

More than something to read – The quality newspaper market



“It's amazing that the amount of news that happens in the world every day always just exactly fits the newspaper.” Jerry Seinfeld.

Introduction

What's black and white and red all over? It's an old joke, based on established ways of producing and reading newspapers. But have habits changed that much? This report will address whether there is room for quality, printed newspapers in the new digital media age, how their roles are changing and must change, and whether the broadsheet format will survive.

In some ways, this query is a repeat of the question of whether TV would kill radio, or video shops would close movie theatres. Like each technology before, new media are unlikely to kill quality newspapers. But they will have to focus on how and where they fit into this media landscape and help people *do what they already do*, more effectively.

More than something to read

Newspaper editors and journalists are all focused on providing quality content, something compelling that people will want to read. Yet, the newspaper is much more than just something to read, for example:

- The folded newsprint becomes an object, to go into a letterbox, briefcase, pocket, or under the head.
- It is a signal for the reader: I am someone who is interested in being well informed, who plays the stockmarket, or who is left wing and proud of it.
- The newspaper is a ritual, daily purchase; I just do it automatically.
- Reading the paper is an excuse to be alone.
- The newspaper is part of other rituals, like going to the café to drink coffee.

If we see the newspaper this way, as part of people's daily lives, then we see that content, and the way it is presented, is not everything. More important is how it fits in with people's daily rituals, and how it supports their beliefs about themselves and their social identities. As found by researchers, readers are looking for empowerment, reassurance, and companionship, as well as news. People want more than something to read when they pick up a newspaper.

What people want

“Benefits of newspapers include portability, privacy, selectivity, intimacy, the fact that it's flickable – whereas the internet is searchable – and the fact they are multi-functional.” David Lind, market researcher.

The way newspapers will survive in the future is by fitting in with people's lives in a way that makes them easier and supports their identities. Online media are no doubt easy to access, but they do not necessarily meet the other needs listed above that hardcopy newspapers fulfil.

McKinsey did a small study in 2007 of 1,200 American people and why they choose to read different media. It found:

- TV and the net are described as more useful than papers or magazines.
- People prefer convenience, comprehensiveness, and timeliness, before quality.

More people found access to be important in their choice of media than quality. As seen below, the percentage of people who agreed with each reason reduces for the quality statements.

Access – easiest 56%, most topics 44%, whenever 43%, multitask 38%
Timeliness – up to date 39%
Quality – accurate 19%, indepth 19%, particular reporter 17%, exclusive 16%.

Quality newspapers, by their nature, may believe that people buy them because of their quality. This study suggests that convenience, comprehensiveness and timeliness support people's needs better than quality by itself. Even so, quality is a difficult to concept to pin down, as it is so readily bandied about by most brands.

People claim not to have much time, at least in cities, so it is perhaps surprising how much time these respondents do spend with various news media. There is definitely a male and older skew towards regular news consumption.

Time spent per day, gender, median age:

Citizen readers – 107 minutes 53% male, 49
Digital cynics – 69 mins, 53% male, 42
News lovers – 97 mins, 52% male, 40
Traditionalists – 92 mins, 57% female, 54
A new main – 81 mins, 59% female, 49
Headliners – 78 mins, 61% female, 43.5
Uninvolved – 40 mins. 55% female, 39.

Source: McKinsey.

A 2007 PQ Media study discovered that Americans spent less time with online media than with traditional media, such as newspapers. Since people are online more often, that means an overall decline in total time spent consuming all media.

The newspapers have been trying to attract more women and younger demographics (recognising their spending power) and this is one of the reasons for switching to compact formats (tabloid or Berliner). The trend for quality newspapers to cover celebrity stories suggests they think this is one way of attracting them. But one commentator claims newspapers cannot cover celebrity stories as well as gossip magazines, the internet, and TV.

Younger people are comfortable with digital media, and more inclined to take what they want when they want it, as cheaply as possible. They are more self-focused, than world-focused. Even those who are interested in news prefer bite-sized formats, and boys, in particular, are put off by reams of text. In fact, a Washington Post focus group of young people rejected a free newspaper subscription because "they didn't like the idea of old newspapers piling up in their houses"!

Why go online?

"Readers of the online paper 'want a different experience' and tend to use the 'search-and-obtain' function of the internet to scan the headlines ... print edition readers are accustomed to a 'lean back, open the paper and read' sensibility."
Len Apar, International Herald Tribune.

- In the second quarter of 2007, over 59 million people (37% of all net users) visited newspaper websites.
- This was a 7.7% increase from the same period in 2006.

- In May 2007, 60 million people visited newspaper websites, a 6.7% increase from May 2006.
Source: Nielsen/NetRatings.

People are increasingly going online for news. Many commentators have tried to work out what kind of news is best suited to online editions and which is suited to hardcopy. The consensus seems to be breaking news and short stories online and analysis, context and opinion in the printed edition.

But this seems oversimplified when the internet is the platform for user-generated content like blogs and comments, blogs by journalists, video and podcasts, and sundry links to other content, which all add context and opinion. Moreover, all content can be updated at any time (unlike a newspaper), some is interactive, and readers can come back to it at their leisure.

It seems counterproductive to try to pin down types of content with types of format. Instead, publishers need to look at how people are living their lives and look to see what formats fit into their lifestyles throughout the day. The free Metro/Life style paper, delivered free to commuters, makes it easy for people to travel to work and be informed, without having to concentrate too hard first thing in the morning, and it gives them local information. It is an old format, but it appears younger demographics like it anyway because it is convenient.

At the same time, you don't have to be a digital native (below 30) to enjoy reading news online, or to download podcasts. In fact, busy executives on a plane might find it easier to use their laptop than to read a newspaper, and it offers much more flexibility as they can do other things at the same time, or use what they read in a presentation they are writing.

It has been suggested that there is so much digital content, that it could ultimately lose value. Physical media, on the other hand, especially when carefully written and edited, and well designed, could achieve much-desired cut-through. We think it is much more likely to come down to good combinations of media that support people's lifestyles.

Good combinations

Will Lewis had the idea – perhaps a bit whacky - that Telegraph readers want text in the morning, video at lunchtime and audio in the afternoon, and "click and carry" pdfs for the commute home and blogs in the evening. His idea might have been wishful thinking, but at least he understood that news has to come in as many formats as possible (platform agnostic).

The Daily Telegraph plans to screen a political show on its website, dubbed Right On, which will feature every Thursday when parliament is sitting. Its editor calls it "politically right, not politically correct" and says it is political "with bias". The highlight will be a debate between columnist Simon Heffer and blogger, Iain Dale, who will challenge Heffer about his column, which he writes every Wednesday.

This appears to offer a good combination of website, TV, newspaper, and blogging. It means keen readers of Heffer's column can explore further. It also supports the trend of newspapers to become "viewpapers" – knowingly biased.

The paper's digital editor, Edward Roussel, recognises that what people wanted "six months ago is probably not what they want now or in six months' time". He predicts future online demand will focus on written news and comment, video and user-participation, but not blogs.

Size matters

["They are now less comfortable to snooze under and much less practical for concealment at the breakfast table."](#) Richard Hollis, *The Guardian*.

Given that quality newspapers have a place in the new media landscape, there is the question whether the remaining broadsheets should retain their format. Broadsheets have always been associated with serious news, tabloids with popular stories and pictures. This association is likely to persist for some time, even though there are "serious" papers in tabloid format.

Even so, there is a trend for newspapers to become smaller, whether from broadsheet to Berliner (Berliner format is midway between broadsheet and tabloid), broadsheet to tabloid, or smaller broadsheets. From 2003-2005, over 60 daily newspapers worldwide moved to a smaller size, including The Guardian and The Times.

The size of the paper may even dictate how much readers actually read. One American survey found online readers read an average of 77% of a story, compared to 62% in broadsheets and 57% in tabloids. Colour photos particularly draw the eye in broadsheets.

Advertisers accustomed to the kind of reader associated with the broadsheet format may see any change in format as a threat and pursue other broadsheets or alternative media. It is true that quarter-page and smaller ads in tabloids receive less attention than similar ads in broadsheets, but full-page and half-page ads attract about as much—or more—attention.

Before newspapers change their format, they must recognise that the first 6 months after conversion will be a period of adjustment. For this reason, some papers have retained both formats for a while.

- Net decrease of 7-12% in ad revenue
- Net increase of 6-8% in circulation during first year
- Boost in sales of 5-10% of subscriptions
- Increase of 3-5% in subscription churn, mainly retirees.

Source: McKinsey, 1997-2004, 6 months after conversion.

Keep it local

McKinsey and others confirm that most people are more interested in local news, except for the most passionate of news consumers. This need to be local seems more critical than ever, given the nature of the internet to break down national boundaries, the global nature of news, and the homogenisation of news stories so that the same stories appear on the front page of The New York Times, the Sydney Morning Herald and The Guardian.

One solution is for websites carrying national news to join with local sources of news, beyond the usual suspects of real estate and weather. This is the case for Yahoo and local newspaper groups, and for CNN and Internet Broadcasting Systems.

The Dallas Morning News, an American broadsheet, works with community members to publish information on its neighborsgo sites. People submit content through this site, and some of it will be printed or put up on the newspaper's homepage.

OhMyNews in South Korea is created by 33,000 "citizen reporters" and is read by 2 million South Koreans.

The Wisconsin State Journal (the state's second largest selling paper) asks readers to go online everyday between 11am and 4pm to vote for the next day's lead story out of five possible stories. Reader's Choice meant sports stories started to appear on page one!

Many local titles are already thriving because they are so much more personal. The news is local and advertising tends to be localised and is therefore highly accountable.

Free and glocal

"In a way this move sees newspapers coming full circle: Metro broke the mould of daily newspaper publishing and now we are back where that mould was originally cast".
Chris Spalding, Metro.

Metro newspapers have been a familiar sight in cities all over the world since 1995. The company moved to Fleet Street at the end of 2007, historically the centre of newspaper publishing (and finally vacated by Reuters in 2005).

- Over 23.1 million people in 23 countries read Metro each day

- 74% of its readers are under the age of 49
- 40% of Metro readers are likely to be aged 18-35
- 51% of its readers are female.

In spite of being global, it claims to be what it aimed to be: “a local newspaper, delivering local content to a local audience”.

Paying for it

For a long time, much of the content on the internet was free and proud of it. Then sites with huge valuations but no profits realised that they had to start charging for their services. Newspapers increasingly moved towards subscription models. Now the tide is turning again. The New York Times has abandoned online subscriptions, The Wall Street Journal is moving towards it, and FT.com now offers 30 free stories a month to non-subscribers.

Many publishers are threatened by news aggregators, like Google and Yahoo!. First, they lead readers to exactly the story they want without paying for it and without going to the home page of the newspaper where they could be attracted to other services. However, ad revenue is becoming increasingly important as subscriptions fall off and ad spending continues to move online. YahooNews has revenue sharing deals with several major news companies where Yahoo posts their content and then shares its ad revenue.

Second, newspaper executives are beginning to believe that online ad sales could potentially be more lucrative than subscription sales. It seems the ad-supported model is not dead yet.

Third, publishers could stop wasting time, money and space printing stories, like newswires, that can be easily found elsewhere via aggregators, and for free. They need to focus on what is unique to them, or what consultants call “core competence”. As John Ridding of the FT says, editors should be “ruthlessly focused on what makes you different and special”. He also says people need a “trusted guide”.

Trusted guide

When there is so much news available to people, in so many places, it is no surprise if they simply alight on whatever is nearest. They have to have a reason to buy a newspaper, if it is not already a daily ritual. They also need a reason to choose a particular newspaper. Ridding’s idea of a trusted guide is fundamental to buying a quality newspaper. For many people, this means buying the paper their parents bought. For others, it means buying the paper that appears to be most knowledgeable about investments. Whatever the reason, if they trust it, they will read it.

As long as people trust quality newspapers to give them what they need – convenience, comprehensiveness, timeliness – it does not matter that there are many formats. Each format, whether video, blog or podcast, serves as a touchpoint to solidify their loyalty to the newspaper. Newspapers are one of the greatest examples of brand loyalty, as well as daily ritual. For that reason, we believe they will continue to publish on paper.

Conclusion

Coming back to where we started, newspapers are more than something to read. If we see the newspaper this way, as part of people’s daily lives, then we see that content, and the way it is presented, is not everything. More important is its role within people’s daily rituals, and how it supports their beliefs about themselves and their social identities.

Printed newspapers are able to fit easily into the rhythms of people’s lives while online news provides a different kind of experience. It is not possible to say that one type of content fits one type of format. In fact, people will find the news in the ways that suit their lifestyles. Whether it is a free sheet on the train, a blog on a laptop, or a rolled up broadsheet under their tired heads, quality newspapers are here for some time yet.

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Appendix

Broader trends affecting the market

A "scenario planning" workshop will be held in Paris on 29 and 30 January, to discuss the future of newspapers. Some of the trends under discussion are:

- Infotainment, eg, games, DVDs, tickets, samples etc as part of the media offering.
- Changing demographics, eg, single households, older people and blended families.
- Growing choice makes it hard to decide what products and services to buy.
- User-generated content; opportunities for self-expression and social interaction.
- Consumer power, control over brands and information flows on the internet.
- Mobile devices become faster, smaller, user-friendly and multi-purpose.
- The growing importance of social networks.
- Multichannel strategies and fewer differences between types of news media.

Source: Kairos Future, for World Association of Newspapers.

Some history

- The first weekly papers were launched in the 17th century and were similar in size to today's mass-market paperbacks.
- The size of newspapers increased during the 18th century to minimise taxes levied on a per-page basis.
- In 1892, London had 14 evening papers, now it has only one.

Who goes online for news?

As internet news has gone more mainstream, its audience has aged. Since 2000, nearly all of the growth has occurred among users aged 25-64. By contrast, 30% of 18-24 year-olds say they get news online at least three days a week compared to 29% six years ago. Currently, about as many people aged 50-64 regularly get news on the net as those 18-24.

Source: Pew Internet (US), 2006.



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