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Newspapers: on the road to where?

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I want to talk a little about the condition of the species known as newspapers and journalism, the climate in which it is living and some thoughts on how newspapers are, or ought to be responding.

Newspapers as we know them are a relatively modern phenomenon. The first mass circulation papers began in the 1830s. They became enormously successful because in the 19th century technology transformed the information business. The printing press, telephone, telegraph, radio etc ended the days of information scarcity. Newspapers became the prime source of news, a virtual monopoly.

Today, that monopoly has passed and the relentless march of technology, coupled with man's insatiable thirst for knowledge, will once more transform the information business.

Woody Allen once said that "more than any other time in history, mankind faces a crossroads, one path leads to despair and utter hopelessness, the other, to total extinction. Let us pray we have the wisdom to choose correctly".

Newspapers face a much less gloomy choice, but crossroads nevertheless. The choice is to be associated with the past or associated with the future. It has been well documented that in 1901, there were more than 20 capital city newspapers in Australia, with almost as many individual owners (17). Today there are no more than a dozen metro dailies, and just four major proprietors.

Average daily newspaper circulation has fallen by almost a quarter in the last 20 years. Daily readership in Victoria has declined from 80 per cent in 1980 to 60 per cent in the 1990s. But the decline of head to head daily newspaper competition does not mask intense competition for the time, money and attention of readers and potential readers, and the fact is that newspapers remain the dominant source of news.

For 60 per cent of Victorians to be reading a newspaper today is a market position to be envied by most industries. A number of newspapers, particularly Saturday and Sunday editions, continue to grow quite strongly. It is the position of Monday to Friday sales which are of most concern to the industry. Especially as reporters in the 1990s, are better educated, better paid, better resourced with technology and research capacity; the community is better educated, has more income and has a broader range of interests; and newspaper companies have invested millions of dollars into technology and marketing.

So why is Monday to Friday newspaper circulation such a struggle to grow? Why is the influence of newspapers apparently declining? Why are so many reporters, sub-editors and editors frustrated, bored or stressed? Why are so many educated and successful people failing to read a paper every day, and not feeling their lives diminished as a result?

Before we look at what I suggest are some of the explanations I recall a biology teacher telling us in our school days of experiments showing how a frog in a bowl of cold water

will continue to try to adapt to that water temperature being increased even as it increases to boiling point.

The frog does not jump out, but strives to adapt to the new environment until it boils to death. If the frog had been put into a bowl of hot water it would have jumped out immediately.

Newspapers have also tried, like the frog, to adapt to a steadily increasing temperature in a known environment.

Perhaps if more newspaper people jumped out of the bowl and had a more objective look at that environment, they might conclude that both the physical form of newspapers and the key function of newspapers have not changed too much.

I want to try and develop goes less to the form a newspaper takes, which is what most people focus on, but more to the function, the changing rationale for newspapers to not only survive but thrive.

Just as people have predicted that television and radio and PCs would be the death of newspapers, today it is the Internet. The newspaper is a sunset industry, staffed by dinosaurs, say the doomsayers. It is beyond dispute that on-line technology will shape the scope of newspapers and how they operate, but ink and paper will survive.

Each marvellous communications invention spawns another: alphabet, paper, printing presses, electronic and broadcast communication satellite and computers. Each has worked for us and on us but none of these technologies has yet exhausted itself.

And we invariably fail to keep a perspective on the communications revolution: the alphabet has served fewer than 95 generations; the printing press still expands bookshelves and newsstands; electronic media is just into adulthood.

There is no single example of a major medium being forced into extinction by another. Magazines and CNN have not killed newspapers.

Nor will the Internet or on-line news. TV, radio and film, despite the predictions, did not kill newspapers. Video has not killed television, nor have computers.

The case against newspapers falling victim of a new digitalised world rests on many premises, but two fundamentals - one, that faced with all these choices of specialist, targetted, niche products, the consumer will rush to control their own unique media menu. The "daily me" concept coming down some TV/PC box. And the second premise is that the consumer will rush to interact with content, be it information or advertising.

I do not think these premises are supported by evidence or my judgement about human behaviour. Interactivity is a useful facility for specific purposes. But it is still effort, still work. It is possible, but that does not mean it will be popular.

For example, a number of broadcasters have promoted the possibility of pay TV viewers being able to choose their own camera angle on sporting events, such as soccer, football and car racing. It was done recently in Germany on a formula one race. It was a flop. People were quite happy to watch one TV director's view of the race, that was perfectly satisfying and allowed them to passively watch.

And the story is relevant to newspapers. Yes there is appeal for some in the technological possibility of a "daily me" newspaper, whereby someone dictates the stories, and perhaps the advertisements, they wish to read. But most people do not want to know more about the familiar, what they already know and like, man's mind is a

search light, constantly casting an eye for what is new and novel information or experience. People watch television or read magazines and newspapers for comfort and familiarity, yes, but also for the novelty and for discovery.

Like all new technology, on-line will attract what it does best and most efficiently - in this case searching, storage and timeliness. But computers, for all their attractions, lack judgment, which is what editors bring to newspapers. As a leading US publisher said "The Internet is the epitome of an unedited information glut".

Newspapers will embrace on-line technology for the strengths it does offer. All but a handful of the top 100 newspapers in the US, the big newspapers of Europe and Australia, like *The Age*, are all doing so.

On-line will gradually absorb increasing classified advertising, newspaper archive material, breaking news flashes and access to full text information, reports, speeches etc to supplement what is in the newspaper itself. On-line will be the emancipation, not the emasculation of newspapers. The biggest barrier to newspaper expansion - the cost of additional newsprint and cost of physical delivery are gone. Newspapers like *The Age* will be able to build a better service for subscribers, using print and on-line.

In 1985, *Time Magazine*, supported by a host of leading pundits, predicted everyone would have a PC in the home by 1995. Today the penetration is still less than 40 per cent, and if it wasn't for children's demand for computer games it might be even less. So the penetration has been less than predicted, just as the takeup of satellite and cable TV has been less than predicted.

In the UK, for example, satellite penetration is around 25 per cent - not insignificant, but only half of what was predicted in 1985. Cable penetration is also a quarter of what was forecast as recently as 1990.

And the impact of on-line on print will also be less than predicted. The Internet bookstore Amazon expects on-line book sales to account for only 8 per cent of book sales by the turn of the century; a US publisher recently put 1500 complete books on line, and sales of their books actually increased by 17 per cent, and communication market studies have forecast increases of up to 50 per cent in the volume of printed products in the next 10 years.

Print is the oldest technology of all. And it is in excellent shape. MT Rainey, one of the world's most astute advertising executives, said recently of forecasts of consumer patterns with new technology: "Don't confuse the possible with the popular". There is no denying the proliferation of media, and the fragmentation of markets: radio into AM & FM, free to air, satellite and cable TV, movies and video, increasingly narrow niche magazines and so on.

Newspapers stand to benefit.

The power, influence and relevance of newspapers is more valuable in a frequented multi-media world. The unique skills of good reporters and good editors in finding coherence, clarity and meaning will be at a premium. The ability of a newspaper to reach a lot of people with a shared interest in the output of these good reporters and good editors will be attractive to advertisers.

In a fragmented media world, familiar and trusted brands will become even more popular. Newspapers like *The Age* are a very strong brand and will get stronger.

Before I finish talking about the form of a newspaper, let me tell you about one astonishing breakthrough in the information business. This product is said to be better

than any computer or anything that one can use a computer for, including the Internet and Web pages.

It has some amazing attributes: no batteries, wires or chips; no maintenance is needed, it is light weight, recyclable and bio degradable; it is absolutely portable and will go with you on trains, buses, cars, airplanes, and even to bed; it is absolutely quiet; does not ring, buzz or beep, requires no passwords, access codes or modems; does not tie up your telephone lines, you have unlimited use of it for about 30 dollars a month, it comes spell checked and pre-edited for pornography, taste and fraud, it does not require new skills to use or a software to upgrade every year, it requires no room in the house, and it doesn't put any more money into Bill Gates' bank account.

Of course we are describing a newspaper - described in some industry advertising campaigns as the original lap-top. Portability is a real virtue of printed products like newspapers, books and magazines. Perhaps more important than interactivity, and keeps them unique and healthy in the face of new technology.

Certainly this sort of newspaper insider story makes the case for newspapers, but it is about form. But as Neil Postman, Professor of Communications at New York University has pointed out, this sort of marketing says nothing about the uniqueness or value of the content, nothing about the function a newspaper performs.

Yes, there is a technological challenge and opportunity for newspapers, but so too is there an intellectual and economic challenge and opportunity which is more fundamental.

What is the *raison d'être* for newspapers? What is the economic rationale for journalism? What is the social function of journalism?

If you listen to some critics, the present function of Australian newspapers seems too often to frustrate and disappoint. Paul Keating for example, said: "If you want to say anything profound to the Australian media, you have to wrap it up in frivolity".

Paul Weaver in his provocative book, "*News and the Culture of Lying*", argues news no longer reflects the reality it claims to be, but that journalism is more an institutionalised "editocracy" of fabricated government information and corporate public relations.

Michael Crichton in his novel "*Airframe*", also denounces modern journalism. "Reporters came to the story with the lead fixed in their mind. They saw their job as proving what they already knew. They didn't want information so much as evidence of villainy".

Whether one is as critical as that trio, there is too much tendency in modern-day journalism (more so in broadcasting than print but common to both) to seek to establish guilt by accusation rather than evidence; to engage in "Gotcha" journalism which focuses on contradiction, error, conflict and mishap; to see at the heart of almost every issue a simplistic black and white conflict when most issues are complex and contain considerable greyness.

(Perhaps this is somewhat of a reflection of public life these days, but I think newspapers are in a position to set the standard for debate by what they report and how they report it).

Reporters should be fiercely proud of their independence, objectivity, detachment and polite scepticism. And most of them are. But within our newsrooms we have too many pockets of negativism, arrogance, sneering cynicism, confrontationism. Newspapers have not been sufficiently astute to the changing needs of the community, and recognised their own culpability in adding to community frustration.

The community is drowning in information, torrents of information every second of every day via newspapers, magazines, TV, radio, Internet, video, PC and so the sources grow.

In Australia, there are more than 650 newspapers; in excess of 1500 magazines; 300 radio stations; 40 TV channels; and the internet is opening up access to all the world's total and continuing accumulated information.

But this non-stop, high volume high decibel torrent leaves less time for people to drink in one issue, absorb it, reflect on its implications and meaning, before another issue hits. People are drowning in information.

Yet thirsting for knowledge and understanding.

The urgent task for newspapers is to understand the contribution they make to the problem, and identify the contribution they can make to the solution.

"Please explain" has become a political put down phrase, but it is an unspoken wish from many in the community who are struggling to really understand a raft of moral, social, economic, political, theological, technological, scientific and psychological questions.

This poses to us, as communicators, fundamental questions about our relationships with readers. About our function. About our accountability. About the value of our journalism. The bottom line for the business and profession: what is the economic and social rationale for newspapers and journalism? As I mentioned earlier, newspapers became successful because they were the prime source, a virtual monopoly of news. They attracted advertisers on the back of that communication primacy.

But readers now obtain information from TV, radio, Internet, magazines, newsletters, Pay TV, video etc etc. And advertisers, who were attracted to the virtual monopoly, can now promote themselves via magazines, catalogues, TV, radio, billboard, telemarketing, film, supermarket trolleys, sportsman's clothes, racing cars etc.

So what is the future social and economic rationale for readers and advertisers to keep turning to newspapers? What can today's newspapers be the prime source of?

It seems to me that newspapers must offer, and are certainly capable of offering, something of economic and social value beyond news, beyond raw information.

Of course we will and must break and pursue news and information and continue to do what we do now: exceed every other medium in the range and comprehensiveness of what is offered daily.

But the key is, I think, less about getting messages into peoples hands, and more about getting it into their heads. Certainly for a newspaper like *The Age*.

It is about news with meaning, a higher value.

Like the frog and the boiling water, newspapers have tried to adapt, tried to offer more value. And there is no doubt newspapers are of higher quality than in the past. But more information on more subjects of itself is not sufficiently greater value. And adding specialised knowledge here and there is not sufficiently greater value if it is of inconsistent quality. And quality combines excellence, in reporting, editing, photography, graphics and design, and a sensitivity, a connection to what the reader wants and needs, day in day out. Consistent quality and consistent connections is the key to integrity and the future. With more media choices, people simply don't have to bother with newspapers that are less than excellent, don't make connections with their needs and wants.

But if we make the right choices in newspapers then we have the opportunity to move into the next millennium in a position of enormous strength and influence.

It will require change. All change may not work, but no change is fatal.

One change has me consigned in some quarters as threatening the very fabric of journalism as they see it, as some sort of two-headed monster.

Some, albeit a small minority, see my dual role as both Publisher and Editor-in-Chief as a conflict between so-called "church" and "state"

But to me it is the natural marriage of editorial integrity with the commercial imperatives we must address to ensure not only survival, but a successful future.

It also guarantees a base level commitment of quality, no matter how difficult economic times become.

And the role places no bounds on the delivery of quality, allowing publishers to leverage off economic success into new markets and new mediums. Fairfax, the leading quality publisher in the country, has extended the model to cover *The Financial Review*, *The Age* and *The Sydney Morning Herald*. It is imperative for the commercial side of the business to be cognisant of the integrity and value of editorial, and for editorial to be cognisant of the need for the company to be financially strong so we can grow the business and develop editorial quality. A commercially successful newspaper gives us journalists the freedom to communicate in the way we want.

It allows the ability to extend our relationship with readers, through new products, new sections, expanded coverage and more editorial space (And therefore more information, more ideas and more diversity of opinion).

It allows newspaper companies to break free of the traditional industry life cycle of growth, then maturity, saturation and decline. There need not be an inevitability of newspaper decline. The growth cycle can kick in again.

Technological change, product acceptance and ease of competitive entry made newspapers powerful and successful. The same forces now favour new products and services, like niche magazines and Pay TV. This threatens to push newspapers further along the life cycle, so we have a choice of making some adjustments or riding the trend line into decline.

Two examples of other industries which have overcome the doomsayers: 20 years ago, we could buy Coke, Fanta, TAB, and a few other softdrink brands. Now supermarkets are awash with soft drink, just as they are with bread and cereal and a host of other products.

Since World War II, the number of Australians who were regular movie goers has dropped dramatically. But who would argue that movie-making and distribution are declining businesses? The form and markets may change, but new services and products can reverse the life cycle.

Traditional or core product penetration may be seen to be slipping while the whole company, or an industry, can flourish. While commercial greed and pressures can adversely affect editorial quality and integrity, media watchers seem reluctant to accept the parallel reality that commercial success is capable of delivering more than any charter of editorial freedom.

And reluctant to accept that diversity of ownership and diversity of source has never guaranteed diversity of opinion, and that independent ownership has never guaranteed quality, just as group ownership does not guarantee the absence of quality.

Graham Perkin, acknowledged as *The Age's* most distinguished editor and who delivered the A.N. Smith lecture in 1974, transformed the paper 25 years ago in concert with Ranald Macdonald, who was both managing director and editor-in-chief.

I would suggest that since that Perkin-Macdonald era, the separation of church and state has not prevented *The Age* from slipping behind the pace of change in the way the world lives. Today we have a fresh opportunity at *The Age*. With a strong editorial quality/ethic we are now able to influence and integrate every aspect of the company, which combined with a talented new editor in Michael Gawenda, creates a unique opportunity to revisit the efficiencies and effectiveness of how we use our resources, and to reinvigorate *The Age's* editorial quality and its economic and social value.

As Jack Fuller, the Chicago Tribune publisher says of newspapers in the 1990s: "This is no time to retreat to the monastery and pine away for the past, it is better to look for a renaissance"

The renaissance will be one of quality. A renaissance of creativity, of professionalism of accountability.

That renaissance will come from an intellectual and technological reassessment of the way we produce newspapers, and what we publish in them.

That renaissance will require reporters to stop going through the same old routines and ending up with the same old story. Expanding their field of vision, going beyond what is easy to see, building knowledge and skills, putting more emphasis on story telling and fine writing, ... these are some of the building blocks for reporters. For editors, the renaissance will require them to think beyond traditional frameworks and packages, to accelerate the links to and relationship with readers, to really understand the essence of a story, its purpose, its real substance more than traditional thinking about layout and design.

For newspaper management, the renaissance will require them to stop being content with operating on traditional formula, plus or minus a few percentage and a few innovations onto a base of traditional activities.

That thinking has contributed to us being a prisoner of the rigidities of some of the traditions of the business, being restricted to incremental changes in our modus operandi and frozen by the emphatic success of the past.

For newspaper owners, the renaissance will embrace a reconciliation of profit goals and expectations with quality goals and expectations, and bridge what Eugene Patterson, distinguished American editor, described as the greed gap. Yes, profits must be high enough to provide a satisfying return to investors, but not so high that the sustainability of the long-term value, the very essence and very future of the business, is sacrificed. Investors or owners will always find a way to stay in the media business, but we need them to stay in the business of journalism.

Everyone in every department needs to understand the marketplace dynamics that bear on success or failure - business fundamentals, the new economics of information, competitive trends, technology and needs and wants of readers.

This trend and the value of the commercial side of the business to editorial comes from Graham Perkin in his A.N. Smith lecture in 1974: "The Editor of other earlier years took

a fix on his readership by instinct. Instinct remains useful today, but it ought to be supported and guided by ruthlessly scientific market research.

I can exemplify the point by pointing to *The Age* over the 8 years I have been editor. A number of very talented journalists have made great contributions to the paper in that time, but in my opinion, my prejudiced editorial opinion, few have made a greater contribution than a non-editorial executive named John Paton who runs a department called Marketing Services. His department regularly dumps statistics on my desk about our readers - about their interests, their habits, their frustrations, their socioeconomic situation and ambitions. It has been of extraordinary value in given definition to normal editorial instincts and judgment".

Newspapers are in a unique position to draw together the fabric of a community.

Lou Ureneck, of the "*Philadelphia Inquirer*", has said that in the future the mission of newspaper journalism would be not only to inform communities, but to form communities.

It may be a community of interest (such as the business world) or a community of place, a city or region.

In the 1930's the great American poet, Edna St Vincent Millay, wrote a poem which focussed on this. I'll read a small excerpt:

Upon this gifted age, in its dark hour
Rains from the sky a meteoric shower
Of facts ... they lie unquestioned, uncombined
Wisdom enough to leech us of our ill
Is daily spun, but there exists no loom
To weave it into fabric

Newspapers can and should weave that fabric. They should draw a distinction between information and knowledge. Good reporters will understand the difference, as they turn facts into information, and not only get the facts right but get the right facts; good editors will convert that information into knowledge. And good newspapers, will weave a fabric of information, knowledge, understanding.

Perhaps even wisdom.

And people will always pay for what they need and what they cannot get by other means. The economic value follows a social or emotional value.

In conclusion, it is our challenge to focus on the economic and social/emotional value of journalism and newspapers, and to broaden our horizons - not simply to think of newspapers as news and ink on paper, but as a supply of news, information, connections, knowledge and understanding that will be accessible at many levels and in many forms.

A newspaper that delivers on these issues will become a sustainable newspaper of world class standing, a leader in its field, and a leader in the community on the road ahead.

No one, no-one, knows exactly where society's road will go, but going somewhere beats the hell out of going nowhere.