

The exaggerated reports of the death of the newspaper



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A conference room decorated with a large picture of Paris Hilton might not seem the ideal place in which to argue that quality journalism has a vibrant future, but the tabloid celebrities presence in Reuters' headquarters was not the most incongruous aspect of this week's unveiling of a report into the mood in the world's newsrooms.

Journalists attending the launch of the Zogby poll, commissioned by Reuters and the World Editors Forum, were treated to the remarkable spectacle of other journalists being optimistic about journalism.

Few trends have been as enthusiastically charted by the press as the two-decade decline of print circulations and advertising revenues in developed markets. Their sombre

headlines about the death of newspapers have been accompanied by breathless enthusiasm for blogging, user-generated news and the idea that snaps from a billion camera phones will do the paparazzi out of a job. Newspapers have not just been slow to grasp the opportunities that new technologies provide, but have helped their new rivals gain credibility with audiences.

Yet, according to the poll of 435 editors and news executives, 85 per cent now feel optimistic about their title's future and twice as many think the quality of journalism will improve in the next decade as fear it will deteriorate. Almost half think that most news will be free to the consumer in future, but are quite relaxed about that.

Is the industry as wrong now as in the past? There is still plenty to concern investors. This week, figures showed online advertising had overtaken the newspaper category in the UK, where the internet's share of advertising spending is more than double the 6 per cent global average, but which tends to point the way for

others. In recent months, such investment authorities as Warren Buffett and Steve Rattner have fretted about the business model. Mr Buffett said the days of lush profits from his Buffalo News title were over, while Mr Rattner wondered whether the duty of keeping the world informed should be handed to not-for-profit trusts.

Mr Buffett was right to say that such titles have lost the luxury of being unchallenged local monopolies, but that is no bad thing. Competition, wherever it comes from, tends to result in better products.

America's monopolistic franchises are anomalies, but even there people are betting serious money that they still have a future. After McClatchy's \$6.14bn purchase of Knight Ridder, a bidding war has unexpectedly broken out for the Tribune Company, owner of the Los Angeles Times and the Chicago Tribune, with three billionaires tussling over the \$8bn prize. Buyers of newspaper businesses tend to be dismissed as economically irrational egomaniacs. Some are. Yet more sober companies, from Axel Springer in Germany to Mecom, David

Montgomery's pan-European stable, are seeing opportunities to build new empires by bucking the wider market's pessimism. Global newspaper circulation has increased by 10 per cent over the past five years. The freesheet phenomenon deserves much of the credit and has shown that -

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even in print - innovation is alive.

But freesheets are only one of the new models demonstrating that there are other ways to make money than the traditional mix of circulation and advertising. Venerable titles from Die Welt to the St Petersburg Times are showing that the print title can be the

hub of a rich array of news outlets, attracting younger readers.

The combination of free and paid titles is helping publishers reach audiences outside traditional markets. Others have found that the healthy online advertising market is making their experiments in audio and video formats lucrative revenue-generators.

With advertisers finding that the most effective campaigns cross several media at once, newspapers' ventures into other media are positioning them uniquely well. In a world where "community" is the web 2.0 buzzword, few other businesses have such experience of serving several interest groups - from football fans to theatre buffs - at once.

The industry has only just begun to exploit the potential the internet provides for bringing those communities closer together. The fear is that Google will get there first, but Google's Sergey Brin said in Davos he thought the newspaper had "a good future". "I get The New York Times on a Sunday and it's nice," he said, before offering the advice that, to be essential rather than just "nice",

papers would have to focus more on creating genuinely unique content.

As circulation has fallen, many have been tempted to go down market, making themselves indistinguishable from magazines or television shows. Readers will not pay for something worthless or replicated a hundred times on Google News. If newspapers want a future, they must provide something more original than just pictures of Paris Hilton.

In short, in a cluttered world of home-produced content, professional journalism is more important than ever. Few bloggers enjoy the access to those in power that some feel corrupts but, in practice, has a vital role to play in getting the facts right.

As John Zogby, the pollster, noted this week, predictions of the death of God have been another newspaper staple over the years. As it turns out: "God is doing just fine, thank you. He even wins elections in the United States." So do not believe everything you read in the papers. They are just about to turn a new page.

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