

Chapter 9

The Role of the Internet in the Decline and Future of Regional Newspapers

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ABSTRACT

Digital technology has had a significant impact on the newspaper industry in many different areas of the world. The Internet and digital content technologies enable online newspapers to reach a wide audience and to reduce many of the costs associated with print newspapers, but there have also been some negative impacts including a loss of readers and advertising revenue for traditional printed newspapers. In this chapter, focus groups and interviews are used to investigate the following issues: (1) the role of the Internet in the decline of the social/business influence of regional newspapers, and (2) the impact of developments such as Web 2.0 on the future of regional news supply. The chapter concludes with a discussion of managerial implications for the future.

INTRODUCTION

The Internet is contributing to a loss in newspaper readership and advertising revenue. Doom laden warnings about the future of the industry and public service¹ journalism are prevalent (Meyer, 2008; Pincus, 2009). Beam et al. (2009) notes that: “society should care what is happening to newspapers as without them democracy will be diminished”. Meanwhile Byrne (2009, pp. 13-15) believes that the social influence and business

model of newspapers is under grave threat from: (1) an ever shrinking audience for local/regional news products,² (2) a reduction in staff and public service journalism, and (3) the increased trivialization (sensationalizing) of editorial content. In an interview³ with the editor/publisher of the Spring Hope newspaper in North Carolina, the business/social challenge facing newspapers was apparent: “there are fewer workers and fewer news organizations around to do professional journalism of any kind, public service or otherwise”. While newsrooms have been rationalized, paradoxically at the same time the work demands on news

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journalists have increased. Journalists now have to submit multi-media digital copy material in addition to their traditional story/feature writing (Meyer, 2008).

These changes in the way newspapers report the news were expanded on by a social media specialist⁴ we interviewed at the San Diego Tribune: “newspapers are evolving into news sites. They will continue to create must-read, must-have content, delivered in a medium that suits readers. In essence there is a need to transfer their editorial impetus online”. Therefore in this chapter we set forth: (1) to investigate the role of the Internet in the decline of the social/business influence of regional newspapers and (2) to assess the impact of developments such as Web 2.0⁵ on the future of regional news supply.

LITERATURE REVIEW: HISTORY OF THE LOCAL PRESS

Newspapers have a long industrial history and are a phenomenon of the late nineteenth century with the development of the industrial printing press in the 1850s. For most of their history they had a simple business plan and that was to have large readerships to attract high amounts of advertising revenues. Stories were community sourced from the general public, police, courts and local government (though this view has been revised to include the increasing amount of local news content sourcing from interest groups and public relations professionals (Picard, 2004)).

Regional newspapers typically had high profitability with figures between ‘25% and 30%’ commonplace for many local newspaper companies (Dear, 2006, p. 8). Meyer (2004) believes their high profitability was due to the following factors: (1) They had a monopoly in the production/distribution of printed local news content. High barriers to entry restricted the entry of competitors (e.g. production facilities, training, distribution outlets). (2) High circulations in the local area

enabled them to obtain economies of scale of production and keep variable costs (e.g. journalist wages) low. (3) And high circulations attracted advertisers (in particular classified (property and recruitment) and display advertisements).

While the national newspapers were, in the main, generalized daily and weekly newspapers with headquarters in London⁶ published in the morning and aiming for sales across the whole of the UK, the regional newspaper was distributed in the evenings and read almost entirely in the area of production (Meyer, 2004, p. 55). They each look towards each other as a source of news. For instance, the Iraq and Afghanistan wars are national stories capable of being made regional by particular local connections (e.g. soldiers, specialist medical teams).

The ‘golden age’ of the regional press, particularly the dailies in the large urban conurbations (such as Manchester) peaked in the period of post-World War II prosperity (Freer, 2007). Ownership was often in the hands of small family businesses and they often “rubbed shoulders with the journalists” (Freer, 2007, p. 93). But from the early 1960s the industry began to contract. For instance, Manchester had two evening papers until, in 1964, the Manchester Evening Chronicle closed despite sales of around 250,000, leaving the Manchester Evening News with a near monopoly in the city (Franklin & Murphy, 1991, p. 7).

The 1990s witnessed the national press (Trinity Mirror, DMGT and the Guardian Media Group) entering the regional newspaper market as they acquired some of the leading regional newspapers including the Manchester Evening News, Liverpool Daily Post, Liverpool Echo and Bristol Evening News. Today the four biggest regional publishers are Trinity Mirror, the Daily Mail and General Trust (DMGT) (owner of Associated Newspapers and Northcliffe Media), Johnston Press and Newsquest Media Group (a wholly owned subsidiary of Gannett plc (US)). These four now have almost 70% market share across the UK. In addition to their acquisitions of

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