

NEWSPAPERS IN TRANSITION

by Leo Bogart

When World War II ended, eight daily newspapers in New York City reported the story, as did seven in Boston, four in Philadelphia, five in Chicago, four in San Francisco. Now, not quite four decades later, New York is down to three (the *Times*, *Post*, and *Daily News*), and Boston, Philadelphia, and Chicago have only two newspapers apiece. The most recent major casualties are the *Washington Star*, *Philadelphia Bulletin*, and *Cleveland Press*. In Toledo, New Orleans, Des Moines, Portland, Sarasota, Tampa, Duluth, Minneapolis—all one-ownership newspaper towns—publishers have discontinued their less successful papers, usually their afternoon papers. The troubles of other newspapers are still making news. In 1923, there were 503 cities with more than one separately owned daily newspaper; now there are only 49. And in 22 of those cities, competing papers have joint business and printing arrangements.

After the evening *Minneapolis Star* (circulation 170,000) was discontinued last April, its editor, Stephen Isaacs, responded to a query from *Editor & Publisher*: "What do I see ahead? I talked to many publishers recently and was startled by the number who have in effect told me that the newspaper business is a dying industry. A dinosaur. Some will survive—the very big and the very small—but the in-betweens are going to face rough going in the electronic era. . . . Frankly, I was stunned by their comments."

The deaths of great metropolitan dailies are stunning events, and not only to publishers and editors. But do they mean that newspapers, as such, have outlived their function?

The fallen giants in the business have been stricken by the sickness of their home cities. In the 20 largest cities, newspaper circulation dropped by 21 percent between 1970 and 1980, while population fell by six percent. This does not tell the whole story, because the big cities have changed character even more than they have lost people. Their white population fell by 20 percent, and the whites now include a higher proportion of Hispanics and the elderly poor.* In many blighted inner city areas, crime,

*To illustrate this point with an extreme instance, the Bronx lost 19 percent of its total population between 1960 and 1980. Blacks went from 11 percent to 32 percent of the total, and Hispanics now represent 34 percent. The *New York Times* lost 56 percent of its Bronx circulation in those years, the *Daily News* 26 percent.

vandalism, and collection problems have wreaked havoc with both home deliveries and street sales.

Changes in the urban economy and social structure have also had disastrous effects on downtown retailers, who have been the mainstay of metropolitan newspaper advertising. Retail chains followed the middle class to the suburbs—and began to put advertising money into suburban papers, give-away “shoppers,” and direct mail advertising. Metropolitan evening papers had to print earlier (usually well before noon) just to permit delivery by truck through traffic jams to the sprawling suburbs. Since their circulation was more concentrated in the central cities, they were more vulnerable than their morning rivals to the pressures of urban change. The deaths of metropolitan newspapers help explain why total daily circulation has declined since World War II; the ratio of newspapers sold to U.S. households dropped from 128:100 in 1948 to 79:100 in 1981.

The reasons are many and complex.

The price of a subscription has gone up, and some papers have stopped distribution in outlying areas because of the expense. Young people of the TV generation now read newspapers

Newspaper-reading commuters, like these in Reginald Marsh's Subway —Three People (1934) can still be seen in many central cities. But more Americans now live and work in suburbs and ignore the big “metro” dailies.



*National Museum of American Art,
bequest of Dr. Frank McClure.*

less often than their parents did. Changes in family life have altered the use of leisure. With more wives at work, both husbands and wives have less time to read when they get home.

Still, the "worst" appears to be over. In spite of the losses in the big cities, overall newspaper circulation and readership have stabilized during the past five years, following eight years of steady decline. The real question is not whether newspapers will survive into the 21st century, but rather *what kind* of newspapers they will be. The answer lies both in the economics of the press and in the perceptions of editors and publishers.

Worrying about TV

Their perceptions have already led to rapid changes in newspaper style and character during the past decade, and to an extraordinary amount of editorial innovation.

One theory that quickly gained favor was that TV news was taking away readers—although there was no evidence that directly supported this notion. To the contrary, newspapers have done better (in terms of the ratio of circulation to all households) in metropolitan areas where TV news ratings are high rather than low. Television news viewing went down, not up, in New York City when the *Times*, *Post*, and *Daily News* were on strike in 1978.

Moreover, many editors appear to have been convinced during the 1970s that more and bigger photographs, and more "features" and "personality journalism" were necessary counters to the visual and entertainment elements of TV in general. Indeed, the *Miami News* billed itself as the newspaper "for people who watch television."

There were other less obvious changes, particularly among dailies with less than 100,000 circulation. One was the emphasis on local, staff-written news—leaving more of the wider world to the TV network news, the *Wall Street Journal*, or *Time* and *Newsweek*. Thirty-five percent of *all* editors who were asked about editorial changes in 1977–79 reported a shift toward "localizing" the news.

"What sells papers is the ability to identify with the news

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content," said Milton Merz, then (1976) circulation director of the Bergen County, New Jersey, *Record* (circulation 150,796). "And people identify with things that affect them directly. Once you get outside their town, their interest drops like a rock."

Among big-city papers, in particular, zoned editions, aimed at specific regions within a metropolitan area, seemed a good response to competition for readers from the mushrooming smaller suburban dailies and weeklies.

Yet the belief that people are mainly interested in "chicken dinner" news runs counter to reality. First, Americans as a whole today are increasingly well educated, cosmopolitan, and mobile, with weak ties to their home communities. Second, as is well known, fewer of any big-city daily's readers now live or work in the city where the newspaper is published and where it deploys most of its reporters (only 35 percent of the *Chicago Tribune's* circulation, for example, is within the city limits); the suburban dispersion of homes and jobs in scores of distinct communities over hundreds of square miles means that any particular local event is likely to affect relatively few people. A high proportion of what editors think of as "local" items that appear in a big-city paper are actually "sub-local": they deal with events—school board disputes, village politics, accidents—that matter little to most of the paper's readers.

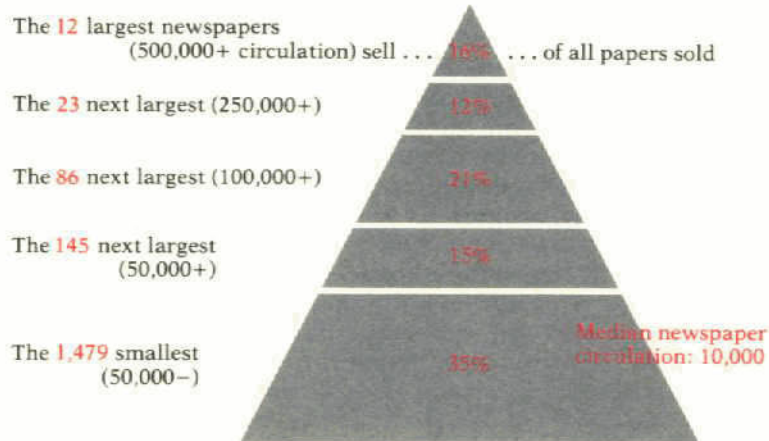
Enjoyable, Exciting, and Fun

What some editors forget is that TV network news, for all its "show business" flaws, has made national and foreign figures, from Reagan to Begin, vivid and familiar to average Americans, to a degree unimaginable 20 years ago. Of course, as always, people want *both* kinds of news, not just one or the other. Still, national research shows that the average item of local news attracts slightly fewer people who say they are "interested" or "very interested" in it than does the average item of foreign or national news. The same study shows that the "memorability" of local events as "big news," "upsetting news," or "good news" is extremely low relative to the amount of space they occupy in newspapers or relative to more dramatic stories from the wider world.*

The *Chicago Tribune's* Joseph Medill was once asked the secret of his success. "Just publish the news," he said. Today,

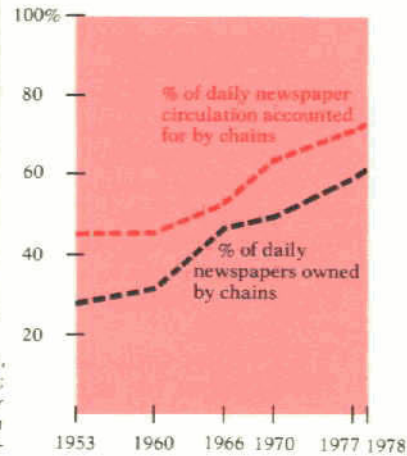
*This and other findings cited in this article are from a national survey of 3,048 adults conducted for the Newspaper Readership Project in 1977 by Audits and Survey, Inc. A more comprehensive description of the study will be found in my book, *Press and Public*, (Lawrence Erlbaum Associates, 1981).

SHARES OF TOTAL CIRCULATION, BY NEWSPAPER SIZE, 1980



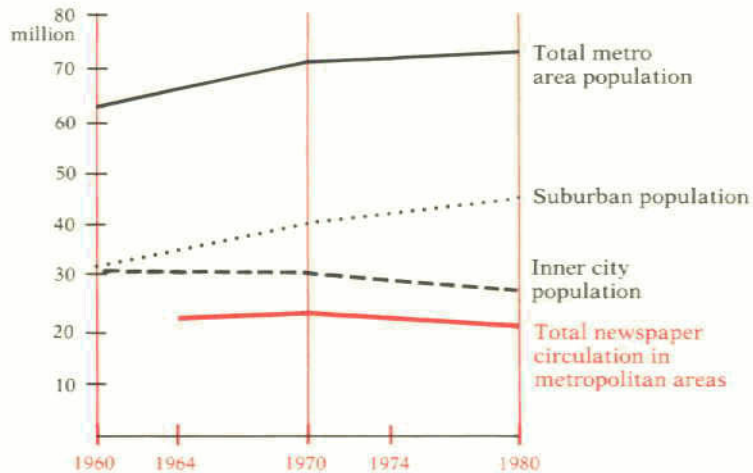
NEWSPAPER CHAIN OWNERSHIP

TEN LARGEST CHAINS, March, 1981	Daily Circulation	No. of dailies
Gannett Co.	3,621,800	85
Knight-Ridder	3,458,400	33
Newhouse Newspapers	3,133,500	29
Tribune Co.	2,806,600	8
Dow Jones and Co.	2,433,400	21
Times Mirror Co.	2,315,500	8
Scripps-Howard	1,518,800	16
Hearst Newspapers	1,362,300	15
Thomson Newspapers (U.S.)	1,219,600	77
Cox Enterprises	1,165,100	18



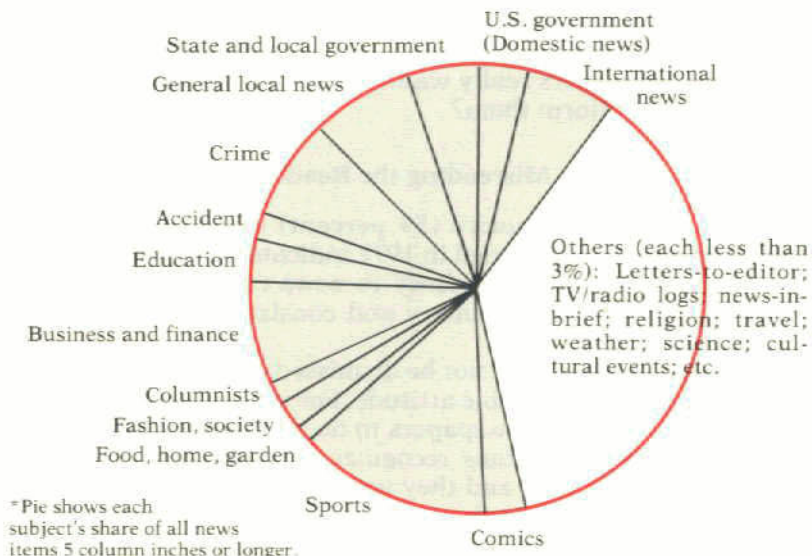
Source: *Editor and Publisher Yearbook, 1981*; Benjamin Compaine, director of Harvard's Program for Information Resources Policy; *Statistical Abstract of the United States, 1981*; *American Newspaper Markets' Circulation* (1964, 1970, 1980); *Trends in Metropolitan America* (1977), Advisory Commission on Intergovernmental Relations; 1977 Survey, The Newspaper Advertising Bureau.

POPULATION VS. NEWSPAPER CIRCULATION, 1960-1980
(in top 25 metropolitan areas)



*Twenty-five largest Standard Metropolitan Statistical Areas (1960): New York; Chicago; Los Angeles-Long Beach; Philadelphia; Detroit; San Francisco-Oakland; Boston; Pittsburgh; St. Louis; Washington, D.C.; Cleveland; Baltimore; Newark; Minneapolis-St. Paul; Houston; Buffalo; Milwaukee; Cincinnati; Paterson-Clifton-Passaic, N.J.; Dallas; Seattle-Everett; Kansas City, Mo.-Kans.; San Diego; Atlanta; Miami.

A TYPICAL NEWSPAPER'S EDITORIAL CONTENT*



not every publisher would agree. The most notable change in newspaper content since 1970 has been a new stress on "soft" features, often concentrated in special sections aimed at "up-scale" suburban consumers, especially women. Under such umbrellas as "Lifestyle," "Living," or "Style," editors and writers have sought to impart the latest in television, movies, celebrities, "self-help," "women's issues," fashions, food, parties, recreation, and manners. (Less regular coverage has been devoted to the old specialized side dishes of the traditional newspaper menu: stamp-collecting, chess, gardening, photography.) The new "sectional revolution" was led by the *Washington Post*, the *Los Angeles Times*, the *Chicago Tribune*.

At the *New York Times*, "Weekend" (1976) was followed by "Living," "Home," "Sports Monday," and "Science Times." The strategy worked; *Times* circulation rose by 33,000 during the 16 months after "Weekend's" birth. In 1977-79, almost half of all newspapers with circulations of over 100,000 added weekday "lifestyle" sections (and many of the remainder already had them).

Said Derek J. Daniels, president of *Playboy* and a former Knight-Ridder executive: "If [newspapermen] are to meet the new challenges, they must, above all, recognize that reading is work. . . . I believe that newspapers should devote more space to the things that are helpful, enjoyable, exciting, and fun as opposed to undue emphasis on 'responsible information.'"

In some ways, newspapers were coming to resemble consumer magazines. Editors had always used feature material as "good news" to lighten the "bad news" that dominates the headlines. But did readers really want newspapers to entertain them rather than to inform them?

Misreading the Reader

Not really. A majority (59 percent) of a national cross-section of people questioned in 1977 indicated they would prefer a newspaper devoted *completely* to news rather than one that just provided a news summary and consisted mostly of entertaining features.

This response should not be dismissed as merely the expression of a socially acceptable attitude. For what it really indicates is that people expect newspapers to do more than cater to their personal tastes. Americans recognize a newspaper's larger responsibility to society, and they want it to cover a multitude of subjects, including ones about which they themselves normally would not care to read.

People perceive that some newspaper articles are "interesting," but others are "important." Thus, according to the 1977 study, half of those who found the average sports item "very interesting" also rated it as "not very important." When people's responses to specific newspaper items are surveyed, entertainment features—except for TV and radio program logs, advice columns, and travel articles—all score below average in interest. A typical entertainment feature is rated "very interesting" by only 20 percent of those surveyed, while a typical straight news story is rated "very interesting" by 31 percent.

Winner Take All

Editors, then, in remaking their newspapers during the '70s, may have underestimated their readers. But newspapers in those years were not just changing—they, collectively, were growing. In smaller and middle-sized communities, daily newspapers, most of them without local daily competition, continued to enjoy high levels of readership and prosperity. And the reader got more for his money. For a typical (surviving) major metropolitan daily, the number of pages of editorial matter went from 19.8 in 1970 to 28 in 1981, keeping pace with an increased volume of advertising.

So, despite the alterations, cosmetic and substantive, newspapers were actually providing more "hard" news and more national and world news. But the proportions were different. There was more icing on the cake, and often the cake itself was a bit fluffier. The *character* of newspapers was changing.

Editorial ingenuity and experimentation did not save the *Chicago Daily News* or the *Cleveland Press*. An article in the *Minneapolis Star*, after announcement of that paper's impending demise, recalled the editors' rescue efforts: "Suddenly, or so it seemed, the newspaper's most basic ingredients—City Council meetings, news conferences, speeches—were gone. In their place was an unpredictable front-page mixture of blazing illustrations, Hollywood features and all sorts of things that had once been tucked away inside the paper." The *Star's* radical changes did not halt its decline in readership.

Yet the disease that kills off competing newspapers is not lack of readers—it is lack of advertising (which accounts for three-fourths of a newspaper's income). This disease has struck down even highly respected newspapers with considerable numbers of high-income readers, from the *New York Herald Tribune* (1966) to the *Washington Star* (1981). From an advertising point of view, "duplication" is considered highly wasteful.

The Philadelphia Inquirer VERSUS The Bulletin

The long war for Philadelphia began in 1969 when the Knight chain (now the Knight-Ridder chain) bought its first Northeast property, the morning *Inquirer* and the afternoon *Daily News*, for \$55 million from *TV Guide* publisher Walter Annenberg. The two papers were well-positioned but undistinguished, except by their mediocrity and bias. Affluent Philadelphians disdained them.

The staid rival afternoon *Bulletin*, owned by the McLean family since 1895, enjoyed primacy in reputation (two recent Pulitzer prizes), weekday circulation (641,000), and general advertising (40 percent). But its managers had yet to devise a coherent strategy to cope with the continuing dispersion and attrition of its traditional readers in the suburbs.

After an initial overhaul of the *Inquirer*, Knight put two low-key workaholics, both North Carolinians, in place in 1972: Publisher Sam S. McKeel, then 46, a sometime reporter turned manager, and Executive Editor Eugene L. Roberts, Jr., 40, a seasoned newsman (Detroit, Atlanta, Vietnam) and, latterly, *New York Times* national editor. On most big newspapers, editors don't talk to the business side. Here, McKeel, Roberts, and their senior associates, despite inevitable differences, worked and planned as a team to try to "turn the *Inquirer* around."

They had little choice but to improve operational efficiency. The parent Knight organization in Miami would spend or commit \$120 million in capital outlays (including the purchase price) in 1969-82; but for newsprint, reporters' salaries, and other operating costs, the *Inquirer* had to pay its own way or borrow from Knight.

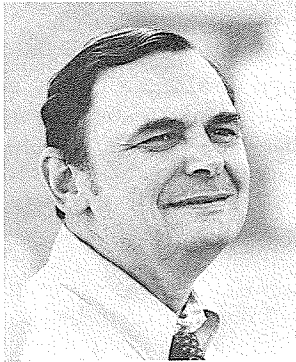
The battlefield was the City of Brotherly Love, especially its shrunken middle-class neighborhoods, and seven burgeoning suburban counties, including three in southern New Jersey across the Delaware River. As late as 1975, in the suburbs, especially the affluent Main Line, the *Bulletin* held a crucial 56,000 lead in daily circulation; if the *Inquirer* could even halve that lead, its advertising salesmen could pull away a sizable share of retail advertising from the *Bulletin*. As a morning paper, it was easier for the *Inquirer* to reach the more distant suburban growth areas on time than for the afternoon *Bulletin*; the tabloid *Daily News* would hold the line with blue collar folk and blacks in the city.

On the news side, Roberts initially had to make do with less manpower and space for news than the *Bulletin*. Unlike many of his counterparts elsewhere, however, Roberts did not attempt to match the "chicken dinner" coverage of suburban dailies, or to pump up crime news (a former *Inquirer* staple) or to lean on "soft" features to counter TV's appeal. He had a different, overarching approach.

As Roberts put it, "We concentrated on the Big Story." He wanted to convince Philadelphians and suburbanites alike that when a Big

Event occurred, the now-respectable *Inquirer* would provide more information about it than anyone else. So it was with the 1973 Arab-Israeli war, which boosted daily street sales by 15,000, and the 1979 Three Mile Island episode, when Roberts sent virtually his entire staff, including "lifestyle" writers, into the fray.

What endeared Roberts to reporters—and attracted new talent—was his willingness to allow them many months, if need be, to research lengthy "investigative" stories or regional "trend" series (schools, religion, county government), some of them high-risk enterprises. But Coach Roberts did not rush them into print. He and



Courtesy of The Philadelphia Inquirer.

Eugene L. Roberts, Jr.

his editors nit-picked every fact, every assertion; there was no Janet Cooke incident at the *Inquirer*. As the *Bulletin* reacted first with one news approach, then with another, the *Inquirer* won six Pulitzer prizes in a row, including one for a solid exposé of Philadelphia police abuses, and one for Mideast reporting (by its first overseas man, Richard Ben Kramer, on his first big assignment). The *Inquirer* circulation staff daily promoted "hot items" on morning radio and display cards, and arranged extra deliveries.

Yet the *Inquirer* either lost money or barely stayed in the black for six years. (The 1974–75 recession hurt all Philadelphia papers.) Its readership, like that of the *Bulletin*, kept falling. But in 1976, its circulation stabilized

and began to inch upward, while the *Bulletin's* continued to slump. McKeel put his increased revenues into more news and more promotion to attract more "up-scale" readers.

One event signaled to McKeel and Roberts (and to advertisers) that the *Bulletin*, beset by management turnover and strategic confusion, was no longer a winner. During a 23-day strike in 1977 that closed down the *Inquirer*, its rival kept publishing and picked up 100,000 readers and much advertising. However, within two months after the *Inquirer* resumed publication, the *Bulletin's* gains had largely evaporated. In 1978–79, the *Inquirer* won the edge in weekday advertising, as it overcame the *Bulletin's* suburban lead.

By late 1981, the *Inquirer's* annual revenues were up 80 percent over 1976; its total circulation had reached 425,000, surpassing its now-failing competitor's. The Charter Company, which had bought the *Bulletin* in 1980, finally shut down the paper last January.

"Nobody thought it would take us so long to turn the *Inquirer* around," said McKeel. "But I think we did it in the end by producing better newspapers for Philadelphia and by better operations."

Once a newspaper, good or bad, falls into second place even by a small margin, it becomes a “loser” in the eyes of advertising agencies and big retail chains; more of their advertising goes to the “winner,” accelerating the decline of the “loser.”

Why has this “winner-take-all” doctrine taken hold on Madison Avenue—with all its pernicious side effects on local diversity of information and editorial opinion?

Part of it stems from the desire of advertisers for an exact fit between the kinds of people who buy their products and the characteristics of the media audience. The computer has created an insatiable appetite for marketing data, and the result is that advertising is bought by the numbers, by formula.

This practice has been fostered by the overall trend toward concentration. An increasing percentage of all retail sales goes to chains that operate in a number of different areas, with most of the growth since 1960 in the suburbs. The top 100 national advertisers (e.g., Procter & Gamble, General Foods, and Philip Morris) account for 43 percent of all advertising outlays in all media, up from 35 percent 20 years ago; and the top ten advertising agencies (led by Young and Rubicam), all but one headquartered in Manhattan, direct the spending of 25 percent of all national advertising dollars, up from 17 percent in 1955.

The Only Mass Medium?

What this means is that the decisions to allocate advertising dollars among newspapers (or among newspapers, magazines, TV, cable, and other media) are increasingly made by fewer people in fewer places. And the decisions are increasingly made on the basis of strictly quantitative data, covering everything from income to personality types (“psychographics”).

The established doctrine in marketing on Madison Avenue and elsewhere says this: If 30 percent of the people in a given area buy 60 percent of the product, then you target 100 percent of the advertising dollars at this group. (And for practical purposes you forget the others.) The media attracting the highest percentage of this group get the advertising dollars. What this means is that in Philadelphia, the *Bulletin*, with over 400,000 circulation, strangled on a deficit of \$21 million in a market where advertisers spent \$1.8 billion on all media in 1981. (See *Box*.) In that same year, the *Press* had 43 percent of the daily circulation in Cleveland, but only 28 percent of the advertising.

Advertisers try to direct their messages only at the most likely customers, and media have responded by defining their audiences in terms of particular market “segments” in which

advertisers might be interested. There are thousands of specialized magazines from *House and Garden* to *The Runner*. Radio audiences have long been broken up into fractions identified with various tastes in music. As cable television spreads, the regular TV networks' share of "prime time" is waning. There are already 21 cable networks that advertisers can use to reach specific types of viewers. The newspaper will probably remain the only mass medium in a given community—supplying each day the body of information that provides a shared experience for people who share a geographic space.

Looking Ahead

To be sure, the death of a metropolitan newspaper is a dramatic story—big news. When a small-town weekly goes daily, that is not such big news. Yet since the end of World War II, newspaper births and deaths have approximately balanced each other out so that the total number of daily newspapers now (1,730) is roughly what it was on V-J Day (1,763). Twelve daily newspapers stopped publication in 1980 and 1981, but 25 new ones were started. Despite the 1981 death of the *Washington Star*, total newspaper circulation in the Washington metropolitan area as of March 31, 1982, was down by only four percent from what it had been a year earlier. The reason: Five suburban *Journal* newspapers were successfully converted from weekly to daily publication when the *Star* fell.

Despite the funerals of great newspapers, the newspaper industry is, in fact, not faring badly. Daily newspapers are published in 1,560 American towns, more than ever before. Newspapers have held on to 29 percent of all advertising investments over the past dozen years (television, local and national, now gets 21 percent; magazines get six percent; radio, seven percent). In 1981, newspapers made capital investments of about \$730 million, much of it in new production technology. The latter has transformed newspaper production and greatly cut blue-collar labor costs. Publicly owned newspaper companies have enjoyed considerable prosperity—with a profit rate double the average for all corporations.*

Nine out of 10 Americans still look at a daily newspaper in the course of a week—108 million on an average weekday. Sunday sales are bigger than ever. This decade will see a 42 percent increase in the number of people from age 35 to 44, a prime age group for newspaper reading. With smaller families, the number

*For example, the Knight-Ridder, Gannett, and *Washington Post* organizations showed net incomes in 1981 of \$100.4 million, \$172.5 million, and \$32.7 million, respectively.

of households will keep growing faster than the number of people, further improving opportunities for newspaper sales. Despite all the concern about the state of the public schools, the average level of education has been moving upward. Educators are beginning to respond to public concern about students' reading skills. Publishers (and school administrators) have belatedly begun encouraging the use of newspapers in the classroom. And the members of the TV generation are heavy consumers of paperback books and magazines.

What really makes newspapers indispensable is the fact that they give voice and identity to the communities where they are published, and their disappearance somehow diminishes local civic spirit and morale.

It has been suggested recently that newspapers should simply turn themselves into an "up-scale" product, aimed at just the top half or third of the social pyramid. This would be folly. There is enough advertising to sustain "elite" newspapers in New York, Los Angeles, and maybe a handful of other places, but certainly not in the average town. Newspapers are inescapably for everybody—and in an era of ever more specialized audiences and markets, that is a significant distinction. Newspapers have a powerful argument to make to the advertiser of mass merchandise, who needs to cast his net as widely as possible so as not to miss any prospective customers.

Still, the trend toward "target" marketing is irresistible, and newspapers are adapting to it. Many of them are able to provide advertisers with "pinpoint" coverage in specific areas and to extend their coverage with supplementary distribution of advertising through mail or home delivery to nonsubscribers. But to be able to do this selectively for the largest number and variety of advertisers, newspapers must remain a mass medium.

As it happens, that is also what newspapers must remain if they are to fulfill their principal function, which is not to serve as a vehicle for advertising or entertainment, but to communicate to America's citizens what of importance is happening in their communities, their nation, and the world—and so to sustain informed public opinion in a free society.