

John F. Sturm
President and CEO

The Reality About Newspapers

In the past two years, the newspaper business has faced unprecedented financial challenges. The economic meltdown and advertising recession have hit our industry hard. But make no mistake about this: newspaper media – print and digital – remains strong and will emerge from the current environment an even stronger multi-platform force.

Here is the reality about newspapers today:

1. Myth: No one reads newspapers anymore.

Reality: More than 104 million adults read a print newspaper every day, more than 115 million on Sundays. That's more people than watch the Super Bowl (94 million), American Idol (23 million) or that typically watch the late local news (65 million).

2. Myth: Young people no longer read newspapers.

Reality: 61 percent of 18-24 year olds and 25-34 year olds read a newspaper in an average week and 65 percent of them read a newspaper or visited a newspaper website in the past week.

3. Myth: Newspaper readership is tanking.

Reality: Average weekday newspaper readership declined a mere 1.8 percent between 2007 and 2008, and about 7 percent since its peak in 2002. Compare that to the 10 percent decline seen in the prime time TV audience in 2007 alone. Meanwhile, newspapers' Web audience has grown nearly 75 percent since 2004, to 73 million unique visitors a month.

4. Myth: Many newspapers are going out of business.

Reality: Newspapers, as individual businesses, by and large remain profitable enterprises – with operating margins that Wall Street analysts estimate will generally average in the low to mid teens during 2009. While that may be down from historical highs, such margins would be the envy of many other industries today. As consultant John Morton said in a recent *American Journalism Review* article, “Overall, the beleaguered newspaper industry’s financial health has been weakened but remains healthy by most measures. In this environment, that is an achievement.”

5. Myth: Newspaper advertising doesn't work.

Reality: Google's own research shows that 56 percent of consumers researched or purchased products they saw in a newspaper. Google also says that newspaper advertising reinforces online ads: 52 percent are more likely to buy products if they see it in the paper.

6. Myth: There are no creative options in newspapers.

Reality: Newspaper advertising options have exploded and now include shape and polybag ads, post-it notes, “we prints”, shingle spadeas, scented ads, taste-it ads, glow-in-the-dark, belly bands and temporary tattoos, as well as event and database marketing, behavioral targeting, e-mail blasts, e-newsletters and more.

7. Myth: If newspapers close, you will still be able to get news from other sources.

Reality: Newspapers make a larger investment in journalism than any other medium. Most of the information you read from “aggregators” and other media originated with newspapers. No amount of effort from local bloggers, non-profit news entities or TV news sources could match the depth and breadth of newspaper-produced content.

This is not a portrait of a dying industry. It's illustrative of transformation. Newspapers are reinventing themselves to focus on serving distinct audiences with a variety of products, and delivering those audiences effectively to advertisers across media channels.