

Saving Journalism: how far we have come in five years and where we must go now

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These are the notes from a talk I gave to a mixture of Spanish academics, journalists and students at the [Asociación de la Prensa de Madrid](#). My host was the Survival of Journalism Project of the Madrid Complutense University. This was a chance for me to do two things. Firstly, to take a self-indulgent look back five years to the predictions I made in my first book, [SuperMedia](#), and further back 25 years to the start of my journalism career. But I wanted to look back to look forward and try to define the nature of the journalism business model problem in the digital era and to start to explore ways of solving it.



Croydon: land of opportunity

This is Croydon as I remember it in the mid 1980s. This was the high point of Thatcherite market economics. It was pretty much a boom time for Britain fueled by North Sea Oil, the Big Bang in the City and free market forces liberating the pent up profits of public services like Gas and Telecomms through privatisation.

This photography shows the Croydon Whitgift Centre, one of the temples of English consumerist urban planning. I started my career in Croydon on a new free newspaper chain that represented the kind of entrepreneurship that was breathing new life into traditional industries like journalism at the time. Elsewhere Murdoch was 'rescuing' the Times and smashing

the print unions.

So even though I was one of the trades unionists who got biffed by the police during protests at the News International printing plant in Wapping, I was also a beneficiary of the capitalist instinct being unleashed in British media. I got a job on the brash tabloid Croydon Comet instead of the local 'paper of record', the Croydon Advertiser. Both relied on the revenue streaming in from the buoyant economy in the form of classified and display advertising.

Change The World

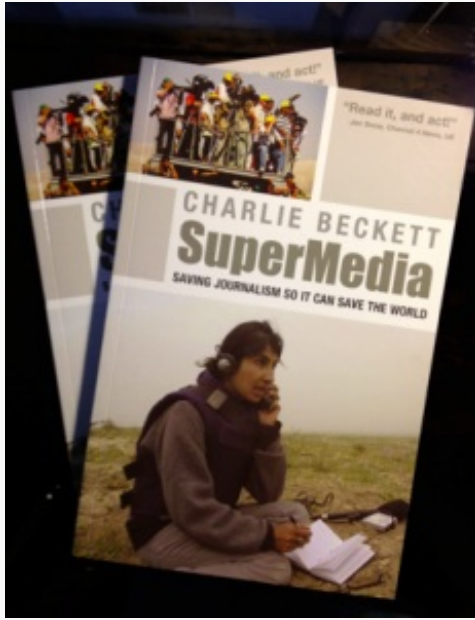
Yet my motive was not pay. Which is a good job because there wasn't much. I effectively lived off my expenses, claiming sandwiches and petrol from the firm. No, my motive was to change the world. I thought that along with articles on petty crime and school fetes, that I would report on injustice with such searing clarity that the public would think and vote differently.

Indeed, very few journalists I knew then were in it just for the income. The motive was generally something like politics, curiosity and/or the fun of meeting deadlines in the company of generally bright and engaged people. It was about the process and the content not the business model.

When I wrote my book, [SuperMedia](#), about how journalism was changing back in 2008 there was a real sense that we were headed into the unknown. News media was feeling economic shocks even before the Crash.

My book argued that a more networked journalism would create better journalism. If we used the new technologies

along with traditional journalism values then we would make a better product. If the public valued it, then eventually, we would find a way to make money from it, too.



SuperMedia: Saving Journalism So It Can Save The World

I was very clear that it meant we would have to change how we worked, our values and to surrender much of our power. I said we should do this because journalism is too valuable for society to lose. In fact, I argued that this new journalism would be MORE valuable because it could be more participatory, more diverse, richer, deeper, more engaging – in short more ‘democratic’ and socially useful.

So I suggested the title for the book to my US publishers as a kind of joke. I was mocking my own idealism: SuperMedia – Saving Journalism So It Can Save The World. But they thought it was a great idea. They thought it would help sales (hmmmm), so I stuck with it.

Of course in the book I immediately qualify that idealism by saying:

‘Issues like climate change...are going to be dealt with by politicians and the public not by journalists’ (p5)

I make it clear that:

“I do not want to overstate the deterministic case for Networked Journalism. Even if we were able to achieve the kind of news media I desire, there are no guarantees that it secure us a happier, safer or richer world.”

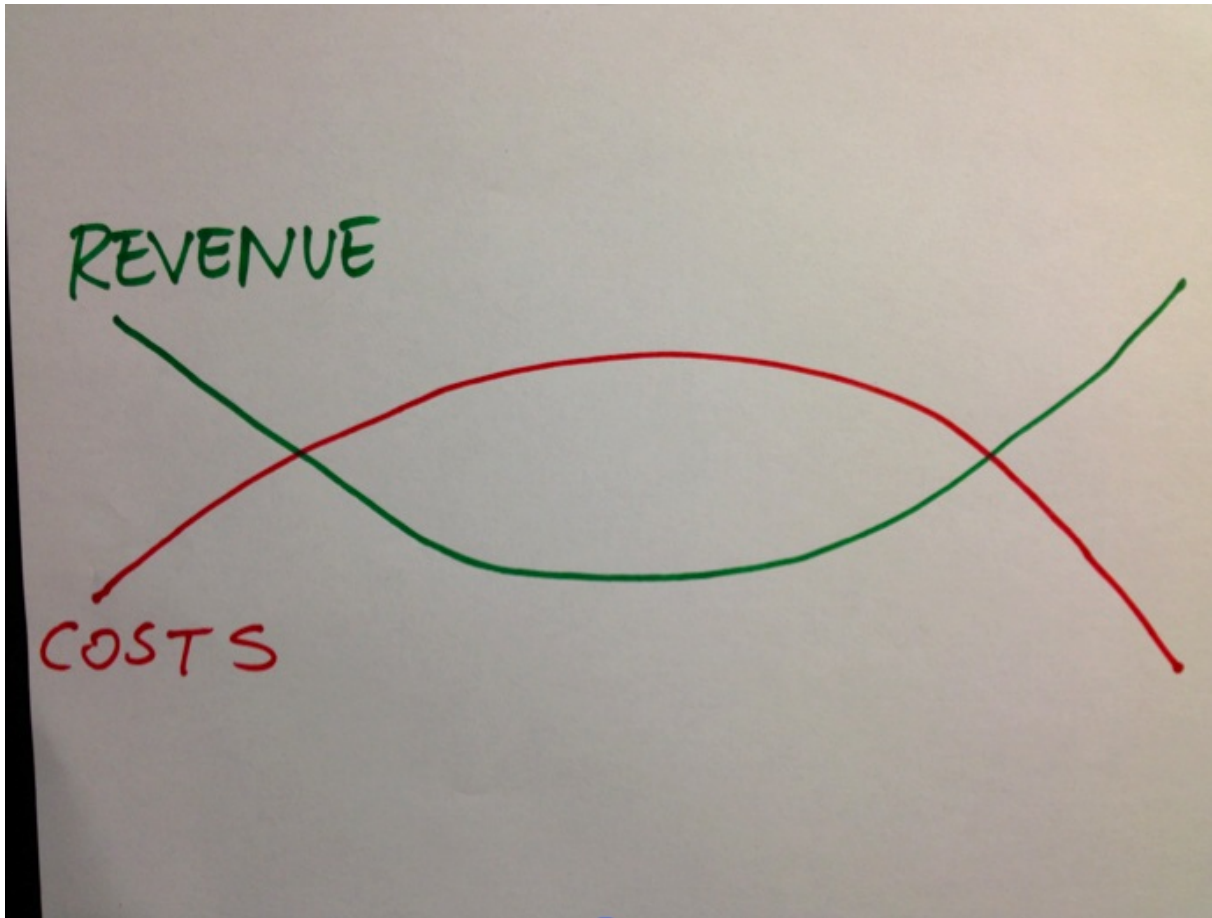
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But I did – and still do – argue that networked journalism has both a moral and a business value.

“...think of a world where we try doing anything of great consequence without an open and reliable news media...the business case, the public policy case, and the social case for Networked Journalism are irresistible.”

However, in this same book I said, in a rather rhetorical flourish that we have ‘five years – perhaps ten – to save journalism so that journalism can save the world.’

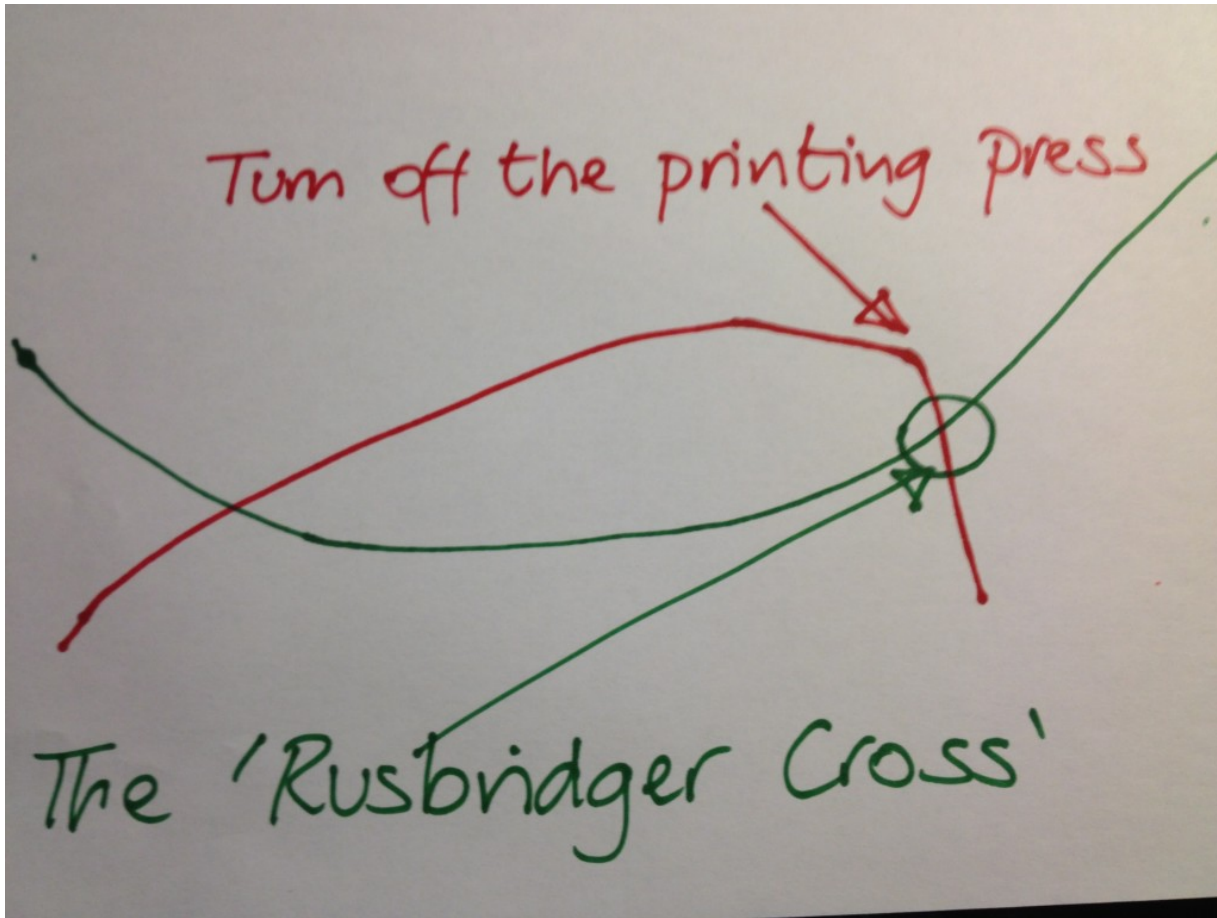
So that’s my challenge. Five years on I have to say whether I think that we have saved journalism – let’s leave the saving the world bit for a later discussion.



This slide is the basic model for understanding media economics in the digital age. The fact that I made it in my hotel room is perhaps an indicator of my own technological incompetence but also the joys of simple new media technology.

As you see revenues are falling from their analogue heights as advertising goes elsewhere

and sales and subscriptions fall. Costs actually rise at first because you have to set up websites, buy digital technology and train staff to use the new devices and techniques. Eventually, you will get better at finding revenue streams online – perhaps combined with traditional sources – and your costs will fall as well because digital technology is so much more efficient and because online the costs are minimal at the margins and scale is easily reached if your product is attractive.



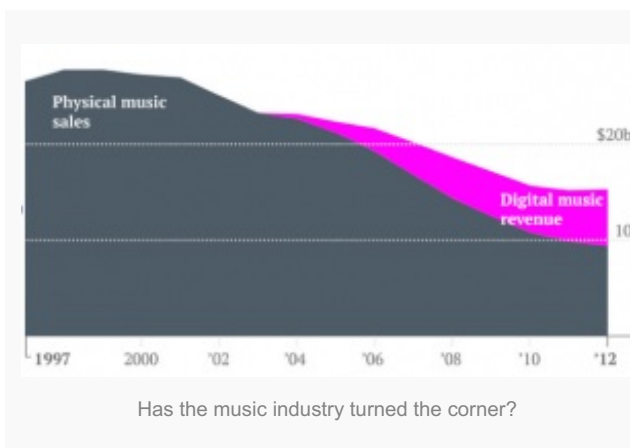
So at some point you reach the happy moment when you are in profit again. For newspapers this can be much more dramatic if you switch off the printing press. Dead trees costs of manufacture and distribution are about 50% of costs, so if your digital revenues are high enough you can cut costs in one fell swoop. This is named after Alan Rusbridger

editor of the digitally-pioneering Guardian newspaper where this daring step was perhaps first seriously considered.

Newspaper reality

In practice though it usually looks more like this. Newspapers have to make cuts – usually staff but sometimes editions, bureaux, specialisms or pagination – so the costs come down in steps. And the trouble is that digital revenues only creep up. So even when you reach the Rusbridger Cross you do so at a much lower level of overall

revenues and profits than in those happy analogue days.



But some industries have adjusted to the digital. Take music. Like journalism it has been disintermediated. Music publishers are no longer able to rake in high profit margins on physical music sales, so they've gone down by about two thirds. But for the first time this month, combined digital and physical music sales actually rose. This is because paid downloads are working – especially on new devices such as mobiles and tablets.

At the same time the music industry has learnt to create new revenue streams from sponsorship, merchandising, and best of all, more live music. I do not detect any reduction in the amount of music in the world. Perhaps fewer people make a

living from it, but as long as there is still music, does that matter?

So what about journalism?

Of course, it depends where you are and what sector you are in.

And any judgement has been distorted by the recession.

But here's my answer.

Yes, there has been carnage – though less than I thought – even the most badly hit sector – newspapers – has not lost any major titles. Yet.

Here's the bad news.

Firstly, there is no doubt that we are losing a lot of journalism capacity – jobs, resources, institutions. The danger there is that we might be destroying the capital we need to revive the business, but I also recognise the need for both blood-letting and fresh blood.

Revenue growth online is slow – not helped by the relative failure to find advertising or subscription models that work on the new devices and platforms.

There is increased competition from aggregators but also from other media organisations – the Guardian and the New York Times now compete for revenue in America and even Australia.

There are more platforms to serve – a newspaper like the Guardian now has a range of specialist websites as well as its live-blogging, its video, its social networks and even a newspaper. Content can be fed into different outlets but each is different and the different communities you are targeting will all want customised, personalised material.

If you are in public service media you are protected from the market crisis, but indirectly you are also hit as governments slash back on subsidies and commercial competitors demands that you withdraw from their markets.

And that all does little to help solve the constant and growing editorial challenges of the digital age: political interference, public relations spin, social media disinformation, the increasing speed of the news cycle, speed, data swamping and information overload.

Good News

But let's not ignore the good news. There is no doubt that digital demand has increased. Mainstream media has been remarkably adaptive. The BBC was one of the world's first media organisations to go digital and is now a major global brand. The Daily Mail and The Guardian have both been very successful globally in attracting online readership with very different editorial models. The Mail has gone for maximum traffic with its relentless focus on celebrity and human interest stories backed up by a very strong journalistic newsroom.

The Guardian has gone for an Open Journalism model where they are seeking to exploit their niche as a liberal newsroom for the world combined with multiple revenue streams including cookery workshops and a journalism degree.

Rising Revenues

So we can see that this new world is going to be more diverse. It is going to include completely new models such as ProPublica which is partly funded by foundations; Mumsnet, which is largely run by its members but with a core professional staff, which makes a slim profit; and a giant like BSkyB which manages to produce excellent rolling news and online news as well as documentaries and arts programming thanks to its massive profits in film and sport. I am not saying that these models are the answer –they all have problems, but they show how innovation is occurring.

It's important to remember that the task is not to save the existing journalism industry, it's about saving journalism – however it is made. We do not want to treat journalism like a museum where treasured practices are preserved. We do not want journalism to be like a national park protected by the authorities – some of it must be self-sufficient.

But it must change – have a look at my books and my blog and my reports to see in detail how that might happen. But the key thing when we think about the business model is that journalism has to change from being a manufacturing industry to a service industry.

News itself has changed. It is not a property that can be kept from sharing. The facts of news events are instantly released to the world – so the value is in the analysis, the authority, the verification, the discussion, the engagement,

the relevance and the connectivity of what we do. Facts are sacred, but it's the other 99% of journalism that has value in the digital world. We are not manufacturers of news anymore – we are creators, interpreters, curators, connectors, facilitators and networkers.

In conclusion. Many MSM organisations have already taken a big step towards saving journalism. There is a demand and a need and we have to match it. There have never been better tools for doing that.

We have not sorted out the business model but the answer to that is that there is not one answer. The old monolithic msm model of either subsidy for public service media or advertising and sales for private media has to be replaced by a multitude of targeted strategies. Journalism is still incredibly strong and influential, that's why politicians are still so desperate to restrict it and why businesses seek to influence it. And that takes me back to where I began, in Croydon. The point of saving journalism is not just about revenue – if we want to convince the public that it's worth saving then we must also use it to at least to try to the world.

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