

First round of bidding closes for Newsweek

June 3 2010, by Chris Lefkow



A copy of Newsweek magazine and a copy of the Washington Post on sale at a news stand in Washington, DC. A first round of bidding closed for Newsweek magazine amid feverish speculation over who will step forward to buy the money-losing publication.

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The deadline for non-binding letters of interest in The [Washington Post](#). Co.-owned [news](#) weekly expired at 5:00 pm (2100 GMT) but a spokeswoman for the Post Co. said no details of any offers would be made available.

"No information is going to be released until the transaction is completed," Post Co. spokeswoman Rima Calderon told AFP.

Only one bidder had publicly confirmed its interest in Newsweek shortly after the expiry of the deadline -- Florida-based conservative publisher Newsmax.

"Newsmax Media, Inc. has made a bid for Newsweek," it said in a statement.

"The company's bid for Newsweek's print and online assets is congruent with its objective to diversify and expand into numerous distinct media brand offerings, like any major multi-title publisher," Newsmax said.

"Newsweek's staff, advertisers and readers can be assured that if Newsmax Media, Inc.'s bid is successful, Newsweek's stellar brand and editorial representation would remain distinct from our other brands.

"Newsweek would continue in its mission to objectively report the news and provide analysis from a wide spectrum of perspectives," Newsmax said.

According to press reports, other bids may be in the works.

The [New York Post](#) said OpenGate Capital, the investment firm that owns TV Guide, is also interested in purchasing Newsweek and The [Wall Street Journal](#) reported that Thomson Reuters may "partner on a bid later in the process."

According to The New York Observer, Newsweek editor Jon Meacham may also be seeking to round up investors to put together a bid for the magazine.

Post Co. chairman Donald Graham announced on May 5 that the company had decided to sell Newsweek, which was founded in 1933 and purchased by the Post Co. in 1961.

"Newsweek is a lively, important magazine and website, and in the current climate, it might be a better fit elsewhere," Graham said.

"The losses at Newsweek in 2007-2009 are a matter of record," Graham said. "Despite heroic efforts on the part of Newsweek's management and staff, we expect it to still lose money in 2010."

Like many other US magazines, Newsweek has been grappling with a steep drop in print advertising revenue, steadily declining circulation and the migration of readers to free news online.

Newsweek, which has been engaged in a fierce decades-long rivalry with Time magazine, lost more than 28 million dollars last year and advertising revenue dropped 37 percent.

Susan Currie Sivek, an assistant professor in the Mass Communication and Journalism Department at California State University, Fresno, said whoever buys Newsweek will be facing a challenge.

"The role of the weekly newsmagazine is going to have to change in order to suit a world where even news analysis is available online 24/7, not just breaking news," Sivek said.

"Weekly newsmagazines will need to experiment with new delivery methods (such as applications and innovative Web formats), as well as new storytelling styles and multimedia, to show readers that there is still value in subscribing to their product," she said.

"They also need something that will appeal to younger news consumers," she added.

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