to the importance of promoting readership: "Readership is top of mind at the *Journal-Sentinel.* We are proud of the fact that we have the highest Sunday market penetration of any newspaper in the country. We believe we know our community, but we certainly know we could always get better at what we do. We know it isn't easy to grow readership – especially in an area with little population growth like Milwaukee – so we are looking for any help we can find. Our readership mantra has led us to building our strategic plan using the framework of the four cornerstones of the Impact Study" (Kaiser, Marty http://www.asne.org/index.cfm?ID=4093, 2004, p. 2).

Kaiser adds that while PI studied the nation and the newspaper industry as a whole, the needs of the MJS were distinctly localized. Hence, under the direction of Robin Seymour, their Research Director, the research methodology was adjusted. The geography focus was shifted to accommodate the MJS's region. The number of telephone interviews was increased, mail surveys were discontinued, and respondents were asked if they read the MJS print or online versions, or both. The research focus was on light readers under the age of 45, a demographic Kaiser regards as essential to the future growth of their overall readership. Six important content

additions were made at MJS. They include *snapshots:* (a) a four day a week feature story on a prominent local person; (b)*Compass*, a two page daily living supplement to the Sunday Lifestyle section; (c) a six day a week "Q and A" section with a different interview subject everyday; (d) *Monday's People* which deals with local success stories: (e) *Road Warrior*, a commuter-oriented supplement with interactive features; and (f) in Kaiser's words, a generally "stronger focus on upcoming content promotion" (Kaiser, http://www.asne.org/index.cfm?ID=4093, 2004, p.1). This MJS example illustrates how market specific adjustments can be effectively made. Media Researcher John Bartolomeo maintains that age 30 is the critical point for securing newspaper-reading habits; with others maintaining it is sooner (Albers, "AttractingYounger Readers," p. 5). From this, clearly the 18-to-34 year old demographic is critical.

Another potential adjustment is an increased emphasis on youth oriented reporting. The McClean, Virginia based Gannett Corporation CNC asked nineteen of its employees in the 25-to-34 age group "to dissect newspapers, read magazines, watch television, share ideas and evaluate research (Albers, "Attracting Younger Readers," p. 2-3). A number of principles/tactics resulted from this focus group effort. The group gravitated to news pages that were colorful, edgy, and graphically engaging. Successful design elements did not reduce information content, but enhanced and clarified it. Points of entry were expanded and increased by using more graphics,

informational boxes, references and maps. The newspaper was made more interactive by leading readers to sites or directing them to online discussion. The group also urged that readers should be told how to get more deeply involved in their communities. The theory was that so-called Gen

X readers needed to see stories and photos directly connected to content. Furthermore, news content had to be made relevant and include perspective and impact. Finally diversity was heavily promoted; the idea was that Gen X'ers want to see the faces of all groups, including theirs, on newspaper front pages. Other major papers have engaged in similar youth-oriented supplements such *The Washington Post's Express* and the *Chicago Tribune's* Red Eye. In addition, Gannett reported owning nine newspapers, as of January 2005, oriented towards the 18 to 34 age group (Friedman, "Model Markets: Newspaper Companies Find One Size Doesn't Fit All In the Creation of Niche Publications," *Presstime*, April 2005, p.1).

The *Albuquerque Journal-Sentinel* (AJS) launched its online edition in 1996, and for free. Costs soon climbed, however, and the situation was quickly reassessed. In 2000 the paper began providing the online version free only to print subscribers. Don Friedman of the AJS: "Since we closed off our site to all but paying subscribers two years ago, 35,000 print newspaper subscribers have signed up to use the site. Almost 2,000 people are now paying either $8 per month or $60 per year for online-only subscription. That's more than $100,000 in truly new revenues generated by subscriptions" (Friedman, Don "From Free to Fee in 10 Easy Steps," *Online Journalism Review*, 2002, p. 1).

As the number of young newspaper readers declines, it would be foolish for the industry not to pay heed to these findings developed by the most newspaper oriented CNC. Data suggests Gannett subscribers read more regularly than single copy newspaper buyers, fact that implies that buying a subscription produces more than a financial stake in the paper for its readers. Single-copy buyers of papers, according to the PI study, more heavily use other media news,

such as television, radio, magazines and Internet. Digby Solomon, general manager of the *Chicago Tribune Interactive* maintains that more 18 to 34 year olds are getting news online, further stressing the importance of catering to this age group; "We're trying to work through what is the best way to keep those people in our franchise and serve them and the advertisers who want to reach them, regardless of the channel they prefer" (Albers, "Attracting Younger Readers,", p. 5).

Newspaper culture – defensive or constructive?

The Project Impact (PI) of the Readership Institute study illustrates a "Reader Behavior" continuum, which essentially holds that the more time one reads a newspaper the longer he or she will continue to subscribe to it. Project Impact developed an index of basic "imperatives" to help newspapers increase their readership, based on their Reader Behavior Score (RBS). They include these findings: (a) pushing service into the "Excellence" range results in higher RBS; (b) quality, accuracy and punctuality in customer service, and an increased emphasis on certain kinds of content will drive RBS (especially local, "people-focused" news, lifestyle news, politics, natural disasters/accidents, movies, television, the weather, economics/business/personal finance, science/technology, the environment, police/crime/judicial system and all levels and types of sports). The study also concluded that (c) building an adaptive and constructive culture attended to readers and customers will result in higher RBS.

Project researchers defined two basic types of newspaper culture, *defensive* and *constructive*. Constructive cultures tend to be more "outward-looking and responsive to changes

in the environment," with high standards for achievement both at the individual and group. Collaboration and coordination are expected, on an institutional level:

> It can be an even stronger story if newspapers act on the large opportunities areas that PI has identified and which are shown to be linked to higher RBS - that is, time, frequency and completeness. The opportunities can be major parts of strategies to intensify readers' use of the newspaper. There are clear directions about where the biggest opportunities lie - in service excellence, content emphasis [including advertising content], brand relevance and in-paper promotion. The research also makes it clear that improving RBS – and the subsequent performance measurements of readership and circulation – must be a strategic imperative that has meaning and relevance to everyone who works for a newspaper. Aligning departments around this goal, translating it into specific action, tying rewards to it – this can be the start of changing culture towards a more constructive model that will benefit all stake holders" (Readership Institute, "Newspaper Content: What Makes Readers more Satisfied," 2001, p. 14).

These research findings clearly argue for careful strategic thinking, rather than defensive scrambling, as the key to newspaper industry survival in the emerging market. Of course many papers are already in a transitional mode.

Project Impact's work has prompted at least a handful of papers to adopt their basic culture. The *Appeal-Democrat* in Marysville, California, for example, took the Project Impact recommendations to heart. As was true of eighty percent of newspapers surveyed by the project, the *Appeal-Democrat* had a corporate culture defined as defensive. Responding to the Project Impact findings, the papers began monthly recognition events, lunches with the publisher, and birthday and anniversary events (Johnson, "The Impact of Impact: The Nationwide Readership Study, that is," *Presstime*, 2002, p.4)

Chapter Three

Analysis of Interview Data Gathered from Participating Newspapers

Each of the nine newspapers contacted for this study that replied agreed to participate and provided information. The aim is to represent dailies as comprehensively and accurately as can be done within the context of a focused project.

Since the project involved personal interviews of newspaper industry professionals, appropriate permission was requested and granted from Georgia State University officials. Specifically, the Office of Research and Awards Programs granted approval under Institutional Review Board Protocol #H04387. The interviews were conducted entirely by email, and the participants were asked a series of common questions as well as more specific ones tailored for their individual news organization. Furthermore, anonymity was granted whenever a member of any newspaper requested it.

Granted, the scope of this project is relatively limited in nature. It is not an exhaustive, quantitative survey of circulation, readership, or any other facet of the industry. What distinguishes it is that the guidelines to be derived come directly from the information provided by industry practitioners. The background information provided in chapters one and two set the stage, in effect, for the "real time" recommendations derived from the interview data.

Methodologically this project follows the lead of dissertation research done by Baltes, who was at the time doing dissertation work at Bowling Green State (2003). As he described his

project: "The purpose of this study was to examine the financial aspects of the web editions of daily newspapers." His specific aim was to assess the revenue losses risked when a newspaper decided to provide their news online for free. Baltes reviewed the relevant literature and carried out an online survey project to gather the information used in his final analysis.

Baltes studied newspapers in his home state of Ohio, since the state is a "convenient microcosm" of the United States. Figures regarded home ownership, median income and retail sales per capita are nearly identical in Ohio to those of the U.S. as a whole. The state has a "diverse array of industries, including agriculture and numerous categories of manufacturing and service" (Baltes, Alphonse John, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," PhD Dissertation, Bowling Green State University, 2003, p. 44). Hence, Baltes work held the potential for generating workable recommendations for newspapers in other markets as well, and to "establish a real-time assessment of the state of the industry."

Baltes generated 28 questions inspired by previous similar research done on Internet news operations. He provided a cover letter and authentication marker to each survey subject. Conducted during October 2002, Baltes distributed an email which provided a hyperlink to the survey questions. Each question fell into one of seven major topic clusters: *Logistical*, *Personnel and staffing, Content, Interface Issues, Financial, Environment, and General.* He achieved a thirty percent return rate hearing from 21 newspapers (Baltes, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," p. 46).

Baltes work was significant to this project in that it attempted to do for Ohio what this project is doing for papers representing five states, though this current project is markedly less quantitative in nature. It is not using a WWW/Hyperlink survey and the interviewing procedure used was considerably more open-ended.

This was Baltes' final conclusion:

> The results of this study are based on the literature review, the outcome of the survey and the final analysis, which has put into perspective where the online publishing industry of Ohio is today, and what publishers need to do in the future to remain competitive, while preserving their share of the market. The study confirms some of the speculations concerning Web publishing and highlights a number of questions. As a relatively new medium, the Internet offers newspaper publishers a unique opportunity to develop a fresh product to enhance or perhaps eventually replace the traditional print newspaper. Until optimal business plans for publishing newspapers on the Web are developed and demonstrated, however, the long-term future of online newspapers remains unstable. The findings indicate that many sites need to be concerned about their profit strategies, since the percentage of sites that showed profitability for the past twelve months declined from 28% to 26%. (Baltes, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," p. 76)

This project did not generate information sufficient to endorse Baltes' conclusion regarding the Internet as a potential, and profitable substitute for the print edition; in fact, just the opposite, as this project strongly recommends the continuation of print editions. Nonetheless, Baltes' review of the print/online relationship, and his conclusions about the uncertain nature of that relationship, does bear relevance to this project.

Baltes' survey results led to information relating to his specific research hypotheses, which were as follows:

1. Most sites expected to report a project loss for the current year (2003) and projected staff cutbacks in 2003.
2. Most sites' online operations derive from the majority of their content and staff from the traditional products operations.
3. The following features are rarely implemented: push technology, updates and breaking news, interactive chats and bulletin boards.
4. All sites provide community information.
5. The primary content designed specifically for Web sites is syndicated material.
6. Most managers believe their own Web sites is syndicated material.
7. The main commonality for subscription/registration-oriented sites is free access to headlines.
8. The major reported revenue generator is classified advertising.
9. Although most agreed alliance formation is important, relatively few papers use other media to cross-promote their website.
10. The major perceived competitor is the local TV Web site.
11. Most perform some kind of measurement, and it usually takes the form of counting hits.
12. Most believe that subscriptions limit visits to the site, therefore, most have never charged a subscription fee and do not plan to in the future. A minority of them plan to require registration.

Baltes' data confirmed hypotheses two, five, eight, nine and eleven; that is, the Ohio papers lost money on their website, most indicated their website content was syndicated in nature, the major reported revenue generator was classified advertising, relatively few were using other media to cross-promote their website, and some 70% percent used page hits to measure activity on their site. Responses for questions four, six and ten were negative, and the data could not confirm or deny the remaining hypotheses. Baltes summarized the recommendations resulting from these questions as potentially "effective":

> Findings relative to both the survey and the literature review indicate that Ohio online newspapers are fundamentally on a par with other newspapers throughout the nation. Losses continue in both, but new profit making strategies are available for adoption. Those who learn to adapt succeed. The one overriding implication of this study is that electronic newspapers in Ohio face stiff competition from both local and national sources, especially from Web-related entities. A major deterrent to new competition is for local newspapers to effectively service their communities with specific local information, and to measure interest in detail regarding particular aspects of their sites that consumers frequent most often. (Baltes, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," p. 82).

"Push" technology for websites, as was mentioned when Baltes' project was first introduced in Chapter 2, allows the provision of content "worth little or no effort from the consumer," clearly a valuable selling point (Baltes, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," p. 84). As he emphasizes, "Given that one of the biggest challenges for newspapers is in making their information available to everyone who desires it, when content is delivered to readers' email on a daily basis they may be psychologically preempted from seeking other news sources" (Baltes, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," p. 84).

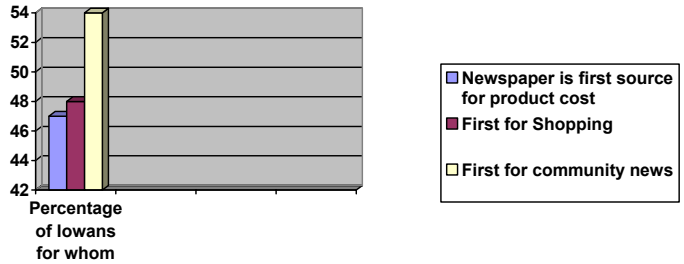
Can these solutions assure that subscribers will not turn to radio or television for news? A "yes" answer would of course be good news for dailies. Or, conversely, will media consumption continue to trade off even despite more aggressive newspaper marketing efforts? This would obviously have negative implications. Baltes' work on this point clearly speaks to the dilemma dailies face in their current bout with *technomedia*: "The reason for some newspapers being on the Web sites, publishers must remain aware of factors that can assist them in maintaining profitability, and implement promising strategies. That there are many such strategies available

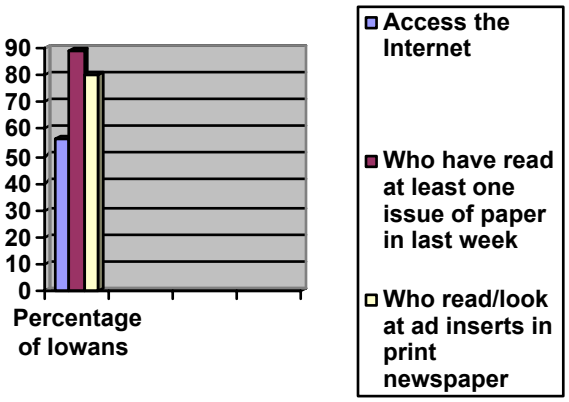
is clear. What is not clear is the future of, and advancement made in the areas of subscription prices and registration, as well as push technologies, and how these various strategies will impact the electronic and printed newspaper of the future" (Baltes, "Online Technology and the Ohio Newspaper Company: Strategic Media Economic Decisions," p. 85).

The current project has a similar objective, although my intentions are somewhat more comprehensive. Baltes sought to examine the specific relationship of the daily to online news services. While is focus was limited to one state, his rationale for choosing that particular state was a function of how well is demographically reflected the U.S. as a whole.

The papers chosen for the current project encompass urban, suburban and rural areas. Seven of the nine papers which were willing to provide interview data, or 77%, are owned by midsized or large CNC's, and the other two are family owned. In this, they come quite close to reflecting the national newspaper industry, which as of 1990 was 74.8% chain-owned. Although two of them are "small town" papers, even they service a largely rural readership area including more 100,000 people. They are located in and/or serve readership populations of five states: Illinois, Indiana, Iowa, Wisconsin and Georgia. According to information provided by the Iowa Newspaper Association website, for example, that state has more newspapers per capita than any other state in the region. Readership there hovers at 86%, compared with a national average of 83%, and their newspapers average two readers per copy. The figures below evidence the claim that Iowa is a newspaper-oriented media market.

Figures 7 / 8: Iowa newspaper readership statistics





SOURCES: "Iowa's Newspaper's Reach Consumers,"

http://inanews.com/information/ia_facts.html

This next section provides more detailed information about the papers on which this projects findings are based. First, the interview data will be presented in narrative format. Then a

closing section will provide an analytical summary/overview of the key points derived from the information.

The *Daily Herald* (Suburban Chicago)

> The Daily Herald grew because of its devotion to local news. That continues to be it's bread and butter. In our attempt, however, to be an "only buy" rather than a local supplement to the Tribune or Sun-Times, the paper increased its' national and international coverage and pushes that now as the "big picture."
> -Richard Battin, Internet/New Media Manager for the *Daily Herald*

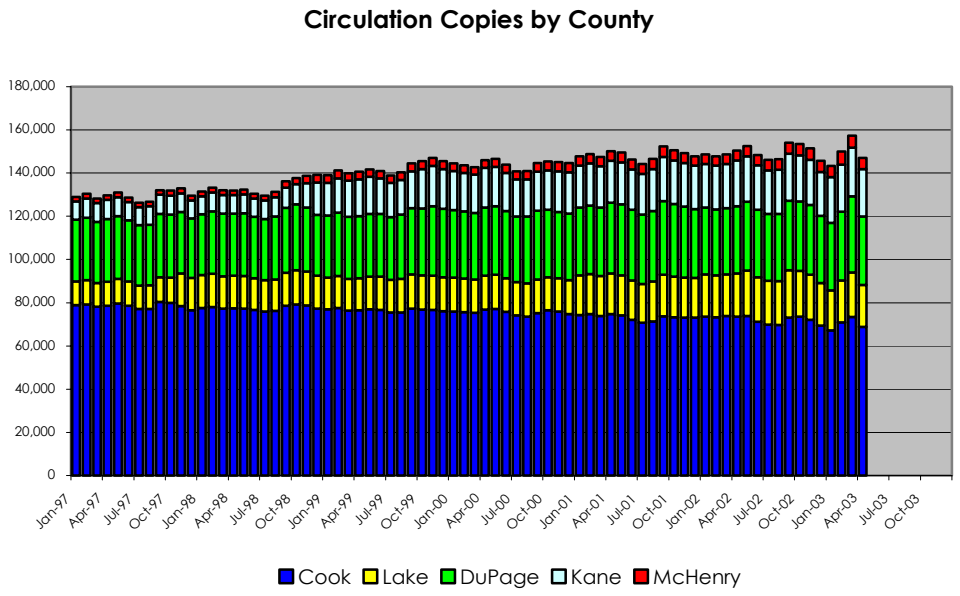
Founded in the 1880's by Hosea C. Paddock, as an independent publishing company, Paddock Publishing has been directed by the motto, "To fear God, tell the truth and make money." For three successive generations, until today, Paddock's company has remained family owned. It also owns and operates the *Daily Herald*, which services the Chicagoland suburbs and is Illinois' third largest paper.

Paddock's sons Stuart and Charles assumed control of the company in 1922, the former running editorial and business promotion operations and the latter supervising production. Stuart's children, daughter Margie Flanders and sons Robert and Stuart Jr. ran the company following his death in 1968. Stuart Jr. was the last surviving of the three children, holding the position of chairman emeritus and publisher until his death in 2002 (*Daily Herald* website, p. 1). Stuart Paddock Jr.'s role as head of the company was clearly the most significant with respect to the evolution of the *Daily Herald* (DH) into one of the Chicago area's largest newspapers. In the mid-1960's Paddock Publishing managed a series of weekly papers. When Paddock assumed control of the company in 1968, total circulation for those weekly papers was less than 20,000.

Paddock added weekend editions to the *Daily Herald* and oversaw some twenty expansions in the suburban counties served by the paper. According to Paddock, the switch to daily publication was central not only to the company's success but to its survival: "We either had to go daily or die" (Daily Herald Website, p. 3). A Connecticut media broker, Gerald Reilly, attributed the DH's success to having "all the right ZIP codes and none of the downtown problems." (http://www.dailyherald.com/info/paddocks/stu/) Downtown Chicago papers were prompted by the DH's suburban successes to try and make inroads in the same market.

Kent Johnson, Paddock Vice President and Treasurer for the DH, provided un-audited statistics for this project regarding circulation for his paper, by counties which are color-coded, over the past seven years. They are shown on the following page:

Figure 9 Rough circulation statistics for the *Daily Herald*.



From this information, it is evident that the paper, while at times undergoing minor fluctuations, has demonstrated steady circulation increases in recent years. It is instructive to note that this survey data covers a time period beginning in January 1997, almost immediately after DH launched its website in 1996. According to Richard Battin, the DH's Internet/New Media Department manager, "We've taken no formal surveys of our site. We redesigned it a few years back and invited feedback. The positive response was more than 90%." Battin, who perhaps works with DH's online version more directly than anyone, says classified advertising was at the heart of DH's early online efforts: "The web site started in 1996 with classified advertising. It remained, in fact, within the advertising department until this year (2004). News came later. There were concerns about undermining the print edition. There was also some

natural resistance from the newsroom to anything the ad department had to do with. That's faded considerably since it started." Battin discusses how social demographics have impacted DH's number: "Our circulation, unlike so many other dailies, has continued to grow as we expand into the western and northern suburbs, following suburbia's growth. That continues to this day, making us one of the fastest growing dailies in the country" (Email interview with author, 2004).

Battin indicates that with this growth the DH continues to improve its online operations: "Right now we're working on improving the editorial quality of our website. We haven't done much updating during the day before this year, because of the small size of our staff. That's changing now – the updating I mean, not the size of the staff – largely because we now report to someone who came out of the newsroom. We're looking at registration this year and targeting news and advertising to better use the resources we have and increase revenue" (Email interview with author, 2004).

The DH's Jim Cook, who serves as assistant vice president for marketing and promotion, indicates that their "local focus" has been critical to their success. "Based on our research we have developed a very strong following by focusing very strongly on the 90 communities we serve from little league sports to political races," says Cook. "At the same time we also provide excellent coverage of national and international news." Cook also expresses optimism regarding his paper's online version:

> We have no concerns about losing readers to our website. In fact, our website serves as not only a valuable electronic version of our newspaper but also a great tool for our readers and advertisers to communicate with us. We initially forced our classified onto our website. No more, our readers are willing to pay extra to run on our site. We are only scratching the surface in both sales and web

> development and have a long way to go. We have tremendous reader inaction... and our site is very basic. (Email interview with author, 2004)

Cook also feels that local oriented strategic planning plays an important role, and is confident about the DH's ability to effectively compete with the *Chicago Tribune* and the *Sun-Times,* even considering the close proximity of those two major metro dailies:

> We continue to grow; contrary to other newspapers we have had 44 consecutive reporting periods of growth. Our niche is covering the fast growing northwest Chicago suburbs. The issues are plentiful and the competition strong with deep war chests. We stay focused on our coverage area and meet often to evaluate and re-evaluate our strategic plans. Success comes not only from the pages of our printed newspapers. We are a distribution company; the channels we use and plan to use are many. Our local focus is our mantra. It's what separates us from everyone else. We never stray from it by zoning our news 26 different ways each day and zone our advertising 17 ways. Yes we consider both papers (*Tribune* and *Sun-Times*) competitors, particularly the *Tribune*, although we've partnered with them on projects in the past, too. As you suggest, we provide a level of local coverage, prep coverage, total coverage that keeps us up in the marketplace and has kept us growing for many years. None of us here think we're going to overtake, as some here call the entity, "the gorilla downtown with rooms of money," or defeat them, but we've found a niche that has made us successful. (Email interview with author, 2004)

It is important to note that the DH operates in a major media market. On the one hand, because it is such a large and active market, DH may have a range of news material unavailable to smaller newspapers in smaller, rural market. At the same time, those smaller papers are often the only paper in their own markets as well. Hence, they do not have to compete with two major metro dailies and numerous suburban dailies as well. Cook speaks to this competitive relationship: "Compared to our two larger competitors we are a very small newspaper even though we are the third largest newspaper in Illinois - strategic partnerships allow us to play on a much larger field with them. Convergence or strategic partnerships allow us to make ourselves

much bigger than we perhaps really are...all channels are open for partnerships" (Email interview with author, 2004).

In his work on the decline of sister papers, Lisby argues: "The reason for decline are essentially the same for sister newspapers as they are for the industry as a whole, a mixture of factors which are usually more complex than the reasons generally cited, including the loss of advertising to radio and the broadcast media, the preference of advertisers for fewer media with larger circulations, and the increased cost of machinery, newsprint, labor, taxes, and nearly every other item of the newspaper's expenses" (Lisby, "A Logistic Regression Analysis of the Economic Factors affecting the Survival of Sister Newspapers in the United States, Table 3) The DH has adopted a co-operative approach to meet this factors. "Unlike many newspapers we try to be true marketing partners, we like to say "yes" as opposed to others who try to wedge clients into existing channels," says Cook. "Times change and it's a much more competitive world, we choose to adjust market changes and our success reflects it. Our success is totally transferable." This represents another critical point for papers to consider; that the success of one paper can be replicated by another, even in an increasingly fluid media climate.

Cook also spoke to the suburban focus of his paper: "Both larger city publications focus on a much larger universe than we do. Our "footprint" is very clearly defined. We focus on the fast growing affluent suburbs with 87% of our circulation being home delivered. The Sun-Times is primarily a single copy blue collar newspaper while the *Chicago Tribune* tries to be all things to all people, perhaps that's why their circulation has declined by over 77,000 in the last 10 years while ours has continued to grow" (Email interview with author). At face value this would

appear to fly in the face of the traditional perception of dailies as the most comprehensive news source. The wide range of materials offered by dailies in part explains their uniqueness. Yet does "being all things to all people" undermine a paper?

As discussed earlier, media convergence is a critical factor in recent media history. The DH has aggressively engaged in this convergence. With respect to the Internet it has converged with marketing websites such as chicagojobnetwork.com, DriveChicago.com and SuburbanChicagoHomes.com. The local television station (NBC5) provides DH headlines, and WBBM-AM Newsradio 780 files news reports from the paper's Lisle, Illinois office. While this has been beneficial, Battin does not believe this relationship has been critical to DH's ongoing success:

> I don't personally think our convergence with NBC5 and others has been central to our growth. It's certainly enhanced our position in the marketplace now, but we owe our growth to continually expanding and re-investing in the business, which the Paddock family felt strongly about. Their successors do too. DriveChicago.com was largely created by our former vice-president of classifieds, who now, in fact, is its director. It's a partnership between us, the Sun Times and the Chicago Auto Trade Association. (Email interview with author, 2004)

This convergence has seen some transformation within the online partnerships the DH has founded:

Chicagojobnetwork.com no longer exists, although it, too, was the brainchild of our former classified VP Don Longacre. It has been replaced chicagojobs.com. The intent with either entity is the same: to aggregate jobs, mostly local jobs, to compete with the *Tribune* and Career Builder. Chicagojobs essentially evolved out of Chicagonetwork.com. Again, it's a partnership with us, the *Sun-Times* and the rest of Hollinger properties in the area (Copley newspapers, Pioneer Press, Gary Post Tribunes, etc.), the Shaw publications and Shaker advertising (Email interview with author, 2004).

Midwestern Chain Daily Paper

At the request of one of the interview subjects for this particular paper, the name of this paper will not be specifically used; instead in what follows the acronym MCDP will be. In addition, the names of contacted staff members will also not be used; nor will the chain the paper belongs to be named.

According to its Director of Marketing (DM), MCDP has a positive local perception. "Our readership studies indicate that people in our circulation area have positive perception of (MCDP) and have had for a significant period of time," he says. "We get high marks as a "watchdog" and when we ask readers whether they see people like themselves in the newspaper, they say yes. Our latest study indicates more than 70 percent of the adults in our market read the (MCDP) at least once a week" (Email interview with author, 2004)

Online/print convergence, at least initially, has worked well at MCDP, according to the DM:

> Our website was born as part of a corporate imperative to create Web sites at all [their chain] newspapers. Yes, some people in the newsroom and in our circulation department wondered whether it would undermine our print editions in terms of circulation, but no research was available to back either view. Sales efforts for the print editions continued as usual, but there were no overt efforts aimed at online vs. print. Our view, rather, is that our online edition is part of our news delivery effort, and we're looking at multiple platforms that complement each other. We do a lot of promoting from print to online and vice-versa. (Email interview with author, 2004)

He goes on to discuss high website usage as an obvious measure of its success: "The best assessment is usage, and the number of hits and page views has been increasing steadily. In

April, for example, page views and hits were up more than 40 percent over the same month on '03" (Email interview with author, 2004).

MDCP operates in a small city, well removed from the Chicagoland market of the Daily Herald, so much so that ME states that "The Chicago papers are irrelevant here, despite the seeming lack of distance between the communities." Nevertheless, MDCP has engaged in similar multimedia convergence, according to the DM:

> There's no secret about what we're trying to do. Part of it entails the multiple platform strategy I mentioned earlier, including a relatively new effort involving a local TV station. Plus, we've gone to a news digest format on our front page to deliver information on more items faster. Complete stories are run inside the newspaper. We've also gone to what we call a local/local approach in our local news coverage (that includes metro desk, lifestyle and feature) to ensure that local announcements, briefs, etc. get serious and predictable attention in the newspapers. (Email interview with author, 2004)

The MDCP's publisher concurs with the minimal threat faced by his paper from the Chicagoland dailies: "Both Chicago newspapers are sold here, but have very little presence and are declining. Their penetration of the marketplace is less than 10% I think the greater threat is with the suburban dailies that could come in and zone coverage in our marketplace. That being said the only way they could justify editorial zoning would be through increased advertising revenue which would be difficult without much market penetration" (Email interview with author, 2004).

The publisher indicates that chain ownership has benefited his paper in his particular situation has not resulted in competition among "sisters;" "The nearest daily [newspaper in our chain] is over two hours away. We primarily distribute to a two county area surrounding (our)

area." He elaborated on the DM's assessments regarding the papers' ongoing circulation trends. "We do market research about every 3 to 4 years," he says. "Our last study was conducted in 2002. It showed past week (Monday-Friday) readership has declined in 2002. Past four Sundays readership has also declined in 2002." Although readership has declined slightly since the previous report was prepared, the Publisher notes that MDCP still reaches seven out of ten adults in it's readership market, making for some of the highest readership numbers for community newspapers in the country.

As with the *Daily Herald*, MDCP's website began as a classified advertising tool, with online news a later addition, and according to the publisher the site was overhauled and redesigned a number of years ago; "The audience has grown dramatically, with the past three years showing growth rates of 30-40% annually. Total page views now exceed 3 million per month. Like the print model, by building readership, we are able to sell advertising adjacencies. Our online ad revenues have also grown annually the past three years and will exceed $1 million this year" (Email interview with author, 2004).

From this, the publisher expresses an interesting viewpoint regarding the potentially negative relationship between the paper's online version and its impact on sales:

> We are not concerned that the online could impact print edition sales, it probably does. However, we see the online model as an extension of our mission statement... to serve the [area] as the leading information source that empowers our community, while never compromising our principles. We know through tracking data that our online readers come from around the United States and various parts of the world. Many are people who used to live here and want to keep in contact with what is happening in [our community]. To maximize our print sales, we constantly promote what we do through print, broadcast and online. We have also moved to diversify our new starts away from telemarketing

> due to the new legislation that went into effect next year. (Email interview with author, 2004)

This raises a potentially important and rather unusual point: a newspaper publisher prepared to accept a decline in print sales, if only temporarily, on behalf of a multimedia partnership. As he sees it, his paper's multimedia efforts have at least the ultimate potential to boost print sales. Yet everything else he says is compatible with a traditional "gatekeeping" role for the newspaper, and not just for his, but for any number of other papers as well:

> To continue to serve the [area] as the leading information source that empowers our community will require a number of strategies: 1) Make our print product as strong and appealing as possible. Research continues to show our readers want more local news than national and international. We are considering zoned editions which we will be able to target readers and advertisers in a geographic area as small as 15,000 households; 2) Make our online product as relevant as possible, particularly with the under 30 market, where it draws the heaviest; 3) Continue to expand our other platforms. We currently partner with a local TV station and have one of our reporters provide information on a story that will be in tomorrow's newspaper or online site. (Email interview with author, 2004)

Clearly an effective multiple-platform strategy is the important derived from the experience of the MDCP. It is the practical application of media convergence as can best be applied by a single, individual newspaper. Furthermore, it encapsulates papers role as one participant in the broader, emerging media market.

The *Northwest Herald* (Northwest Chicago Suburbs)

In 1987, out of a number of weekly publications in the Crystal Lake Area of Illinois, the *Northwest Herald* (NWH) was born. Today, the paper has a daily circulation of nearly 34,000

and a Sunday circulation exceeding 35,000. Owned by Shaw Newspapers of Dixon, Illinois, the NWH serves the far northwestern suburbs of Chicago, essentially claiming its suburban/rural market near the Wisconsin border. John Rung, NWH publisher, emphasized the positive local reputation of the paper: "Based on my experienced at other newspaper, my opinion is that our paper is regarded better than most local dailies. I base that on the feedback I get from the community" (Email interview with author, 2004).

Rung expressed mild optimism regarding his papers' recent circulation figures. "Our 2003 Belden research indicated that 24% of the market feels the paper is improving, while 52% feel it is staying the same. Only 4% indicated the felt the *Northwest Herald* is declining (20% did not know). Belden tells us those numbers are slightly better than national numbers. The "improving" number jumped to 24% in 2003 from 18% in 2000" (Email interview with author, 2004).

Rung indicates that, as was the case with MDCP and the *Daily Herald*, early indicators showed potential with respect to the NWH's website; "We were one of the first smaller papers to hire a web team and one of the last to actually launch a site. I wasn't here back then, but it seems like it was a case of "paralysis by analysis." The web hasn't always been an afterthought here due to the high degree of print competition. We are changing that. We launched an improved site in May and traffic has tripled" (Email interview with author, 2004).

Nevertheless, Rung feels that there are inherent dangers when a paper fails to properly tailor its web operations to the community; "Our site is basically just an electronic version of the paper - which is where publishers get into trouble. If you just offer your print content on-line,

then I think the fear of cannibalization is real. As we move forward we are planning on having the website and our print edition compliment one another with content tailored to each medium" (Email interview with author, 2004). Rung indicates the first step in this direction for the NWH is their Prep Sports site, which was scheduled to launch in August 2004. Rung says website changes made have already modified reader perception of their web operations; "From a subjective standpoint the reaction has been very positive. Then again our website was so pathetic for so long, you would expect positive reaction to the improvements. We'll include web measurements in our 2005 study" (Email interview with author, 2004).

Rung further indicates that, unlike the MDCP, chain ownership has only "limited" benefit for the NWH: "Our chain is pretty small and family-owned. We do have some economies of scale. Our paper is a great deal larger than the other papers in the chain, so the benefit to us is limited. Our news organization has been slow to take advantage of Shaw resources. Example: The *Northwest Herald* sends reporters to cover all major Chicago sporting events, yet some of our papers pay Copley News Service for coverage that is arguably of similar quality. Our papers outside of the suburbs do not carry any of our news, even though we post everything on a Shaw-wide intranet. We have a lot of work to do in this area" (Email interview with author, 2004).

NWH competes with other Chicagoland papers. Rung indicates that they are adopting a philosophy of locally oriented reporting, not unlike that of the *Daily Herald*: "Our future strategy is to really focus on McHenry County. Our chief competitor is trying to expand into any suburb with the right demographic and our plan is to differentiate by being an outstanding citizen in our home market. That said, we still need to offer a decent regional and national news package. To

that end, it would help us to partner with another Chicago publisher and we are exploring those options" (Email interview with author, 2004).

Despite their proximity to such a large media market, Rung indicates that size works against the NWH: "We are the smallest player in the Chicago market and that is tough from three standpoints." These include Regional News: "Our competitors can cost justify regional news-gathering efforts. It's a little harder for us. We tend to rely on AP news outside of McHenry County. The exception to this is regular events we can plan for such as entertainment and sports."

The next major standpoint is *Marketing*: "We are flooded with new residents who have moved here from other suburbs. Our name recognition is low with these new folks. Trying to increase name recognition outside our county is difficult. Chicago-wide media buys are wasteful as our market is less than 5% of the entire Chicago Designated Market Area (DMA). Our strategy has been to try to market residents within our geography. In other words, we have to "wait until they get here," as opposed to "going out and finding them."

Rung says the fact that the DH is also located in the same market as the NWH provides an ironic problem for the latter:

> The dynamics of the situation are complicated by having our biggest competitive threat carrying a similar name. We are the Northwest Herald. They are the Daily Herald. Many of McHenry County's newer residents are familiar with the Daily Herald and often think we a re a zoned edition of that paper. Note: At this point in time, the Daily Herald has very little circulation in McHenry County and actually does not even circulation Most of McHenry County. The Chicago Tribune is the number two paper behind us. The Northwest Herald has more circulation than the Daily Herald and the Tribune combined. However, I refer to the Daily Herald as our "chief" competitive threat because their model is to expand into

> demographically desirable areas and try to become the local daily. The Tribune competes more at a regional level.

The last major factor is advertising: "75% of newspaper revenue typically comes from advertising," says Rung. "Most newspapers are experiencing a growing reliance on regional and national retail advertising. These advertisers tend to have multiple locations within the Chicago DMA and are looking for maximum reach with the lowest possible CPM. Our success has come from maintaining dominance within key zip codes. However, we realize it will get tougher as local retailers disappear and give way to "Big Box" stores. The newspapers in the best position in the future will combine high penetration in key zips with expansive aggregate reach within a market" (Email interview with author, 2004).

The Janesville (WI) Gazette

First established in 1845, the *Gazette* of Janesville, Wisconsin (JG), like the *Daily-Herald*, has always been a family owned publication. It is published Monday through Friday and services five counties in south-central Wisconsin.

Publisher Sidney J. Bliss fervently believes media cross-ownership. Considering the success it has brought his paper this should come as no surprise. His grandfather bought the town's only radio station, WCLO-AM, in 1930. The Bliss company has purchased seven additional stations in subsequent years, as well as three other newspapers in Michigan and Wisconsin (Fitzgerald, Mark "The Janesville Gazette," Editor and Publisher, June 2, 2003, p.26).

The JG is an unusual cross-ownership situation. In 1975, when the newspaper-broadcast cross-ownership ban was implemented, the paper received a letter requesting that it divest it's other media holdings, but it was able to retain its cross ownership holdings in the end. The Bliss company radio stations feature live local talk radio shows, proving once again that a local orientation can benefit any media organization. Editor Scott Angus, a 25-year veteran of the JG, feels the paper is perceived at least somewhat in "monopolistic" terms: "I think we are perceived as the dominant information source in our community and our county. I think that has been the case for many years and remains true today. I think people see us as experienced and knowledgeable. Some, however, perceive us as a monopoly, which isn't wholly inaccurate" (Email interview with author, 2004).

Led by Editor Scott Angus, the JG has recently undergone a major initiative to broaden their paper's daily readership base. Their goal was to redesign the paper to "covert" readers of all levels and demographics, without alienating their core, existing readership. Perhaps more significantly, the paper used both print and its radio resources to tell readers, current or potential, that; "Life is better when you can choose your news." (Johnson, Teddi "The *Janesville Gazette*, Small Wisconsin Paper undergoes big design changes," Presstime, January 2004, p. 1-2).

Grant VanderVelden, director of online services for the JG, sees challenges ahead for the JG in the emerging media environment: "Overall, we've built a pretty strong brand in our market. We're seen and known as the leading provider of news and information and the top source for advertising. It will be a challenge to maintain, though. We will have to work hard to

remain a relevant part of people's lives amid the many other media options available to consumers" (Email interview with author, 2004).

Vander Velden notes that classifieds were a primary focus of JG's early online efforts: "The Website was established in 1997, in response to the growing wave of newspapers going online and the then-fear that we "had" to be online. To prevent erosion, we did not put our entire paper online. We chose the top 10 or 15 news stories online, along with classified advertising. The decision to put classifieds online was meant mostly as a franchise-protection. Print sales have declined, which may indicate that what isn't online isn't relevant or needed to a lot of people. We've gotten lots of positive reaction, and traffic growth reflects that" (Email interview with author, 2004).

Angus mirrors some of this logic: "We started our Web site because we knew that electronic delivery would be critical in the future. We also wanted electronic delivery of key advertising, particularly classified, to protect our franchise. We started slowly in terms of news content and still don't provide the entire paper online. We will begin registering readers soon, and we may begin charging for access - requiring subscriptions - with the next year or so. I think online does hurt sale of print product to a degree, but it's the price of progress."

While the JG parent company owns eight radio station outlets, only two of their service areas overlap that of the JG. VanderVelden comments on this, insisting that the conglomerate is not really a chain in any meaningful sense:

> They're the most-listened-to in *Gazette's* market, which make them great outlets for traditional promotion. However, we do not make effective use of them for true cross-promotion and convergence. I don't know if we are a chain as you might be

> defining it. We are a small, family owned group, with four dailies, several weeklies and six radio stations. Overall, I think we all benefit from a lot of information and resource sharing. Each company has a lot of autonomy. We now have just one family member who is the sole stockholder. I'd rather have to keep one private stockholder happy rather than a bunch of anonymous public stockholders. While the demands for financial performance remain high, it's not as tough as with some of the public companies. We've got more freedom and more access to the owner, who is accessible and at his desk here everyday. (Email interview with author, 2004)

VanderVelden does not believe the traditional "gatekeeper" function of the newspaper is as relevant in today's media market: "I think our function as a gatekeeper is dwindling. It's not about "us" anymore. It's about the reader/customer. With so many information sources available to them, they can do a lot of their own gatekeeping. We need to work hard to provide content that's relevant to them. Our challenge is to remember that what's relevant in one instant may not be relevant the next. In one instant, what's relevant could be the war in Iraq. What's relevant the next instant is "what are we having for dinner" or "the kids need new shoes.""

Angus indicates that redesign efforts will hopefully increase readers satisfaction: "We are redesigning print product to make it a quicker read for those who want that and to provide more info. for those who want that. It will require an investment on our part, but we think it's time." Angus also mentioned the readership initiative his paper has launched, inspired by the Readership Institute's Impact Study. He expects this to yield information which will lead to changes in their content, culture, brand and service.

According to Angus, localized, family ownership provides for efficient newsroom operation as well as for overall corporate success, although he does indicate that a more cooperative approach on the part of the JG may be warranted:

> It gives us the freedom to operate independently without concern for treating every newspaper in the chain the same. I as editor can make a case to our owner solely on its merits and he can consider it on that level. I have easy and direct access to ownership, and he can make decisions and live with the consequences - good or bad. We aren't constantly worried about dividends for our many and varied stockholders. We have some synergy and cooperation, but not as much as we should. Some are in different markets, which limits our opportunities. We need to do a better job of working together and sharing resources in shared markets. We do some of that but we need to do more. We do have some shared administrative costs that help the bottom line. We can be quicker on our feet, and we can make bold decisions without being concerned about hundreds if not thousands of people with financial interests in the company. That doesn't mean we're frivolous by any measure. But we are more independent, and that's a good thing. (Email interview with author, 2004)

As indicated in chapter two, chain ownership of dailies has been the prevailing industry trend for a number of years and that is unlikely to change. What implications does the experience of the JG have here? How can dailies draw from their CNC situations to become more independent? The JG is a particularly interesting scenario because it contradicts an important facet of the CNC trend. While fewer dailies exist today, the remaining ones have demonstrated higher profitability when chain-owned. Having resisted direct participation in the growth of corporate news chains, JG is privately held but still profitable. As both Mrs. Argus and Vander Velden illustrate, resource and information sharing have benefited their paper. This again is media convergence at its best. The JG was an early example of print-technomedia convergence, having begun this project back in 1930. Regarding information and resources as a common link instead of competitive dividers, JG remains "the leading provider of news" in the words of Mr. VanderVelden.

The Rock Island Argus (Illinois)

Roger Ruthart is managing editor for the Rock Island (IL) Argus (RIA). He speaks to the role the paper has played in the development of the region: "Our newspaper has served the community more than 150 years. Not many can say that and it speaks to our acceptance." Daily combined circulation for both the RIA and it's sister paper the *Moline Dispatch* is over 40,000 in three counties in the Quad Cities region of Illinois and Iowa.

Ruthart indicates that the paper's online efforts, Quad Cities Online, were pioneering among online news and have met with success since the beginning:

> When our newspapers established Quad Cities Online, we were among the first dozen in the country or so. Our site has always been locked down, but you can get great deals for subscribing to both the website and the newspaper. We are also more than just that, we are an ISP, now offering DSL, we designing and much more. From a news perspective, Quad Cities Online allows us to get news and information to users faster than the print product. We have about 10,000 paid subscribers...people who pay to have access to news and information through Quad Cities Online. (Email Interview with author, 2004)

In terms similar to those used by Angus, Ruthart describers his paper's family ownership status as a best-of-both-worlds situation: "We are part of the Small Newspaper Group, which is owned by the Small family. Len R. Small is CEO. We have all of the benefits of being group owned in terms of things like benefits, state capitol and Washington D.C. bureaus, etc., but also have all the benefits of being family owned in that our pressure is to serve our readers, not our stockholders and our owners really care about our employees. Pretty lucky, huh?" (Email interview with author, 2004) Ruthart says the papers operate with a fair amount of autonomy but

communicate with each other as needed. Furthermore they have group meetings to discuss issues such as readership, growing circulation, creating "niche products" and online efforts. Again, it is local news which substantiates the role the RIA has in their respective media market:

> Local news is our franchise. We must make sure that no one does a better job of local reporting than we do, regardless of the platform through which we provide it. While the impact on our core newspapers product of reporting breaking headlines may have been diminished somewhat, we can still do a better job than anyone else for explaining impact, context and how the news impacts the lives of readers and the community they live it. You can't get that in a 30 second TV sound bite and that's what people really want to know.

Ruthart emphasized a reader-oriented focus: "We need to stay in touch with our readers and give them what they want. We need to listen and I think newspapers do that better than any other media." Ruthart also stresses newspapers' comprehensive function: "We are also the only remaining mass media - we need to be all things to all people every day. It's an important role and a position that we should take advantage of while still developing niche markets as well."

As indicated, Small Newspaper Groups owns and operates the aforementioned *Moline Dispatch*, RIA's nearest sister paper. As Ruthart illustrates, despite their close proximity, as well as an apparent Joint Operating Agreement, the two papers have successfully marketed themselves to different, adjoining sections of the same market. They operate with joint news staffs and as they have some common sections, they function almost as zoned editions of the same paper. Ruthart also discusses their reader oriented strategy. An "effective online strategy" is also important as well as their convergence with the local WQAD-TV, which Ruthart says provides the paper with promotional opportunities the RIA would not otherwise have.

The *Watertown (Wisconsin) Daily Times*

In 1895, John W. Cruger and E.J. Schoolcraft, two residents of Watertown, Wisconsin, founded the *Daily Times,* representing the first daily newspaper for the area. In 1924 John Clifford assumed financial control of the paper and his family maintains that control to this day. It remains one of the few family owned dailies in the state. The Times Publishing Company also owners a local weekly, the *Dodge County Independent News*. The *Daily Times* (DT) has a daily circulation of over 30,000 in two counties.

Thomas Schultz presently serves as DT's managing editor. He indicates that responding to the needs and interests of readers is central to the paper's positive perception: "I think generally the *Daily Times* is perceived well by the public. It's part of being in a small community where the readers 'take ownership' in the publication. We try to foster a good relationship with people in part by trying to say 'yes' to their requests to have something published rather than thinking of ways to say 'no.' I try to instill in all our people that if it's important enough for readers to call us, or stop in, it's important enough for us to find a way to publish it" (Email interview with author, 2004).

Schultz does not believe that changing demographics in the paper's market will have a negative effect on circulation: "The demographics continue to change as Watertown grows and as people move it they typically don't have that longstanding close affiliation with the paper but with time we always hope to bring them into the fold as strong supporters" (Email interview with author, 2004).

Schultz says that the growing number of visitors on the paper's news website is a source of concern: "Like many newspapers, we started our website a couple of years ago. We are now getting over 2,200 unique visitors a day and the number is growing. We are concerned about losing print subscribers to the web and one thing we have done is to limit the amount of local news on the web. We received some criticism from people for not including the entire paper but when we explain the economics of the paper, they tend to understand" (Email interview with author, 2004).

Despite these concerns, Schultz feels there are optimistic signs resulting from the increased use of DT's webpage, with respect to its advertising efforts: "The rising number of visitors to our site is a good sign, and the fact that we do receive input in the form of e-mails is also a good sign. We have been successful securing advertisers for the site as well. There's always more we can do, and we continually evaluate the options that will bring more people to the site without compromising our print product" (Email interview with author, 2004).

Like nearly all local, smaller market papers, local news is paramount for the DT: "Our number one issue is to publish what the readers want to read as well as what they need to read to be informed citizens. We concentrate on local news the work you can't find in any other publication. Anyone can have the state and national news but our newspaper is the only publication that has a full time news staff of 11 people gathering local news that's pertinent to our community. We also put a great deal of effort into local sports news, whether it's prep sports or lifetime sports. We find feature stories about average people are important to our readers and we try to provide them on a regular basis" (Email interview with author, 2004).

MDCP - 2

This next paper is located in a large Midwestern town, on the far fringes of a major metropolitan area. Founded in the later part of the nineteenth century, it merged with another paper in the late 1940's and is presently owned and operated by a CNC. Like MDCP, this news organization has requested not to be mentioned by name, although its publisher offered useful information. It will hence be referenced as *MDCP-2.*

The paper's publisher indicated that recent years have generated slight readership increases for the paper. "We had a market study done in (the Spring) of this year (2004) which revealed our readership is up 4% over the study done in 2000," she says. "A very strong increase for us. Regarding attitudes of those reading us, (high 70s)% strongly agreed that we are reliable and trustworthy, (low to mid 80s)% strongly agreed we are relevant and useful, and (high 70's) % are very or somewhat satisfied with our content" (email with author, 2004).

The publisher indicates that the impact of their web operations is still being evaluated. "Our Web site has been in existence long before I came here in (mid 1990's) to better serve our community," she says. "We have continued to make improvements to attract more visitors to complement our printed product. There was some concern regarding losing print readers to the Web, but we also know that this is not a reason to further develop the site. Our philosophy is to attract readers from both entry point and utilize the Web site as an extension of the printed product. We have not taken measures (such as paying to enter, etc.) to deter visitors to the site.

We are, however, evaluating whether we will charge to enter into different areas of the site as we further develop options for our visitors. We do know it is the highest visited Web site in the county and has more visitors than our local radio station has listeners. We are averaging (over 5000) unique visitors to our site daily and the radio station claims to have around (approximately 4800) listeners" (email interview with author, 2004).

The publisher believes there has been demonstrable impact on readership generated by their website. "During a recent community promotion and partnership with advertisers and the (local) mall, we had a reader promotion. During the timeframe that the contest took place our Web site viewing increased about 32%. This was due to the interaction we created with the print and Web site components. Examples are the contestants had to write a daily journal chronicling their experiences and readers could 'vote off' their choice via the Web site. We get daily reader comments on stories in our printed product. Readers can go in, click at the bottom of the story, and comments on the story. The same goes for obits. They can write a tribute to the deceased."

The publisher believes that the website's community news focus attests to its effectiveness and popularity: "Our community forum is a highly read part of our Web site. Visitors can create 'threads' relating to local news, sports, or anything of interest to them. Check it out – it is very, very active."

Although MDCP-2 is part of a CNC, that relationship is still under evaluation, according to the publisher: "We do belong to the corporate body of [CNC]. It is about [several] years old now so benefits are still developing. We are not as established as Gannett, Knight Ridder for

example, but there are benefits. We have a corporate Web site that includes circulation and editorial portions for those departments to learn, share and grow. We have a Vice-President of editorial, circulation, advertising and marketing that interact with all newspapers. We come together for conferences and meetings to share the vision of the company and share Best Practices. We have training opportunities for employees and share in benefits and 401K options. [Our chain] works collaboratively with (a major) University on several levels to benefit the company. We will continue to develop our Web site presence through improvements and additions to engage the community and improve the interaction the Web allows so perfectly. Again, we are very involved in the (a major newspaper research study) and will adopt their initiatives to a further extent, but we are also introducing the (new readership) component this year. This is the 'revolution' to capture new readers, not the "evolution". It is a primary goal of (MDCP-A) in 2005. We will also focus on creating "experiences" as a result of the (readership) program. Experiences for readers, advertisers and the community. We know it is no longer enough to inform our readers and produce results for advertisers. Today, it is just the point of entry. We will add value and experience to set us apart from the crowd in 2005."

The Indianapolis *Star*

The *Indianapolis Star* merged with the *News*, an afternoon paper, in 1995, and the latter ceased to operate. Originally owned by the Pulliam Family, they sold the paper to Gannett in 2000, where it became the third largest property in that chain. The paper has won two Pulitzer

Prizes, one in 1975 for uncovering police corruption and another in 1991 for an investigative series on medical malpractice (Robertson, Lori "Indianapolis 500" American Journalism Review , February/March 2004, p. 2).

Bob Jonason presently serves online services director for this major urban Gannett-owned daily. "The daily *Star* reaches 45 percent of the market and the Sunday *Star* reaches 56 percent. Each week more than 1 million people in the market read the paper."

Jonason indicates the *Star* entered the online news realm with trepidation. "Web operations launched in 1995," he says. "To prevent the undermining of print, only select stories from the paper were posted online for several years. Beginning in the year 2000 the strategy changed, with nearly all of the paper's news content being posted on the site, and the site being updated with breaking news during the day. The site is positioned as an online extension of the newspaper, and a great deal of cross-promotion is done between the newspaper and online. Print sales have actually increased since 2000." Barbara Henry, the *Star's* president and publisher, discusses benefits to the paper which correlate with this new strategy: "Satisfaction ratings for the *Star* have improved markedly in the past four years"(email interview with author)

Jonason regards the reaction the *Star's* online component as largely positive. "Monthly market reach of the site has increased from 15 percent in 2000 to 33 percent in 2003. Readers, in email messages and phone calls, tell us almost daily that they love the site," he says. Joanson also says his and other Gannett papers share strategies and best practices between each other, confirming the benefits, real or potential, from CNC participation. He also indicates that his paper is in the process of accepting a revised role in the evolving media market: "We are

integrating online into all aspects of our operation, re-inventing ourselves as a local news and information provider that gathers, edits and delivers newspaper-branded content by all appropriate means." Henry confirms this optimistic assessment: "IndyStar.com is the No. 1 web site in Indiana, with more than 24 million page views per month and more than 2 million visitor sessions. Page views are up more than 30% this year. At the same time, readership of the printed version of The *Star* has grown. By making continuous improvement in print and online, both are growing. Based on the incredible growth, reader reaction is good."

Henry regards the ability to change and adapt as central to their continued success. "Newspapers remain the No. 1 source of news and advertising in local markets and as long as we continue to change and improve as our markets change around us, we will retain that position."

Analysis of Interview Data

The interview data collected for this project is highly qualitative in nature. It has yielded perspectives on circulation, advertisement, readership, the need for local focus, and other issues. However, it is possible to assess these reports in the context of an effectively brand new process in the evolution of journalism; hence this will be referred to as *Print edition renewal.* Essentially, I mean for this term to refer both to the process and the environment to which print newspapers must adapt. Fundamentally the term invites journalism scholars to reevaluate past practices and to refine them for new media circumstances. Three abiding ideas constitute effective *print edition renewal*.

First, newspapers have little choice but to abandon their traditional function in the media landscape. Grant VanderVelden of the *Janesville Gazette* spoke to this most succinctly. As he noted, his paper has little choice but to learn to adapt to new media realities. Media consumers face an increasing number of information options. Hence, the JG is at risk of becoming irrelevant. Early in this project, the "critical" question of whether or not media convergence would undermine newspapers traditional role was asked. The answer is clearly yes. With increased options the gatekeeper function for the paper is on the way out. While Mr. VanderVelden was the interview participant who dealt with this issue the most openly, it is as relevant to other papers as it is to his. Papers are no longer gatekeepers; they are facilitators. Furthermore, as the decline in circulation by the *Chicago Tribune* dictates, they cannot expect to "be all things to all people." Papers must tailor their content carefully.

Second, strategic media planning now occurs in a largely polarized environment. The new media atmosphere includes many participants. Multimedia partnerships, through *convergence*, are now very much a standard media dynamic. Jim Cook of the *Daily Herald* indicates that the strategic partnerships his paper has engaged in have allowed channels to be opened that will facilitate their growth as a news organization, revised role or otherwise. The Director of Marketing at MCDP regards the relationship between their print and online editions as complementary (as does John Rung of the NWH), and the paper's print edition renewal as mentioned extends to local broadcast outlets.

Third and finally, a *revised local focus* is essential. As MDCP's publisher stresses, readers prefer local news to national or international. Papers should shy away from stories with little or no local connection.

Additional Success Stories

The following newspapers, while they, with the exception of the *Atlanta Journal Constitution,* were not contacted directly as interview subjects for this project, represent noteworthy example of newspapers which have recently taken steps to remain relevant in the emerging media market, and can be seen as confirming the larger findings of this project.

The *St. Paul Pioneer Press:* Vicki Gowler, editor and senior VP of this Knight-Ridder paper, believes her paper needs "to focus on the people we believe will read us if we give them the right content" (Lallande, Ann "Pioneer Press: St. Paul Paper courts its core constituency," *Presstime*, November 2004, p. 1).

As the smaller paper sharing the market with the *Minneapolis Star-Tribune*, the *Pioneer Press* saw an overall weekday and Sunday circulation decline between 1998 and 2002. In response to this decline, the paper "completely revamped its print and online products" (Lallande, "*Pioneer Press*: St. Paul paper courts its core constituency," p. 1). The paper has chosen to emphasize local news, lifestyle and entertainment stories, and enhancing existing coverage areas. Special emphasis was placed on married women between 34 and 54, and added four to six local section pages in their zoned editions. As Gowler illustrates, her readers want to read about "their school, their backyard and what happens on their street" (Lallande, "Pioneer

Press: St. Paul Paper courts its core constituency," p.2). While not quite back up to 1998 levels, circulation for the paper has well surpassed the 2002 low of 186, 635. According to comScore, however, profitability for their website has already overshot goals for the year (Lallande, "Pioneer Press: St. Paul Paper courts its core constituency," p.3). As with the *Daily Herald*, acceptance of a decline in print circulation, coupled with effective website marketing, can lead to profitability and a retained, if revised, role for a paper's print edition.

The *Palm Beach Post*: Special emphasis on classified advertising has garnered $14,000 in additional monthly revenue. More notably, the *Post* has sponsored ATM-type "kiosks," as many as 40 of them, in shopping malls across three counties in their market. These kiosks display the paper's name and include other interactive content, such as a mall directory for each particular location. The *Post's* General Manager Dan. E. Shorter claimed that during the first month of the project these kiosks were attracting approximately 2000 people every day. Are these kiosks the newest addition to the technomedia "club"? "The kiosks and the Internet are a great way to put those ads in front of people who have never picked up your newspaper," says Shorter. "It's a nice new line of business for all newspapers to consider" ("2004 Best Practices: House Hunting: Online and at the Mall," *Presstime,* 2004, p. 2-3). In the words of the NAA's Rob Runnett: "[The Post says] We want to be the leader in our market" ("House-Hunting," *Presstime*, p. 2). Shorter alludes to untapped readership which this project can help identify: "There are hundreds of thousands of people who unfortunately aren't reading [your paper]" he says. "You've got to reach them. Your advertisers need as much penetration as you can get.

That's why [advertisers] wander over to radio or TV or something else" ("House-Hunting," *Presstime*, p. 3).

The ***St. Louis Post-Dispatch:*** As media consultant John Morton puts it, the *St. Louis Post-Dispatch* has a long "sterling reputation for quality journalism" (Morton, John "Meeting Marketplace Challenges" *American Journalism Review*, April 2003, p. 1-2). As of the 1970's, however, its JOA with the adjoining *Globe-Democrat* led it into operating losses, mainly due to difficulty competing in local suburban markets as an afternoon paper. Eventually the *Globe-Democrat* was sold, and later became defunct, effectively establishing the *Post-Dispatch* as that city's newspaper. It was able to assume its predecessors revenue and circulation markets, which in the suburbs totaled some 800,000 homes. Again, increased local, sports, entertainment and business coverage have revived this paper's time honored reputation.

The *Atlanta Journal-Constitution*: Stacy Lynch is the readership editor for the Atlanta *Journal-Constitution* (AJC), the only newspaper contacted for this study outside of the Midwest. In her assessment, the AJC's web operation emerged out of a corporate imperative by Cox Communications, their parent company. "Cox started developing sites mid '90s at the newspapers," says Lynch. "Cox corporate decided to create a division to develop websites for all their newspapers – Cox Interactive – that existed until 2002. The strategy was to create city portals to compete with Citysearch and other ventures. News developed on a separate track with a different site. In late 2002 Cox gave back control to the individual properties because it became clear that local news drove the sites and editors at the newspaper better controlled them. Currently the *Atlanta Journal-Constitution* has several sites – ajc.com and accessatlanta.com are

news sites and there are several other sites including ajcjobs.com, ajccars.com, ajchomfinder.com and others."

Lynch indicates that the AJC move to online news was motivated out of necessity rather than as a willful option or innovation on their part: "I think that concern that the website would undermine print sales was overshadowed by the realization that the Internet was coming and would change news consumption whether we were involved or not." Furthermore, making news

from *their news organization* has been the AJC business model: "We can't actively discourage people from substituting the website from the newspaper. We've promoted the value of the print newspaper and worked to make it better. We have worked to make AJC news products the first choice regardless of medium."

Lynch does not feel that the introduction of ajc.com has been without impact on circulation of the print edition. "The answer to that is no," she says. " I think it's unrealistic to think that newspapers will continue without any impact from the Internet as a whole. The truth is that there are many sources of news out there (cable TV, other news websites, even news radio) that have grown up in the same time frame and readers have more choices than ever."

Although print circulation has declined slightly since the beginning of ajc.com, overall Lynch feels the impact has been for the best. "At the same time we have 550,000 registered users on ajc.com – 80% don't overlap with our print subscribers. The total reach of both print and online is greater than we had before the start of the Internet." From this it is clear that newspapers can and should accept a revised role as news disseminators, rather than retaining

a simple, traditional focus on simply keeping print profits high. "Unique visitors and pages viewed continue to grow," Lynch notes. "It's an evolutionary process so although they're not perfect, we continue to add features that draw readers in. We regularly track reader opinion through phone and Internet surveys as well as focus groups."

Chain ownership has also worked well for the AJC, as Lynch illustrates:

> We have a division called Coxnet that shares content and technology across properties. We jointly develop online tools (entertainment search tools, for example) and also share the best content from each paper. Chain ownership also allows us to invest in large capital improvement projects – our Dayton paper recently bought new presses. There are other ways we benefit. We have a Cox Washington bureau that reports daily on what's going on in Washington from the perspective of our local markets. We can afford better, more senior writers to do this and a team of editors to cover the issues that we couldn't afford if we were solo. Another area where we can pool resources is in coverage of Iraq, for example. We had more than a dozen reporters in the Middle East because we pooled our resources. It's things like that which help us. Introduction of Access Atlanta, the weekly Thursday supplement, has directly impacted circulation as well; Thursday has become our strongest single-copy weekday most weeks. We also distribute 20,000 free copies each week in racks around town. We've also increased our Thursday home delivery circulation since it's launched. Overall, it's been a very good success for us.

Lynch indicates that chain ownership does not necessarily mean that papers must sacrifice their individual identity: "At the same time the papers retain a lot of autonomy. We don't have coverage mandates from corporate, we're privately held and don't have quarterly profit goals we have to make in the same way some publicly traded companies do."

As is the case with every other paper represented in this survey, innovation and adaptability have emerged as essential survival tools. "We have to innovate faster," says Lynch. "We must invest in new technologies to deliver news and, yes, to deliver value to our

advertisers. We must do both to remain competitive because being a gatekeeper requires smart, talented reporters and writers and that's expensive. I don't think there's any secret to any of this and our long-term strategies will be to try to offer as many new kinds of products of value to readers and to advertisers."

Chapter 4

Specific Proposals and Suggested Guidelines for newspapers to successfully practice "print edition renewal"

The responses elicited from the detailed email interview enable several conclusions to be reached regarding the process of *print edition renewal* of the American newspaper. The information offers a "real time," qualitative look at the industry. From this input, the following guidelines represent specific suggestions that might be applied in practice on a widespread level.

Recommendation One: "Push the Multimedia Envelope" especially with classifieds

Melinda Gipson offers a visionary take on online news:

> To survive, online newspapers must become the great explorers of the Internet the way they used to be the explorers of the uncharted Earth. They need to collect and share useful and unique voices with their audiences in a manner that delights and informs. They need, in turn, to make their aggregations and creative expressions more accessible to others online by getting on Google's radar. They also may need better tools to optimize their inventory, but even that doesn't go far enough (Gipson, "Blazing New Ad Frontiers," p. 2).

The example of the *Palm Beach Post* illustrates the value of aggressive and user-friendly web operations to complement print efforts. For them, this approach yielded particularly good results with respect to their special inserts and real estate classifieds. More specifically, their Internet

kiosks provided an additional level of visibility and market penetration expected to reach some 1.2 million additional readers.

Such efforts are of course by no means limited to print/Internet collaboration. Jim Cook spoke to this directly: “We [DH] are a distribution company.” The critical role of classifieds can clearly be preserved by effective print edition renewal. As DH’s Richard Battin illustrates, their paper’s early online efforts were heavily oriented toward classifieds. Though their initial online convergence was rocky, in the long run it has proven lucrative, or at least not cost-prohibitive. Help wanted classifieds have yielded similar success, as exemplified by DH driven efforts such as Chicagojobs. MDCP had a similar experience, with their early online ventures being classified oriented. Overhauled several years after it’s inception it garnered 30 to 40 percent increases annually in subsequent years. Presently, those ad revenues are approaching, if not in excess, of $1 million annually. The “multiple – platform” approach as cited by the MCDP clearly has the potential to yield sustainable, positive results.

The JG is an example of why print edition renewal should be comprehensive, not simply for one area of a given paper's efforts. As print sales declined when their website was first introduced, clearly their other efforts at convergence play a vital supporting role. As the Marketing Director for MDCP discussed, his paper has recently begun a convergence effort with a local TV station. For the JG, print edition renewal (P.E.R.) has essentially been a way of life, part of their corporate culture. As always, P.E.R. provides visibility that would otherwise be unlikely for the print editions, as the RIA's Ruthart elaborated. Perhaps most significantly, if an independent such as the JG can yield such success over so many years, chain-owned newspapers

have all the more resources to effectively complement their print edition with technomedia, benefiting all involved in the process.

Declines in print revenue at the moment of transition to new online services may vary from paper to paper. Newspapers should be prepared to accept such losses, to a point at least. While this obviously means less revenue from a traditional source, online competition is not necessarily a Grim Reaper. Papers can still retain their traditional function, as *news organizations*, while offering news in multiple formats. The earlier example of the *Tampa Tribune*/TBO.com demonstrates how this can succeed. Yet, most importantly, this must be COMPLEMENTARY relationship. As John Rung of NWH illustrates, simply offering your stories on your website is a recipe for trouble. His paper's website is moving to a complementary relationship with the print edition, with content tailored to each medium (Email interview with author, 2004) As Stacy Lynch of the AJC alluded to, newspapers must evolve into news disseminators, in conjunction with their technomedia brethren.

Recommendation Two: Renewed Emphasis on Younger Readers

As the readership sector most in danger of being lost, special emphasis must be placed here. According to the AJC's Stacy Lynch, their youth oriented Thursday supplement *Access Atlanta* into has turned that day of the week into their strongest single copy weekday, in terms of sales. Apparently the distribution of 20,000 free copies of the supplement has not diminished these increases, and Lynch indicates Thursday home delivery has increased since it has been launched. Offering a concise, "hands on" supplement to a diminishing audience evidently can

help bring that audience back. Furthermore, as online news draws most heavily from the 30 and under demographic, web operations should be tailored accordingly; to arts, sports, entertainment and higher education. The *Milwaukee Journal-Sentinel* has seen similar results from its survey of its younger readers, further confirming this group to be an indispensable segment of newspapers' future growth. As all media markets have younger readers, to varying degrees, no paper in any of these markets can afford to ignore cultivation of this vital demographic.

Recommendation Three: Focus on Localized Economic/Subscription Marketing, or "Zip-Zoning"

Every single interview subject which provided interview data for this project touched on this area as requiring critical attention. As Jim Cook of the DH pointed out, his paper focuses on the most economically affluent section of the market for subscriptions, i.e., all the right zip codes. While not all sections for the country have prospering suburban markets, all areas have at least some measure of socio-economic diversity. While any responsible news organization will of course address the needs of all those in its readership market, regardless of their particular economic position, the evidence is conclusive that people in higher income brackets are more likely to become long-term subscribers. Single copy sales are higher among blue-collar segments of the market, hence newspapers should engage in strategic planning to meet this market sector. To re-quote Cook; "The *Sun-Times* is primarily a single copy blue collar newspaper while the Chicago *Tribune* tries to be all things to all people." With effective zip-zoning, any paper can be the right thing to the right people. As Meyer points out, circulation is higher among smaller

media markets in rural/suburban area. As indicated, the *Pioneer Press* has benefited from zone – oriented marketing, or at least has been able to somewhat reverse circulation decline with it. Hence, a continued focus on local news coupled with effective zip-zoning will likely secure the newspaper's place in these markets. Furthermore, self-defeating practices such as the aforementioned ego-circulation and harvest marketing should of course be abandoned.

Coupled with "zip-zoning" dailies should never lose sight of their local focus. Cohen and Kaczorowski list seven "recommendations for success" in their Forecast 2005 Article. Recommendation #1: "Embrace "Local" as Our Unique Value Proposition. Newspapers must understand, exploit and communicate the value of their local brand. Newspapers must invest as though the information they provide is worth a currency as valuable to many consumers as their money: their time (Cohen and Kaczorowski, "Forecast 2005: Looking Beyond the Horizon," *Presstime*, 2004, p.4). Enhanced zip-zoning is the tool whereby the newspaper will enhance its foundation in its respective market, and by promoting single copy in areas which choose not to subscribe, newspapers will serve readers in a variety of socio-economic levels.

Assessment

Earlier in this project, the unique role of the newspaper was touched upon. Randy Siegel, president and publisher of *Parade* publications, confirms this assessment; "Quality newspapers still stand alone at a time when television, radio and the Internet are struggling with issues of accuracy, substance and decency, as well as accelerating audience fragmentation" (Siegel, "The Oldest Medium Still Matters," p. 1).

Siegel describes the role of the newspaper as "revolutionary." Specifically, it combines state of the art technology to provide compelling stories. Its nature is quiet and substantive, offering regular and comprehensive updates. It offers a conscience derived from its human derived "algorithms." By comparison, the Internet must contend with viruses, spyware, pop-ups, pornography and online identity theft – reading a newspaper subverts these threats and undesirables. (Siegel, "The Oldest Medium Still Matters," p.2) Siegel calls for a "renaissance for newspaper, articulating their virtues and value like never before."

From the beginning, the intention of this project has been to provide advice, guidelines, and support for print newspaper practitioners. The information has intentionally been presented in a broad-brush manner to preserve the widest possible utility. Success stories such as those of the *Daily Herald* and the *Janesville Gazette* illustrate practical manifestations of these recommendations which have already been successfully implemented. Furthermore, to my

knowledge, no community newspaper in the country, either an independent or a chain owned daily, is disqualified in any way from attempting these suggestions.

The process of P.E.R., coined during the course of the project, is intended to reassess newspaper's role. Print papers are clearly engaging in a process of renewal and self-actualization. P.E.R. is by no means intended to negate the traditional newspaper role, rather to enhance it. It is not another term for convergence; it is a proactive process, which newspapers should embrace above and beyond past convergence efforts, which were born more out of necessity than from forward thinking. *Washington Post* Publisher Boisfeuillet Jones Jr. offers an optimistic take on such efforts: "If we focus on the business of journalism well, the newspaper and Website should both be able to grow revenues" (Ahrens, Frank "Hard News: Daily Papers Face Unprecedented Competition," *The Washington Post*, February 20, 2005, p. F5). My interpretation of this is to say that if newspapers successfully revise their role as news disseminators, neither medium should suffer and perhaps both will prosper.

As previously discussed, it has three primary, and *proactive*, components: embracing and partnering with the multimedia environment, ongoing aggressive recruitment of younger readers, and economic "zip-zoning." Can any paper in the United States "P.E.R.?" It is the sincere hope of this project that this is true.

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Author's note: When articles are referenced having been found online, the page number doesn't necessarily correspond to the print version, but to the online one. For example, if an article is footnoted as being found on page 1, it likely means page 1 from the online version: for clarification.

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