

The Sustainability of Newspapers

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Abstract

Today's industries measure sustainability by assessing their levels of economic vitality, environmental accountability, and social responsibility. Despite the early success of the newspaper industry, profits and revenues have fallen recently. As a result, publishers are searching for innovative ways to distribute the news while improving their sustainability. One of the most popular options today is digitalization, or the process of converting the news into a digitalized medium that can be read on the Internet. While this method does reduce production costs, digitalization would cost society a great deal. Populations would find their news sources less accurate and harder to access. In addition, this digital news would be shared less and have fewer converted readers. Finally, roughly 83,000 workers would lose their jobs to a medium with less portability. While digitalization would reduce production costs, its negative effects on the industry's social responsibility would not help its sustainability.

Introduction

Humans have shared the news and current events since the beginning of communication. However, the invention of the newspaper allowed vast populations access to accurate information about current events and politics. As time progressed, the newspaper became a tool to educate the middle and lower classes while also providing entertainment. Currently, this industry is in decline. Publishers have seen revenues decrease and have begun to explore digitalization as an alternative. While digitalization has lower production costs, many have asked if it can make the industry sustainable. Today's business sustainability model takes into account an industry's economic vitality, environmental accountability, and social responsibility. While the economic vitality and environmental accountability can be measured quantitatively (through balance sheets and carbon emissions reports), an industry's social responsibility is harder to measure. As a result, consumers need to evaluate whether the benefits of digitalization outweigh its impact on society.

The History of Newspapers

According to Collier's Encyclopedia, a newspaper is "a publication that appears regularly and frequently and carries news about a wide variety of current events". Many groups have their own newspapers but this definition refers mainly to daily or weekly printings that bring news to large populations inhabiting specific geographic areas (Stephens, 2008). People have craved this news since the beginning of time. Prior to literacy and the newspaper, humans exchanged information through word of mouth. In ancient times, messengers ran from the battlefields to share the results of wars and criers passed through villages announcing the most important events of the time.

As time passed, people became more literate and the earliest newspapers took shape. The Roman Senate created the *Acta Diurna*, or daily events. These news documents were handwritten daily and posted to inform the people of political happenings, military campaigns, and executions. The Chinese government also produced daily events sheets, called *tipao*, from 202 B.C. until 221 A.D (Stephens, 2008).

In 1451, Johannes Gutenberg invented the printing press. This invention allowed the written word to be mass-produced and brought with it a new era of informed citizens. By 1500, a postal system was being implemented in France, book publishing was becoming popular in Europe, and the first paper was founded in England. These events all led to the first printed and distributed newspapers. These weekly publications were printed by the Germans in 1609 and called *Relations* and *Aviso Relations* (INMA, 2008). Over the next 130 years, the newspaper spread throughout Europe.

Because of the growing popularity of newspapers in Europe, a few printers chose to take the idea to the Americas. In 1690, *Publick Occurrences* became Boston's first newspaper, despite being unsanctioned and immediately suppressed. In spite of this early set back, more printers began issuing news publications in the 1700's. These newspapers not only reported on current events, but also spread revolutionary propaganda. By the end of the war, there were forty-three newspapers in print. As the industry grew through the penny press of the 1800's, public interest created a better-informed middle class and stimulated an increase in the literacy rate of the United States (Barber, 2009).

In the late 19th and 20th centuries, the newspaper industry found itself experiencing declining profits. As a result, many large corporations began purchasing newspapers and using them to as a business tool, complete with mass-market advertising (Ahrens, 2009). In addition, these large corporations were becoming conglomerates seeking higher revenues by owning radio, television, and newspaper outlets. Despite these challenges, journalists still broke news. One example of this is the work of Woodward and Bernstein who helped uncover information about the Watergate Scandal. As a result of this type of journalism, the average daily circulation of most U.S. newspapers rose until 1987 (Ahrens, 2009). Since that time, circulation has continued to fall.

By the year 2000, newspaper printers were facing the financial challenges of many of today's businesses. They found themselves struggling to produce a product that could meet all the wants of a diverse market at a profitable cost. Consequently, many newspaper publishers have looked to digitalize their offerings, which would allow readers access to their content on Internet sites. In addition to the Internet, newspapers have seen increased competition from television and radio news coverage. The growth of these alternative media outlets is fueled by consumers who desire to learn about the news in real time.

The Digital Age

To combat rising costs and subscribers demanding to learn about breaking news, many news organizations turned to digitalization. This is the process of converting news into a digital medium that can be read on the Internet (Bibliotheek and Klijn, 2008). Digitalized

newspapers can be read by consumers all over the world and, as a result, allow the publishers access to a wider customer base.

The largest consumer of digital media is the younger generation. It has been documented that the quickest growing segment of the population accessing digital news are males from the age of 18 to 24 years of age (Edmonds, 2009). This demographic greatly enjoys experiencing news on digital devices for many reasons. First, these customers are asked to pay no print costs and minimal or no subscription fees. Examples of this can be found by accessing the New York Times on the iPhone or Kindle. In addition, the digitalized generation enjoys the ability to customize data and quickly find stories that will cater to their interests. Finally, digital customers feel that they are lowering their carbon footprint and helping the environment. By reading digitalized news, customers see themselves saving trees and reducing recycling costs (Glaser, 2009).

An additional reason that news organizations promote digitalization is the reduced advertising costs that attract new and different sponsors. Full-page black and white advertisements in actual hard copy newspapers can cost advertisers from \$15,000 (in the Milwaukee Journal Sentinel) to \$164,300 (in the Wall Street Journal). Conversely, advertisements online can cost companies from \$30 to \$3,000 per month (Chirstian, 2009). Those advertisements can also be searched for within the site and interactive by linking customers to additional information or the actual product website. These lower advertising costs and enhanced capabilities are attractive to smaller companies with lower budgets.

The Social Benefits of Newspapers

Accuracy

The accuracy of the news is defined as having the journalist report the correct facts and content of a story. This has long been the normal practice of ethical journalists. In the past, reporters who broke stories worked diligently to check their facts and to confirm the story from a minimum of three sources. However, as the digital age has progressed and more news has moved to the television and Internet, the accuracy of reporting has decreased. In fact, the Pew Research Center released a study recently that showed 63% of stories reported contain inaccuracies. This number has almost doubled from the 34% reported in 1985 (Salcito, 2009).

One of the major causes of this is the population's demand to see news as it occurs. This means that many journalists report rumors and/or Associated Press (AP) releases. While many have worked to verify the basic facts on these stories, they are not always correct. One example of this took place on July 25, 2005, when the AP reported Shan State Army leaders traded in their weapons for peace in Myanmar (Salcito, 2009). However, it failed to mention the pressure and actions taken by the Burmese government that forced these leaders to surrender. Another example took place at Baylor University on February 15, 2010. The local media reported that Judge Ken Starr was appointed as the University's 14th President 12 hours before it was official or confirmed (Foreman, 2010).

Newspaper printing allows journalists more time to accurately check their sources. Because they are printed daily or weekly, their journalists are able to verify their facts and

ensure that they have the whole story when the text goes to print. This not only ensures that consumers get the most accurate information, but also protects them from any legal repercussions from printing stories containing false accusations or speculation. Increased accuracy is one of the reasons that newspapers are the most trusted source of information and have a current circulation of 48,408,000 papers daily (Edmonds, 2009).

Accessibility

In 1835, James Gordon Bennett began to publish a paper called the *Herald* in New York City. By 1837, he was selling 20,000 copies daily to all classes and demographics of Americans because his paper cost only one penny (Stephens, 2008). This was first of many penny papers to be published in the mid 19th century. The penny papers provided working class citizens and immigrants access to news related to politics, wars, business, and finance. This reoccurring theme of news for everyone was expressed best through the motto of another penny paper, *The Sun*, which stated, "It shines for all." This idea helped spread literacy and created well-informed American voters (Barber, 2009).

Today, newspapers continue to provide information to all classes and demographics of the population. Because most Americans would prefer free news, publishers do this by producing an affordable product. A typical daily subscription to the Grand Rapids Free Press costs a subscriber \$16 per month, which equates to roughly 53 cents per day (Christian, 2009). Many consumers of digitalized news praise the idea that it is free to access. However, they often overlook the costs of accessing the Internet. In the greater Grand Rapids area, Comcast charges up to \$63 per month for high-speed Internet service. If the reader would like to have mobile access, they could pay up to \$30 per month for unlimited use through Verizon (Christian, 2009). As a result of these high service fees, many lower and middle class Americans cannot afford to have regular Internet access. This limited access combined with the demand of the middle and lower class to be informed have kept newspapers as one of the most favorable sources of news today.

Sharing

From the beginning of time, the news has been shared. The invention of the newspaper did not end this, instead it made those discussing current events better informed and well educated. Part of the reason the population is able to increase their knowledge is because newspapers are shared with friends, co-workers, and fellow students. According to a July 30, 2009 report in the Washington Post, the average newspaper reader spent 30 minutes per day consuming their product. Sixty percent of these readers then shared their copy at least one additional person (Ahrens, 2009). Many papers, like the Kalamazoo Gazette, even recommend that you share your paper with non-subscribers with hopes to earn more business in future (Loeb, 2008). This sharing not only benefits the general population, but it also allows advertisers to deliver their message to markets that may otherwise be ignored.

While many papers have added content to their Internet sites, they have found that the demographic and reading habits of digital subscribers are quite different than the traditional customer. Online consumers spend 75% less time reading the news and search specifically for desired content, like sports or business information. These consumers are also 80% less likely to share this content with friends through emails or links (Ahrens, 2009). While this

may be interpreted as a consumer who can get their wants met in a more efficient manner, it actually hinders their ability to quickly and easily learn about stories or events that may, at a glance, peak their interest. In addition, marketers, who use newspapers to reach a wide array of consumers, are seeing digitalization shrink their audiences. This means that they have to create more sophisticated, targeted, and costly marketing campaigns in an effort to generate revenues.

Reader Loyalty

In addition to the newspaper, there are many outlets for news, including television, radio, and the Internet. Among these methods, only the newspaper and Internet are “active” sources. This means that the consumers are making a conscious effort, or participating, to learn about the events of the day. While many users of television and radio feel that they are making an effort, the news is simply dictated and requires no participation. As a result, these medias are considered passive. Among these methods, television is the most dominant with 71% of the population stating that they watch news programs regularly (Chittum, 2007).

While the television is dominant in “passive” media markets, the newspaper and Internet continue to fight for active market supremacy. Consumers state that they 42% of the population prefer to use the Internet to learn about national and international news while only 33% prefer the newspaper (Pew Center for Research, 2009). Part of this is due to the ease of digitalization for stories from major news agencies like the Associated Press and Reuters. However, for state and local news, consumers find papers to be far superior. This is demonstrated by the 41% of the population who demand newspapers for local content versus the 17% who prefer the Internet (Pew Center for Research, 2009). Local news, which is often reported by local journalists, can better express the feelings of the reader. As a result, consumers relate better to local newspapers and rely on them for the information in their towns, cities, and states. This is important to consider with digitalization, as the cost of acquiring a new customer is five times greater than that of keeping an established one (Gallup Group, 2001).

Jobs and Careers

For the last 400 years, the newspaper industry has provided jobs to a variety of workers. Common publishing occupations include writers/journalists, editors, production managers, planning clerks, press technician, printing machine operator, and various administrative positions. In 2004, the newspaper industry provided jobs to 376,000 people around the world. Twenty-two percent of these jobs related to the actual production and distribution of printed material (Bureau of Labor Statistics, 2004).

As Americans, become more educated, they seek to learn about the news more often. Because of this increase in demand, wages are expected to increase by roughly 7%, or \$40 per week, across the industry by 2014. In 2004, newspaper publishing provided employees \$214,320,000 in salaries and wages weekly, equating to roughly 11 billions dollars annually (Bureau of Labor Statistics, 2004).

Over the past two decades, newspaper subscriptions have declined. This decrease in revenues has led publishers to look for other, more profitable, ways to distribute their

product. Digitalized products are often considered because it would eliminate production and distribution costs. While this may increase profits, it would hurt society and the economy. This loss of jobs would mean that these workers could lose 2.42 billion dollars annually. This is money that local workers funnel into their towns and use to meet their every day needs. As a result, a loss of this size would cause the local, state, national, and global economies shrink. Currently, the world is experiencing a global recession. Because digitalization would not help society in this time of need, newspaper publishers should look for other ways to increase revenues in spite of declining subscriptions.

Portability

One of the most unique features of the newspaper is its versatility and ability to go anywhere. Because the news peaks interest, the paper has long been the reader's companion on airplanes, in public transportation, at the dinner table, and even in the bathroom. With this type of flexibility, consumers are almost always able to learn about current events.

Proponents of digitalization claim that mobile devices give their services the same portability. However, mobile devices are plagued with many challenges. First, they suffer service failures and are unable to operate in certain situations. For example, these devices must be turned off when airplanes takeoff and land while newspapers can continuously be read. In addition, many mobile devices have very long download times. These times become longer based on the wireless provider. Wi-fi services are very fast. However, 3G and other wireless services may require a user to wait up to 10 minutes for a page to load (The Economist, 2009). Even then, some features may be limited. Finally, mobile devices operate on batteries, which allow users access to power for a limited amount of time. If the battery runs out of power, then the user no longer has access to the content he/she desires. Newspapers allow readers access to desired content without these limitations.

Conclusion

For as long as humans could communicate, the news has been shared. However, the adaptation of the newspaper as an affordable and effective way for lower and middle class to learn about events ushered in an era of more knowledgeable and informed populations. Currently, the newspaper industry is in decline. As subscriptions and revenues decrease, alternatives, like digitalization have been considered. While the initial thought of many is that this would help the industry be more competitive, it has numerous drawbacks for advertisers and the general public. The limitations of digitalized media, which include reduced accuracy, availability, shared content, loyalty, jobs, and portability, create great cost to society. Because business sustainability today is measured by profit, environmental accountability, and social responsibility, the loss of newspapers would cripple the sustainability model of the news media. As a result, the news industry must find alternative ways to reduce their costs and boost their revenues without digitalizing newspapers.

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