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Chapter Recaps & Study Guide

Chapter 8: The Newspaper Industry

Like the book, the newspaper predates the development of its industry. The newspaper industry has also faced serious challenges following convergence.

Chapter Objectives:

1. Describe key developments in U.S. newspaper history.
2. Explain the production, distribution, and exhibition processes of various types of newspapers.
3. Recognize and discuss the challenges faced by the newspaper industry today and several approaches to dealing with them.
4. Describe the ways that newspapers have begun to reach out to audiences through digital technologies, on the Internet and elsewhere.
5. Apply your media literacy skills and ethical compass to evaluate activities of the newspaper industry and their impact on your everyday life.

The Development of the Newspaper

- Newspapers are defined as printed products created on a regular basis (for example, weekly or daily) and released in multiple copies. (220)
- Three themes in the newspaper's development: (220-221)
 - 1. Like the modern book, the modern newspaper did not arrive in a flash as the result of one inventor's grand change.
 - 2. The newspaper as a medium of communication developed as a result of social and legal responses to technology during different historical periods. For example, an adversarial press argued with the government, which didn't always respond favorably.
 - 3. The newspaper as a medium of communication existed long before the existence of the newspaper industry, which did not start until the 19th century in the U.S.
 - See the Figure 8.1, Timeline of the Newspaper Industry, on pp. 222-223.

An Overview of the Contemporary Newspaper Industry

The industry is divided into the publication of dailies and weeklies, so named for their publication frequency.

- Daily circulation has decreased, caused by the prominence of online news and an audience who doesn't read print editions. (224-225)
 - Daily newspaper chains don't tend to have competition from other papers. They are controlled by a few large firms. They used to hold power in deciding advertising costs, but the growth of the Internet cut into those profits. Many struggled to stay afloat. (225)
 - Many of the large firms such as Gannett, EW Scripps, and Tribune Company, spun off their newspaper holdings into separate companies because of a potential profit drain and to get around media ownership rules about newspapers not being allowed to own television stations.
- In seeking specialized audiences, weekly newspapers have fared better (226).
 - They typically cover four areas: neighborhoods within cities, suburbs, rural areas, and groups of people divided among identity, occupation, or interests. (226)
 - Alternative weeklies target young, urban audiences, and shoppers aim at particular neighborhoods. (226)
- Newspapers offer a variety among weekly and daily papers for addressing different audiences and professions, such as African Americans or lawyers. (226).

Financing the Newspaper Business

Papers generate revenues from advertising and circulation, with advertising by far the dominant source of money. (227)

Advertisers evaluate purchasing ad space in newspapers by looking at the cost per thousand readers (CPM).

- Types of ads include the following: (228-229)
 - Retail ads serve local businesses and are the most lucrative.

- Classified ads are short announcements for products or services and are the second most lucrative.
- National ads come from large companies not located in the local area; co-operative ads are co-sponsored by a national company and a local retail outlet.
- Freestanding inserts (FSIs) advertise particular products and services; they're added to the newspaper and distributed with it.
- Circulation generates less revenue than advertising, yet circulation numbers are important to advertising for determining the cost, appeal, and CPM. (229)
- Concerns with circulation include whether young people will stop reading the printed edition, and whether audiences will pay enough for a digital edition for the newspapers to survive. In addition, more and more advertisers are moving their content online. (229)

Production in the Newspaper Industry

- The publisher is in charge of a newspaper's operation, and policies are implemented by the editor and managing editor. (232-234)
 - The advertising-editorial ratio determines the daily news hole, or the space available for stories after the ads are placed on the page. Editors are in charge of choosing the content to fill those holes. A managing editor coordinates the work across the newspaper sections. See Figure 8.3 on p. 232.
 - Reporters include general assignment reporters, beat reporters, and freelancers; news reports also come from wire services, including the Associated Press, and from syndicates, or companies that sell a variety of newspaper content such as editorial matter, soft news, and cartoons.
 - Reporters work on a deadline, or a time that their stories must be submitted; copyeditors check and edit the submitted stories; some reporters also write online blogs and submit stories to online versions of their newspapers.
 - Pagination is the ability to display and compose completed pages, with pictures and graphics on screen; digital technology allows editors to submit images to plates in the printing operation. (234)

- With the growth of the Internet, some newspapers now have become 24/7 operations. Staff members now update stories that appear online, add content, or even write blogs.

Distribution and the Newspaper Industry

- Newspaper distribution means bringing the finished issue to the exhibition point. Print editions might appear at a person's house or convenience store, while digital editions appear on a computer or mobile device. (235)
- In determining where to market the newspaper, newspapers consider:
 - 1. The location of consumers that major advertisers would like to reach.
 - 2. The location of present and future printing plants.
 - 3. The competition of other papers.
 - 4. The loyalty to the paper, if any, that people in different areas seem to have. (235)
- An alternative practice is to buy newspapers in several communities and then offer advertising space to advertisers through the group of them. The papers save money by combining staffs and draw on existing reader loyalty. (236)

Exhibition in the Newspaper Industry

- Exhibition options include websites, newspaper vending machines, homes, and businesses. (236)
- Total market coverage (TCM) refers to reaching nearly all the households in a newspaper's market area. Newspapers could claim that in the past, but they can't anymore. (237)
- Direct mail firms, which mail ads directly to homes, and marriage mail outfits, which bring together materials from multiple advertisers and then mail, compete with newspapers and offer total market coverage. Advertising dominates these packages, which often are considered junk mail. (237)

A Key Industry Issue: Building Readership

- The recent downturn in readership trends has newspaper publishers and editors concerned, and they are looking for ways to build readership using analog and digital strategies. (237)
 - Analog strategies (print) involve the print edition and include colorful layouts, appealing sections to crucial audiences, and local emphasis. (237-238)
 - Digital strategies include podcasts, RSS feeds, mobile feeds, and online advertising, though the advertising doesn't bring in enough revenue to support the paper. Other papers use paywalls, or a barrier that requires people to pay in order to access particular content, to generate revenues as well. (239-241)
 - The Dallas Morning News emphasizes the hyperlocal through a special print section and dedicated online sites, bundling advertising across both formats. (239)

The Future of Newspapers Versus the Future of Journalism

- The newspaper industry is still searching for a viable business model.
- Some argue that without society would suffer without newspapers, and that argument might guilt some people into offering some support. Journalism, however, does not appear just in newspapers. (241-242)

Ethics and New Models of Journalism

- Some claim that competition within journalism is unethical and destructive to the profession. Two activities that devalue the work of journalism include sites that use newspapers' work without paying and content farms that develop quick content on trending topics in order to draw Web traffic. (242-243)