

# Web-only newspapers? Don't junk the presses yet

April 21 2009, by Marlowe Hood

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A man reads a Chinese language newspaper at a library in Chicago, Illinois. More than a half-a-dozen newspapers in the US and Europe have gone "Web only" in the past year in a bid to stave off bankruptcy but the first key study by academics at City University in London does not make for promising reading.

More than a half-a-dozen newspapers in the United States and Europe have gone "Web only" in the past year in a bid to stave off bankruptcy. But the first cold-eyed analysis of this approach is not encouraging.

A study by two researchers at City University in London dissects in excruciating detail the ill-fated move by an economic daily in Finland, Taloussanomati.fi, which shed its printing presses in December 2007.

The aim was to cut operating costs by eliminating paper, distribution and associated staff. It worked: the paper slashed its capital outlays by more

than 50 percent.

The problem is that its revenue plummeted even further, by 75 percent.

Even more surprising was that readership -- whether measured by unique visitors or page views -- dropped too. The researchers, Neil Thurman and Merja Myllylahti, had expected a host of loyal readers of the defunct print edition to migrate to the web.

It turned out that almost all of them were already there, hardly surprising in one of the most broadband-saturated markets in the world.

And the fact that average time spent on the website did not increase "shows just how much the medium, rather than the content it carries, determines how news is consumed," the study observed.

"In Taloussanomat's downsized newsroom" -- after initial cuts, staffing was slashed yet again -- "we have an indication of how journalism is likely to evolve for newspapers who go online-only too early," it said.

Thurman and Myllylahti calculated that a newspaper would have to be haemorrhaging profusely -- at least a 31 percent operating loss -- before ditching print made business sense.

Whether that judgment applies to US titles that have gone the same route is hard to say based on a single case study.

But the Christian Science Monitor, the Seattle Post-Intelligencer and the Kansas City Kansan are likely hoping that the Finnish newspaper's failing fortunes are case-specific.

Taloussanomat faced fierce competition from its rival economic daily, Kauppalehti, which has retained a print edition, and it is possible that

there was not enough demand in the Finnish market to support both.

But the central reasons the experiment has failed -- at least so far -- are probably the same ones bedeviling newspapers the world over, according to the researchers in London.

"Readers are reluctant to pay for content online, and... the value of advertising space on the web is significantly less than in print," their study said.

Philip Meyer, author of "The Vanishing Newspaper: Saving Journalism in the Information Age," has forecast with unnerving precision that paper-and-ink news will "run out of daily readers late in the first quarter of 2043."

For Web journalism guru Vin Crosbie, their demise will happen before 2021. New York Times publisher Arthur Sulzberger thinks that news print could peter out by 2012.

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