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Technology Left Behind -- The Demise of Print Newspapers

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Technology Left Behind — The Demise of the Print Newspaper

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On December 5, 2006, Jeremy Caplan’s “Forum: the Future of Newspapers” appeared in the online version of TIME. The piece shared the opinions of leaders in the news media field on the future of the print newspaper. The comments highlighted in the article acknowledged the fact that the newspaper’s share of the advertising market was diminishing, but, overall, the remarks were optimistic. John Kimball, the Chief Marketing Officer for the Newspaper Association of America, stated, “This is a still an extremely healthy business, not a business facing imminent doom.”

Fast forward to just a little over two years later.

The cover story of the February 5, 2009 issue of TIME, Walter Isaacson’s “How to Save Your Newspaper,” addresses the recent crisis in journalism. Isaacson states, “It is now possible to contemplate a time when even major cities will no longer have a newspaper and when magazines and network-news operations will employ no more than a handful of reporters.”

This past fall and spring proved crippling, even fatal, for several major newspapers across the country. The recent casualty list is impressive (in a depressing sort of way). Last December, the Tribune Co., parent to both the Chicago Tribune and the Los Angeles Times, filed for bankruptcy. In January of this year, The New York Times, in a financial crisis, received a $250 million bailout from Mexican telecommunications mogul Carlos Slim Helu. The 150-year-old Rocky Mountain News shut down entirely on February 27, 2009. On March 17, 2009, the Seattle Post-Intelligencer ran off the press for the last time, emerging as an entirely digital news product. The list goes on.

Most recently, The Boston Globe narrowly escaped closure. In early May, the NYT Co., the Globe’s parent company, threatened to close the newspaper if the paper’s unions did not cut $20,000,000 in costs. (The Globe fiasco was the most recent newspaper crisis at the time this column went to press).

Paul Gillin, a former editor of Computerworld and author of two books on media and marketing, runs the blog Newspaper Death Watch. Gillin keeps a running tally of the newspapers that have either transitioned to a primarily online presence or shut down altogether since he launched the blog in March 2007. In addition to the papers mentioned above, there are some notable names on the list, such as the Baltimore Examiner, Tuscon Citizen, and the Ann Arbor News, to name a few.

What Went Wrong?

These newspapers were not flashes in the pan; they were long-standing traditions and once thriving businesses. The Seattle P-I, aged 146 years, was the oldest business in Seattle. The Ann Arbor News, which will shut down on July 23, 2009, is 174 years old. So, what happened to these bastions of journalism and news media?

Isaacson, a former managing editor of TIME, attributes the newspaper meltdown to the fact that few consumers are paying for their access to news. “According to a Pew Research Study,” says Isaacson, “a tipping point occurred last year: more people in the U.S. got their news online for free than paid for it by buying newspapers and magazines.”

It isn’t as simple as saying that the Internet has alleviated the need or desire for newspaper content. According to CQ Researcher, “In the midst of circulation declines and financial stress, newspapers’ readership may be higher than ever because of the popularity of their Websites and the larger number of other sites that link to newspaper-produced content.”

The problem is that fewer people are paying for their news. News organizations are giving away their content on their Websites for free, and continued on page 92
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consumers are no longer willing to pay for their print newspapers as a result. A recent study by the University of Southern California's Annenberg School for Communication “found that 22 percent of Internet users have canceled a print subscription because they could get the same product online” (Vanacore).

“Newspapers and magazines traditionally have had three revenue sources: newsstand sales, subscriptions and advertising,” Isaacson explains. By giving away news content online, the revenue generated from newsstand sales and print subscriptions has diminished. In addition, the newspaper industry has failed to embrace the money-making opportunities of the Internet. “Circulation and advertising revenues have been in steady decline, and newspapers have not figured out how to profit from their Websites. Only about ten percent of newspaper advertising revenues are earned on the Internet,” says CQ Researcher. “Papers still generate 90 percent of their shrinking income from their printed products.”

Where Do Newspapers Go From Here?

In an effort to stay solvent, some newspapers, like the Seattle P-I, have either severely reduced or eliminated altogether the print version of the newspaper, focusing instead on their Websites.

The Christian Science Monitor published its final daily print issue on March 26, 2009. A weekly publication, available both in print and online, was launched in its place. The Los Angeles Times stopped printing its Sunday Book Review in print last fall, greatly reducing the physical size of the Sunday edition of the newspaper. AnnArbor.com, the Web-based company launching in place of the Ann Arbor News, will publish continuously online and in print only on Thursdays and Sundays (http://www.mlive.com/news/ann-arbor/index.ssf/2009/05/last_day_for_ann_arbor_news_wi.html).

Isaacson suggests that one solution to the dilemma newspapers and new organizations find themselves in is the return to an old concept, charging for content and subscriptions, even in the online environment. No longer can news organizations afford to give away their content for free online.

Only a few newspapers currently charge for their online editions by requiring a monthly subscription. The most notable of these, says Isaacson, is the Wall Street Journal. While not common, this has turned out to be a good business decision. “Paid subscriptions for the Journal’s Website were up more than 7% in a very gloomy 2008,” says Isaacson.

Pointing out that few people will subscribe to a paper to read a single article or issue, Isaacson also advocates a “micropayment” system, an easy iTunes-like method of payment. “Under a micropayment system, a newspaper might decide to charge a nickel for an article, or a dime for that day’s full edition or for a month’s worth of Web access,” he says.

This approach is also supported by Jason Pontin at Technology Review. Says Pontin, “A reader should be able to buy a lifetime’s subscription or subscribe for a year, a month, a week, or a day. If it made sense, a reader should be able to buy a package of stories or even one story. The price of a subscription should reflect its duration and the platforms on which it is delivered.” The key is to offer flexibility and to consider the online content its own revenue stream, rather than a supplement to the print content.

Conclusion

Most print newspaper advocates voice a strong commitment to maintaining both print and online presences for newspaper publications. In the March 27, 2009 issue of CQ Researcher, John Sturm, current President and CEO of the Newspaper Association of America, argues that “the future is not print or online. It is both, creating a combined digital and print platform that makes newspapers the most efficient medium — and media buy — in any given market.”

Sturm expresses optimism in the future of the print newspaper, and it remains to be seen if his optimism is well-founded.

For more on this topic, I recommend the entirety of the March 27, 2009 issue of CQ Researcher (vol. 19, no. 12), which is devoted to the decline of print newspapers, the future of journalism, and its effect on politics and democracy.

Resources


I Hear the Train A Comin’ — ProQuest

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Recently, I had the good fortune to check in with Boe Horton and Marty Kahn of ProQuest. Boe is Senior Vice President of Research Solutions at ProQuest, responsible for building the Serials Solutions, Community of Science and dissertations businesses. He served as Senior Vice President of Strategic Initiatives during the integration of ProQuest and CSA and successfully led the strategic integration of the two companies, as well as the strategic planning process. Marty is the CEO of ProQuest, with 30+ years of experience in the space. He has previously held senior management positions at OneSource Information Services, Ovid Technologies, and Vista Information, among other prominent organizations. Marty and Boe were kind enough to provide an update on ProQuest as it nears the two year anniversary of its acquisition by the Cambridge Information Group.

What are the three biggest challenges facing information providers in the next few years, and what is ProQuest doing to meet those challenges?

Boe Horton: I think the issues are fairly straightforward: have the right content, make it visible, and deliver it to users wherever they are. However, the real challenge comes in developing the best solutions to those issues.

Our role as an information partner is to ensure that we focus our resources on the new products and technologies that deliver the most value to libraries and their users. That means listening intently and responding to a unique community: researchers. ProQuest is listening to users every day, in focus groups, advisory boards, Webinars, and inside the library to determine what they need and what they expect. We’re zeroing in on researchers and the institutions that serve them, finding the precise common denominators that mean success to these users to build products that fit new and emerging online search behaviors. In fact, I’ve just come back today after a series of interviews with academic faculty members, researchers and graduate students regarding their needs and ideas we have regarding next generation services that would aid them in the research process.

Our outreach to researchers extends around the world. We have just completed a study of researchers in China that I will be presenting next week to senior Chinese academic librarians in Hang Zhou that looks at the challenges researchers face and areas in which librarians and vendors can help. I’d be pleased to share some of the key findings in a future edition of Against the Grain!

We’ve also formalized the feedback process with the establishment of a dedicated R&D organization, which is focused on investigating and promoting new ways in which our services and content can improve user performance. Our R&D organization is continually monitoring

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