

NEWSPAPERS: The effect of online technology

NEWSPAPERS: IN DECLINE

Newspaper institutions are in competition with one another to ensure they have enough people consuming their products so that they can make money from advertising to safeguard their survival. However, it is becoming increasingly difficult for paper-based news forms to compete with the rise in e-media news services.

Over the last decade, the UK's daily newspapers have lost some 2.25 million readers. Falling circulations mean less money through the till and newspapers' other main source of income, advertising, is also drying up. In the last 10 years, advertising revenues have fallen by about 20%. In the struggle to stay profitable, newspaper companies are cutting staff, closing offices and, in the case of local papers, getting rid of titles. Some within the industry predict that within the next 10 years we could even see one or two of Britain's biggest daily newspapers close.

WHY IS THE NEWSPAPER INDUSTRY IN CRISIS?

Some of the reasons have to do with the way the newspaper institutions reacted to changes in technology, namely the internet. The last few years have witnessed a revolution in how industries deal with news and how audiences access it. As the internet increases its dominance on the media landscape, readers' attention and loyalties have become divided as papers compete with round the clock reporting and unmediated content.

According to Sull, who writes a blog for the *Financial Times*, there are five reasons why the newspaper industry is in a deeper crisis than it should be:

1. **Ignoring Signs of Change:** Since the early 1980's, institutions have been able to access real time news through networks. This was more than a decade before the Internet took off. Most newspaper executives ignored these early signs of changes in news gathering techniques.
2. **Dismissing unconventional competitors:** Newspapers ignored a steady stream of innovations that they might have imitated to enhance their own business model, e.g. distributing news through multiple media (terminals, television, Internet, and periodicals)
3. **Experimenting too narrowly:** Some newspapers did spot the rise of digital technology early and experiment with alternatives. However, most of these companies limited the scope of their experimentation to replicating their paper offering on-line rather than encouraging audience interaction.
4. **Giving up on promising experiments too quickly:** Promising business models take time to become successful in many cases and the process entails many setbacks. Some newspapers did not give new ideas time to build.
5. **Embarking on a 'crash course':** Many institutions felt they were not embracing technology quickly enough and pushed for mergers which did not work.

So, there are many reasons why the newspaper industry finds itself in a transitional period which is calling into question the nature of the production and reception of news. At the heart of this debate is the idea that in the future most news will be either accessed via broadcast or e-media platforms.

Most institutions have been slow to embrace the web but are now using the platform to target audiences, but it is proving harder to make profits from online publishing than from old-fashioned printed forms. With so many free news sites to choose from, audiences are not prepared to pay money to read newspapers online. That means that they have to rely on web-based adverts to generate income. But it is not straight-forward as online advertisers have many more spaces to choose from and there is less certainty in terms of who will see these adverts, making the market more complex and competitive.

The impact of online technology on news

<i>Traditional Paper-based Form</i>	<i>Online News Site</i>
Has a purchase price. Is not free	Has predominantly free content
	Can be accessed anywhere with internet access
Can be easily marked or destroyed	Content remains even if portal of access is destroyed.
Usually target a specific audience base	
Costly to produce; paper, printing etc.	

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Costly to distribute	Cheap to distribute
	Can offer countless news stories at any one time plus the ability to archive stories, although many of these news stories are simply replications or re-workings of main news stories and may be cut and pasted news stories from other mainstream news sites.
Only print version of story available	
Cannot be updated immediately and regularly	
Is not interactive	Can be interactive
Cannot allow audience immediate feedback/ citizen journalism	
Can offer in-depth analysis and comment but is limited by space.	Varied options for expansion of topic matter. In depth editorials and comment.

Audience Gratifications of *The Guardian* website.

Feature	Audience Gratification
Long-running chat boards	
Network of weblogs	
Leaving comments on articles	Can make an audience feel powerful by creating the idea that they are challenging the news institution's values
Readers can access articles online, on mobile devices through RSS feeds or on eBook readers.	
Varied selection of categories in easy accessible genre areas	
Images	
Podcast	
Access to paper-based content	
Dating sites/ personals	

Should News be Free?

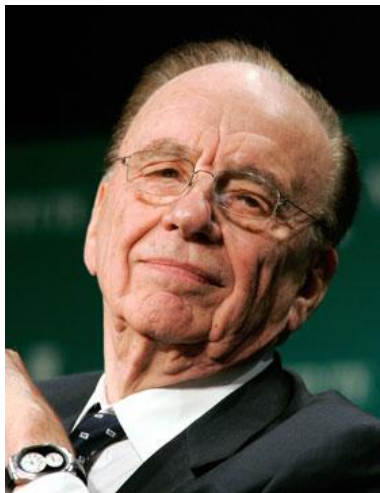
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James Murdoch of NewsCorp has been critical of free news provision online, in particular he states that the BBC and its “*expansion of state-sponsored journalism is a threat to the plurality and independence of news provision*,” he also said the scope of the BBC’s activities and ambitions was “*chilling*” and that news on the web provided by the BBC made it “*incredibly difficult*” for private news organisations to ask people to pay for their news. “*It is essential for the future of independent digital journalism that a fair price can be charged for news to people who value it.*”

Essentially, NewsCorp are driven by the need to make money whereas the BBC, a Public Service Broadcaster is less governed by the economic imperative because they are funded predominantly by the revenue generated by the television license. News Corporation has said it will start changing online customers for news content across all its websites in a bid to recoup and generate money from subscription, but this does not automatically mean that people will pay.

News Online – The Democratisation of News?

News providers are finding themselves in a complex position in relationship to online technology but it is the changing lifestyles of audiences that pose the biggest problem for papers.



“The world is changing and newspapers have to adapt”

Rupert Murdoch, NewsCorp

The internet has made it easier than ever for audiences to find news. At the click of a button, they can catch up on the latest stories in whatever form they choose – text, audio or video. Rupert Murdoch, chairman of NewsCorp states; “*The internet has given readers much more power. Everybody wants choice and thanks to the personal computer, people are taking charge of their own lives and they read what they want to read or what they are interested in and young people today are living on their computers. The world is changing and newspapers have to adapt to that.*”

Other media producers go even further in how audiences are shaping the news. At a recent conference in London the global editor of multimedia at Reuters, Chris Cramer said:

“*These days journalists rarely break the story, most compelling pictures come from eyewitnesses, and not from journalists. Curating news is as important as news gathering, because citizen journalism is not a fad or an intriguing addition to traditional journalism, but here to stay. Social media is the news gathering of the first report..... Passive audiences*

are gone forever. Today, media owners need to embrace the ‘digital conversations’ with their new, activist, audiences.”

Cramer’s comments highlight several things:

- Advances in technology mean that audiences can chronicle news and offer it to news institutions as a means of creating a story
- New institutions have to recognise the validity of eye-witness audience accounts if they are to be successful
- The journalist’s role has to be about the checking and verifying the content of an active audience rather than researching and relating the news themselves. This will have implication for journalism as a profession. This calls into question precisely what the role of a journalist should be in the future.

Undoubtedly, the nature of news production is changing and large media organisations are having to adapt to what some media critics are calling a ‘*news revolution*’ that incorporates the switch from mediation of information by a professional elite to the recognition that active citizens are generating news stories themselves.

Some newspaper institutions like *The New York Times* have recognised that the news-gathering of the future is likely to be a partnership between professional and citizen journalists. *The New York Times* is mentoring community websites as a way to gather news from local sources. However, this has its negative side, bloggers of news tend to be middle-class, young adults who may not be necessarily covering the kind of news that adults to older adults are interested in. This means a whole group of people may not have their opinions voiced in the news, or indeed may not find anything of interest to them.

Audience Power?

In some ways audiences are more active in the way they consume news. For example, online communities have access to information and are not restricted by the legal rules that apply to news institutions. A recent example of this active participation is when the Twitiverse (the new name for the world of ‘Twitter’) along with Wikileaks took up the cause for The Guardian against a company who had legally ‘gagged’ the newspaper from revealing their illegal actions on the Ivory Coast. The audience here uncovered links and applied steady pressure by writing about the company and soon the information was made available.

Another example of audiences challenging editorial decisions was when The Daily Mail columnist Jan Moir’s article about the death of Boyzone singer Stephen Gateley provoked a storm of protest over its apparently homophobic tone. This was circulated to a worldwide audience which flooded the Mail’s website with largely negative comments about the article and its author. The P.C.C. (Press Complaints Commission) has had 21,000 complaints about this story. This story highlighted that editorial judgement can create web outrage even impacting on advertising revenue as Marks and Spencer removed their ads from the *Daily Mail* website. So far, though, nothing has been done to address this issue with the newspaper itself, or the journalist. “Perhaps what it does highlight is that Moir, or her editors, or both, misjudged the speed and breadth of the real-time web and social media in their power to highlight and pressurise at speed and with force”

(<http://www.guardian.co.uk/media/organgrinder/2009/oct/19/power-of-social-networks>)