

News outlets losing ground to tech rivals: report

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"The news industry is not much closer to a new [revenue model](#) than a year earlier and has lost more ground to [rivals](#) in the technology industry," the Pew Research Center's Project for Excellence in Journalism (PEJ) said.

"But growing evidence also suggests that news is becoming a more important and pervasive part of people's lives," the PEJ said in its 2012

State of the News Media report. "That, in the end, could prove a saving factor for the future of journalism."

According to the report, one in four Americans -- 27 percent -- is now getting news on mobile devices.

"And these mobile news consumers are even more likely to turn to news organizations directly, through apps and home pages, rather than search or recommendations -- strengthening the bond with traditional brands," it said.

Social media platforms such as Facebook and Twitter play a limited -- but growing -- role in daily news consumption, according to the report.

Just nine percent of traffic to [news sites](#) comes from Facebook, Twitter and other social media sites, it said, but that was up by more than half since 2009.

Search engines such as [Google](#), meanwhile, accounted for 21 percent of news site traffic, down from 23 percent in 2009.

"News organizations have a big opportunity in the social and mobile realms," said PEJ deputy director Amy Mitchell.

"But they will need to do a better job than they did in the desktop realm of understanding audience behavior and developing effective technology and revenue models," Mitchell said.

PEJ director Tom Rosenstiel said news is "becoming a more important and pervasive part of people's lives. But it remains unclear who will benefit economically from this growing appetite for news."

For the moment, technology [intermediaries](#) appear to be doing a better

job than the traditional news industry at capitalizing on the digital front.

Five technology giants -- AOL, [Facebook](#), Google, Microsoft and Yahoo! -- captured 68 percent of the digital advertising revenue pie in 2011, the PEJ report said.

"Few news companies have made much progress in some key new digital areas," it said. "Among the top news websites, there is little use of the digital advertising that is expected to grow most rapidly, so-called 'smart,' or targeted, advertising."

With print circulation declining and print advertising revenue shrinking, the report said that as many as 100 US newspapers were expected to erect some kind of metered paywall around their online content in coming months, joining the roughly 150 dailies such as The New York Times that have already done so.

Weekday US newspaper circulation was down around four percent during the six-month period ending September 30 while Sunday circulation fell by one percent, the report said.

Circulation was flat for the six leading news magazines after a nearly nine percent decline in 2010.

The report also found that audiences for local, cable and network television news grew across the board in 2011. Network news audiences were up five percent, growing for the first time in a decade.

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