

Report: Internet usage transforming news industry

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(AP) -- The rapid growth of smart phones and electronic tablets is making the Internet the destination of choice for consumers looking for news, a report released Monday said.

Local, network and [cable television](#) news, newspapers, radio and magazines all lost audience last year, according to the Project for Excellence in Journalism, a research organization that evaluates and studies the performance of the press. News consumption online increased 17 percent last year from the year before, the project said in its eighth annual State of the News Media survey.

The percentage of people who say they get news online at least three times a week surpassed newspapers for the first time. It was second only to local TV news as the most popular news platform and seems poised to pass that medium, too, project director Tom Rosenstiel said. Local TV news has been the most popular format since the 1960s, when its growth was largely responsible for the death of afternoon newspapers, he said.

"It was a milestone year," he said.

People are just becoming accustomed to having the Internet available in their pockets on phones or small tablets, he said. In December, 41 percent of Americans said they got most of their news about national and international issues on the Internet, more than double the 17 percent who said that a year earlier, the report said.

In January, 7 percent of Americans owned electronic tablets, nearly double what it was three months earlier. Rosenstiel said it's the fastest-growing new [digital technology](#), ahead of cell phones when they were introduced.

From a business standpoint, however, the growth in [Internet news](#) consumption hasn't been harnessed by news companies. The project didn't have numbers available but said online ad revenue was expected to surpass print newspaper ad revenue for the first time in 2010.

"The news business used to be the intermediary," Rosenstiel said. "You needed newspapers and [TV stations](#) to reach your customers. In this age, it's the device makers and software developers."

Newspaper circulation continued to decline last year, but the rate is slowing, the report said. A survey by the Pew Research Center for the People & the Press found that 40 percent of Americans read newspapers, in print or online, at least three times a week, down from 52 percent in 2006.

Jobs have followed the exodus: Newsroom staffs are, on average, 30 percent smaller than they were in 2000, the project's report said.

In a telephone survey, the project found that 28 percent of Americans said the loss of their local newspaper would have a major impact on their ability to keep up with local information. Thirty percent said it would have a minor impact, and 39 percent said it would have no impact. (Based on a survey of 2,251 American adults, with a margin of error of 2 percent.)

A long-term viewership decline continues for network news, although the evening news programs continue to have significantly more viewers than cable news networks. Cable news viewership was down 14 percent

last year and, for the first time since the project has been tracking it, dropped for each of the three networks - CNN, Fox News Channel and MSNBC.

Although local [news](#) broadcasts are continuing to decline in their traditional hours, there is a bright spot: The addition of newscasts at 4:30 a.m. and at 7 p.m. at some stations is generally proving popular, the report said.

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