

# American News Media in 2008



**Dr. Jinbong Choi**  
**School of Journalism & Mass Communication**  
**Texas State University, San MarcosA**

# American News Media in 2008

- **The state of the American news media in 2008 is more troubled than a year ago**
- **Critics have tended to see technology democratizing the media and traditional journalism in decline**
- **Audiences are fragmenting across new information sources**
- **The notion of “The Long Tail,”**
  - With the Web’s infinite potential for depth, millions of niche markets could be bigger than the old mass market dominated by large companies and producers

## American News Media in 2008

- **Certainly consumers have different expectations of the press and want a changed product**
- **The crisis in journalism may not strictly be loss of audience**
  - It may, more fundamentally, be the decoupling of news and advertising
- **In newspapers, an expanding list of buyouts and layoffs in 2007 was expected to grow further in 2008 — in some cases even at online organizations**

# Trends of News Media in 2008

- News is shifting from being a product — today's newspaper, Web site or newscast — to becoming a service — how can you help me, even empower me?
  - There is no single or *finished* news product anymore
  - As news consumption becomes continual, more new effort is put into producing incremental updates, as brief as 40-character e-mails sent from reporters directly to consumers without editing
  - Service also broadens the definition of what journalists must supply
  - Journalism also must help citizens find what they are looking for, react to it, sort it, shape news coverage, and give them tools to make sense of and use the information for themselves
  - News people are uncertain how the core values of accuracy and verification will hold up

# Trends of News Media in 2008

- A news organization and a news Web site are no longer final destinations
  - Now they must move toward also being stops along the way, gateways to other places, and a means to drill deeper, all ideas that connect to service rather than product
  - Every page of a Web site — even one containing a single story — is its own front page
  - And each piece of content competes on its own with all other information on that topic linked to by blogs, “digged” by user news sites, sent in e-mails, or appearing in searches
  - As much as half of every Web page, designers advise, should be devoted to helping people find what they want on the rest of the site or the Web
  - A year ago, only three of 24 major Web sites from traditional news organizations offered links to outside content
  - Eleven of those sites now offer them

# Trends of News Media in 2008

- The prospects for user-created content, once thought possibly central to the next era of journalism, for now appear more limited, even among “citizen” sites and blogs
  - News people report the most promising parts of citizen input currently are new ideas, sources, comments and to some extent pictures and video
  - But citizens posting news content has proven less valuable, with too little that is new or verifiable
  - And the skepticism is not restricted to the traditional mainstream media
  - The array of citizen-produced news and blog sites is reaching a meaningful level
  - But a study of citizen media contained in this report finds most of these sites do not let outsiders do more than comment on the site’s own material, the same as most traditional news sites
  - Few allow the posting of news, information, community events or even letters to the editors.
    - And blog sites are even more restricted

# Trends of News Media in 2008

- Increasingly, the newsroom is perceived as the more innovative and experimental part of the news industry
  - A decade ago, the newsroom was often regarded as the root of journalism's disconnection from the public and its sagging reputation
  - Now the business side has begun to be identified as the problem area, the place where people are having the most difficulty changing
  - Majorities think such things as journalists writing blogs, the ranking of stories on their Web sites, citizens posting comments or ranking stories, even citizen news sites, are making journalism better — a perspective hard to imagine even a few years ago
  - These new technologies are seen as less a threat to values or a demand on time than a way to reconnect with audiences
  - News people also are less anxious about credibility, the focus of concern a few years ago
    - Their worries now are about money.

# Trends of News Media in 2008

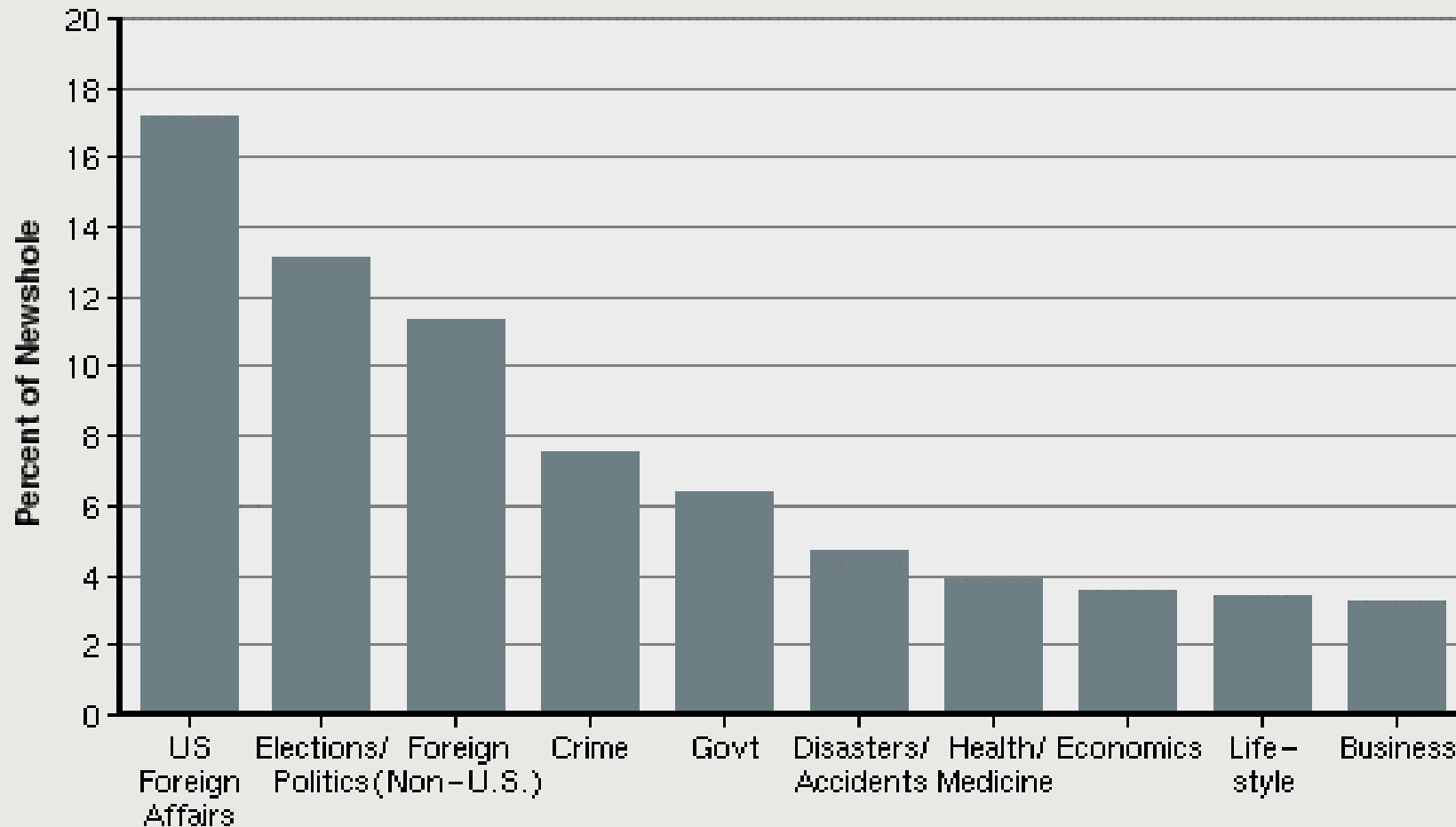
- The agenda of the American news media continues to narrow, not broaden
  - A comprehensive audit of coverage shows that in 2007, two overriding stories — the war in Iraq and the 2008 presidential campaign — filled more than a quarter of the newshole and seemed to consume much of the media's energy and resources
  - Other than Iraq, there was minimal coverage of events overseas, some of which directly involved U.S. interests, blood and treasure
  - At the same time, consider the list of the domestic issues that each filled less than a single percent of the newshole: education, race, transportation, the legal system, housing, drug trafficking, gun control, welfare, Social Security, abortion and more
  - A related trait is a tendency to move on from stories quickly
    - On breaking news events — the Virginia Tech massacre or the Minneapolis bridge collapse— the media flooded the zone but then quickly dropped underlying story lines about school safety and infrastructure
  - And newer media seem to have an even narrower peripheral vision than older media
  - Cable news, talk radio (and also blogs) tend to seize on top stories (often polarizing ones) and amplify them
  - Even as the media world has fragmented into more outlets and options, reporting resources have shrunk



## Trends of News Media in 2008

- **Journalism is not disappearing, but it is changing**
- **Consumers trust and rely on journalists less, and expect more of them, because they have alternative sources of information**
- **In subsequent years we have tracked the splintering of journalism into new norms, including the rise of a new commercially driven Journalism of Affirmation and the shift at many traditional news outlets toward becoming niche products**

# Most Covered Topics in 2007



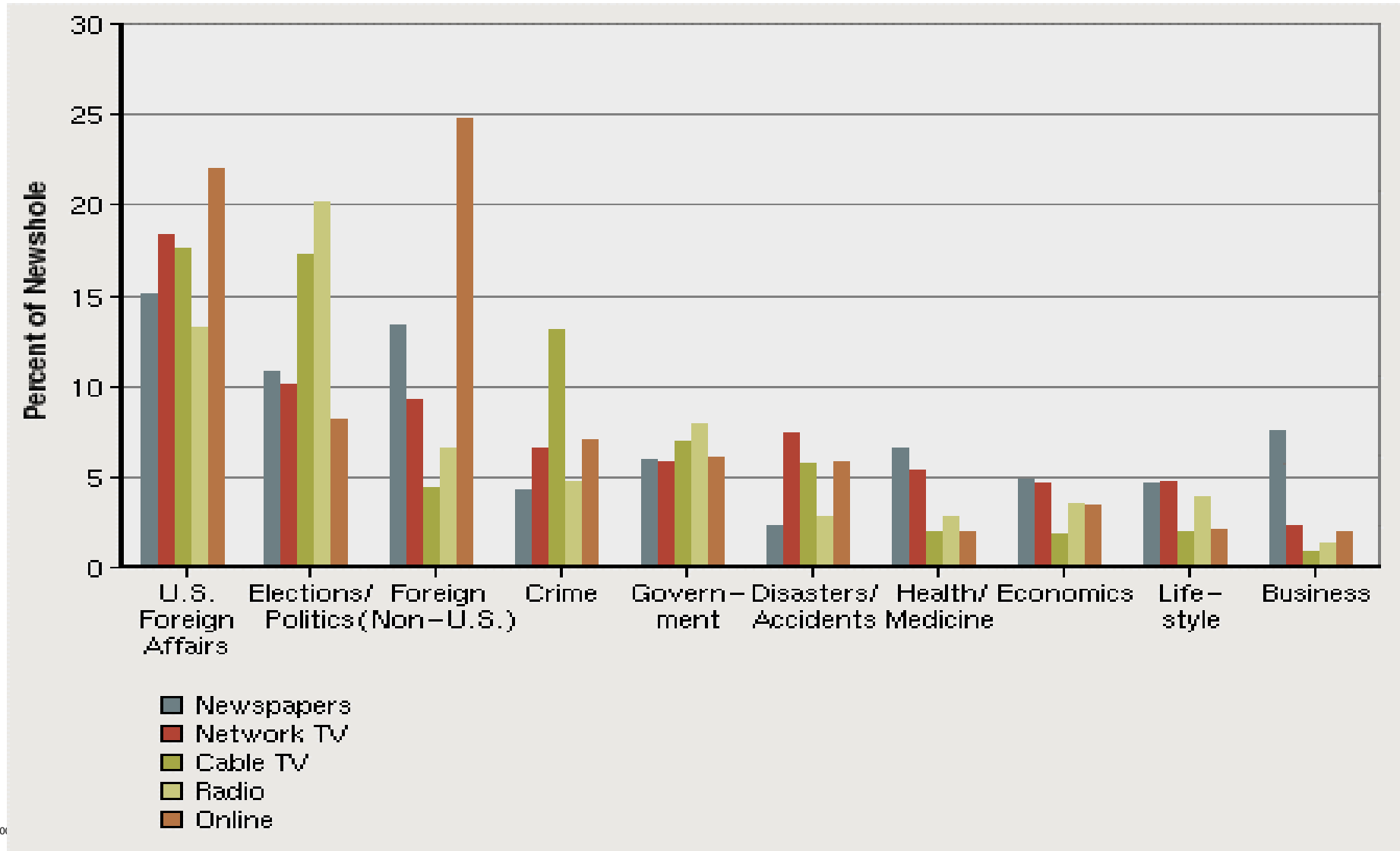
# Least Covered Domestic Issues

Topic	Percentage
<b>Education</b>	<b>1.0 %</b>
<b>Transportation</b>	<b>0.8 %</b>
<b>Religion</b>	<b>0.7 %</b>
<b>Court / Legal System</b>	<b>0.4 %</b>
<b>Development / Sprawl</b>	<b>0.2 %</b>

♠ The half-dozen broad topic areas that generated the least coverage last year included development and urban sprawl, the legal and court system, religion, transportation, education, and race, gender and sexual identity issues.

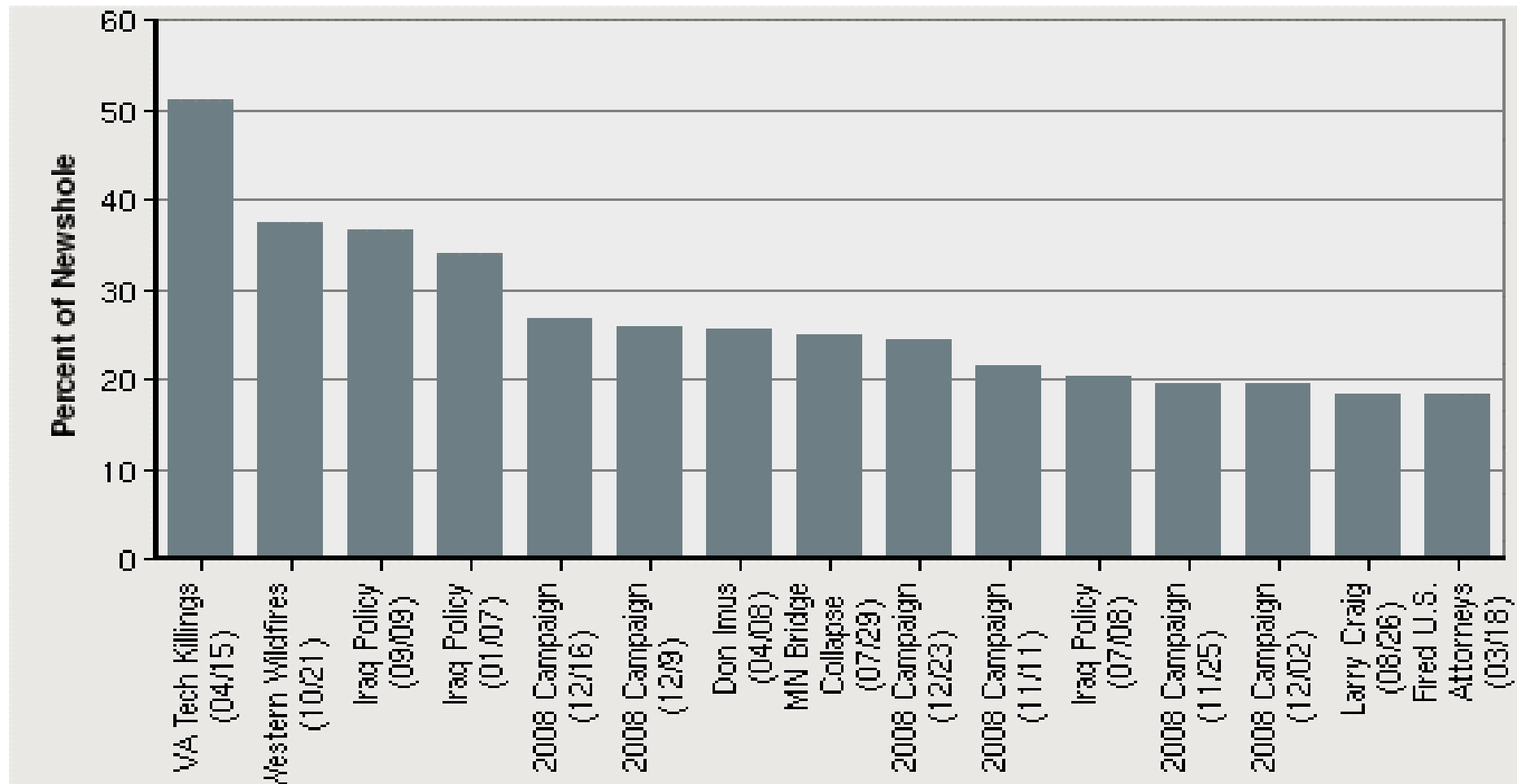
♠ None of these attracted more than 1% of the coverage over all

# Topics by Media Sector

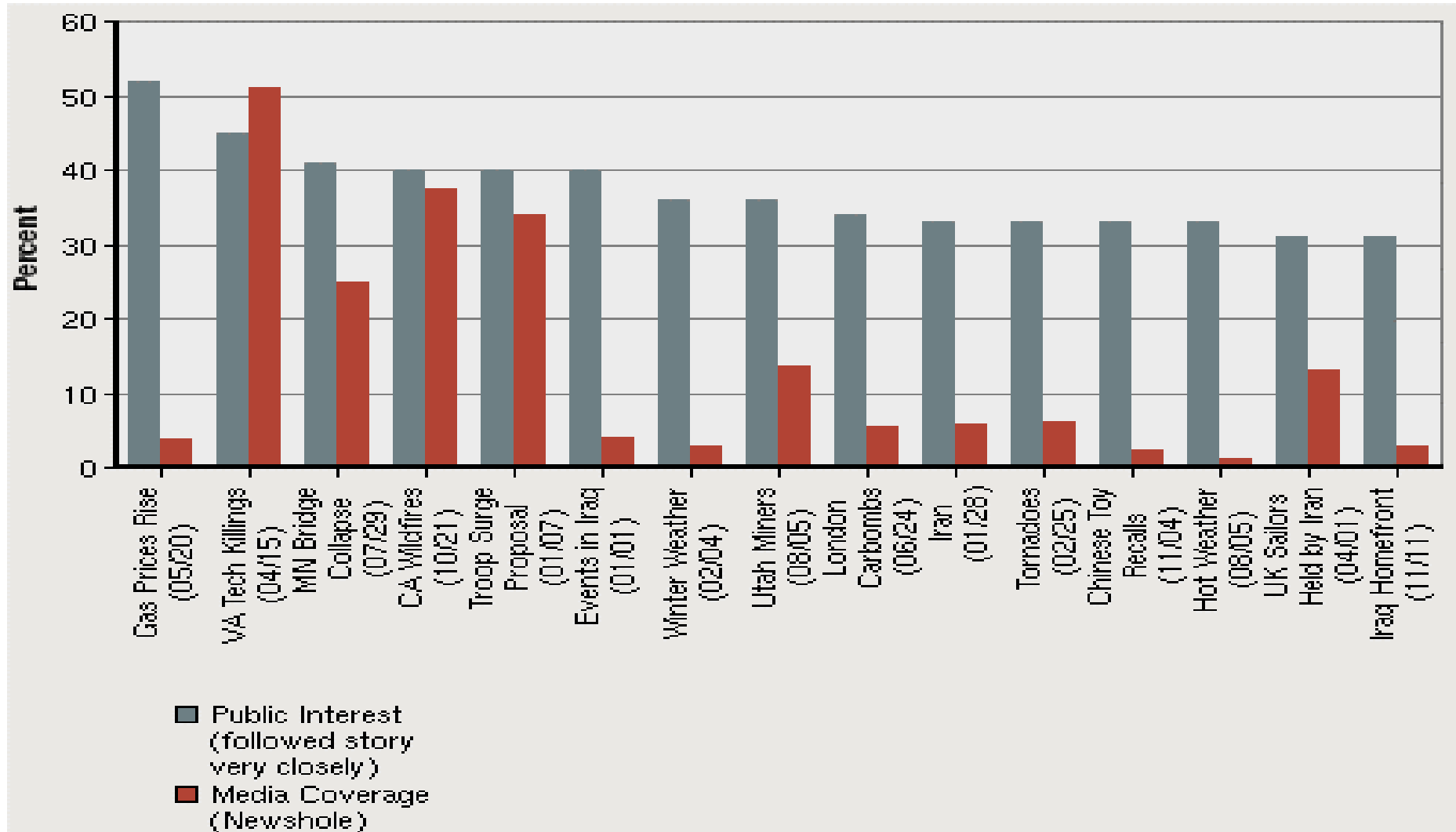


# The One-Week Wonders: Big Stories That Quickly Vanish

## Top 15 Single-Week Stories



# Public Interest vs. Media Coverage



# Economics of the News Business

## ■ Newspaper

- Advertising revenues fell by an average of more than 5%
  - ◆ Hardest hit has been classified, most of all employment; In 2007 alone, job ads were down 20%
- The stock prices for newspapers for the year fell 42%, after drops of 11% and 20% the two previous years
- On newspaper Web sites, online advertising growth slowed, and already the business is lagging other online categories
  - ◆ For the year, the industry's online advertising grew a little less than 20%, lower than online advertising generally

# Economics of the News Business

## ■ Magazine

- Magazine was down only slightly in 2007, with ad pages off less than 1%
- Big 3 magazines lost ad pages in 2007, from 4% at U.S. News to 18% at Time
- Three alternative or niche titles in the news category (The Economist, The Week and the New Yorker) managed to buck the downward trend, adding both ad pages and revenue
- Through the first nine months of 2007, online ad revenue grew by 26% to \$15.2 billion
  - ◆ But that rate of increase was down from the 36% through the same period a year earlier
- By 2011, total online advertising will reach \$62 billion, an average annual rate of growth of 15%
  - ◆ That would be enough to surpass both broadcast television (\$53 billion) and newspapers (\$60 billion)



# Economics of the News Business

## ■ Television

- Television industry seems to offer some of the strongest financial promise heading into 2008 (at the head of that class is cable)
- Fox News was expected to see the biggest jump (30%), with MSNBC close behind (28%) and CNN to maintain the same growth rate as in 2006 (10%); 2008 could be even better due to presidential campaign
- In local television, 2007 saw a traditional non-election year slowdown in revenues – down 3% (\$25.8 billion)
- News remains a major factor in local television economics; News provides an average of 42% of total station revenue
- The three network evening newscasts still generate considerable ad revenue – revenue that was estimated to have grown around 4% in 2007

# Economics of the News Business

## ■ Radio

- Year-end figures for 2007 show that overall advertising revenue was down 2% for traditional radio
- Total advertising revenue for online radio was \$106 million in 2006, up 77% from 2005
- Another component – paid content in the form of subscriptions and podcasts – accounted for an additional \$45 million
- It is unclear how much the news sector has contributed to that growth; But there is a chance that news, talk and information content may gain more traction

# Economics of the News Business

## ■ Ethnic Media

- Ethnic media continues to look strong
- In 2006, the last year for which numbers are available, ad revenues for Spanish-language papers broke the \$1 billion mark for the first time, hitting \$1.12 billion, a 13% increase
- Weeklies were responsible for the biggest jump — 25%, to \$434 million, from \$346 million in 2005
- In broadcast, Univision's revenues increased 8% in 2007, to \$2.5 billion

# Ownership of the News Media

## ■ Newspapers

- Things looked healthier for one public company
  - ◆ Rupert Murdoch's News Corp bucked the pessimism about newspapers and set off familiar alarms over quality and editorial independence with its takeover of the Wall Street Journal
  - ◆ Murdoch also launched his long-awaited business channel on cable, with limited fanfare, trying to keep expectations low and patience high
- But other owners who made acquisitions, such as Sam Zell of Tribune Company, borrowed heavily to finance the deals and face substantial debt and credit issues

# Ownership of the News Media

## ■ Magazines

- Time Warner, owner of long-dominant newsmagazine Time, now shares the No. 1 spot in terms of revenue with Advance, owner of Condé Nast magazines
  - ◆ Both bring in more than \$3 billion in annual magazine revenue
  - ◆ Hearst is third at \$2 billion

## ■ Network television

- Local television stations were vigorously bought and sold
- Federal Communications Chairman Kevin Martin forced a late-year vote in his drive to relax ownership rules

# Ownership of the News Media

## ■ Online Media Industry

- By revenues, three players in particular dominate: Google, Yahoo and Time Warner (which owns both AOL and CNN)
- All three companies continued to increase revenue in 2007 (Google: 56%; Yahoo: 8%; Time Warner:6%)
- In terms of audience: Yahoo News, MSNBC, CNN, AOL News
  - ◆ Yahoo News: 32.6 million unique visitors a month in 2007 (up 15% from its 2006 average)
  - ◆ MSNBC.com: 29.2 million unique visitors a month in 2007 (up 14%)
  - ◆ CNN.com: 29.1 million a month in 2007 (up 20%)
  - ◆ AOL News: between 20 million and 23 million a month

# Online Trends of the News Media

## ■ **MSNBC (29.2 million visitors per month), No. 3 in cable television news, is the leader online, followed by CNN (29.1 million)**

- Both are among the top four brands in news on the Internet (along with Yahoo and AOL)
- Fox: No 15 (8 million visitors monthly)

## ■ **Cable is best known for immediacy; now so is the Web**

- It is possible that the people who once tuned into cable on television are now seeking the same brands online
- That may be leading to smaller audiences on cable television for breaking news

# Online Trends of the News Media

- **NBC's Web site is MSNBC.com, a brand shared with its cable network but produced on the campus of Microsoft**
  - It has a collaborative but more limited connection to either the cable channel or network news division
  - ABCNews.com is the No. 8 news Web site (10.6 million unique visitors each month in 2007)
  - CBSNews.com is No. 11 (9.2 million)
  - In 2007, all three networks continued to build on earlier digital strategies: Aggressive video campaigns, unique online newscasts, and expanding anchor and reporter blogs



# Online Trends of the News Media

- **For all the network sites, 2007 was a year of creating partnerships perhaps more than building the sites internally**
  - ABCNews.com formed a partnership with Facebook
  - MSNBC.com joined with the New York Times and National Journal
  - CBSNews.com teamed up with Digg.

# Online Trends of the News Media

- **In the last quarter of 2006, 97% of local television had their own Web sites and virtually all of these (98%) include local news**
  - They also continue to add staff: Stations had four newsroom staffers dedicated to their station Web sites, with two working full time
- **Financially, these sites are still marginal**
  - About a quarter of stations reported in 2006 that their sites are making money (23%), but television stations generate only 1.5% to 3.5% of their revenues from Web operations

# Online Trends of the News Media

- **Newspapers have become places of more innovation online, even adopting many of the traits of new media, from blogging to citizen content**
  - The top newspaper Web site, NYTimes.com, ranks No. 5 overall among news sites (14.7 million visitors a month), followed by the combined sites of Tribune and Gannett
  - USA Today is the No. 2-ranked individual paper (and 10th over all among news sites at 9.6 million monthly visitors) followed by the WashingtonPost.com (No. 14 over all with 8.6 million visitors)

# Online Trends of the News Media

## ■ Magazines, particularly newsweeklies, continued their push online in 2007

- Time, Newsweek, The Economist, the New Yorker and The Atlantic all redesigned or punched up their sites

## ■ But the newsweekly sector has a long way to go financially

- While business and consumer brand names filled Ad Age's 2006 list of top 25 digital sites in overall digital revenue, only one newsmagazine, Newsweek, made the list

# Online Trends of the News Media

## ■ **Citizen media: the most well-known form of Web 2.0 activity is blogging**

- Blogging was growing as quickly as ever in 2007, but the evidence suggests that most Americans are not turning to blogs for news
- Web 2.0 has not only set new standards for community interaction among people online, but it is also promising to challenge the definition of journalism as citizens take on the job themselves

# Online Trends of the News Media

## ■ How far has it gone?

- A new study released in this report finds that most of the citizen Web sites and blogs exercise similar gatekeeper control over their sites as conventional media
- Outsiders are not allowed generally to post original content, beyond commenting on the material from the site itself

## ■ More momentum appears to exist in citizen agenda setting than reporting, at user-news sites like Digg, which allow visitors to choose and share what they define as news