Newspapers must surprise to survive

Print media is under threat, but with agile editorial leadership it can retain an important role, writes Neil Shoebridge.

David Kirk is worried. The number of young people reading newspapers is declining and, he fears, this will mean it will be 20 now pick up printed newspapers when they are 30 or 30 don’t know," he says. "As more people get exposed to newspapers, be it in their workplace or from their peers. But no one knows if this current generation of people aged under 20, who have grown up with the internet, will ever turn to the printed versions of newspapers.

Print on the internet and other newish media and entertainment platforms are threatening "the media such as newspapers, free-to-air television and radio.

A recent study by Nielsen Online claims that Australians older than 18 spend an average of 3 hours 40 minutes a week reading newspapers last year, down from 3 hours 21 minutes in 2006.

In comparison, the average amount of time devoted to the internet was 1 hour 38 minutes a week, and television consumed 3 hours 17 minutes a week (down from 3 hours 28 minutes in 2006) and radio captured 9 minutes 9 seconds (down from 10 minutes 30 seconds in 2006). People aged 16 to 29 spent an average 2 hours 21 minutes a week reading newspapers, compared with 4 hours 11 minutes among people aged 50 and older.

Fairfax (the publisher of The Australian Financial Review, The Age and The Sydney Morning Herald), Rupert Murdoch’s News Ltd and other major newspaper publishers have been grappling with the issue of how to get young people to read newspapers for many years.

News Ltd’s director of marketing and sales, Joe Talbot, says newspapers have never had a strong presence among people aged under 25. "We know that old theory that people turn to newspapers when they've got nothing else to do - that is, acquire jobs, cars, homes and so on - is no longer true. The internet is clearly a powerful media agency Mitchell Communication Group show that last year 34.5 per cent of males aged 14 to 17 and 23.7 per cent of 18 to 24 did not read newspapers. Among women, the comparable figures were 35.7 and 27.6 per cent.

"A lot of people are growing up without newspapers in the home," Talbot says. "It’s not true that young people aren’t reading newspapers; it’s the bias of the Harry Potter books. Many aren’t reading newspapers, and getting them to read newspapers will not be easy.

While newspaper executives worry about how to lure younger readers, the Sydney Morning Herald, the flagship of industry group The Newspaper Works, is boldly predicting that newspapers are being ignored in favour of other media is wrong. "While declines in print media consumption by Roy Morgan Research in December last year showed that 14 to 24 age group, 14 to 24 to 246 had reader in the previous week, while 78 per cent had accessed the internet. "The premise that young people aren’t reading newspapers is completely inaccurate," he says. "There has been a bit of a decline, but that is hardly surprising given the massive changes seen in the media world over the past 10 years.

Media buyers tell a different story, most insisting that newspapers - like free-to-air TV and radio - are losing customers to other media, but only a few really know, "he says. "That’s just the case, look at newspaper readership numbers: they have been steady as a rock over the past decade.

Fairfax, News Ltd and other publishers have pumped a small fortune into their websites in recent years, in part to capture young people who are not reading the print version of newspapers.

"Two of the greatest assets established media companies have is their capacity to generate unique content and quality and their brand," Kirk says. "But because of the various newspapers are fragmenting, is becoming more difficult to monetise those assets are under pressure. In order, you need to spread those assets across a new medium - printed newspapers, the internet, mobile and radio.

But ask newspaper executives in their websites have been promoted or increased the number of people reading their products and they shing their shoulders: the industry does not produce combined print/onlinen readership and usage numbers, that is, numbers that remove duplication and give a picture of a paper’s total audience. A recent study in the United States by research company comScore data, newspaper readers are likely to be young and are big consumers of news from other media, particularly the internet.

That current generations are growing up getting their news online for free is an indicator that print circulation is likely to continue to decline," comScore’s executive vice-president, Jack Flanagan, says. "But the internet represents a significant opportunity to extend - and even improve upon - existing news brands and reach out to new consumers with, breathing a real-time content.

While a website might protect a newspaper’s total audience, publishers cannot afford to "sell the bulk of their audience online.

"Advertising rates (the revenue each ad generates) are lower on websites than in print newspapers. Increasing competition and growth in the online ad market are squeezing websites last year and that squeeze is expected to continue for the next few years.

Although an online-only newspaper has a much lower cost base than a print newspaper - there are no paper or delivery costs, for example - it does not generate any cover-price revenue or the same advertising volume or revenue. Talbot agrees with the offer of repeated claims by internet executives such as Paul Dassat from Seek and Simon Baker from RIA Group (which runs websites such as Seek, Salaries.com owned by News Ltd) that classified advertising is more likely to shift from print newspapers to websites. But he argues that print newspapers will continue to draw a large number of consumers, including significant growth in classified advertising, which is still a major source of revenue for newspapers. "The internet can’t match the print newspaper’s ability to surprise. People like the fact they can page and find information they weren’t expecting," Talbot says. "That’s the theory a lot of publishers work on when they set up a newspaper websites," he says. "But we haven’t been doing this long enough to know if many people are using them to read newspapers when they get older.

Talbot says newspapers still remain "a very powerful, mass-vehicle advertising." But he says they need to constantly change to attract both young and old consumers.

"We’ve have to work on the content and marketing of newspapers in a way that we didn’t have to work on them in the past," he says. "We have to add new value to the product, not just a way of aggregating an audience, as long as they are well put together and live and as long as they continue to offer the benefit of turning the page and seeing something you didn’t expect, newspapers have a good future."

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### MARKETING & MEDIA

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### What they said

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