

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Overview – Intro

### Intro

*By the Project for Excellence in Journalism*

The pace of change has accelerated.

In the last year, the trends reshaping journalism didn't just quicken, they seemed to be nearing a pivot point.

On Madison Avenue, talk has turned to whether the business model that has financed the news for more than a century — product advertising — still fits the way people consume media.

With audiences splintering across ever more platforms, nearly every metric for measuring audience is now under challenge as either flawed or obsolete — from circulation in print, to ratings in TV, to page views and unique visitors online.

Every media sector except for two is now losing popularity. Even the number of people who go online for news — or anything else — has stopped growing. Only the ethnic press is up.

The definitions of enemy and ally in the news business are changing. Newspapers have begun to partner, for instance, with classified-job-listing Web sites they once denounced, brought together by mutual fear of free sites such as Craigslist.

With fundamentals shifting, we sense the news business entering a new phase heading into 2007—a phase of more limited ambition. Rather than try to manage decline, many news organizations have taken the next step of starting to redefine their appeal and their purpose based on diminished capacity. Increasingly outlets are looking for “brand” or “franchise” areas of coverage to build audience around.

For some, the new brand is what Wall Street calls “hyper localism” (consider the end of foreign bureaus at the Boston Globe or the narrowing of the coverage area at the Atlanta Journal Constitution). For others, it is personality and opinion (note the rising ratings of Lou Dobbs or Keith Olbermann). For still others it is personal involvement (the brand of Anderson Cooper, and, more tentatively and occasionally, even broadcast network anchors). For an emerging cohort of Web sites it is the involvement of everyday people (some alternative news sites now come closer than ever to the promise of authentic citizen media).

In a sense all news organizations are becoming more niche players, basing their appeal less on how they cover the news and more on what they cover.

The consequences of this narrowing of focus involve more risk than we sense the business has considered. Concepts like hyper localism, pursued in the most literal sense, can be marketing speak for simply doing less. Branding can also be a mask for bias. Handled badly, the new strategy might also render a big city metro paper irrelevant. The recent history of the news industry is marked by caution and continuity more than innovation. The character of the next era, far from inevitable, will likely depend heavily on the quality of leadership in the newsroom and boardroom. If history is a guide, (be it Adolph Ochs, Ted Turner, or Google) it will require renegades and risk-takers to break from the conventional path and create new directions.

“I really don’t know whether we’ll be printing The Times in five years, and you know what? I don’t care,” the paper’s publisher and chairman of the New York Times Company, Arthur Ochs Sulzberger Jr., told an interviewer earlier this year. The head of country’s most esteemed news company meant to sound an optimistic tone about journalism’s future, but the statement, like the industry, seemed to teeter between boldness and uncertainty.

This is the fourth edition of our annual report on the state of the news media — the status and health of journalism in America. The broad context outlined in earlier editions remains the same: the transformation facing journalism is epochal, as momentous as the invention of television or the telegraph, perhaps on the order of the printing press itself. (See Previous Reports).

The effect is more than just audiences migrating to new delivery systems. Technology is redefining the role of the citizen — endowing the individual with more responsibility and command over how he or she consumes information — and that new role is only beginning to be understood.

Our sense remains, too, that traditional journalism is not, as some suggest, becoming irrelevant. There is more evidence now that new technology companies have had either limited success in news gathering (Yahoo, AOL), or have avoided it altogether (Google). Whoever owns them, old newsrooms now seem more likely than a few years ago to be the foundations for the newsrooms of the future.

But practicing journalism has become far more difficult and demands new vision. Journalism is becoming a smaller part of people’s information mix. The press is no longer gatekeeper over what the public knows.

Journalists have reacted relatively slowly. They are only now beginning to re-imagine their role. Their companies failed to see “search” as a kind of journalism. Their industry has spent comparatively little on R&D. They have been tentative about pressing for new economic models, and that has left them fearful and defensive. Some of the most interesting experiments in new journalism continue to come from outside the profession — sites such as Global Voices, which mixes approved volunteer “reporters” from around the world with professional editors.

There are signs, meanwhile, that those the press is charged with monitoring, including the government, corporations and activists, have reacted more quickly. Politicians, interest groups and corporate public relations people tell PEJ they have bloggers now on secret retainer — and they are delighted with the results.

These are a few of the conclusions we arrive at about The State of the News Media 2007. Each year, we try to identify new key trends facing the media. In the past, among others, we have noted that journalism's challenge is not from technology or lack of interest in news but from diminished economic potential; that power is moving to those who make news away from those who cover it; that there are now several competing models of journalism, with cheaper, less accurate ones gaining momentum; that while there are more outlets delivering news, that has generally not meant covering a broader range of stories.

## Major Trends

### Major Trends

*By the Project for Excellence in Journalism*

In 2007, we see seven new major trends worth highlighting:

**News organizations need to do more to think through the implications of this new era of shrinking ambitions.**

The move toward building audience around “franchise” areas of coverage or other traits is a logical response to fragmentation and can, managed creatively, have journalistic value. To a degree, journalism's problems are oversupply, too many news organizations doing the same thing. But something gained means something lost, especially as newsrooms get smaller. There is already evidence that basic monitoring of local government has suffered. Regional concerns, as opposed to local, are likely to get less coverage. Matters with widespread impact but little audience appeal, always a challenge, seem more at risk of being unmonitored. What do concepts like localism and branding really mean? Should only national newspapers maintain foreign bureaus? Does localism mean provincialism? Should news organizations, so as not to abandon more high-level coverage, enlist citizen sentinels to monitor community news? To what extent do journalists still have a role in creating a broad agenda of common knowledge? Those issues, debated in theory before, are becoming real. And the wrong answers could hasten, not stave off, the decline of news organizations.

**The evidence is mounting that the news industry must become more aggressive about developing a new economic model.** The signs are clearer that advertising works differently online than in older media. Finding out about goods and services on the Web is an activity unto itself, like using the yellow pages, and less a byproduct of getting news, such as seeing a car ad during a newscast. The consequence is that advertisers may not need journalism as they once did, particularly online. Already the predictions of advertising growth on the Web are being scaled back. That has major implications, (which some initiatives such as “Newspaper Next” are beginning to grapple with). Among them, news organizations can broaden what they consider journalistic function to include activities such as online search and citizen media, and perhaps even liken their journalism to anchor stores at a mall, a major reason for coming but not the only one. Perhaps most important, the math suggests they almost certainly must find a way to get consumers to pay for digital content. The increasingly logical scenario is not to charge the consumer directly. Instead, news providers would charge Internet providers and aggregators licensing fees for content. News organizations may have to create consortiums to make this happen. And those fees would likely add to the bills consumers pay for Internet access. But the notion that the Internet is free is already false. Those who report the news

just aren't sharing in the fees.

**The key question is whether the investment community sees the news business as a declining industry or an emerging one in transition.** If one believes that news will continue to be the primary public square where people gather — with the central newsrooms in a community delivering that audience across different platforms — then it seems reasonable that the economics in time will sort themselves out. In that scenario, people with things to sell still need to reach consumers, and the news will be a primary means of finding them. If one believes, however, that the economics of news are now broken, with further declines ahead, then it seems inevitable that the investment in newsrooms will continue to shrink and the quality of journalism in America will decline. One thing seems clear, however: If news companies do not assert their own vision here, including making a case and taking risks, their future will be defined by those less invested in and passionate about news.

**There are growing questions about whether the dominant ownership model of the last generation, the public corporation, is suited to the transition newsrooms must now make.** Private markets now appear to value media properties more highly than Wall Street does. More executives are openly expressing doubt, too, whether public ownership's required focus on stock price and quarterly returns will allow media companies the time and freedom and risk taking they feel they need to make the transition to the new age. The radio giant Clear Channel made that point when it went private. So have a host of private suitors emerging in the newspaper field. What is unknown is whether these potential new private owners are motivated by public interest, a vision of growth online, having a high-profile hobby (like a sports team), or as an investment to be flipped for profit after aggressive cost-cutting. Public ownership tends to make companies play by the same rules. Private ownership has few leveling influences. And the new crop of potential private owners is unlike the press barons of the past, people trying to create their legacy in news. Most of them are people who made their fortunes in other enterprises.

**The Argument Culture is giving way to something new, the Answer Culture.** Critics used to bemoan what author Michael Crichton once called the "Crossfire Syndrome," the tendency of journalists to stage mock debates about issues on TV and in print. Such debates, critics lamented, tended to polarize, oversimplify and flatten issues to the point that Americans in the middle of the spectrum felt left out. That era of argument — R.W. Apple Jr. the gifted New York Times Reporter who died in 2006, called it "pie throwing" — appears to be evolving. The program "Crossfire" has been canceled. A growing pattern has news outlets, programs and journalists offering up solutions, crusades, certainty and the impression of putting all the blur of information in clear order for people. The tone may be just as extreme as before, but now the other side is not given equal play. In a sense, the debate in many venues is settled — at least for the host. This is something that was once more confined to talk radio, but it is spreading as it draws an audience elsewhere and in more nuanced ways. The most popular show in cable has shifted from the questions of Larry King to the answers of Bill O'Reilly. On CNN his rival Anderson Cooper becomes personally involved in stories. Lou Dobbs, also on CNN, rails against job exportation. Dateline goes after child predators. Even less controversial figures have causes: ABC weatherman Sam Champion champions green consumerism. The Answer Culture in journalism, which is part of the new branding, represents an appeal more idiosyncratic and less ideological than pure partisan journalism.

**Blogging is on the brink of a new phase that will probably include scandal, profitability for some, and a**

**splintering into elites and non-elites over standards and ethics.** The use of blogs by political campaigns in the mid-term elections of 2006 is already intensifying in the approach to the presidential election of 2008. Corporate public-relations efforts are beginning to use blogs as well, often covertly. What gives blogging its authenticity and momentum — its open access — also makes it vulnerable to being used and manipulated. At the same time, some of the most popular bloggers are already becoming businesses or being assimilated by establishment media. All this is likely to cause blogging to lose some of its patina as citizen media. To protect themselves, some of the best-known bloggers are already forming associations, with ethics codes, standards of conduct and more. The paradox of professionalizing the medium to preserve its integrity as an independent citizen platform is the start of a complicated new era in the evolution of the blogosphere.

**While journalists are becoming more serious about the Web, no clear models of how to do journalism online really exist yet, and some qualities are still only marginally explored.** Our content study this year was a close examination of some three dozen Web sites from a range of media. Our goal was to assess the state of journalism online at the beginning of 2007. What we found was that the root media no longer strictly define a site's character. The Web sites of the Washington Post and the New York Times, for instance, are more dissimilar than the papers are in print. The Post, by our count, was beginning to have more in common with some sites from other media. The field is still highly experimental, with an array of options, but it can be hard to discern what one site offers, in contrast to another. And some of the Web's potential abilities seem less developed than others. Sites have done more, for instance, to exploit immediacy, but they have done less to exploit the potential for depth.

## Audience

### Audience

*By the Project for Excellence in Journalism*

Technology is overwhelming the old ways of measuring the audience for news. In 2006 the push to find new metrics gained significant momentum.

The pressure is coming from two directions. Advertisers, worried about having to split their budgets among an expanding list of platforms, want more precise information about exactly who is consuming what. And in certain media, the content producers feel the old yardsticks are undercounting their numbers.

In television, watching shows on DVRs, Web sites, and YouTube is making conventional TV ratings only part of the equation. Advertisers also want to know whether people are fast-forwarding through the commercials. Nielsen, the primary company for counting television viewers, is working on something called "Anytime Anywhere Media Measurement" that will track viewership of TV commercials, fuse TV and Internet viewing and, within five years, eliminate paper diaries that require people to write down their viewing habits.

In newspapers, worried publishers want to make more of three key ideas they think are missed by the old notion of circulation, the number of newspapers sold each day. That metric, they argue, fails to recognize how many different people actually read a paper, how much time they spend with it, and the number of people who read the paper online.

Their goal is some measurement that will capture total audience.

Magazines may be headed toward something similar, led by Time, which wants to sell itself as a combination of print and online.

And online, the situation may be even more muddled. What is a page view? What is a visit? The way pages are built and the measuring system employed often yield different results. And new delivery systems, such as e-mail alerts, RSS, podcasting and more, can go uncounted in the current ways of measuring. The more successful a site is in making its content mobile, the more it may drive down "traffic" to the site itself.

The effects of that may already be showing. The number of people who go "online" for news or anything else has now stabilized, confirming something we first saw last year. In all, about 92 million people now go online for news, according to one leading survey. <sup>1</sup>

How is it possible that the online audience has already reached a plateau, even as high-speed connections are spreading? The spread of new mobile digital equipment may be part of the answer. The concept of going online itself may now be too limited.

And online is the best that it gets. In 2006, by the traditional yardsticks, the audience numbers dropped for more media than we have seen before. Even public radio, which had seen its audience explode over the last decade, appears to have flattened out. The audience for alternative weekly newspapers, recently a growth area, now appears to be contracting.

One big change was cable. Fox began to see its audience decline in 2006, enough despite gains at MSNBC to produce an overall slide for the industry. The mean average audience for cable news dropped roughly 12% in prime time and 11% in daytime.

At newspapers, despite hopes that the year might be better, 2006 saw daily circulation drop by almost 3% and Sunday almost 4%, about as bad as the year before. The 50 biggest papers in the country continued to suffer more than that by about another percentage point.

Over the last three years, the losses total 6.3 percent daily and 8 percent Sunday.

Readership, the new preferred number, while it looked better, was also falling, down 1.7% in 2006.

The audience for magazines over all was flat, but magazines to some degree can buy circulation through discounts. The more telling factor was that Time decided to reduce the circulation it guarantees to advertisers.

In network news, a year of change on the air made little difference with audiences. Despite new anchors, millions in promotion, press attention and more, network evening news lost another million viewers, roughly the same number it has lost in each of the last 25 years. As a percentage, of course, the number is growing.

Morning news also fell, for the second year running, by 500,000 viewers (to 13.6 million) putting the audience at the lowest point of the decade.

Local news, meanwhile, registered even more rapid audience declines — a disappointment after earlier numbers had suggested the losses had stabilized. We found ratings and share numbers dropping year to year in every period of the year and in every daypart, in some cases by double digits. The use of new digital people meters may have something to do with it, but that hardly explains it all.

The ethnic press is still a growth area, but some analysts now see it as cresting. For the first time, the number of native-born Hispanics in the U.S. was higher than the number of immigrants. Still, in 2005, the latest year with data available, Spanish-language newspaper circulation — not just dailies but all papers — continued to grow substantially, up 900,000, to 17.6 million.

The audience for radio, meanwhile, remains stable, with more than 90% of people listening at least some each week. But logic suggests that the landscape there is changing, too, in the amount of time spent listening if not the total number of listeners. In traditional radio, news/talk/information remains the most popular category, but news is probably a small part of that.

While alternative listening devices are proliferating, news is only a small part of that universe as well. Only 8% of MP3 owners listen to news podcasts, 6% of cell phone owners get news on their phones, and 18.5% of owners of personal digital assistant devices get news from their PDA's. One technology dismissed earlier, Internet radio, seems to be now gaining some force.

## Economics

### Economics

#### *By the Project for Excellence in Journalism*

If the audience trends are down, the financial picture for journalism is more nuanced. The industry has learned to manage decline, to a point. But it has also shown it can over-manage, cutting costs without innovating.

Heading into 2007, that tension, between managing decline and maneuvering through transition, will become even greater. The signs of more structural change are strong.

There is more evidence that advertisers are reluctant to spend money without a clearer sense of its effect. The technology for measuring audience is about to leap forward, including methods for showing whether TV viewers are skipping the ads. The hope that Internet advertising will someday match what print and television now bring in appears to be vanishing. Former enemies, newspapers and classified job Web sites are now creating partnerships in part to fend off the effects of free listings from Craigslist. The entire business model of journalism may be in flux in a few years.

For the moment, however, the current phase of transition for many sectors is proving difficult.

In 2006, newspaper revenues were flat and earnings fell — for the first time in memory in a non-recessionary year. The decline in earnings before taxes was sizeable, about 8% from 2005, and 2005 was not an especially good year

either.

The fundamentals are all problematic: Employment classified is disappearing. Automotive is suffering too. And the gains in online ad revenue are no longer enough to make up for the combined declines in print ads and circulation.

The response by Wall Street was grumpy. The price of newspaper stocks fell about 11%, and that after 20% declines the year before.

The other major print sector, magazines, fared better, but it was still not a good year. After a bad 2005, the industry anticipated a recovery in 2006 that didn't materialize. The number of ad pages in magazines in 2006 was flat industry-wide, and news magazines fared about the same.

That has led several publications, particularly Time and to a lesser degree U.S. News and World Report, to announce that they want to be considered for the purposes of setting ad rates combined online and print publications.

The one sector in print that seemed to break the trend continued to be the ethnic press, especially Hispanic. For the latest year available, 2005, ad dollars spent in Hispanic publications grew 4.6%. The percentage ad revenue at Hispanic newspapers from national advertisers doubled, according to the Latino Print Network.

Online, meanwhile, the advertising market appeared headed for yet another record-setting year, up more than a third again, past \$16 billion, in 2006.

But now there are growing doubts about how much of that will accrue to news, and the projections are that the growth rate in online advertising will begin to slow next year and could drop to single digits before the decade ends. That adds to the sense of urgency that journalism must find a new economic model online or suffer serious erosion.

If the problems in print seem intractable, and the growth of online still not enough to clarify the future, television continued to manage the balance sheet more successfully.

In local TV news, projections for 2006 have advertising revenues increasing 10%. TV is still able to increase revenues by adding more news programming during the day, and indeed the number of hours of local news programming has reached record highs. But at some point local TV news will likely hit a ceiling when it comes to adding programs.

In network news, according to the latest full-year figures (2005), all three networks saw revenues grow for both morning and evening news, in some cases by double digits. The projections for 2006 also look positive.

And in cable, where fees come both from advertising and from 10-year contracts signed with cable carriers who pay licensing fees to the channels, business for the news channels is robust. Fox is projected to see profits grow by a third, overtaking CNN. CNN is expected to increase profits 13%, MSNBC is expected to see meaningful profits for the first time.

Radio, by contrast, was flat in 2006, with total ad revenue rising just 1%. More radio news directors, according to survey data, have also been reporting losses from their news operations in recent years.



But some of that may be deceiving. Revenues from new audio technology are growing rapidly; online radio advertising rose 77% in 2005 to \$60 million. Those numbers are still small, but a good portion of such revenues (half in the case of online radio advertising) are going to traditional radio companies.

## Ownership

Ownership

*By the Project for Excellence in Journalism*

A year ago in this report, we outlined how arguments reaching back nearly a century, about what models of ownership of media were best, had suddenly intensified.

The progression from local owner to chain and from chain to publicly traded company was fueled by growth. Going public and getting bigger allowed media companies economies of scale and gave them cash to invest — for more reporters, more presses, more papers, more TV stations.

Later, when companies like Tribune, Times Mirror, the Washington Post and others, went public, they bet in effect that they were so profitable they would be immune from many of the conventional pressures of Wall Street. That bet looked solid for a while.

And even as the business fundamentals changed in the last decade, media companies were able to manage the decline. Critics complained that the companies were “eating their seed corn,” by failing to invest in the future, but managers countered that they had to make a profit and operate in the real world. Whatever the long-term implications, business was good.

Yet the argument that journalism was more than a business, that it had some larger public-interest obligation, began to fade. What could not be justified financially, quite simply, could no longer be justified. The media business felt it could no longer afford it.

Now, there has been a new turn in the debates over ownership. Starting in 2005 and accelerating in 2006, there have begun to be questions not only from journalists but now from corporate managers and investors about whether the dominant model of media ownership, the public corporation, is still preferred. And the questions are no longer simply moral ones.

Companies that rode the wave of deregulation and consolidation, such as Clear Channel, went private in 2006. The radio giant also began to divest and get smaller. There was more sales activity in local TV than in years, properties that at the moment can command high prices. Newspapers are losing value, and the percentages are staggering. The Minneapolis Star Tribune was sold to private investors for half of what McClatchy paid for it eight years earlier. The New York Times wrote down the value of the Boston Globe by 40%.

What model might replace the public corporation? That is in much more doubt. Philanthropies have had talks about whether they should get involved. Already charitable funding of the news, sometimes with pointedly political motive,

has become more of a factor in financing particular stories, but not yet in owning media. Private equity firms have become more active. So have wealthy magnates like the record mogul David Geffen, the former General Electric boss Jack Welch and real estate magnate Eli Broad. But look more closely. The list is so diverse it represents uncertainty, not a direction.

The Federal Communication Commission decided to reopen talks about relaxing ownership rules, a step it tried and failed to put into effect in 2003. Liberals like the FCC commissioner Michael Copps want to push in the other direction. He told a panel at Columbia University in early 2007 that the country should not only re-impose the regulations junked in the Reagan years, including tighter ownership caps, the Fairness Doctrine and Equal Time rule. He also wants to impose new rules, perhaps for print as well. Whether or not there is now a constituency for that on Capitol Hill, few would have wasted their breath on such a campaign a few years ago.

The one thing that can be said with certainty — to a much greater degree than was true a few years ago — is that the notion that a diverse public corporation is best suited to have the wherewithal, resources and experience to manage the future of media is no longer gospel. The concept of the media conglomerate, in that sense, has been put into play.

## News Investment

### News Investment

*By the Project for Excellence in Journalism*

Over the previous two years, some of the long-term cutbacks seen in newsrooms appeared to ease. Blogging gained momentum. We found the beginning of more genuine investment in the Internet. The cutbacks in network news appeared to stabilize.

In 2006, however, the situation for most of the media we study appeared to worsen. And that occurred at a time a time when the news was hardly slowing down during a global war on terror and a worsening situation for the United States in Iraq.

Matters are eroding most acutely at daily newspapers, and what occurs in that industry still has an echo effect on the press generally. Papers remain the news organizations most likely to cover the fullest range of life in a community, to influence what is on the wires, to provide the news for the Internet and to be an alert for other media.

Between 2000 and 2005, newsroom staffing at dailies had already dropped by 3,000 people, or about 5%.

By the time the final tally is in for 2006, we estimate it could be down another 1,000 —with more now expected in 2007.

When combined with reductions at several papers in the physical size of the page, the overall number of pages and a smaller ratio of news to advertising, the changes suggest that American newspapers have reduced their ambitions. The year 2007 may well be one when a smaller American newspaper, more targeted and analytical — rather than one that purports to cover the whole waterfront — emerges as a trend.

That is significant in part because newspapers, according to our research in the past, were one of the last platforms attempting to provide people with a complete diet of the news—from international to local, from hard news to lifestyle. Newspapers remain the alert system, too, for so many other media.

Less clear is what is lost and what is left uncovered. That becomes a concern that deserves more study.

The retrenching comes, too, as new research reaffirms what scholars of an earlier generation also felt they had establishment—that the best way for news organizations to thrive is to invest. The study, based on research conducted by the University of Missouri's School of Journalism, found that when newspapers increased spending on newsrooms, their profits went up. And cutting could be shown to do the reverse. "If you lower the amount of money spent in the newsroom, then pretty soon the news product becomes so bad that you begin to lose money," said Esther Thorson, a co-author of the study.

As he resisted more reductions at the Los Angeles Times, the soon-to-be ousted publisher Jeffrey Johnson argued the same notion. "Newspapers," he said, "can't cut their way to the future."

The situation at the three major weekly news magazines also appears serious.

After big cuts in 2005 and 2006 — 14% of Time magazine's newsroom by our analysis — Time Inc. in early 2007 announced staffing cuts of nearly 300 more at all its magazines. Time itself will lose 50 people (from business and editorial combined) and close bureaus in Los Angeles, Chicago and Atlanta.

At Newsweek, meanwhile, editorial staff positions in 2006 were down by half from what they were in 1983, and down 11% from 2005.

In network news, our sense, new this year, is that the cutting continues. From 2002 to 2006, a new PEJ analysis estimates that total news division staffing dropped about 10%, with reductions in non-correspondent staff down at greater rates than that.

And that was before NBC Universal announced plans to cut another 300 jobs in the news division, or about 5%. Many of those, it said, would come from consolidating the operations of its cable channel, MSNBC.

In radio, the situation appears to be one of continuing consolidation. The great majority of stations delivering news (70%) now do so through joint newsrooms, and the situation in those newsrooms looks increasingly complicated. The average number of stations that those centralized newsrooms serve is 3.3, according to a survey for the Radio Television News Directors' Association. Over a third of news directors reported overseeing five or more stations.

In cable, meanwhile, the picture is mixed. Fox News appears to be investing more in its newsroom (expenses up 11%), but not at a rate that is keeping pace with surging revenues and profits. CNN is just barely keeping up with inflation (expenses up 5%), and MSNBC is cutting.

It is less clear how much of these expenses are going into reporters and producers — newsgathering — and how much is going elsewhere, including into star salaries.

But not all of the electronic media are shrinking.

In local TV, for the latest year for which there are data, 2005, staffing appears to have risen some, to an average of 36.4 people per newsroom, the second-highest level of full-time staff since the survey began in 1993. Those people may be spread across more programs than before, but it is still a small upward trend. But people have more to do. The number of hours of news is at record high (3.8 hours) and more newsrooms are producing news for multiple stations and the Web.

One media sector that continues to grow in several ways is the ethnic press. Staffing here is on the rise, particularly at Hispanic daily newspapers, where the average staff increased from 90 in 2003 to 108 in 2005, some 20%. The trend in Spanish-language television, however, appears to be going the other way, led by cutbacks by NBC at Telemundo.

Online, the details are sometimes hard to pin down. The evidence, however, points to the idea that investment is continuing to grow, something we began to see in earnest a year ago.

It is less clear how much of that is in what journalists would call original newsgathering and how much is on the technical side. But at least one survey from a leading journalism school found that more online managers valued content-related skills like copyediting than technology skills like producing audio and video. That may reflect something of a change. After getting the technical skills into the operations, it may be that newsrooms are now turning to think about creating more content rather than simply importing it.

Yet all these problems are added to the larger picture of shrinking newsrooms. One other new piece of data was released in 2006. The scholars David H. Weaver, G. Cleveland Wilhoit and three other distinguished academicians released *The American Journalist in the 21st Century: U.S. News People at the Dawn of a New Millennium*. The book is the largest longitudinal study of journalists, dating back to the early 1970s.

The new study found that between June 1992 and November 2002, the number of full-time people working in news in the U.S. workforce declined by roughly 6,000, or about 5%.<sup>1</sup>

All evidence suggests that in the four years since, those losses may have significantly accelerated.

## Digital

Digital

*By the Project for Excellence in Journalism*

Even in a tough year, the news industry moved toward digital journalism with new seriousness.

Only two years ago our sense was that traditional media were still hesitating. In addition to the more obvious fears about a drain on resources and the culture clash over new technology, journalists worried that the medium was by nature so immediate and demanding that it tended to threaten two of the qualities the best news people covet — taking the time to verify the news accurately and understand and report in depth.

A year ago, we saw evidence that attitudes had begun to change. One reason was that online activities were one of the few areas that were creating revenue growth, especially for newspapers. Inside the boardroom, that made digital journalism a priority. Inside the newsroom, the Web was coming to be seen as less a threat and more a promise of something that could stem a growing wave of cutbacks and declining audience.

As an internal report at the Los Angeles Times put it in late 2006, “news organizations are experimenting energetically.”<sup>1</sup>

Those experiments differ greatly in emphasis and scope, even within media sectors. At the Washington Post, for instance, the site is forming an identity distinct from the print newspaper. According to one report there are 200 full-time Web staff people, and the Web is already contributing 15% of the Post revenue, with 50% in sight.<sup>2</sup> Our content analysis also found the Post site to be one of the most broadly based and richest in appeal of these we studied.

The Los Angeles Times’s candid internal appraisal of its own site concluded that the paper needed to become far more serious about the Web and indeed make it the primary rather than the secondary goal. “We are Web-stupid,” the report declared.<sup>3</sup> Some papers are experimenting with blogs, real-time traffic coverage, localized community sections written by readers, reporters carrying digital cameras and more — almost all in just the last year or so. Yet our content analysis also finds that some papers have yet to act, still mostly using their sites as a morgue for old copy.

The networks in 2005 had already begun to approach the Web as a major opportunity, developing ways to free themselves from the limits of time slot. In 2006, while their efforts were growing, behind the scenes there were more questions. CBS ousted its head of digital, the widely respected Larry Kramer, in favor of someone who is more strictly a business figure, though its Web site appears to be one of the strongest we have studied. MSNBC’s site, while popular, still has been eclipsed in some ways as an innovator. ABC may have the furthest still to go.

In cable, too, there were signs of movement. All three national news channels began to make content available to the third screen, cell phones. Of the three sites, Fox trails rather than leads in online audience, in contrast to its TV audience, and its site in 2006 lagged measurably behind the others in what it offered as well. But it underwent a significant redesign late in the year that according to our analysis made a clear difference. The site, however, is still more a platform for promoting talent than its rivals. For its part, CNN’s site still relies heavily on wire copy. It also features only a few stories that get major treatment. Despite all that, the site attracts 20 million visitors a month.

The new array of Web-only news outlets, meanwhile, reflect a growing diversity in the kind of information offered, the editorial approach, and the features they provide. The aggregators continue to emphasize searchable, up-to-the-minute news while still relying on others for the content. Bloggers offer voice and citizen input but have also taken steps in the last year to set their own reporting guidelines. Citizen-based sites, according to our study, have shown some of the most sophisticated experiments in newsgathering and dissemination — embracing original reporting and a wide mix of voices, as well as firm editorial control.

Even the digital laggards apparently began to move in 2006.

Local TV news was among the slowest media, our content assessments found, to make a commitment on the Web. The resources still appear to be relatively small, according to surveys— an average of just three people working on

each Web site. But there are clear signs of movement. More sites are making a profit. More stations are producing their own sites. And the two local TV news sites included in our content analysis evinced more effort than anything we had seen in earlier years.

The magazine industry, too, has begun investing more online. The leader here is Time. The biggest name in newsweeklies remade its Web site and identified a plan to count its audience as a print and online group combined. There are also signs of movement at the other news magazines, but perhaps in directions quite disparate from each other.

If there are conclusions to be drawn, for now we see two. First, there is no one model or formula for news success on the Web. Second, increasingly, sites are moving away from their legacy media, splitting into distinct approaches based on ideas rather than history.

As audiences sort through the options and creators look for economic formulas, that diversity will encourage more experimentation. For those who lack vision and resources, it will also make simple imitation more difficult.

## Public Attitudes

### Public Attitudes

*By the Project for Excellence in Journalism*

About the best that can be said for the public's view of the press is that the situation is no longer on a steady and general decline.

Americans continue to appreciate the role they expect the press to play, and by some measure that appreciation is even growing.

But when it comes to how the press is fulfilling those responsibilities, the public's confidence in 2006 according to some indices continued to slip.

And perceptions of bias, and the partisan divide of media, appear to be on the rise.

All that comes, of course, against a background of more than 20 years of growing skepticism about journalists, their companies and the news media as an institution. As we have noted in other reports, since the early 1980s, the public has come to view the news media as less professional, less accurate, less caring, less moral and more inclined to cover up rather than correct mistakes.

The fundamental issue, as we interpreted it in earlier reports, is a disconnection between the public and the press over motive. Journalists see themselves, as Humphrey Bogart put it in the movie "Deadline USA," as performing "a service for public good." The public doubts that romantic self-image and thinks journalists are either deluding themselves or lying.

The roots of the disconnection can only be speculated about. The public-opinion data go only so far. But it probably is fair to say that journalists are growing frustrated with the public's doubt as they struggle against increasingly difficult conditions — lower pay than they might have made in other professions, newsrooms suffering major cutbacks, the buffeting effects of new technology, and depictions in movies and on TV of journalists as exploitative jackals.

The public, in turn, sees a news industry whose corporations increasingly act like other businesses. News outlets in an era of fragmentation seem more prone to produce content designed only to attract a crowd. Alerts of journalistic failures are coming more frequently from politicians, bloggers, mainstream press critics and, with more ways to add their own voice, even citizens themselves. Perhaps most important, with more choices, the public can easily see the limits of what any one news organization is offering.

The structural forces, in other words, may bring with them a new kind of relationship that makes improving the public view of the press difficult.

Sorting through the data from 2006 suggests that, with all this, the public's view, while skeptical, is nuanced.

The public does appreciate what the press has to do, and in some ways it does so increasingly.

If given a choice, for instance, a growing percentage of Americans would pick press freedom over government censorship. After September 11, a majority leaned the other way (53% to 39%). That number has been reversing to the point that by February 2006 a majority now favored press freedom (56% to 34%).<sup>1</sup>

A slim majority of Americans also continue to say they enjoy keeping up with the news, and this number, a key indicator of news consumption, has been stable for years.<sup>2</sup>

And by a large majority people continued to say in 2006 that they prefer getting news from sources that don't have a particular point of view — 68% — unchanged from two years earlier. Less than a quarter — 23% — wanted to get the news from a source that shared their point of view.<sup>3</sup>

But on some key measures of performance, public skepticism is still growing.

The number of Americans with a favorable view of the press, for instance, dropped markedly in 2006, from 59% in February, to 48% in July. The metric can be volatile, but that was still one of the lower marks over the course of a decade.<sup>4</sup>

And in one of the most basic yardsticks of public attitudes, the number of Americans who believe most or all of what news organizations tell them, there were continued declines. Virtually every news outlet saw its number fall in 2006. In a battery that included more than 20 outlets, the only ones that did not decline were Fox News, the Wall Street Journal, people's local paper, the NewsHour on PBS, People magazine and the National Enquirer.<sup>5</sup>

In contrast with a decade ago, there are no significant distinctions anymore in the basic believability of major national news organizations. About a quarter of Americans believe most television outlets. Less than one in five believe what they read in print. CNN is not really more trusted than Fox, or ABC than NBC. The local paper is not viewed much

differently than the New York Times.

And there are signs, despite the appreciation for an independent press, that the perception of bias, even agenda-setting, is a growing part of the concern.

Among those who feel that their daily newspaper has become worse, for instance, the number who blame bias, and particularly liberal bias, has grown from 19% in 1996 to 28% in 2006. <sup>6</sup>

Overall, Republicans express less confidence than Democrats in the credibility of nearly every major news outlet, with the exception of Fox News. Yet that partisan gap is narrowing, and that is because Democrats are beginning to doubt the believability of more news outlets, and their suspicion of bias is growing too.

One big change is that more people now feel they can get what traditional journalism offers from the Internet, and that, too, is a challenge for the press, one that may be accelerating faster than declining trust.

In the end, there is no sense that the public view of the press changed markedly in 2006. Such shifts are almost always evolutionary. But there are reminders in the data of the continuing sense that journalism matters, and continuing doubts about whether it is being practiced in a way people want.

That suggests that allegiances could switch to new outlets fairly quickly. And more competition, as it has for the last two decades, may breed still more skepticism.

## Conclusion

### Conclusion

*By the Project for Excellence in Journalism*

In the first two years of this report, we sensed the news media in America trapped by the twin phenomena of changing technology and economic success. The former created the need for the news media to change fundamentally. The latter bred conservatism and aversion to risk. The role of the press was changing, yet the companies that controlled the media, insulated by high profits, seemed neither to fully understand nor ready to act boldly.

We sensed that had changed some heading into 2006. Problems had worsened. The direction of audience and advertising was clearer. The industry turned more seriously to new technology.

In 2007, that recognition and change began to take on a more discernible shape. And for many, it was the shape of branding, targeting and diminished ambitions. That may be inevitable. It may even be logical. But it also strikes us that it continues to lack boldness. The new direction has the strengths and weakness of prudence, of consensus.

News is not a corporate product. It was not invented in a laboratory or an R&D department. It evolved out of popular sentiment, out of political movement and out of a human instinct for knowledge and awareness. And its greatest leaps forward came from risk-takers who were often discounted because their vision broke with convention, and because



their tastes ran in sometimes contradictory directions, the likes of Ted Turner, or Joseph Pulitzer, or Adolph Ochs.

We have wondered in earlier reports whether the news industry had waited too long, letting too many opportunities slip by, such as offers years ago to buy start-up companies that now are major new-media rivals; or whether consumers will care about the values that the old press embodies, or the brands — such as CBS and the New York Times —that represent those values.

Now, as change accelerates, it is the third question we have posed before that seems most urgent. Does the industry have a vision that is bold enough, and does it have leaders whom journalists and audiences will follow?

The answers, we continue to suspect, will be in the journalism, too, not only in the business strategies that fund it. If the past tells us anything, it's that the two sides cannot flourish unless they move together.

## Author's Note

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*By the Project for Excellence in Journalism*

For each of the media sectors, we examine six different areas — content, audience trends, economics, ownership, newsroom investment and public attitudes. We aggregate as much publicly available data as is possible in one place, and for six of the sectors the report includes original content analysis. (For local television news, we rely on five years of content analysis the Project had previously conducted. For radio and alternative media, no special content analysis was conducted.) In addition to numerous new charts of data, most charts from the 2004 report are updated and still available.

People can approach the material in this report in several ways. Users can go directly to the medium about which they are most concerned — say local TV news — and drive vertically through it. Or they can focus on a particular issue — audience trends for example — and move horizontally across different media sectors to see where Americans are going for news. Or they can move across the introductory overviews of each sector. They can flip back and forth between our narrative and the interactive charts and tabular material. Or they can work through the statistics for themselves, making their own charts, answering their own questions, in effect creating their own reports.

Our desire in this study is to answer questions we imagine any reader would find important, to help clarify the strengths and weaknesses of the available data, and to identify what is not yet answerable.

The study is the work of the Project for Excellence in Journalism, an institute affiliated with the Columbia University Graduate School of Journalism. The study is funded by the Pew Charitable Trusts, whose leadership challenged us to take on this assignment. The chapters were written by the Project's staff, with the exception of the chapter on newspapers, which was written with the help of a co-author. All of the chapters also benefit from the input of a team of readers who are experts in each media sector.

Our aim is a research report, not an argument. Where the facts are clear, we hope we have not shied from explaining

what they reveal, making clear what is proven and what is only suggested. We hope, however, that we are not seen as simply taking sides. Our intention is to inform, not to persuade.

We have tried to be as transparent as possible about sources and methods, and to make it clear when we are laying out data and when we have moved into analysis of that data. We have attempted, to the best of our ability and the limits of time, to seek out multiple sources of information for comparison where they exist. Each year we hope to gather more sources, improve our understanding and refine our methodology.

This approach — looking at a set of questions across various media — differs from the conventional way in which American journalism is analyzed, one medium at a time. We have tried to identify cross-media trends and to gather in one place data that are usually scattered across different venues. We hope this will allow us and others to make comparisons and develop insights that otherwise would be difficult to see.

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Digital Journalism: A Classification of News Websites – Intro

Intro

*By the Project for Excellence in Journalism*

The newspaper's Web site, the internal report began, was now 10 years old. "Its stated strategy was to be an indispensable information retailer," complete with "news, listings, reviews, databases," and more.

"This vision is unfulfilled" the Los Angeles Times's highly anticipated "Spring Street Project" declared in December 2006.

"Latimes.com is virtually invisible inside greater Los Angeles. By some measures, the site is losing traction even faster than the newspaper."

Why? "Inadequate staffing, creaky technology," dead links, infrequent updating, lack of interactivity with readers and much, much more, the report concluded. When the paper eliminated most daily stock listings in print, for instance, the Web sites declined to purchase the software that would allow users to track their stock portfolios online.

The list of reasons for the problems amounted to an indictment of bureaucracy at its worst: culture clash, lack of investment, political balkanism, corporate division, out-of-date technology.

The Spring Street Report was the fruit of an extraordinary effort by the Times's former editor, Dean Baquet. As he clashed with the paper's owner, the Tribune Company in Chicago, over cutbacks he thought ill considered, Baquet unleashed a team of his best reporters to investigate the future of the Times — in effect turning his newsroom into an R&D unit. If journalism needs to change, the effort implied, journalists should be involved in reinventing it.

To outsiders, the report amounted to an unusually candid internal assessment of a major news operation as it struggles to make the transition to the digital age. Many other news Web sites, the report found in assessing the field generally, were much further along than the Times.

What is the state of digital journalism? What progress are Web sites making to exploit the potential of the Web to go beyond what any one traditional medium might offer? What capacities of the Web are sites developing, and which are they not?

In past years, our report on the State of the News Media offered glimpses by examining a handful of Web sites each year from different media sectors, usually noting the design of the pages and the treatment of top stories.

To go deeper, this year the Project undertook a detailed examination of the structure and features of more than three dozen Web sites from a range of news sources — network, local and cable TV, newspapers, radio, online-only and citizen media.

The goal was first to identify which characteristics news sites were developing online and which they weren't.

The second was to determine whether Web sites could be classified into groups, into a kind of typology, or whether the field was still too fluid and embryonic.

Among the findings:

- Web sites have developed beyond their root media. In character, many news sites now cut across medium, history, audience size and editorial structure. The New York Times Web site, for instance, has different strengths and a noticeably different character from that of the Washington Post. The Web site of CBS News is notably different in its strengths from ABC's. Some citizen media sites have distinct editorial processes and standards.
- News sites seem to be exploiting two areas of the Web most of all: editorial branding, or establishing a distinctive identity through original content and a distinct editorial process; and the potential for users to customize information, particularly through mobile delivery of it. More sites earned high marks for promoting original content and unique brand than any other feature we studied. Indeed, the notion that the Web is dominated by yesterday's newspapers, wire copy, opinion and rumor is increasingly an oversimplification.
- Sites have done the least to tap the Web's potential for depth — to enrich coverage by offering links to original documents, background material, additional coverage and more. That suggests that putting things into context, or making sense of the information available, is an area Web journalists still need to work on. This deficiency may expose the tension between old-style journalism, which sent reporters out to write stories, and technology-based aggregation, which gathers those stories and links via computer algorithm. Building real depth into coverage probably requires people to weave relevant sources of information together and to help consumers navigate and go deeper by themselves.
- Digital journalism has also not fully exploited the potential for users to participate by commenting and adding their own voice to the information. The notion that the Web is a place for people to be "prosumers," simultaneously consuming and producing information in a kind of conversation, is at

this point probably something of an exaggeration.

- Only a few sites excel at multiple areas of the Web's potential. Only four of those we analyzed earned top marks in even three of the five content categories studied. Most excelled at only one or two.

To make this more useful, we have created an interactive area where users can probe our findings, look closely at where sites ranked in certain categories and compare sites across the categories. We also discuss the broad findings and offer profiles of each site.

The web is constantly evolving and Web sites frequently changing. Even as we write this report several sites studied have gone through changes, and many more certainly will do so during the course of the next year. As such, this study is not meant so much as a long-standing portrait of what each site has to offer, but more a key tool to the landscape of options. The topography is diverse. Our hope is this tool will help users understand the Web better and news outlets better define what they have developed so far and where they might want to invest further.

### **About the Study**

The study closely examined 38 different news Web sites in September 2006 and again in February 2007. The sites were chosen from a mix of their root-based media (e.g., newspapers, radio, cable) including a variety of online-only outlets.

We examined each site according to more than 60 different measurable features or capabilities from six different areas:

- The level of customizability of content
- The degree to which users could participate in producing content
- The degree to which sites offered content in different media formats
- The degree to which sites exploited the potential for depth on a subject
- The extent to which a site's own editorial standards, content and control were the brand being promoted
- The nature and level of revenue streams for the site

After completing the site studies, we then tallied the scores for each site and ranked them within each category. For a full description of the methodology and the sites studied please see the methodology section of this report.

## Findings

### Findings

News Web sites still defy hard classification. No formula or set of models has set in. That, indeed, constitutes one of the findings of this study.

The universe is changing so rapidly that of the 38 Web sites examined, at least a quarter were either thoroughly redesigned or made noticeable changes between September 2006 and February 2007, usually to make them more user-centric.

The field is marked by experimentation, and in some cases noisy crowding.

A few sites even now are still largely “shovel ware,” an online morgue for the content their owners produced in another medium.

Other sites are made up of a few packages for top stories and then largely wire copy after that.

Even so, we did not find sites that scored poorly across the board.

On the other hand, we found no sites that excelled at everything. That may reflect the fact that the Web is so rich in possibilities that sites need to make choices. The greater the focus on speed and immediacy, the harder it is to take the time to build depth into coverage — multiple links in story packages to background material, documents, full text of interviews, archives and more.

Indeed, every site studied except two scored in the lowest tier for at least one of the five areas of content we examined. And no site scored in one of the lowest two tiers for everything.

What qualities of the Web's potential are being exploited most?

#### 1. User Customization

The Web allows for a nearly infinite array of style and content, a level of choice that can overwhelm. Hence a growing premium is now placed on the degree to which users can customize content to their interests, pre-select the stories that come their way or the form they come in. We called this ***User Customization***.

In general, there are two types of customization. People can tailor the design of the page itself (*Web site customization*). Or they can choose to have different kinds of content delivered to them from the page, including RSS (Real Simple Syndication), podcasts, mobile phone delivery and more (*delivery customization*). We examined sites for both.

Allowing visitors the ability to pick and choose what they were interested in or tailor its delivery appears to be an effort the news Web sites in our sample have focused intently on. After branding or editorial control, a high degree of customization of material was the second-most-developed potential we found in online journalism. Twelve of the 38 sites were highly customizable. (To be so designated, they possessed at least five of the six elements we examined).

There was little pattern about what kinds of sites fit into this grouping. Their creators ranged from online-only entities like Global Voices and OhmyNews International to the weekly magazine the Economist to NPR to the local station King 5 TV, in Seattle.

Some kinds of customizability, moreover, were more popular than others. The move now appears to be toward making content come to the user. The features the sites were most likely to offer were multiple RSS feeds, usually prominently displayed and podcast options (though sometimes not as prominently displayed). And many of the site upgrades in early 2007 had to do with adding some kind of mobile phone delivery.

Sites also tended to emphasize advanced methods for finding a specific news story.

Interestingly, one feature more likely to be absent, even in these sites that scored well in customizing, was the option to customize the homepage story layout. About half of the highly customizable sites (and half of the sites overall) did not offer any kind of flexibility here.

Apparently, for now, the ability to have content sent to you, or to find what you want, is taking precedence over letting people make a page theirs.

On the other side of the spectrum, just three sites fell into the lowest tier of customizability — offering nothing more than a simple keyword search. Visitors to Benicia.com (the Web-based local “newspaper” in Northern California), to theweekmagazine.com (the Web site of the latest weekly news magazine phenomenon), and to sfbg.com, the pugnacious alternative weekly of San Francisco Bay, had to accept it as it came to them.

No other content category had so many sites scoring so well.

## **2. User Participation**

One of the chief appeals of the Web early on was the notion that online media would become a dialogue, not a lecture, in which the user could speak for himself or herself. That is one reason Time magazine made everyone in 2006 the Person of the Year (a feat it accomplished by showing a small mirror on the cover).

Potentially, the Web offers many ways to accommodate participation — everything from a simple e-mail link to having a story’s author post user content as a part of the story mix.

What we found in the sites studied is that the participatory nature of the Web is more theoretical than a virtue in full bloom.

We examined 10 different features that broke participation into two different types. One was the extent to which people could express their Individual Voice. That included offering e-mail, writing blogs, commenting on stories, rating them or entering a live discussion, or even taking an online vote on a question. The other was the extent to which users were heard from in a site through a Group Voice, such as by tracking of the most e-mailed or most viewed stories and then featuring those lists on a site.

Just three sites, the blog Daily Kos, the citizen-based site called Digg and AOL News, possessed enough of those

features to earn top marks for participation.

On the other hand, a dozen sites studied earned the lowest marks, with no user content, no live discussions, rating of news stories, or compilation of the most viewed or e-mailed stories of the day. On the bulk of those sites, visitors could not even e-mail the author of a news story to comment or raise questions. Another 10 sites earned the second-lowest marks in participation.

Most news sites, whether stemming from traditional media outlets or not, place a high premium on reported news stories and keep control over their selection (and sometimes creation).

Visitors are sometimes invited to express themselves by responding to the stories through user comments or e-mails to the author of a bylined story. But those features were not standard, even among sites that scored at the higher levels for participation.

What the higher-scoring sites were more uniform on was tracking the Group Voice — a list of most viewed, most e-mailed or most linked stories. All the sites in the top two tiers for participation had at least one such list that users could access, and some offered all three. In the lowest tier for participation, however, this option was completely absent.

### **3. Use of MultiMedia**

The third major area of Internet potential is the fact that the platform works, at least theoretically, for all media formats — video, audio and text. How much are sites exploiting that? Are most sites still expressions of their own roots, with TV sites more video-oriented but not as rich with text, and print sites the opposite? Is there any pattern to what kinds of sites are doing more here than others?

To get answers, we catalogued all the content on a homepage (as text there or linked to items) for 11 different media options. We then noted the percent of the content devoted to each of these media forms to get a sense of which type the site was emphasizing.

What we found was that the multimedia potential of the Web is also not as developed on many sites as people might imagine. Only six of the 38 sites earned top marks for offering a rich range of media formats.

And nearly half the sites (17) earned the lowest marks. For those, more than 75% of their content was just narrative text — “Still Reading the News” sites.

The ones in that last group were not all from traditional print outlets. They ranged from the news pages of the aggregators Google and Yahoo, to the blog Michelle Malkin, to the citizen-based sites Digg and OhmyNews International to newspaper sites like the San Francisco Bay Guardian and the New York Times. Only one — PBS’s Online NewsHour — offered less than half the content as narrative.

For those sites with at least a quarter of the content something other than text, what kind of media form were they using? For most, the next-biggest medium used was an older one, still photos. Nearly a quarter of the sites filled at



least 20% of their homepages with pictures.

And how many sites were really *multi* media, or used at least five different media in addition to text and still photo? Just six.

Most in that group were TV-based sites — ABC, CBS, BBC, Fox News — but also included Washingtonpost.com and the site of a local Washington radio station, WTOP. The media used tended to be slide shows, interactive graphics, and live streaming video. But none of those accounted for more than 4% of the overall content on a site.

In short, the Web, for now, is still largely dominated by the content that fills newspapers — text and still images.

#### **4. Site Depth**

Another potential of the Web is its infinite depth. It can link to past reports, biographies or referenced documents, graphically display certain elements, offer analysis and bring in outside insights.

Depth is also in some ways the hardest potential to measure. A related link may add important information or insight to the main report or it may mostly repeat what was already said. To get a sense, at least, of the extent to which news Web sites try to broaden their coverage, we looked at four different features: how frequency a site was updated, the number of related story links it offered with its lead story, the use of archive material, and the use of links *inside* news stories.

As a rule, sites scored lowest in depth than any other area studied. Nearly half (18) earned the lowest marks for depth, another 16 fell in the next-lowest tier, and only three earned top marks.

And, as noted above, one site was unique in this category: Google. No other even came near Google's average of 900+ related links attached to the lead news story. And every headline down the page gets this treatment. 1 In a sense, Google defines an extreme, but a powerful potential of the Web.

Visitors could spend the good part of a day just following the links for a single news story. If someone were to actually do that, though, the value might be disappointing. With no editing process, related stories automatically pop up from all different outlets. In some cases the reports are nearly identical wire stories carried in different outlets. In other cases, a later link is to a report that was written before the main story and thus has old or incomplete information. All the stories are in narrative form with occasional photos attached. (As for links inside the stories, Google was not scored here since that content is not their own.)

After Google, there was quite a drop-off. The other two sites at the high end were Global Voices and CBSnews.com, both of which had more than 10 related links, as well as links to archive information and frequent updating. Global Voices also embedded links into the news stories themselves, while CBSnews.com did not. Many sites (10 out of 38) still treat even the lead stories as stand-alone reports, without even one related link as normal practice.

Inside the content itself, news sites were even less likely to offer consumers links to additional information, either on their own site or from another place. More than half (17) contained no links inside their top 4 stories.

## 5. Editorial Branding

More than any other quality, sites built themselves around the idea that their organization's standards, judgment, and professionalism are the core of the site's brand.

In other words, the notion that the Web has no standards, no professional rules of conduct or editing, is not true when it comes to sites connected to traditional news organizations, to many blog sites studied, or to many citizen-media sites.

Critical to the notion of branding in our study was whether a site was promoting its organization's particular content, had discernible editorial standards and promoted its staff with the use of bylines.

We looked at three distinct elements:

- The range of sources and originality of the content
- The level of staff control over the editorial process
- The use of bylines in top stories

We found that those values still dominate, and that is true even of some of the most innovative and user-driven sites we studied.

Across the three different measures nearly two-thirds of the sites studied (24) earned top marks for emphasizing their own brand and standards. That is more than any other content area that sites emphasized.

And all but five of the sites studied had some in-house editorial process they exercised to select stories. That was sometimes combined with user input like story ratings or a list of the most-linked-to stories, but staff people made daily decisions about what to post.

Even the fairly sophisticated citizen news site OhmyNews International, with 100% "user" content, has a heavy editing process of the content that comes in from approved "contributors" from around the world. The same was true of Global Voices, another citizen-media site.

Some of the sites have no editorial branding of their own and instead rely on the established brand identity of other outlets that they present second hand. At Google, AOL News or Topix.net, for example, most of the content comes from establishment news organizations.

The majority of sites studied did offer some content through their own brand name. The more traditionally rooted sites usually also made some use of wire reports, though the mix of original to wire varied greatly. Some sites, like those of MSNBC and USA Today, relied much more on wire than their own work. Others, like the New York Times and BBC News, primarily featured staff reports. And, as mentioned above, some of the newer news options contained the greatest degree of original work, along with stringent editorial practices.

## 6. Revenue Streams

Increasingly, a fundamental question is whether the Web can subsidize journalism, and at what level? Sites have struggled with getting people to pay for content. There is growing concern about how ads work online. Are too many ads counterproductive? There are different kinds of advertising, not to mention premium areas of paid content and registration which is free but often sends consumer information to the site and to advertisers.

To understand all this, we looked at three potential revenue streams. First, did the sites include ads, what kind of ads, and how numerous were they? Next, what did the site demand of the user: payment for certain content or registration, or could visitors roam free, other than leaving their digital fingerprint?

On the days we analyzed, the number of ads that greeted a visitor varied widely, though nearly all the sites studied had some ads on the homepage. We also found that the number of ads on a site was the element that varied the most from September 2006 to February 2007, sometimes higher and sometimes lower. Perhaps that speaks to the still experimental nature of economic models online. (Our scores for the sites reflect the February download, except when the variety seemed to be simple day-to-day variance rather than policy changes in which case we took an average of the figures.)

The only site that was completely ad-free was the news page of the revenue giant Google. The aggregator's main search page — and the company as a whole — is largely structured around advertising, but for now anyway it has kept the news pages ad-free. The other aggregator studied, Yahoo, began placing some ads on the main news page in the fall of 2006. Even the two government-funded sites — pbsnews.org/newshour and news.bbc.co.uk — contained ads from their corporate sponsors. As logo links to the corporate Web sites, though, those ads were much less intrusive than those found on many other sites.

All in all, the more traditionally rooted sites were at the top of the pack for total ads on the homepage. The Des Moines Register led with 25 (nearly all of which were external as opposed to self-promotional), followed by the New York Times, Fox News and the Washington Post. Two blogs, Little Green Footballs and Daily Kos, had mid-to-high levels of ads, as did WTOP.com, the Web site of the local Washington radio station. The site with the greatest display of self-promotional ads was CBSNews.com, with an average of 14 against just 3 from outside companies.

There are still some places where users can get the news without first giving away their own personal diary. In fact, there seem to be quite a few places. Close to half the sites studied had no registration process (not even a voluntary one) and offered all content on the site free, including all archive content. None of the sites required registration at the outset, though many prompted you to on a voluntary basis.

Premium content, the kind requiring payment for specific areas, is also rare, with just four sites featuring some of it on the homepage. Even a bit more surprisingly, the practice of charging for content that is more than a week or two old is also not widespread. On 32 of the 38 sites, users could search and access more than a month's worth of old content at no charge. One site, Economist.com, charges for all archive material, while the others offer the first week or two for free and then impose a fee.

Yet, most sites are limited to ads, user registration, or some combination of both.

The least common economic group was sites with no user requirements *and* less than five ads on the homepage. Six sites fit this bill and ranged in character from a publicly funded site to an aggregator to a local newspaper.

Consumers have more choice if they are willing to click through a few more ads in order to escape registration or fees. Eleven sites had no user requirements but between 6 and 10 ads on the homepage. But alas, as organizations seek to figure out how to succeed financially online, revenue streams will be an area likely to change, and will be worth watching closely.

### **News Web Site Groupings**

Our study led us to conclude that it is probably too early in the history of news Web sites to develop a firm typology, or set of classifications, for them. Also, the study included 38 sites, a number that is hardly definitive. Still, we offer five tentative groupings.

#### ***High Achievers***

Only a few of the sites studied excelled across more than two of the content areas we studied. They might be called **High Achievers**, sites that scored in the highest possible tier for at least three of the five content areas.

Only four of the sites qualified, and they had little in common beyond the breadth of what they offered. They were a network TV site (CBS), a newspaper (Washington Post), a British television and radio operation (BBC) and an international citizen media site (Global Voices).

And what did these sites emphasize? All of them scored highly for the originality of their content. All of them also scored highly for the extent to which they allowed users to customize the content, to make the sites their own or make the content mobile. None of them, interestingly, scored particularly well at allowing users to participate. Only two, CBS News and the Washington Post, involved a lot of multimedia components.

#### ***The Original Brand Crowd***

Another grouping would be those sites that promote their own original content above all. Call them **The Original Brand Crowd**. In every case, those sites scored in the highest range for the degree to which they controlled and promoted their content or editorial judgment. What that content was varied widely in style. The sites ranged from a number of daily newspapers, a public television station (the NewsHour on PBS), a news service, (Reuters), and in several cases blogs. The editorial judgment and standards here may vary widely. So may, in the judgment of some, the quality. Yet it was their judgment, their approach, they emphasized most.

Some of those sites were offering little more than what they had published in their newspaper, so-called shovel ware (such as The Week). Others, such as the New York Times, offered a good deal of content that was updated often and that had not yet appeared anywhere else. For all of them, though, their appeal, in the end, is what their writers have to say, and their standards, their practices, their content. This was also the largest category of sites.

In all, 16 of the 38 sites studied fell into this group. The 16 were the Web sites of the New York Times, the Chicago

Sun Times, the New York Post, the Des Moines Register, the Economist, NewsHour on PBS, the Boston Phoenix, Reuters, Salon, the San Francisco Bay Guardian, Little Green Footballs, the blog site Michelle Malkin, The Week, the online magazine Salon, Crooks and Liars, a blog that features video, and the citizen-media site ohmyNews International.

### ***Us and You***

A third grouping of sites involves those that earned their highest scores (and perhaps were building their appeal) around a combination of two categories: the branding of their content and the ability of users to interact with it: the **Us and You** sites.

Many of them were just as strong as The Original Content Crowd in producing and promoting their own brand standards for the news. But these sites have also put a major emphasis on allowing users to do more. In most cases, that meant offering users the ability to customize the material.

Some venerable journalism names fit this grouping. What places them here is their willingness to give up agenda-setting and let users decide what they consider important. These include Time magazine and National Public Radio, the online-only site Slate, a local TV station (King5 TV in Seattle) and Daily Kos, a liberal political blog.

### ***Jacks Of All Trades***

The second-largest number of sites of those studied form a group that does not excel at one thing but tried to manage most or all of the categories. They may produce some original content, but don't stand out for doing so. They received the lowest possible grade, evincing little or no effort, in no more than one category. They are, in other words, demonstrating skills across the range of Web potential.

Six of our three dozen sites fell into in this grouping: Yahoo, USA Today, CBS 11 TV, in Dallas, MSNBC, CNN, and Crooks and Liars. Interestingly, these included three of the four top Web sites in overall traffic (Yahoo, MSNBC and CNN).

### ***User-Centric***

A fifth grouping of the sites studied includes those that earned their higher marks or put most emphasis on letting the user control the material, and thus might be called **User-Centric**. That could mean either letting the user customize the material or interact with it directly by producing material or commenting on it. The sites scored higher in those areas than in creating material. Six sites fit here. Three scored well in both participation and customization: Digg, a site where users submit content and ranks stories; Topix, which aggregates local and world news stories on one site; and AOL News. Three others scored their highest marks for offering multi-media content and then allowing people to customize that: Fox News, WTOP, and Benicia, a local news site in Benicia Calif., which relies heavily on bloggers.

# Testing Ground

Testing Ground

## ABC News (www.abcnews.com)

The Web site of ABC News was redesigned in late 2004.

A new site is expected later this year, perhaps as soon as spring.

But until it arrives, the Web identity of ABC News reflects the strategic thinking of the network for the last two years.

ABC's Web team paid particular attention to the most popular television Web sites, CNN.com and MSNBC.com, and sought to "broaden its online initiatives past the familiar narrowband Web," according to one of the key designers, Mike Davidson.

The designers built in more video, developed more wireless initiatives, and began offering RSS feeds. The site also launched ABCNewsNow, which it claimed was the globe's first 24-hour online video feed. <sup>1</sup>

An analysis of ABCNews.com also suggests that the site places the greatest emphasis on using multiple forms of digital content, and at the same time, promoting the ABC brand. Indeed it stands out as the only site among the 38 studied to earn the highest scores on **multimedia** and **branding** but on nothing else.

The site puts less emphasis on the **depth** of its content, it was in the bottom tier in that category.

One of the most noticeable things about ABCNews.com is its layout. Its three-column format is set against a white background with one dominant photo — a slide-show image that cycles through five top stories — as well as a list of headlines. All of that lets the viewer know there is a lot available without seeming overwhelming.

The key to the site's information-rich-but-clean-to-the-eye look may be the simple color scheme. The site is basically black and white and blue all over, with small red callouts for "video" or "webcast." That's important on a site where the first screen offers 16 clickable news links and headlines.

As with ABCNews.com, only half the content is narrative. A mix of six other media forms make up the rest of the content, putting it in the highest tier for its use of multimedia forms. Nearly a quarter of the content is in video form, including a 15-minute "World News Webcast," designed with a younger audience in mind. The webcast offers a lineup and format different from those on the traditional evening newscast and is first available to users live at 3 p.m. Eastern Time. The site also makes use of audio, podcasts, poll data, photos and more slide shows than any other site studied.

Executive producer Jon Banner said of the site: "What it has become is much more of a broadcast aimed at people who use the Web and who are much more Web-savvy than people who watch the broadcast. You still get a lot of things that are on the broadcast every evening, but they're done in a much more Web-friendly style." <sup>2</sup>

To cater to the user, the site has also taken steps to make its news content more portable. All the network news sites now offer podcasts or "vodcasts," but ABC News vodcasts are consistently among those most frequently downloaded on Apple's iTunes. In September, for example, there were 5.2 million downloads of the "World News Webcast," Reuters reported. <sup>3</sup>

On the homepage itself, though, there is less customization. There are no options for the user to adjust the layout, and the search is based only on simple key words. Over all, then, the site fell in the mid-to-high-tier ranking for **customization**.

What exactly is behind all those headlines on this site? As with the other networks, ABC placed heavy weight on the originality of and control over its content. Beyond the World News Tonight vodcast, the content relies more heavily on outside sources. The featured stories that appear in the center of the homepage slide show are always from ABCNews.com itself, in their print and video forms. But the print stories that appear under “Top Headlines” and “Hot Topics” are FROM AP or Reuters. In fact, that’s true of the vast majority of the print copy that appears on the site besides the pieces in the featured-stories box.

There are a few exceptions. Correspondent Brian Ross and his investigative team have space on the homepage — “Brian Ross Investigates” — with original content. And there is a section on the page about half-way down that features “Blogs and Opinion” with original content.

ABCNews.com has yet to make much use of the ability to link several news reports together and offer coverage of one event in multiple media forms. The lead story tended to have just one additional report listed as a link. And most stories themselves contain no embedded links offering additional information such as biographies of sources or original documents.

The user-generated content, in the form of narrative, photos or videos, has presented the site with some advantages and challenges.

In 2006, after first breaking the story on the so-called page scandal involving the Florida Congressman Mark Foley, a blog on the site received even more messages from pages providing “even more salacious messages,” according to Mark Glaser of PBS. <sup>4</sup> ABC, however, didn’t just post the material; it called Foley’s office and asked people there to verify the instant-message postings.

The site scored in the middle-to-low tier on user **participation**. Individuals can usually e-mail the author of a news report, but cannot post comments for others to see, or rate the story. But what stands out here is the site’s use of user-generated content. There is a clear place for users to submit stories, such as their own reports from breaking-news locales, some of which appear as a part of the homepage layout.

Finally, the ads on the site are largely self-promotional, which in part led to its sitting in the mid-to-low tier for **revenue stream**. The top banner ad is always related to ABC and/or Disney products, and ads for ABC news programs appear up and down the page. There are only two true outside ad spaces on the page, a small box under the topic navigation box and a long one over the page header. There is no registration process, though there is some premium content that users can pay for if they choose. All archived material remains free.

### **AOL News (www.aol.com)**

With its modular design that places everything in boxes and its range of sources AOL.com’s news site seems focused on telling users what everyone else thinks is news. This is a not an aggregator site that is focused on combing

through sites to put together a kind of uber news page. It is rather a site that seems content to mine the wires, the big broadcasters and prominent print outlets for a snapshot of the days news viewed through different prisms. Most of the pages “top news” comes from the news wires but further down the page are boxes for AOL partners – the New York Times, USA Today, CNN, Wall Street Journal and CBS News – each with three headlines that take users to those pages. Video links work the same way on the page, listed by outlet.

This approach had pluses and minuses in our site inventory.

AOL News scored high in our **participation** category – in the first tier – for giving viewers several ways to interact with the site. There was a user blog, a page with stories generated by users and chances for users to comment on stories. Authors could also be emailed in some cases.

The site was also fairly **customizable** – ranking in the second tier in that category. Users could modify the front page and the site offered multiple RSS feeds and an advanced search option.

AOL News scored in the third tier on **multimedia**. While there are video links here, the site on its face is mostly text driven with more than 70% of the home page content consisting of narrative and narrative links. It also finished in the third tier on **depth**. While the site often linked stories together for packages that give readers a the broader context of issues, the site was hurt by not updating as much as others. And as one might expect from a site that simply gathers content from elsewhere on the Web, the site scored in the bottom tier on **branding**.

It doesn't have a strong revenue stream either, sitting in the third tier in that area with only about a half-dozen ads in the site.

In terms of content, the news on AOL may not be organized into a comprehensive page, but there is clearly a lot here. Between the wires, news outlets, blogs and “citizen media” links here, users can see the day's events through a lot of different lenses. And the combination of human editing (which the site clearly uses on its “Top Story” and the running headlines from the wires and other outlets on the rest of the site makes for a real mix of news. The site's design may be a drawback as well. The site can feel like looking at a wall of front pages. All those top headlines from various outlets feels in some ways like the site is missing a page two.

### **BBC News ([www.bbc.co.uk](http://www.bbc.co.uk))**

The Web site for the British Broadcasting Channel is one of the more advanced that we came across. Its look is that of a traditional site, designed around the news of the hour– with lead headlines on a range of topics, followed by video and audio reports. Its offerings, though, are significantly more complex. It scored in the highest tier for at least three out of six categories (one of just four sites to do so). And, the area where it scored in the lowest tier—**revenue streams**—may be one that users would welcome since it means fewer ads to navigate.

The site placed the most emphasis on **customization**, use of **multi media** forms and **editorial branding**. Users of the site can tailor the home page layout each time they visit (though the selections are not saved for repeat visits) and can access the specific news items through advanced search techniques. They can also have the news come to them. The site features multiple RSS feeds, podcast options and even mobile delivery.



The BBC News also makes more use than most of the **multimedia** forms the web allows. On the days we visited the site, news items listed on the home page came in seven different media formats, including video, audio, live streams, podcasts, interactive graphics and more.

When it comes to the editorial **branding**, the BBC name takes high priority. All content comes directly from the BBC itself—without even wire service supplements. And all news stories are bylined.

The ability for users to **participate**—to somehow add their voice to the mix—is more evident here than on most of the 38 sites we examined. While most sites fell on the lower end of the spectrum, BBC News scored in the second tier. Through a section called “Have Your Say,” linked to from the left-hand column of the home page, users can submit their own photos and video and view selected submissions from others. Also on this page, visitors can email in their thoughts on a number of daily topics—some of which continuously “crawl” across the top of the landing page. Specific news stories also have links at the bottom where users can send in comments. Group voice is displayed through lists of the most viewed and most emailed stories of the hour.

The BBC news site did less, scoring in the third tier, for making use of the potential **depth** of the web. Editors here have chosen to forgo the ability to place links inside stories to additional information about the newsmakers or to original documents. What they do offer instead are links to other related news stories they wrote as well. The individual story is still king here.

As a government funded entity, the area where BBC News scored the lowest—**revenue streams**—comes as little surprise. Users can dive into the content right away. There is no registration process at all, just one small self-promotional ad on the home page, and all the content is free—including all archive content.

### **Benicia News (www.benicianews.com)**

It is unlikely that Benicianews.com will win any awards for Web design, at least with its current layout, but slick looks and clean lines are not what the site is about. It is rather something of a rarity on the Web. It is a completely online local “newspaper” for Benicia California, a small community in the Northern part of the state, not far from Oakland, that is made up of stories aggregated from around the Web and from citizen journalists.

Visually the site is laid out in three columns, a narrow navigation column on the left, a wide one that contains content in the middle and another narrow column on the right that holds ads. There are few photos on the page. And its overall look – from the small logo in the top left with a dog holding a newspaper jumping through a computer screen to the text that appears in many different sizes – gives the site something of a homemade feel.

That look, however, is not in contrast with the site’s larger mission. The top 10 stories on the page all come under the “Citizen Journalism” header, with the top three containing teaser text. These pieces were all submitted by users. Under that comes a broader “News From The Web” header with 10 more stories – all of them culled from online news sites based in the area (like the Contra Costa Times and San Jose Mercury News sites). Under that are a bunch of category headers – News, Education, Cartoons – that may or may not have any headlines with them.

The site did not score well in many of our inventory categories. It was in last tier in **customization**. It offered users no

way to modify the home page no RSS feeds and no podcasts. It was also in the bottom tier on **multimedia**. On the day we examined the site it not only lacked video and audio links – which is generally the case – there were also no photos.

Its **depth** score was also in the bottom tier, hurt a great deal by the few updates on the site (some stories were on the front page for days) and the lack of an archive. And it sat in the lowest tier on **branding**. The site's staff editing helped its score, but the amount of material from outside hurt it. It did slightly better on **revenue streams**, the third tier. The 11 ads on the page were more than some sites offered, but there was no fee content or fee archive.

As one might imagine with a site so dependent of citizen journalism, Benicia News did better on **user participation**, where it sat in the second tier. There is obviously a lot of user content here and users can email story authors. It didn't score higher because it lacked things like interactive polls and online discussions.

This site speaks to the strengths and weaknesses of citizen journalism. Topics are extremely varied – from personal experiences to the opening of new parks – and users are “empowered.” But they don't seem to be empowered that often. Perhaps the most surprising thing about the content on Benicia News is how static it is. Stories can sit in the top two or three for weeks at a time.

### **Boston Phoenix ([www.thephoenix.com](http://www.thephoenix.com))**

The website of the respected 40 year-old alternative news weekly, Boston Phoenix, is still in the early stages of Web development. It is a lively site, with bright photos and language clearly aimed at younger, culturally active Bostonians. Even the top news item is constantly on the move as a handful of headlines and photos rotate through the lead space on the page.

Despite all that, however, the site does little to take advantage of all the Web offers. It scored in the lowest tier in three categories, the second lowest in two and the highest in just one.

Its high spot lay in promoting its own **brand** name. All content is original, bylined material by Phoenix staff. The news stories themselves are in the free-spirited tone of the print version, with headlines like “The who behind What” and “Of pols and pop culture.” Beyond the headlines are sections on dining, movies, arts, a highlighted Reader Poll on the Best of 2007 and other cultural areas.

This reliance on staff reports impacts another area—**depth**. The site is largely built around individual stories. What's more, the print product is weekly, not set-up for hourly or even daily news reports. This carries through to the Web site as well, which scored in the low-mid tier here. The site is not about news of the minute. On the days we visited, much of the content was nearly a week old. Only the top headlines were newer and even several of those were three-days old. There are no links embedded into articles and only on rare occasion a related, secondary story attached to a headline. The site is officially updated every six hours or so, but again, only for a few choice headlines.

The **media forms** have moved slightly beyond those of the print version, but not by much. More than 70% of the home page content (all links other than those to landing pages) is narrative with accompanying still photos accounting for another 15%. Beyond that, users can find a section of video stories—many of which are several days old—and

some use of interactive graphics.

Boston Phoenix also does little to let its audience **customize** the news to their tastes. The home page comes only as is, the search is simple key word, and the only alternative delivery mode available is RSS. User **participation** is just as scarce. The only options we found here were the ancient mode of emailing the author as well as a way to post comments to a story.

Even this low-tech product though has appeal. Visitors can access all this personality driven content without any kind of registration or fees. And, the number of ads in on the low side—an average of just seven on the home page—granted they are quite large, colorful and pretty hard to miss.

### **CBS 11 TV (www.cbs11tv.com)**

The Web site of the local CBS affiliate in Dallas-Forth Worth also stood out among local TV sites for the its web offerings. CBS11tv.com placed highest emphasis on customization and on offering content in different media forms. It also scored in the mid high range for economics, or the level of developing revenue streams.

The site earned lower marks for the depth of its offering and for giving users a chance to participate in the content.

The homepage's upper banner features local weather, traffic and a search tool, which is unusual, because most sites feature a banner advertisement in that prime homepage property. Below the banner, the Web site usually calls attention to its lead story with a large headline and picture, often packaged with a video or another multimedia component. Following the lead story are 10 links to other top stories, a featured slide show, most popular videos, and a poll of some sort. The right- and left-hand columns of the homepage feature categories of information (such as "local news," "politics," and "health"), more videos, local services like yellow pages, stock quotes and more.

The site scored in the mid-high range in **multimedia**. The bulk of the content is a mix of narrative, still photos and videos (roughly 90%) with some use of slide shows, polls and interactive graphics. And, while just a small portion of the content comes in these last three forms, the fact that the site uses them at all increases its rank here.

The site has chosen a mix of -options for users to **customize** the content, ultimately scoring it in the mid-high level. The home page comes as is, but with an advanced search option for archived stories. And, it has leapt over podcasts (not offering them at all) and gone directly to an option for mobile delivery.

One thing it seems to have almost no interest in at the moment is offering **participation** options to the user. There are no user forums, comments or polls. There is no way to email the correspondent of a report, nor are there lists of the most viewed or emailed stories. There is a section at the bottom of the site that asks readers, "Got an Idea for a Story?" The link, however, only prompts an e-mail window.

The site also does less than others, to promote its own **brand**. A slightly obscured category in the left-hand column is a link called "The Investigators," which sends a user to CBS11 original reporting, special reports and consumer news. The work of three reporters is highlighted here, along with a picture. Outside of the Investigators section, much of the content on the site comes from the Associated Press. That is true even for some local news stories, though to a lesser

extent than for national and international stories.

One of the more unusual content destinations on the site is a section called “Inspiring People,” which presents a gallery of videos about acts of kindness and heroism. The site also offers three lifestyle sections (“beauty & style,” “family,” and “new baby”) aimed at niche audiences, primarily girls and young women.

Most content on the site is free, though users do need to pay for material that is more than a month old. Their biggest hope for **revenue**, though, seems to come in the advertising realm. We found an average of 15 ads on the homepage, the bulk of which were not tied to any kind of self-promotion.

### **CBS News (www.cbsnews.com)**

Over the past few years, CBS News has attracted the most buzz among the networks for its Web site. After hiring Larry Kramer, who founded MarketWatch.com, as head of CBS Digital in March 2005, it announced a ambitious plan in which a revamped Web site would “bypass” cable news by providing news to the consumer anytime, anywhere.

In 2005, the CBS News site was the first to allow users to build their own newscasts, and promised to put its entire archive of news video online. Its unique blog, Public Eye, gave readers a look at the inner workings of the editorial process that produced the evening newscast, a move that offered much-needed transparency after the CBS News’s Memogate affair tarnished its credibility in late 2004.

Heading into 2007, what is going on? The changes have given way to more changes. Kramer was ousted in November of 2006 and replaced by Quincy Smith, a 35-year-old venture capitalist, who said he planned to be “much more proactive making acquisitions across the board,” according to an interview with MarketWatch. 5 Possible targets include social networking sites, the “hot” sites in 2006 and 2007.

Whether that emphasis will move resources away from the news site is unclear, but for now, CBSNews.com remains one of the Web’s most diverse and robust news sites. In our measurements, indeed, it ranked along with only three others — the BBC, the Washington Post and a citizen media site called Global Voices, for its breadth and depth. In our loose grouping, it was one of our High Achievers.

Upon opening the homepage, it is clear there is a lot going on. There is a slide show with rotating stories, a lead story in the center of the page, a list of “Top Stories” next to that, and a large advertisement. Above all that are links to streaming “Live Video,” E-mail alerts, RSS feeds, Podcasts, and more.

All of this quickly gives users a sense of exactly how much is available and gives them access to it all quickly. With that comes a busier feel than at some other sites, perhaps a bit too busy for some.

Over all, CBSNews.com scored in the top tier in three out of five content categories, one of only two sites to do so of all 38 studied.

The Web site is highly **customizable** for the user and scored in the top tier in that category with advanced searching, multiple podcast options, mobile phone delivery and several different RSS feeds. The one option it does not give

users is the ability to tailor the homepage to their own interests.

The site also scored in the top tier for its mix of **multimedia**. It offered nearly every kind of multimedia option we had on our checklist. Only about half the content on its homepage was narrative text, with the rest a mix of video, photos, audio, live discussion, polls, slide shows and interactive graphics.

The site was also one of only three studied to score at the high end when it came to the **depth** of the content. The site updates at least once every 20 minutes and makes significant use of the ability online to “package” news by offering myriad related stories under the lead headline — an average of 18 in our study.

Some of those stories have only tangential links to the stories they are tied to. For instance, on January 8, the site’s homepage listed the headline “Genocide Charges Against Saddam Dropped” in its “Top Stories” column. The story was bylined CBS/AP and though it was attached to a CBS News video, that video was about how Iraqis might react to a U.S. troop surge, rather than about the genocide charges against Hussein.

There is a lot of CBS video here, but the site is more than a collection of items from what it airs on its news programs. For example, 60 Minutes posts lengthy interview clips that don’t air on the Sunday night broadcast.

The network, however, has stopped short of others when it comes to showing the newscast online before it appears on TV. The site offers a live simulcast of the evening news broadcast, the first to do so. ABCNews.com, on the other hand, offers a 15-minute webcast starting at 3 p.m. CBSNews.com simply offers the potential “rundown,” or a list of stories being considered for the night’s broadcast, late in the afternoon.

In content, the CBS name still carries weight, but not to the degree of some other destinations, and CBSNews.com earned a high mid-range grade on the level of **brand** control it tried to exercise. Homepage content comes from either CBS News, sister outlets owned by the CBS Corp., or wire services. The wire service news, though, gets heavy use. The print stories on the site are largely wire or wire that has been edited by CBS (usually bylined “CBS/AP”). But perhaps because of the heavy reliance on wires, the site makes sure there are few print stories that stand alone.

The reliance on outside news, though, may grow over coming years; CBSNews.com has formed partnerships with two major content producers. First, the site joined forces with WebMD in August 2006, tapping into a growing, somewhat underrepresented market of medical news, where research shows there is considerable consumer demand. Then in October it announced a deal with Answers.com, which allows readers to get more background and information on words and phrases that are hyperlinked in news articles published on the site. But even unoriginal content is subject to staff editing, and most links inside the stories keep people inside the CBS News Web site.

The site fell at the low end of the spectrum when it came to **participation**, letting the user take part in the news, an area that news sites over all tended to underplay. Users can comment on most stories, but cannot do much beyond that. There is no way to rate the story, to e-mail the author, enter into a user-based blog or contribute original news stories. User choices are recognized through a list of the most-viewed stories of the hour, though the site does not track the most e-mailed or linked-to stories.

One noticeable aspect of the site is the large role the promotion of CBS entertainment programming plays. The

homepage page features an entire column of links to clips from that night's CBS primetime lineup. Katie Couric has a prominent spot on the page, just under the lead story and "Top Stories" column. A small mug shot of Couric sits next to five video links from the CBS broadcast as well as a link to the Couric & Co. blog, where users can watch video and post comments.

Economically, CBSNews.com demands something from its users but not as much as others, scoring in the second tier on **revenue stream**. All content is free, even in the archives. Users can register if they choose, but don't have to, What they must do instead is make their way through a number of different ads — we found an average of 18 just on the home page, many of which were self-promotions.

Ultimately, there is a lot on CBSNews.com. It is an example of a site that sees the Web's potential as a multimedia news outlet, but also as a way to win viewers for CBS.

### **Chicago Sun-Times (www.suntimes.com)**

Chicago's tabloid daily, the Sun-Times, has created an online identity that is clean, well-organized and very local, with a dash of sensationalism thrown in.

**Suntimes.com** uses a two-column layout with a white background and mostly emphasizes news from the Chicago area, particularly the print headlines. But the video links, which are played high here, are focused more on celebrity and news of the weird.

What the site emphasizes is the personality of the paper. It earned its lone top mark for branding, the level of original content and its own editorial judgment and style.

As for the rest of the inventory, it sat in the third tier on **customization**. The home page cannot be modified to personal taste. Users cannot get podcasts or a mobile version of the site. It was similarly in the third tier on **user participation**. Beyond the ability to e-mail the author, there was little opportunity for users to contribute to the site. The only other participatory option was the most controversial one, an online vote or so-called poll.

The site landed in the lowest tier in its use of **multimedia**. There were video and slide-show links on the homepage, but more space was taken up by text than on other sites. The site also fell in the last tier relative to others for **depth**. It was updated less often and offered fewer links to go deeper into topics and events.

When it came to **economics**, or the number of revenue streams, Suntimes.com fell to the bottom tier. Advertising was the only revenue stream, and the number of ads was small.

The content here was again, highly local. Other than video AP links high on the page, national and international news takes a back seat on the site. Links to those kinds of stories come only after the lead item on the page, the videos and metro and tri-state headlines.

The site's homepage on February 12, 2007, for example, led with a piece about car fatalities caused by a drunken driver in the Chicago-area community of Oswego, Ill. The feature under it asked users to "Outguess Roger Ebert's"

Oscar predictions. The film reviewer, incidentally, has his own navigational tab on the site. Then the site ran three local headlines ranging from the shooting death of an off-duty police officer to a winter storm watch. After that came two national headlines, two world headlines and two politics headlines. And that was after a big weekend for Illinois politics as Sen. Barack Obama announced his candidacy for president.

### **CNN (www.cnn.com)**

Streaming an average of 50 million news videos a month, and averaging about 24 million unique visitors a month, 6 CNN.com comes second to MSNBC among the three cable news sites in traffic.

While MSNBC has the advantage of being a partner of MSN, the leading Internet portal in the U.S., CNN benefits from its commercial relationship with Yahoo, which is the search engine for CNN and sells the advertising displayed on the site. 7 It is also working to tie together its digital media components. In October of 2006, the channel formed “CNN Events,” a division devoted to cross-media marketing that allows a marketer to buy advertising across the CNN spectrum — television, the Internet, and newscasts provided through cell phones and podcasts. 8

What impression does the site give its users? Like MSNBC, the site seems more about doing many different things than identifying itself around particular skills. Again like MSNBC, the site did not earn top marks in any one of our content categories, but scored in the mid-range for all, and earned low marks for none.

The site maintains the cable channel’s focus on up-to-the-minute information. But it also makes some effort to develop its own Web identity with less emphasis on the on-air personalities and more on user’s ability to customize the news. Beyond the top few stories, however, it also relies more often than not on outside wire copy for its headlines and its breadth.

On the homepage, the latest headlines take up the bulk of the screen view. The lead story dominates the site on the left of the screen, and is normally accompanied by three or four related stories that have some multimedia elements. On September 22, 2006 it was a story about the E. coli outbreak in spinach with links to a CNN video report on the lack of standards for spinach safety and a graphic map of states with E. coli outbreaks.

It adds new content at least every 20 minutes, with a time stamp for the latest update at the top of the homepage and time stamps at the top of each full story. The focus on continuous updates, though, seems to take priority over other depth to the news. The site averaged just four related story links to lead story and just over one for other top headlines.

The CNN name is important on the site, but as with **depth**, takes second seat to timeliness. Most headlines are wire stories, and those that come from CNN staff carry no bylines, except when stories are taken directly from the cable channel or occasionally from a sister outlet from the Time Warner family. The layout of the page is by top news and then by topic area like World, Health, Travel and Law, and the stories here are mostly AP as well. Overall, CNN.com fell in the high-mid range for the level of brand control.

Under the headlines is a list of video segments, offered again in two ways: either most popular or “best video” (though it is not entirely clear how “best” is determined). Next to that the site displays its premium video content — CNN

Pipeline. A commercial-free subscription service of streaming video content, it was launched in December 2005 and has helped to make the site more appealing. <sup>9</sup>

CNN puts noticeable effort into letting the user **customize** the material. The site scored in the mid-high range here. Users can create a customized home page. They can also choose to have the information come to them through RSS with more than 20 feeds, ranging from straight news to blogs, Podcasts (both audio and video) or even to their mobile phones (an option not yet available at even some of the higher-tech sites we examined but available on all three cable news sites).

The site's mobile content is in a section called CNN to Go, which includes news headlines, alerts on breaking news and an audio-video newscast produced specifically for the Web called "Now in the News." CNN also offers a live audio feed of CNN Radio. What's more, nearly all of the content on CNN.com is free. That includes all archives, a feature quickly fading on many Web sites. Users don't even have to register to go through content, but can if they choose. The only fee-based content is CNN Pipeline.

In an attempt to be more **interactive**, CNN launched a citizen journalism initiative in August 2006. Called "I-Report," it invites people to contribute news items for possible use on the Web and on the cable channel. On a subsidiary site called CNN Exchange, users can submit their own news reports, photos or video either on specific solicited topics or those of their own choosing. CNN editors then screen the material and decide what to publish. (CNN does not pay for the material).

The user content here stands out among news sites, but some of the more standard ways to invite user input are absent. There is no place on the homepage for users to post comments, enter live discussion, rate stories or take part in a user-dedicated blog. Even the ability to email the author is offered in only the most general capacity.

When it comes to **multimedia** components of its content, the site landed right in the middle of our ranking scale. It is still heavily based on narrative text—it made up roughly 70% of all the content on the homepage. Pre-recorded video and photography were still the most common other forms, but the site also offered live streams, slide shows and interactive polls. The lead story was almost always made into a "package" of reports offered in at least three different media formats.

When it came to **revenue** options, the site demands little of users and varies on its use of ads. The only fee-based content is on CNN Pipeline, a broadband channel providing live streaming video, video-on-demand clips and video archives. Its subscription fee is \$25 a year or \$2.95 a month. <sup>10</sup> For the rest of CNN.com, the "cost" to users is putting up with a barrage of ads. When it comes to ads, one visit to the home page displayed 19 separate ads, only 6 of which were self-promotional. But another visit had just six ads, all but one of which was non-CNN related.

### **Crooks and Liars (www.crooksandliars.com)**

The liberal blog Crooks and Liars labels itself a "virtual online magazine," but the site is ultimately a relatively straightforward Web diary of links and excerpts of other material. The element that differentiates this blog from others is its heavy use of video links. And for that material it seems to rely heavily on cable news to provide the fodder, positive and negative.



In our site inventory, Crooks and Liars scored its highest marks for **branding**, where it placed in the highest tier of the 38 sites studied. But that score is somewhat misleading. While the site does have bylined entries that included some editorial commentary (which helped its score) the majority of those entries were excerpts from other places.

Beyond that, the site didn't score highly in any of the categories measured. Even its **multimedia** score was in the third tier despite the many video links on the page. That was largely because even with those links, the page was dominated by text. Crooks and Liars also fell into the third tier for the level at which it allows users to participate, offering little beyond the ability to e-mail authors and comment on stories. There was no user blog here.

The site also scored in the third tier for **depth**. It doesn't offer much of an archive and does little to link stories together into complete packages. It also wasn't updated as often as other sites.

Crooks and Liars scored in the bottom tier on **customization**. This is essentially a static site. There is no way for users to modify the homepage. There are also no podcasts for users and no mobile version of the site.

The home page reflects one **revenue stream**, advertising, and it had a fairly high number of ads, about 12.

In content, Crooks and Liars is similar to many blogs with a political agenda. It uses print and video clips to hit at issues, politicians and personalities on the right, and uses other material to support those on the left. On March 5, for instance, one of the site's authors posted a clip of the MSNBC host Keith Olbermann's "World's Worst Wingnut Trifecta" (Newt Gingrich, Rush Limbaugh and Ann Coulter). On the same day a different author posted video of CNN's Jack Cafferty calling the recently chronicled problems at Walter Reed Hospital "a disgrace." The same post also quoted the New York Times columnist Paul Krugman as calling the Walter Reed fiasco "another Katrina."

### **Daily Kos (www.dailykos.com)**

With 20 million unique visitors monthly, Daily Kos, the liberal blog started in 2002, is one of the busiest on the Web, and the site shows it. With its orange and white color scheme and professional-looking banner, it does not look like a mom-and-pop operation. It also offers its own line of merchandise — t-shirts, sweatshirts and hats. And its founder, Markos Moulitsas Zúniga, has become something of a TV talking head, appearing on cable shows to discuss issues in the news.

In terms of format the site does the usual linking and quoting one expects on a blog, but there is more original text and commentary mixed in. Indeed, some posts are largely the author's thoughts about the topic he's discussing, with the cited material making up only a few lines. That is a big reason why the site scored in the highest tier on **branding**. This site is about the mind of Daily Kos.

Daily Kos also received high scores for user **participation**, sitting in the top tier in that category. It lets users blog, e-mail authors, add their own content and rate stories. It was the only blog we examined that scored in the top tier in this category.

The site scored lower, in the third tier, for **customization**, or the degree to which it allows users to make the site their own by customizing what they see or how it is delivered. Like most blogs, it does not offer some of the customizing

features that bigger sites do. There are no podcasts, for instance, and the site has no mobile version. Users do have the ability to modify the homepage, however.

Daily Kos also scored lower on **multimedia**, again in the third tier. It does not offer photos or audio links on the front page and only a few video links. Daily Kos is largely focused on words.

It placed in the lowest tier on **depth**. Posts were not packaged together by issue or topic, and stories didn't offer links to archived material to add context for users.

The site's heavy readership has led to a fairly strong **revenue stream**. It was in the second tier of all the sites we looked at in that area with about 15 ads on the page.

Daily Kos's approach to content varies depending on who is posting, but the site is more likely than other blogs to include extensive comments from posters. Excerpts from other outlets are often used as jumping-off points for longer, column-like entries. And the posts here, from the left side of the political spectrum tend to be more inside-politics than on other sites. There is less commentary on other commentary than there are posts about actual news. For example, many posts the week of March 5, 2007, addressed the inquiry into whether several U.S. attorneys had been forced from their positions for political reasons. The posts looked at the specifics of the case, who might be coming forward in the days ahead and what groups were filing additional ethics complaints.

### **Des Moines Register ([www.desmoinesregister.com](http://www.desmoinesregister.com))**

The Web site for the Des Moines Register bears the hallmarks of an online home that has been added to and expanded to make room for new features. Yet the content can seem to be competing with itself.

Dominating the top of the page is a DesMoinesRegister.com logo with a score of navigation buttons above and below it. The main story on the page sits in the extra-wide second column of the four column layout, with a headline and teaser text, but no picture. The space that might be used for a photo is occupied by a tabbed box that features, depending on the tab a visitor clicks, staff blogs, local news videos, photos or online extras. Under that lead story are nine more headlines, mostly local. Next to those are four ads, three of which include flash animation. And in the far-right column is a bit of a catch-all space that holds weather, a searchable calendar of local events, and a series of ads. After news at the top of the page, there is a section on sports in the middle, followed by "entertainment & life." Those sections have photos connected to their top items. On the bottom of the page are links to a variety of sites the page says are "worth a click."

Like many newspaper sites in our inventory Desmoinesregister.com earned its highest marks for **branding**, or the emphasis put on its own content and editorial standards and judgment. It scored closer to the bottom in other content areas.

The site was not particularly **customizable**, ranking in the third tier. It did not offer users the chance to modify the homepage, download podcasts or receive a mobile version. The site's text-heavy front page, 70% of which was narrative, also placed it in the third tier on use of **multimedia**. There were photos and some video links, but no other multimedia options.

It ranked in the third tier relative to other sites, too, on user **participation**. The site did not give users the ability to e-mail authors or create blogs and offered no live discussions or other options. And it ranked in the lowest tier relative for **depth**, or the use of links and other methods to give users access to background material, archival content, documents, reference sites or more.

The site did rank at the high end for **economics**. There was no fee content, but there were more than 20 advertisements on the page, over a quarter of them from local advertisers.

The content on the site is updated throughout the day and is extremely local. A visitor has to hunt through the front page to find national or international news; they are down near the bottom with headlines from the AP and USA Today. And that means the majority of the copy here is from the staff, though not all of it. Even in the lead-stories section of the site, editors are not averse to running AP copy for pieces they don't have staff to cover, though those stories, too, are from Iowa.

Many of the stories updated during the day are relatively short, some only a few graphs. But the main piece, which stays on top as the content beneath it changes, is a longer, newspaper-length piece.

Because the paper is based in Iowa, home of the nation's first presidential caucuses, it has a blog devoted to politics written by the paper's well-known political David Yepsen.

The video on the site is noteworthy because it is mostly local — everything from high school sports features to highlights from a karaoke contest — a pattern not seen on even bigger sites. Reporters off-camera ask questions of interview subjects or simply record action. There are links to USA Today video as well.

### **Digg (www.digg.com )**

Digg is democracy in action. The site, which calls itself a “user driven social content Web site,” is all about user participation. Users do more than participate — they select, create and manage the content. Indeed, with its high level of customization and user involvement, it was among the most user centric sites examined.

It works like this. A user — any user—posts new stories that appear in a simple column format. They are originally posted in chronological order, but then users rate them as stories they either “digg” (like) or don't like and want to bury further down the list. The list of stories constantly changes with new posts and rankings.

Each story has a headline, a line on who submitted the story to the site and a few lines of teaser text. Next to that a small box shows how many users “digg it” as well as a way for others to rate, blog or e-mail the story and its topic.

There is no editorial staff making decisions on the content or even determining what the page looks like. The only requirement made of users before they begin adding their input is a fairly unobtrusive registration process — choose a user name and password and submit your e-mail address.

While most of the layout is determined by the masses, users can **customize** it a bit to fit their own interests, placing the site in our top tier as one might imagine. When users register with the site and begin to “digg” and “bury” items

they are able to get a feel for other users who post things they are interested in, and over time they can make those people “friends.” They can then remake the homepage to feature posts by “friends.” RSS is also an option prominently located on the front page. A podcast tab was also available, though in beta-test at the time of the study, and mobile-phone options were absent.

Over all, Digg scored in the top tier of user **participation** as well. The entire site, after all, wouldn’t really exist without users supplying content and they ultimately control where stories end up on the page through participation.

The site, like some other citizen based sites, was largely narrative, and it scored in the lowest tier on the scale of **multimedia**. Its home page offered no audio or video links and nearly 85% of it was text.

As an aggregator, Digg also scored near the bottom, the fourth tier, in **branding**. Editors don’t really play a role here and there is no site-generated content.

Ads are limited, helping place the site in the bottom tier of **economics**. Small Google ads appearing under the header and down the right column are the only sign of revenue-producing advertisements. And in terms of **depth**, Digg was a third tier site, with frequent updates and an archive, but no story packages.

So about what kind of things do these users post? Perhaps not surprisingly, since this is an online group made up largely of early adapters, there is a heavy focus on technology. For instance, on January 11, the morning after President Bush’s major speech on his policy shift in Iraq, only one of the top 15 stories on Digg in the previous 24 hours concerned Iraq — a map showing where the U.S. armed forces casualties were from. Eight of the top 15 stories were about technology.

The top story on Digg can also look dramatically different depending on what minute a user comes by — literally. At 5:29 p.m. January 10, the top story was “A First Person Shooter in javascript?” a piece about what users can do with the program Java. At 5:30 p.m. it was “Nastiest traffic jam EVER” with a picture of lions eating a giraffe carcass on a highway in Africa.

### **The Economist (www.economist.com)**

The brand. The brand. The brand. If there is one thing that Economist.com accomplishes, it is clearly and successfully pushing the Economist brand online. Lest anyone wonder, the site is anchored in the top left corner by the signature white lettering in a red box — in this case spelling Economist.com — with a picture of the current magazine’s cover prominently beneath.

Like the magazine, the site is clean, well-organized and text-heavy. It is also, like its print sibling not heavy with pictures or graphics (there were six on a representative homepage, and four of them were quite small). Even the site’s ads, (often for petroleum companies or large blue-chip corporations) are designed without a lot of colors or jumpy graphics. 11

There is a lot of free content here, but most of the stories from the print edition are accessible only to subscribers — those who get the magazine delivered or pay a fee to access premium online content.

At the time we did an accounting of Economist.com it was in the second tier in terms of **customization**, receiving points for having a multiple-component search and several RSS feeds. It was also in the second tier on **multimedia**, due to the photos on the page several and podcast options.

Its weakest scores came in **interactivity** and **depth**, where it was in the bottom tier. A user-based blog (one where the Web editor picks a topic of the day and users are invited to sound off on it) was essentially the only way for users to participate on the site, hurting its interactivity score. And the site's twice daily updating – as a magazine site it seems less interested in being up-to-the-minute – cost it points in out depth raking.

The site was in the top tier for having a number of revenue streams, boosted by a significant number of advertising combined with the content available for a fee helped its economic score.

But it was brand that stood out. The content here all comes from the staff of the magazine. This is not a place to go to keep up with what's on the wire. Nor is there content from other publications in The Economist Group, which includes Roll Call and European Voice.

Nonetheless, Economist.com does keep a steady flow of content coming by magazine standards. The top story is new every day, as are the items in Today's Views — which includes a staff column and a Correspondents Diary (both unbylined) and Debate, a blog devoted to an interesting topic elsewhere on the Web. That is the closest economist.com gets to outside sources for news. The online pieces are short — in most cases, it appears, a bit shorter than the tightly written pieces that appear in the magazine — but they attempt the same kind of news blended with analysis for which the magazine is known.

One of the best features may be the staggering amount of data accessible here. Beyond the news and analysis pieces there are entire separate sections like the site's Cities Guide, with information about happenings in 27 cities around the world, from Atlanta to Zurich. And there are the country briefings, which look at economic and political news from countries around the world. They include recent stories from the magazine on each country and an economic forecast, a fact sheet and information on the political structure of each.

For The Economist, which prides itself on giving readers data and raw facts along with its analysis, it is yet another way to extend the brand.

### **Fox News (www.foxnews.com )**

Fox News, the star on cable, lags behind the other two cable news channels online. Its Web site has roughly a third the audience of its competitors, though it made efforts to address that lag in 2006.

In November, Roger Ailes appointed Ken LaCorte, Fox Television's Los Angeles bureau chief, to head Foxnews.com and take over all editorial and design functions. He will report directly to John Moody, vice president of news for the Fox network.

The site was revamped in September 2006 in an effort to streamline the content. It also added new interactive and delivery features. Visitors to the site can now customize it as they like and have the option of getting Fox News

headlines on their Blackberry phones and cell phones. <sup>12</sup> As a result, the Fox site now earns the highest marks for both the level of customization offered on the site and for the level of multi media offerings, and mid-range marks in all other categories. It has become somewhat more competitive, by those measures, with its rivals.

Even so, Foxnews.com still feeds off the identity and strength of the cable channel more than it embodies an identity for itself. For the most part, the site *is* the Fox News Channel. The brand promoted here are the Fox personalities rather than individual stories, to a much greater degree than CNN or MSNBC.

The top of the page is dedicated to the news headlines, but up-to-the-minute news is clearly not given the same kind of priority as at other cable news sites. It updates every half hour, but there are usually just three or four headlines, which are brief unadorned reports from wires. Each headline stands alone, sometimes with a related wire story link underneath. There is little attempt to create coverage packages with multimedia reports or backgrounders from Fox News. About a quarter of the stories we captured had been augmented somehow by staff members, whose names, unknown to most, appear on the inside (i.e. landing) page at the very bottom of the story. What's more, the page has just one overall time stamp of the latest update, rather than time stamps on each story as is common at other sites.

After top headlines and other "latest news" from the AP, the page focuses on promoting the Fox Brand with content involving Fox hosts and programs. In the upper right corner when we looked in September 2006 were Fox News videos, with a Web-exclusive interview with Senator Barack Obama. The interview was an exclusive that first aired about 10 hours earlier. That same interview also appeared as the lead item in the next section down, "Only on Fox," along with a link to a science report "Black hole won't devour Earth, scientists say." Other subsections on the page also carry the Fox name and previously aired Fox News content: Fox411, Fox Online, FNC iMag, Fox News Talk and individual program listings.

The site does emphasize the use of **multimedia** more than those of its cable rivals. Just over half of the content was text-based (primarily the wire feed stories) with heavy use of video and still photos but also some live streams, podcast items, polls and interactive graphics. In October 2006, Foxnews.com launched two new video products, collectively called "Fox News Flash." <sup>13</sup> They include two one-minute newscasts, in the morning by Fox & Friends and in the afternoon by the Fox Report with Shepard Smith. Those news segments can also be received, without any need to subscribe to the site, in the form of video podcasts.

The site also targeted mobile phone users starting in January 2007 when it launched a new service called "#FOXN," the acronym for the digits you dial to access it. It allows customers to listen to live audio of the cable channel's on-air broadcasts. The service costs \$2.99 a month and so far is available only to Cingular wireless service customers . It will also offer headlines on demand as well as a call-back service to let users know when a particular program is about to begin on the television channel. <sup>14</sup>

In promoting its **brand**, the site places little emphasis on making its users part of that identity, ranking in the low-mid tier of all 38 sites. The personalities on Foxnews.com speak to you much more than you speak to them or even to each other. The site had one of the lowest user-participation scores of any Web site in the study, offering only the most basic ability to e-mail the author of a report along with a poll on how visitors rated the Fed (related to a topic to be discussed on "Your World" later that day). Even the e-mail ability is only occasional, and the e-mail goes not to the

staff member who worked on the piece but to the nameless “editor” of that section. There is no way to post comments or rate a story, no live discussion and no user-oriented blog.

When it comes to economics, the main **revenue stream** on Fox News.com is commercial ads. Upon entering the site, Foxnews.com visitors see a lot them—on average 21 ads on the home page alone, among the highest number we encountered.

There is a news archive, at least two years of which is free to users. It includes stories from all the main sections of the site, though video components are quite spotty at this point.

All in all, Foxnews.com is the lesser-nourished sibling of the Fox News Channel. Whether attention and resources begin to even out as the online world expands remains to be seen.

### **Global Voices ([www.globalvoicesonline.org](http://www.globalvoicesonline.org) )**

Of all the Web sites we examined, **Global Voices** was in many ways the least conventional. The end result was that it scored high in several of the areas we measured. It was the only citizen media site that would fit our definition of a high achiever, a site that earned top marks in three of five content areas.

The site is non-profit, with an emphasis on relating information that the staff editors find interesting, not on providing the top news of the hour (or minute or day).

But Global Voices takes a unique four-step approach to identifying what is interesting. First, rather than searching stories from mainstream news outlets, editors cull through a vast number of blogs from around the world. The editors, who themselves are located across the globe, then decide which postings are worth passing on. Next, they add their own comments or background information to put the blog entries in context. Finally, when necessary, entries are translated into English, often by a different “language” editor.

Take, for example, January 10. In the afternoon the lead was “Philippine free press under attack.” The entry featured a lead-in by an editor noting that the Philippine press has been “one of the freest in the world” since Ferdinand Marcos was deposed, but reporting that the current first family “is harassing journalists by filing libel cases” against them. The post then ran blurbs from the Pinoy Press and the site Freedom Watch. The next post used the same approach to look at the Iraqi government’s efforts to register bloggers.

In our inventory, the site scored well, in the top tier, on **customization**. While its home page could not be modified by users, there were many RSS and podcast options available to users.

Global Voices was also one of only three sites studied to score in the top tier for **depth**. It did well because of the large number of stories it grouped together in packages and the archive it included.

The site also earned top marks for the degree to which it was offering a unique brand in which its own editorial process and judgment was emphasized. With the stories chosen by paid editors and with content that came from wholly staff, even when citing other sources, it exercised significant editorial quality control. The banner across the top

of the page pays tribute to its many authors. The page's logo and name sit next to the headshots of four bloggers, each one linking a short bio and a compilation of that blogger's work. Each post then has the link to the original blog as well as a tag-line of the Global Voices editor. And running down a side column is the list of blog authors and the number of posts each has contributed to date.

The site also scored well, in the second tier, for **user participation**. It did not offer live discussion and interactive polls, two of the more controversial elements of web participation. But it contained a good deal of opportunity for users interact. In addition to the editorial choices, user content — through a user-based blog — is a big part of this site. At the end of each piece users are invited to “Start the conversation” by posting comments, which are moderated by site editors.

The one content area where this remarkably well rounded site did not stand out is for **multimedia**. This site is about words, 95% of the content available from the home page was narrative.

The site's score for **revenue streams** placed it in the bottom tier as well – perhaps not surprising since it is a non-profit.

The strongest impression one has when visiting this site, however, is its international feel. The largest box of text is a list of countries from Afghanistan to Zimbabwe. Next to that is a thinner blue box with a list of topics ranging from Arts & Culture to Governance to History to Youth. Under that is a slim one-line search box that runs the width of the page.

Global Voices is not a site to visit to get the latest headlines or find out what the media are talking about. But it shines a bright light on issues the big media often pass by.

### **Google News (www.news.google.com )**

If you could constantly comb through thousands of news stories to cobble together a page of top news links from outlets around the world, you would be creating the front page of Google News. No person can do that, of course, but Google's computer programs can. The result is a page that is broad, deep and somewhat serendipitous. Users never know exactly what they are going to get when they visit the site – maybe the lead piece is from the New York Times and maybe it is from China's Xinhua news service – but Google's algorithms ensure that many people are reading them. That determines what stories make it to the front page.

The stories also contain lots of links to other pieces on the same topics which is the why the site scored obscenely high in our **depth** category, not only in the first tier but far and away first overall. Stories were “packaged” with hundreds of other stories to give users more links on any one topic than they probably know what to do with – though often the stories are just the same wire copy repeated in many outlets. The site was also updated frequently.

Google's news page scored fairly high on **customizability** – in the second tier. Users can modify the page, choose from multiple RSS feeds and access a mobile version of the site. There are, however, no podcasts here.

In all other areas we measured, though, the site ranked in the last tier. Its **multimedia** score was hurt by the fact there is so much text on the front page. And opportunities for user **participation** are largely nonexistent. There are no user



blogs, no ways for users to comment on stories and no polls to take part in. And, of course, the site's **branding** score was bound to be low considering everything on the site is from somewhere else.

There is essentially no **revenue stream** for the content on the page, with no ads and no fee content from Google.

The content here is from well-known outlets from across the globe and that can make for some interesting reading. On March 6 for example, the top story in the afternoon was about the just announced verdict in the Scooter Libby trial, though the account was from Prensa Latina. The second story was a New York Times piece about the Mega Millions lottery jackpot, which was at a record \$370 million. But other top pieces (running along the right side of the page) included a Business Week story about Michael Eisner's bid to buyout the baseball card maker Topps and San Jose Mercury News account of Virginia Commonwealth University defeating George Mason in men's college basketball. Users, of course, can ultimately shape the page as they want – choosing what kinds of stories they want to see on top. But visiting Google News randomly can be a lot like going by a virtual newsstand that is constantly updated. What one takes away depends on when one stops by and where one looks.

### **KING 5 TV (www.king5.com)**

The Web site of Seattle's Belo-owned local television station, KING 5, stands apart from the average local-TV Web site. Its content, unlike many other local TV sites, is highly local. There is weather, a link to a free classified section, a box, updated roughly every hour, that spotlights developing local stories or other advisories, followed by three top stories that are presented as a package with headline, brief story synopsis, picture and at least one video clip.

But that layout is not a must. KING5.com earned its highest marks for being **customizable**. A button at the top of the page, "Customize KING5.com" allows users to "choose your news," by constructing an individual news page with headlines they choose from KING5.com as well as other sites. The site also allows users to do advanced searches to find what they want on the site. And if you'd rather not come to the site, it will come to you via RSS, Podcast or even your mobile phone (a feature available on only on a handful of sites examined).

A major site redesign at the start of 2007 gave even more weight to the user. In October 2006, there was no way for the user to add their own voice—no way to comment or rate a story or even access a "most emailed" list. By February 2007, visitors who become "members" (something they are prompted to do after a few clicks on the site) are encouraged to contribute to the site's content. One of the headers along the top of the page along with "news," "weather" and "sports" is a link called "interact," and invites users to contribute photographs, engage in forums to discuss news, politics, sports and the outdoors, comment on King 5 blog entries, and contribute to the local calendar of events. With no way to directly email station staff, have a live discussion, rate a story, or see a list of the most emailed or linked to repots, there is still some room to grow. Overall, it falls in the mid-low level here for **participation**. But this is a site that is focusing more than many others on users.

The redesigned KING 5 site also increased its use of **multimedia** forms for its content, putting it in the mid-high category here. Just over half of the content on the homepage is text-based. The rest features video news clips, slide shows and interactive graphics like a two-way calendar of local events.

KING 5 does not place nearly as much emphasis as some other sites on its own **branded** material or content control.

It fell in the high mid-range of sites studied. There is a place, called “Investigators, designated to its news team’s original reporting” But these reports, primarily local in focus, appear only periodically: on January 30, 2007, the top 10 stories listed on the Investigator page were dated January 23, 2007 back to November 21, 2006. Over all, the primary source of content, for both video and narrative stories, is the Associated Press. KING 5 reporters have bylines for about half of the local news content, with the AP and other contributing sources (such as KGW.com) filling in the rest.

The site scored at the low mid level for **depth**. That, given the paucity of this characteristic in the sites studied, still ranks it better than many others. The site updates its content every hour, but again it is primarily with wire copy that does not offer many links either inside or along-side the story to provide readers with additional information.

Finally, for now anyway, visitors can use the site with little demanded of them. Registration is optional (though encouraged), all content is free including the archives and there are on an average of just five ads on the page.

### **Little Green Footballs ([www.littlegreenfootballs.com](http://www.littlegreenfootballs.com))**

Blogging from the right side of the political spectrum, Little Green Footballs has become a popular Web destination for conservatives by offering, largely, a critique of mainstream media coverage. It is of the category of blogs that focuses less on original content and more on aggregation. Much of the content is a few lines of author text tied to an excerpt or link from another online outlet. The entries are not always critical of the media, often pointing out approvingly stories the blog wants noted.

Like all the blogs we looked at in our inventory, Footballs scored highest on **branding**, landing in the top tier in that area, because its content all comes from the author of the blog, Californian Charles Johnson. Again, that is despite the fact that many of the entries on the page were largely content from other places. Even in those cases though, a few lines from the blogger usually introduced the item and put the excerpts in context.

The site didn’t score well in the other areas examined. It was in the third tier on **customization**. Though it did have a front page that users could modify, it had only one RSS feed and no podcasts or mobile version of itself available.

It sat in the bottom tier in the other areas we measured. It offers little in the way of **participation**. Users have no ways to interact with the site beyond posting user comments at the end of entries.

As for **depth**, the site offered an archive and updated fairly frequently, but it did not package links to give user a broader sense of issues.

The site was also not heavy on **multimedia**. All told, 84% of the page was made up of narrative text.

Again though, like Daily Kos, the site’s unique visitor number has helped with its **revenue streams**, where it ranked in the second tier. Though it depends on ads there were a lot of them, just under 20 on the homepage.

The content of Little Green Footballs is diverse with a strong foreign-affairs tilt. Topics can range from domestic politics to the news media, but international news has a special place here. And while the site’s view on such issues always comes from the right, one can read the site and get a fairly comprehensive view of the subjects in the news.

The first six posts on the site on the afternoon of March 6 were the verdict in the Scooter Libby case, the way the Huffington Post was blocking nasty comments about Vice President Cheney's blood clot, the story of a possible defection of a former Iranian defense minister to the U.S., the hunt for Osama bin Laden, and a visit by German bishops to Israel. Little Green Footballs is a site for those wanting a conservative look at the news of the world.

### **Los Angeles Times (www.latimes.com )**

The online home of the Los Angeles Times is best known heading into 2007 for an internal study the paper conducted that was sometimes brutally frank about its shortcomings.

Our content inventory found the site crowded with material, but still organized. **Latimes.com** may not be a clean site, but it finds a place for everything — videos, photos, blogs and, of course, text.

The site uses a four-column layout set against a white background, which helps prevent it from looking overwhelmed and cluttered. But the sheer amount of content on this page is impossible to ignore. The site tries to prominently feature as many as eight stories at the top and in the middle of the page, more than most of the sites we studied.

Framing the page down the left side is a lengthy set of navigational buttons. Over it all is the blue Latimes.com masthead, and over that in smaller is the Old English logo of the Los Angeles Times. In look, indeed, the site in some ways echoes the Washington Post in the sense of trying to create a distinct online personality that differs from the print product.

There is a lot of content on the site, and it helped Latimes.com score well in some areas of our site inventory. The site sat in the second tier on **customization** with its multiple RSS feeds and a mobile version of the site. It also gave users the chance to modify the homepage and saved those modifications for future visits. In terms of **multimedia**, it was also a second-tier site. It was not overly text-heavy and offered users many video links, but little else — no audio, live discussion or podcasts.

The ability of users to post and add content helped the site's **user participation** rating, placing it again in the second tier. It would have scored higher had it offered live discussion or other options. The site, in other words, seemed to have been constructed for more user participation. But the elements that would require staff to keep that opportunity fresh did not always materialize.

The site ranked lower, in the third tier, in another area that would require continuing attention, **depth**. That requires the kind of effort that occurs story by story, and probably involves team effort. It is also an area where most sites studied had room to grow.

Interestingly, LATimes.com also placed in the bottom tier on **economics**, or the number of revenue streams evident on the site. It offered fewer ads than most sites we examined — only six — and did not have any fee content or a fee archive. That may help explain why, according to the Times internal report, it generated less revenue for the company than other major newspaper sites.

In terms of content, Latimes.com may be based on the West Coast, but it is a national news site as well. The lead

stories tend to have a few local entries, but the biggest headlines are usually national or international in their focus, and most are staff written. Wire bylines do appear on some pieces.

On February 14, for instance, the top stories for the site were about film makers in Hollywood, North Korea's nuclear shift, the insurgency in Iraq, the Fed chairman Ben Bernanke's feelings on the economy and the disappearance of a statuette of the Maltese Falcon at a local restaurant. The Bernanke story was from the AP, the rest from the staff. The smaller "More News" headlines in the top tend to be local in nature, however, and the photos from users in "Your Scene" are usually from California locations.

Video links on the site are a mix. Some come from the local news team at KTLA, some are Times-produced and some don't have any attribution at all.

Over all, Latimes.com looks like something of a combination of Nytimes.com and Washingtonpost.com. It is a unique online entity that strives to be national in content with heavy multi-media options. But the potential in some ways seems unrealized.

### **Michelle Malkin (www.michellemalkin.com)**

The blog of the syndicated columnist Michelle Malkin is clean and understated in its look, with a white background and a column of running posts from the author. But what may stand out the most about the blog is the lack of writing on it. Malkin, who writes a weekly political column for the Creators syndicate, seems happy to use the blog as a way to stay on top of breaking news, calling attention to news that she wants noticed without writing extensively online. That's not to say there is a lack of viewpoint here. Malkin's arch and sardonic conservative voice is clearly heard, but it comes in short, quick bites.

In our inventory, the site's strength was its **branding**. It is all about Malkin, from the domain name to Malkin's picture looking over the page to each item, which is posted by her. This is the writer's online home. Michelle Malkin is the reason to go here, the brand and the appeal.

The site scored in the bottom tier in the other categories we measured. It offers users few chances to modify the site, our category called **customization**. There is an RSS feed, but no podcasts, no mobile version of the site and no way of altering the front page.

Malkin also scored low on **participation**. The site offered no way for users to interact beyond the ability to e-mail the author. Other than the picture of Malkin, the site was all text when we did our accounting, which led to a low **multimedia** score. There were no video or audio links and the page was 96% text.

And like other blogs its **depth** score was low because the site didn't package pieces together to give users context and breadth. The site also didn't update as much as others.

As for **revenue stream**, Malkin's site was also limited. There were only a few ads on the page (roughly five) and no for-fee content.

That said, the site isn't really about those categories or about generating revenue. It seems designed to give Malkin an online platform to talk about the things she wants and extend her brand online. Its content allows her to do that. For instance, in a March 6 entry about the Huffington Post's blocking users from saying cruel things about Vice President Cheney's blood clot, Malkin wrote "Huffington Post has disallowed comments on an article about VP Cheney's blood clot. The first step toward recovery..." In a March 5 post about the Walter Reed Medical Center scandal, Malkin posted a "Note to haters" in which she told people who questioned her critique "I know perfectly well that Walter Reed is not part of the VA system. Duh."

Michelle Malkin's Web site is ultimately a place for her fans and detractors to go to find out what's on her mind. On that score it is highly successful.

### **MSNBC & NBC News ([www.msnbc.com](http://www.msnbc.com))**

MSNBC.com comes across as an amalgam. As the online home of NBC, MSNBC and the weekly magazine Newsweek, the site strives to give all three their due while at the same time creating its own identity. Those efforts, however chaotic they may seem, have succeeded in building an audience.

Unlike its performance on cable TV, MSNBC's Web site (which launched simultaneously with the cable channel in 1996 as a joint venture between Microsoft and NBC) has long been one of the top three news sites on the Internet, with a monthly average of 26 million unique visitors.

What is in the brand that draws users to the site?

No one trait jumps out. In our study of 38 different news websites, MSNBC doesn't strongly emphasize any one area. Indeed, it did not earn the highest marks in any category of content. But it scored fairly well at everything and did not earn low marks anywhere, one of the few sites that can make that claim. It really was a jack of all trades.

The site is word oriented. Roughly three-quarters of the stories on the homepage are text-based. Just 12% of stories took advantage of the video produced by either MSNBC or NBC. This puts it at the mid-low range of the spectrum for **multimedia**. On the days we examined, users could at one point access a slide show or an interactive graphic, but these were few and far between. There were no live components at all.

The lead story often has a video component attached to it, but most other video offerings on the page stand apart either within a section labeled "Video" or under the header "NBC News Highlights."

A bigger draw may be the ways users can **customize** the news or add their own views, but even here the site doesn't employ as much as others, falling in the mid-high range of the sites studied. Currently, the site has focused more on making its content mobile, rather than the site itself customizable. In November 2006, the Web site began offering free video podcasts of NBC's Nightly News and Meet the Press. Earlier, in April 2006, the channel announced that a specialized, ad-supported version of the Web site would be available free on cell phones with Internet capability. MSNBC's mobile phone service (called MSNBC.com Mobile) is available on all major phone networks. Initially it was only text, photos and podcasts, with a notice on the site saying that multimedia components were expected, but with no timeline mentioned. <sup>15</sup> The new business model is seen to be a test to gauge how consumers react to advertising

on their mobile devices. There are also additional RSS options.

The home page itself, though, is less flexible. There is only a simple key word search. And users can choose homepage layout, but only for the current view. At the next visit, it's back to MSNBC's design.

How about citizen voice — web 2.0? MSNBC is not the top destination we found for users who want to be heard. There is no **user-generated** content, no user-based blogs, and no live discussion. There are a few ways to be heard. Some stories allow users to enter into an online chat. Also, users can rate a story and the results are used in a couple of different ways. First, the results for that story are posted at the bottom of the piece in a star system along with the number of ratings to date. Second, on each inside page is a list of “most popular” stories at a given moment.

As the online home of multiple news outlets (even Newsweek's own site often directs people here) it is not surprising that **brand** identity can get confusing. There is content from all of its family members—MSNBC, NBC, Newsweek—as well as the Washington Post and the wire services. In fact, wire stories make up a good portion of their top headlines. Staff editors control the content, but again, there seems to be a bit of a split over whether their mission is to promote the family names or the content itself.

The top stories of the hour command a good amount of the prime real estate. The next three sections promote reports from each of the three news outlets, followed by Web site-only content — “only on MSNBC.com.” Scrolling down the page, though, a visitor can eventually get to a list of content organized by topics in the news. The editorial staff also keeps tight control over where users go once they enter. None of the stories we examined ever contained links to outside Web sites.

Perhaps in the end, it is the **revenue** structure, or lack thereof, that attracts people to the site. MSNBC.com expanded how many ads it contained from September 2006 to February of 2007, but it still remained on the low end. In September there were just 7 ads, all of which were self-promotional. In 2007, a few more had been added, including one prominent outside ad per day and a list of “sponsored links” at the bottom of the page.

Still, the most visible ones are self-promotional and are relatively unobtrusive.

The site doesn't make up for the ad-free environment by asking users to pay. There is no fee-based content at all, not even the archive. Nor does the site demand that visitors reveal personal information; it has no registration at all.

### **New York Post ([www.nypost.com](http://www.nypost.com))**

Love it or hate it, there is little question that **nypost.com** brings the spirit of the tabloid paper to the Web, along with a great deal of the appearance.

So strong are the ties to the print edition that the homepage for the site actually looks like a tabloid paper, complete with the ruffled right side of the page where a reader would turn print pages. There is also what looks to be a rip just under the masthead, where the top stories change as virtual pages appear to be turned. The Post's familiar red and black motif is on full display and pictures dominate the page. Top stories feature very large headlines that are usually printed on top of a photo, as in the print newspaper.

If the challenge of Web for newspapers in part is that a screen is much smaller than a broadsheet, Nypost.com offers a hint of how a tabloid online can be different.

Yet after offering the contents of the paper, with some additional multi-media features, plus making use of more multimedia formats, Nypost.com does not score as highly in our systematic audit as some other sites. The only area where it earned top marks was in **branding**, or the level of original content and promotion of its own editorial standards and practices.

The New York Post's site is not very **customizable**, for instance; it ranked in the third tier of sites studied. It offered no podcasts and limited RSS feeds. Users were also unable to change the page in any way, and there was no mobile version of the site.

Nypost.com also sat in the bottom tier on **user participation**, or the degree to which visitors can contribute. There is little chance for users to get involved beyond e-mailing authors. There was no way for users to add content, no users' blog and no interactive discussions.

It was also in the bottom group in **depth**, with few stories linked as packages, fewer updates than many sites and no embedded links in stories. And with few ads on the page and no fee content, Nypost.com also placed in the bottom tier of **economics**.

In its content, the Post's Web site makes it clear that the organization believes its franchise to be "shocking" stories, "exclusive" photos and pieces about government malfeasance. All play a prominent role here.

In the three days after the death of the former Playboy model Anna Nicole Smith, for instance, the Post was still leading with a story about her and the battle over her baby. "MAD 'DADDY' IN HEIR RAID" read the headline.

Or consider the piece about how the state's comptroller failed an economics quiz given him by a Post reporter: "TESTY POL GETS 'F' IN FISCAL ED." Along with those stories, the paper's signature Page Six gossip page gets an entire section on the site with stories about movers and shakers in New York, celebrity photos and poll questions for readers. One showed pictures of the actresses Scarlett Johansson and Cameron Diaz and posed the question, "Who's Hotter?"

### **New York Times ([www.nytimes.com](http://www.nytimes.com))**

The look of the newspaper is still there, including the paper-white background and the distinctive old-English masthead. The work of the correspondents, their bylines and their reporting, still form the core attraction.

But while retaining the feel of print, the Web site of the New York Times, redesigned in 2006, is more subtly a customizable, participatory news outlet that covers the news as it happens.

Indeed, to a degree greater than for most newspaper Web sites, this really is the newspaper and more; it is the New York Times....online.

That sense begins with the page's design. Users will undoubtedly notice how wide the page is and how much

information is there. The site is one of only a few with a five-column layout, another evocation of the newspaper, which has six columns. Most Web sites are three or four columns wide.

And the sense that this is the newspaper's identity and **brand** in an online form is also reflected in the numbers from our content analysis. In our site inventory, the New York Times earns its highest mark for promoting and emphasizing its own brand and editorial control. Most of the content here, more than 75%, is from the Times staff. It promotes the bylines of its writers prominently.

Yet this is now more than a given morning's newspaper. A visitor is also struck by the frequency with which the page is updated. Times correspondents are filing the news as it breaks, and then filling in more as the day goes on. There is a sense of the news breaking, the day evolving, the page changing; small red text indicates when a story first appears on the page. The site gives the impression of being in the Times newsroom and seeing as reporters come back and start filing. Even breaking stories on the site are usually written by the staff. Wire copy does appear in this lead story area, but it is usually replaced quickly by a staff byline.

Interestingly, the site has also found a way to use blogs to rely on wire copy less, at least ostensibly. For instance, the day of Anna Nicole's Smith's death, the site quickly had the story on its front page with a staff byline under "The Lede Blog" header. When users clicked the link they were taken to a blog that largely quoted other sources. Thus the site ran wires, with the look of running staff copy.

Beyond its exceptional emphasis on the Times brand, in real time, the site offers a good deal more, though not as strikingly.

NYTimes.com also scored well — in the second-highest tier — for the degree to which it allows users to **customize** the content. It offers multiple RSS feeds and allows visitors to create their own homepage layout to greet them on each visit. It has yet to offer, though, the newer delivery mode — mobile.

The site also makes some effort to allow **participation**. Visitors can e-mail authors now, and even add their own comments to stories and to blogs. The site scored, over all, high mid-range marks here.

NYTimes.com ranked in the bottom tier, however, for **multimedia** use. That may be somewhat deceptive, partly because most of its video links are on a separate page, not featured on the home page. That, again, reflects the fact that the newspaper is the core identity here, more than the site as its own environment. Yet even though the page incorporates some video and a bit of audio and graphic work, this is still by and large a text-heavy destination.

The site also scored somewhat lower, in the third tier, for **depth**, or the extent to which stories also linked to other material, original documents, background pieces, archival material and more. That, too, reflects its character; stories written by Times correspondents are what this site is about.

When it comes to revenue streams, not surprisingly, the Times also scored highly. It features, in effect, everything that a Web site today could. It has a lot of ads — 13 on the days we examined — many of them small and unobtrusive. And it adds revenues from fees it charges for premium content.



Nytimes.com is leading example of a franchise that has decided not to create a new identity online, but to transfer the old one, enriched and modernized.

### **National Public Radio (www.npr.org)**

NPR.org is becoming something of an identity unto itself, a destination offering substantially more than just radio programs moved online. The site leads with a top story usually presented as a package with multiple links and multimedia components. That is followed by a list of other top news stories, which, once accessed, are offered as both audio and text.

Below the top stories comes a mix of news content, including a list of top e-mailed stories (updated continuously), a sidebar of news topics for further reading/listening, and Associated Press headlines.

Amid all this content is a clear sense of the NPR **brand**—a clear emphasis of this site, and a category where it got some of its highest marks. The vast majority of stories posted on the site are researched and written by NPR's staff, something it accentuates by offering bylines to most stories as well as links to the author's biography. In addition to the NPR content, the site augments its stories with a limited selection from the A.P.

The other area where NPR.org excels is in allowing users to **customize** the NPR content to their own interests or needs. Both RSS feeds ("really simple syndication") and podcasts are prominent features, situated in the upper left-hand column of the homepage. The RSS link takes users to a page where they can choose to receive particular categories of news feeds (e.g., opinion), specific programs (e.g., Morning Edition), topics (e.g., children's health), or particular member-station feeds (e.g., KQED in San Francisco). All in all, there are 52 categorical RSS feeds and 19 member station feeds. Another feature extensively employed on the NPR site is podcasts. The podcast link from the homepage takes the user to an extensive directory of podcasts organized by "this week's picks," topic, title and by station provider. As of February of 2007, though, the site had yet to embrace the latest trend of mobile phone delivery.

NPR.org was in the mid-level range when it came to use of **multimedia** forms. Audio features were prominent, with some live streaming options, podcasts and other MP3 downloads. These are supplements, though, to the more common text and photo elements on the home page. And, the site did not offer video content.

Clicking further inside the site, however, reveals more of a multimedia feel. Once users click on a story headline from the main page, they are taken to the transcript of the story (or a synopsis) and are then presented with the choice to read or listen to the story. Indeed, NPR.org stands out in offering about 85% of its content simultaneously as textual narrative and audio streams or podcasts.

A big question facing all online entities is one of **economics**. NPR.org hosted only two advertisements on its home page, one self-promotional, the other a PBS logo. Still, it does find a way to draw in some revenue. The site charges users for some archive material: \$3.95 for a single archived transcript, or \$12.95 for a monthly subscription to the archive (up to 10 transcripts).

## OhmyNews International (English.ohmynews.com)

Lying somewhere between globalvoices.com and digg.com, **OhmyNews International** is a hybrid of citizen journalism and news editing. As with Digg, all the content comes from users, in the format of news stories rather than blog entries. There is also a heavy emphasis on narrative text. But, as with Global Voices, the editorial staff plays a heavy role in the internationally focused content. The approach in the end gives users a lot of ways to contribute and be heard but with strong brand identification.

The site itself is based in Korea, though the international version is posted in English. Although the content all comes from users, the site is far from an open forum or a clearinghouse for stream of consciousness. Potential reporters and writers must apply and accept the conditions laid out by the site, and if “hired” are paid for their work.

The process of submitting reports operates a lot like that at more traditional news outlets. There is a heavy editing process that instills a uniform style, which in the end reads a lot like a straight news or analysis piece. The contributors here are hybrids — edited citizens.

The diverse mix of largely international topics speaks to the individual interests of the citizen journalists who filed them. Stories come from around the world. On the afternoon of January 11, the lead item on the page was Part 3 of a series on the “History of French Nuclear Tests in the Pacific.” The next piece was a story on women in Africa using cell phones and the growth of mobile technology there. It was followed by a story about a Japanese politician visiting Pyongyang.

In addition to the stories themselves, the editors use a fair amount of the homepage to highlight certain features or help visitors find what interests them most. Next to the lead stories is a slimmer column with content the site is emphasizing in some way — special-report sections, podcasts, pieces on citizen journalism and a list of that week’s “Featured Writers.” And on the right is a map of the world showing the areas generating the most media attention, more featured-site links and headlines from the International Tribune.

Farther down are headlines arranged by topic area — Korea (the site’s home), World, Technology, Art & Life, etc., and finally a list of the most recent posts to the site.

As such, OhmyNews International sat in the top tier on **branding**. There is no wire copy on this site and the home page decisions are made by staff, not computers. What the site offers, instead, is branded controlled citizen journalism. If the number of citizen journalists posting to OhmyNews International continues to grow, one would expect the topics and regions covered to grow as well.

Thus, while the site may currently be the home of various bits of international news that have fallen through the cracks of mainstream journalism, it may be something very different in six months or a year

The site scored fairly well on user **customization**, in the second tier. It was helped by offering multiple RSS and podcast options high on the page. Visitors could not, however, remake their own homepage or get a mobile version of the site. As with Digg and Global Voices, **multimedia** was less of a focus, it placed in the last tier in that area. There was no video and no live streaming audio and, while the site is made up of content from citizen journalists, no blogs per se.

The site scored highly, in the second tier, on **user participation**. The site, obviously, has a lot of user content. It did not, however, accommodate live discussions, or the use of online votes.

The site did poorly in the rankings for **depth** and **economics**. Its depth score was hurt by not updating as often as other sites and not packaging stories together. And ads are largely non-existent on OhmyNews International. From its base in Korea it has a variety of Korean corporate “partners,” most notably Samsung, but there are no real ads on the homepage and the only ones on interior pages are Google ads.

### **The Online NewsHour (<http://www.pbs.org/newshour>)**

The online home for the NewsHour is a lot like the program itself – it is focused on a few topics and doesn’t overwhelm the user with charts, graphs or information. A calm and deliberate site, the Online NewsHour uses a two- or three-column format to offer stories from the previous night’s program. Pieces are available in text, audio or video format. The name of this Web site sums it up fairly well. It’s an online version of the program.

In our site inventory, the Online NewsHour scored highest, in the top tier, in **branding**. This content comes completely from the program. The site does not rely on the wires or other outlets for news and it is put together by a human editor, not a computer program.

The site also ranked fairly high on **customization**, in the second tier. There was no way for a user to modify the front page, but there were a large number of RSS feeds and podcasts available to customize content delivery. The site also achieved a second-tier ranking in **multimedia**. It was relatively light on content overall, and almost all of what was there had audio and video links attached.

The Online NewsHour sat in the bottom tier of all the sites we examined for user **participation** and **depth**. Other than through occasional email addresses alongside the reporter’s byline, there was essentially no way for a user to interact with the site. And its depth score was hurt because it isn’t updated often and doesn’t offer embedded links in most stories.

As one might expect with a public TV site, the Online NewsHour doesn’t have a strong **revenue stream**, but it was in the third tier – not the bottom one – with eight ads on its home page.

As for the site’s content, it is largely repurposed NewsHour items, offered in multiple forms and with a few added features. Along with the audio and video links, there are links to past stories and external links to sites of interest. For instance the lead piece on January 9th was a transcript from the January 8th show, but it also included maps, lists of “key players” and a timeline among other things.

NewsHour is definitely not a site to visit if a user is looking for the latest news on a large variety of topics, but for focused coverage on a few – usually very current – topics, it offers a lot.

### **Reuters News Service ([www.reuters.com](http://www.reuters.com) )**

Like 19 th century wire service of its name, the main thrust of the Reuters web site is the latest news headlines. The

page is filled with news reports across a wealth of categories— U.S., international, Investing, business, science, and many more. As the wire service is known for, the reports themselves are unadorned, focused primarily on articulating the information at hand. A few key features though—one of which is it being open to the public—moves the Web site beyond the image of the age-old wire service.

Overall the site scored in the highest tier in only one area—editorial branding—and the lowest in four.

With staff reporters spread throughout the world, Reuters has no trouble filling its vast pages with original, bylined content, giving it the highest score possible for editorial control and **branding**. Branding here does not imply voice, but conveys the more traditional sense of original content and strict editorial practices. The bylines are clearly there for added authority and accountability rather than to feature the voice of staffers.

For a news outlet that was never before even available to the general public, Reuters places a good amount of emphasis on allowing the public to make the web offering their own—**customization**. Users can create their own home page structure to greet them each time they return, can subscribe to multiple RSS feeds and have news delivered to the mobile phone. The ability to search their vast array of content is more limited, with only a simple key word option and for now anyway, the site had skipped over the podcast phenomenon.

User **participation** and **multimedia use** appear to be not so highly emphasized. Beyond the ability to email the author of a news story, users must keep their views to themselves. When it comes to story forms, Reuters has initiated quite a strong video news service with many stories offered both as narrative and video reports. Other media forms, like live streams, Q & A's and user polls are left for other sites.

The site also fails to take advantage of the potential **depth** of news stories. Though constantly updated, the site does not embed links into the news reports and often does little to try to link stories together.

For **revenue**, the site at this point relies more on advertising than on direct user fees. The site averaged 7 different ads on the home page with all content and archive material a free service for visitors.

### **Salon.com (www.salon.com)**

Salon.com has often been thought of as Slate's less affluent and smaller sibling — it was launched at roughly the same time, 1995, also as a Web-only magazine. **Salon.com** in 2006-07 is an attempt to carve out a niche as a place where “you'll directly support independent journalism,” the site says. The result is something akin to an online version of Mother Jones, much more predictably liberal than Slate, with a few dashes of pop culture and sports thrown in.

It also differed in the scores it earned. The site stood out for promoting its own branded content, where it earned top marks. In every other category, Salon by our metrics earned mostly low-mid range scores.

Upon reading the content, the **brand** becomes quickly evident. Reports generally feature a first-person voice. Politics is a mainstay, but there is also a lot of culture as well. And often the two come together, such as the January 22 review of movies at the Sundance Film Festival. “You can start out a weekend at Sundance, as I did, irritated by all the minor inconveniences of this place,” the review began, “and end it as I also did, sitting in a roomful of strangers

weeping at an impromptu late-night speech delivered live by Dick Gephardt.”

Also striking is the number of ways Salon.com aims at raising revenue. There are five outside ads on the site, split between two advertisers and a prominent advertisement for joining Salon Premium for \$35 a year. That membership gives users access to Salon.com’s discussion forums and the ability to skip ads on the page as well as some benefits that have nothing to do with Salon — subscriptions to Wired and The Week. Despite this, the site was in the third tier of our **revenue streams** category in part because it didn’t feature many ads – only eight.

The site had been redone between the time of our inventory, October, and the New Year, and had added podcasts and video to its homepage. It did not score highly in most categories in our examination, however.

It was in the third tier in terms of **customizability**. Users could not modify the home page and there was no mobile version of the site available – though the site would have ranked somewhat higher after its additions. The same could be said about its **multimedia** ranking, where it was in the bottom tier. The big video link now on the front page would have lifted that score as well.

Its score for the level of user **participation**, also in the third tier, was unchanged though. There are live discussions and users can email story authors, but the site does not include user content or things like polls. Its third-tier **depth** score also would have been the same. The site’s relatively infrequent updates – three a day – helped keep the figure low.

### **San Francisco Bay Guardian (www.sfbg.com)**

The San Francisco Bay Guardian is one of two alternative weekly newspapers in San Francisco, and one of the few papers in the country that is still independently owned. Like most “alt-weeklies,” it is known for its local investigative pieces and extensive entertainment listings. Its online version is pretty much the same thing—literally. All of the reported pieces come straight from the current week’s print edition. The web specific content comes in two forms. A right-hand column highlights (in red-text that often runs together) a list of daily “picks”—cultural events about town. Second, a block in the upper left-hand column offers five blogs. The blogs—one on music, arts and culture, politics, San Francisco and a featured blog by Bruce Bergmann—provide more recent musings than those in the print edition, but are not nearly as active as some. On the days we studied, the most recent postings on most of the blogs were four days old.

As a site that mostly proffers its print-work along with city calendar listings, it scores low in most areas of Web potential. Its highest ranking, not surprisingly, is in the **editorial brand**. The work is all by SFBG staff. The report’s byline is often not only attached to the story, but featured on the home page along with the headline. Voice is clearly a main thrust of the site.

It welcomes visits but doesn’t do much to compete with other online options. The ability to email authors and post comments to stories or blog posting gives the site a few marks for **user participation**, but there are no options beyond that, keeping it in the low to mid tier in this category. **Customization** is even scarcer with a simple key word search as the only way users can take control of the headlines they see. How about **multimedia**? Suffice it to say in our study we found 95% of the content to be straight narrative. The other 4% was still photos.

When it comes to **revenue streams**, the site has spent some energy placing ads—an average of 8—prominently on the home page. If you don't mind wading through these, the rest of the content is available for free. Registration is optional and all past editions of the paper (and website version) are available free of charge.

### **Slate (www.slate.com)**

Though it is one of the pioneers in the world of Web journalism, most Americans who regularly visit the Internet for news are probably at least aware of **Slate**, the online magazine founded in 1996 by Microsoft and run initially by Michael Kinsley, the highly regarded editor who helped revive the New Republic in the 1980s. Since it began, Slate has gone through several redesigns, a change in editors and a change in owners.

Through it all it has retained a distinctive look, feel and approach. Of all the sites examined, Slate probably uses visuals the most prominently — almost in place of headlines.

In our content analysis, Slate might be called the site that offers Its Brand, Your Way. The site clearly is offering a team of writers and commentators, with a high degree of editorial quality control. But, it also stood out for the level of customization allowed. It was one of the few sites studied, along with NPR, to stand out for that particular combination.

The opening screen features several prominent photos or cartoons, each linking to a story or feature. There is text on the page, but the pictures dominate. The lead piece in the center of the page, twice as wide as any other column, is anchored by a photo. The headline for the piece even runs within the picture, and there is no teaser text. Under that lead item are five smaller items lined up in a row, each with a small photo and a headline.

Slate may be owned by the Washington Post and have an affiliation NPR, but its content is its own. There are no links to pieces from the Post or the wires on the homepage to give users the latest stories. From the beginning the site has taken great pride in its editorial voice — usually “smart” and often counterintuitive. The pieces rarely stress reporting, but rather about offering different views on topics in the news. On January 19, for instance, the lead article for the site was “How the Camera Phone Changed the World — For the Worse.” The piece recounted the rise of the camera phone's prominence in news events, such as Saddam Hussein's hanging. “A camera on a phone has only aided the perverted, the nosy, the violent, and the bored,” the piece opined. As such, it scored at the very top of the sites studied for **branded** control of its content.

It earned its high marks for **customization** with multiple RSS and podcast options featured prominently. Mobile phone delivery was also available back in September; a feature found only on a few of the sites studied.

The site also put notable emphasis on allowing users to **participate**. They were welcomed to comment on stories. There were links to most-read and most-e-mailed stories and there were ways to e-mail the authors of stories.

After quality narrative and giving users a lot of room to participate and customize the site, Slate became more typical.

Even with the heavy use of photos, the site scored in the bottom tier for **multimedia** potential. On the days monitored, 85% of the content on the front page linked to narrative text only. There is some presence of video, slide shows and

interactive graphics, but despite a partnership with National Public Radio there were few audio links.

It also is not doing much to exploit the potential of the web for **depth**. Its score there was hurt by updating less often than other sites and by not packaging related stories together.

When it came to the level of **revenue streams** evident on the site, Slate scored in the low mid range, second from the bottom. It boasts relatively few ads and its experiment with paid subscriptions was abandoned some years ago.

Slate has grown immensely, adding new features and blogs in its 10 years, and is climbing the ranks of most-visited sites. And in an age when people are pointing to multimedia as the Web's next wave, Slate seems happy to stake its position as the Web's version of the New Yorker — relying heavily on writing but minus the heavy reporting, of course.

### **Time (www.time.com)**

At the start of 2007, Time revamped and re-launched its Web site. It added new features, limited its color palette and cleaned up a site that was fairly cluttered. The new site is more organized and simpler without being sparse. It looks and feels more like the online home of a new Web outlet than it did before and less an online parking space for the magazine.

Still, some of what we found on the site in October still held true in January. For instance, the first thing a visitor is likely to notice is that Time is not alone here. Signs of its partnership with CNN — another news outlet owned by Time/Warner — appear in the header. But there is more brand differentiation now than before. In the earlier incarnation, the site offered “The Latest Headlines from CNN.” That has been replaced by “Latest Headlines,” which lists 10 news items from a variety of sources, CNN among them.

The new Time.com is also an environment more distinct than before from the print magazine. The image of the current week's magazine cover, for instance, is pushed further down on the page, rather than appearing in the top right hand corner.

One thing the old and new sites have very much in common, however, is that everything here is still free.

Visually, the new Time.com uses a cleaner three-column format as opposed to the four-column approach it used to have. And while the old site had pictures scattered all over it, the new one features only a changing slide-show picture, with an ad on the right side and a row of three photos in the section below. The layout is modular.

The old cluttered Time.com was not without its advantages. It was one of the more **customizable** Web sites, finishing in the top tier in part because it offered several different RSS feeds, podcasts and a mobile version of itself. It also finished in the top tier for **branding**, using human editors to make decisions about layout (rather than computer programs) and using bylines on staff copy. The site also relied heavily on its staff for lead stories — more than 75% of its lead pieces carried staff bylines.

It scored lower, in the third tier, in **depth**. Its score was hurt by offering fewer updates than other sites (something true of most magazine sites) and not using embedded links to take readers further into a subject

Time put even less emphasis on **multi media** (it finished in the bottom tier). This is a text based Web site. It also earned the lowest marks for user **participation**. It offered users little in the way of communicating or reacting, not even the opportunity to send emails to authors.

Time also does not have a significant number of **revenue streams** on the site at this point. It did not have many ads – eight – and it did not charge for any content.

The new Time.com seems to place less emphasis on allowing users to customize it — it certainly highlights customization less—and is more focused on presenting users with a clean, uncluttered first view of the page. It still has multiple RSS feeds and podcasts, and a link to get a mobile version of the site, but those links are at the bottom.

On the other hand, blogs have multiplied. Andrew Sullivan’s Daily Dish is still here (though Sullivan announced that his blog was moving to Atlantic.com), and it has been augmented with blogs about Washington (Swampland), The Middle East and entertainment (Tuned In). The site also added a column called “The Ag,” which stands for aggregator, which talks about what’s news in other media.

Interestingly, the redesign actually left the site with fewer ads. There were a total of four in September, placing it in the bottom 10 of the sites we looked at. But there were only two in January and they were coordinated for the same product — Bentley College. That approach, also taken by Economist.com, makes the ads feel more like an integrated part of the page and less noisy.

The strength of Time.com is its willingness to reach beyond its own pages for content. There is a lot here. The 10 stories in the “Latest Headlines” box are usually wire copy, but they do at least offer users a link to major breaking news. And such fare as Andrew Sullivan’s blog not only brings more outside content to the page, its teaser text can definitely bring a different flavor, as it did on December 9, 2006: “If the Democrats have the balls to restore our constitutional order I may have to stop being an independent for awhile.” Not exactly journalism in the tradition of Henry Luce.

Perhaps most interesting, the new Time.com does not make a point of offering content from the magazine. The daily stories from Time’s staff, on the page’s top left, are often shorter than magazine stories and feature either a different tone or some exclusive tidbit, and Time.com clearly differentiates between them and the stories on the rest of the site. And articles from the actual magazine are hidden down the page under the image of that week’s cover. Users have to click the image to get to those pieces.

It all amounts to a step toward a Web environment that is more than the magazine, with plenty of short items and Web-only content. That is what Time promised in the summer of 2006 when it said it was going to turn to the Web more and more, particularly on breaking news.

### **Topix.net (www.topix.net)**

The first thing a user probably notices at **Topix.net** is the breadth of information available. The site does not generate content, but is an aggregator plain and simple. It draws from thousands of outlets ranging from U.S. newspapers to wires to foreign news sites.



That diverse mix is evident from the headlines that fill the homepage. The top nine may feature nine different news outlets from nine different countries. Under those are three headlines from your home area — something the site automatically identifies when you arrive.

Still, the site scored in the lowest tier of sites for depth, or making use of the potential of the web to go deep into a topic. Its rating here was hurt by the fact that it offered no archive and stories on the site existed as separate items, with nothing connecting related content together.

Topix.net scored somewhat higher, in the low-mid range, for **customization**. The site had strengths in that area — users, for instance, can further customize the local news section by choosing from a list of 30,000 different U.S. cities. And if a user changes his or her home location, the site remembers it. Other kinds of customization found on other sites, however, were absent here. There was just a single RSS feeds and at the time of the study, there were no podcasts or mobile phone delivery options.

The site puts somewhat more emphasis on allowing users to participate in the site. It scored in the second tier here. The page's entire right column is reserved for readers' comments, with a list of topics and the number of comments posted under each. Every headline also has a similar place for feedback.

As one might imagine with an aggregator site, the **branding** score for topix.com placed it in the bottom tier, with no content coming directly from the site and a computer program selecting the stories that appear on the front page.

Nor is Topix oriented to **multimedia**. It earned low marks in that category. Its home page was mostly text with roughly 90% of it being narrative. There were also no audio or video links.

The site also scored in the bottom tier for the level of revenue streams to the site. There was no paid content here and few ads.

That limited number of ads, though, helped with Topix.net's clean-feeling front page. Ads are limited to the far right of the screen, after the user comment column. Here, too, localizing comes into play — the ads are local ones from Google about everything from cars to jobs to court records.

Unlike other aggregators, such as Google, Topix doesn't change the top news headlines all that frequently. While there is no human editor on the site (its headlines are selected by a computer program), the program operates at a little slower pace than others. At noon on January 10, 2007, its lead story was about the possible of the chief of Al Qaeda in Somalia had been up for seven hours. Other "latest" stories had been there six hours, 10 hours and 13 hours. In other words, the stories that show up on the homepage are not just the latest wire copy. That can have the virtue of not piling the most recent story on top when it's not necessarily the most important.

### **USA Today ([www.usatoday.com](http://www.usatoday.com))**

As this report went to press, the Web site for USA Today underwent an extensive redesign. The redesign took steps to advance in several of the categories that we identified. It now offers more video and other multimedia components. It also facilitates more of an online community by allowing users to contribute their voice to the site and tailor it to their

needs.

The study of the site—and this analysis—was performed in February of 2007, before these changes.

The Web site for USA Today carries over a lot of the newspaper's look and feel. The blue USA Today header box is on the site as are the color-coded section names, a red box around Sports, a green one around Money, and so on. Other than a flash picture slide show on the top right of the screen **usatoday.com** feels a lot like USA Today online.

The site also has carried over the simple, modular layout of the newspaper. It essentially features a two-column layout, fewer than many of the newspaper sites we visited, that keeps things fairly simple. There is a lead story with a photo just under the masthead on the left and next to it on the right is a list of six headlines, some with supporting material like photos and analyses and others without, and no teaser text.

But the impression that this is the newspaper in another platform is not entirely accurate. Indeed, this is one of the few newspapers that did not earn top marks for **branding**, or promoting its own content and editorial control. It scored in the second tier. To stay immediate, it relies heavily on wire copy.

Indeed, in our sit inventory, USAToday.com didn't particularly stand out in any area. In our loose groupings, it was Jack of All Trades.

The site ranked in the second-tier on **customization** partly because of the large number of podcasts and RSS feeds available. That rating was also helped by giving users the chance to modify the home page. But the site is not as mobile as some others and offers no podcasts.

USAToday.com was also a second-tier finisher on **multimedia**. The site is not particularly text heavy; photos made up a larger percentage of the space. But there were no large audio or video components, and limited offerings, relative to other sites studied, in the way of video or audio links.

The site fell in the lowest tier relative to others when it came to the level of user participation. There was no chance for users to add content, no live discussions, and few chances to even e-mail authors.

And the site scored in the third tier for **depth**, the degree to which it linked stories in packages, or went deeper with paths to relevant archives, background, documents, interview transcripts and so on.

USAToday.com fell toward the middle in terms of the number of revenue streams on the site. There 13 ads on the page. The site does not charge for content, even its archive.

Unlike the paper, which publishes Monday through Friday, the site is always adding material, even on weekends, though it relies heavily on wire services to do that.

Staff people do sometimes contribute as news breaks, but much of the material comes from the Associated Press. Even in its lead positions the site is comfortable using wire copy.

On the afternoon of February 11, for example, six of the seven stories in the lead area were from the AP. That is

particularly interesting since the site is owned by Gannett and could, in theory anyway, stock its page with stories from the papers the company runs around the country. The newspaper does pull stories from other Gannett papers at times.

### **Washington Post (www.washingtonpost.com)**

In contrast with some sites, particularly that of the New York Times, the Washington Post has gone out of its way to create a different identity on the Web from the one it has in print. The Web identity is high-tech and defined by multimedia and the ability of users to customize the site as their own.

The traditional logo of the paper is small and off to the side. The dominant masthead is the two-toned **washingtonpost.com** logo in black and red, which of course we do not see in print. The layout is a clean, three-column format, unlike the paper product.

In our content analysis, Washingtonpost.com scored highly in more categories than almost any other site examined. It was one of only two sites of the 38 studied, indeed, not to earn low marks in any category. And it was one of only four to earn the highest marks in three of our five content categories — in our loose groupings, one of four High Achievers.

The site earned top marks for **branding**, or the degree of original content and editorial control. More than 75% of the content was staff written.

Yet the site also earned top marks in our content audit for **customization**. Visitors could create their own page layouts, subscribe to content through multiple and highly promoted RSS feeds, and arrange to receive a mobile version of the site.

And it was also a top-tier site for its use **multimedia** formats. A visitor is more likely than on most sites to find video, photo and Q&A links on the homepage. Live chats with Post staff members and newsmakers are featured prominently. All this also meant that the amount of plain text was smaller than on other sites. This destination is about more than reading stories.

The site earned second-tier marks for the level of user **participation**. That, however, still put it in the upper half of all the sites studied in a category where only three sites earned top marks.

The site was a high-scorer on **economics**, landing in the top tier with somewhere between 15 and 18 ads usually on the homepage. That includes advertisements for site features and logos of sister sites like Newsweek, Slate and MSNBC.

Washingtonpost.com earned its lowest marks for **depth**, in the third tier. That meant the site did not embed a lot of links in and around stories for people to go deeper, to background, documents, full text of interviews and various other options, including easy access to archives.

To some extent, given the nearly infinite set of options the Web offers that may reflect the fact that depth and immediacy are hard to balance. The content here starts out in the morning, as most newspaper sites do, with stories

from the print paper, and throughout the day the site is updated to add new material.

The overwhelming majority of the stories, upwards of 90%, feature staff bylines. But washingtonpost.com is not afraid to run wire copy, particularly in sidebar stories that provide supplementary information around staff-written lead pieces. And the site takes great pains to include a lot of supplementary copy to go along with its featured pieces, including links to photo presentations, staff Q&As and interactive graphics. Generally, each featured story has at least two extra sidebar links.

Washingtonpost.com is a site that takes advantage of much of what the Web has to offer, adding a lot of interactivity to expand the paper's identity beyond its print franchise of heavy coverage of the federal government.

### **The Week ([www.theweekmagazine.com](http://www.theweekmagazine.com))**

The online home for The Week, [www.theweekmagazine.com](http://www.theweekmagazine.com), can best be described as exactly that — a place for the online versions of the content that appears in the print title. It is a sparse environment, and appears by and large to be an afterthought.

Its narrow, three-column format is evocative of a magazine page and fills only about half the screen. Only the wider middle column holds real content, which is labeled “In the Magazine...” and features a large photo. The narrow left column is saved for navigation. The current week's cover image is displayed prominently in the narrow right-hand column (it links to a page where users can subscribe to the print version) and is followed down the page by ads. Users coming to the site are greeted by only three images and three story links on their first screen.

All told, there are 24 links directly to stories on the page, an extremely low number among the sites we examined.

There is no place for breaking news and no attempt at posting daily staff-written content.

In fairness, The Week's format, which involves giving a weekly summary of news accounts from around the nation and world, may not really be suited to the Web. First, publishing more often online goes against The Week's *raison d'être*: the premise that people are overloaded with information and need a simple, short synopsis of events that they can carry with them. Second, if one wants a quick look at what's going on in the world from several sources while online, online aggregators already offer many such services.

But that limited approach is ending. The magazine has announced it will soon launch a new Web site that will do on a daily basis what the title does every week — condense news from around the nation and world.

Looking at the rankings in our site inventory, The Week was not a big winner in much of anything. It scored well in one category, **branding**, where it was in the top tier because editors choose what content goes on the page and all of it is generated in-house — though it must be noted the content consists of summarize stories from other outlets.

In all other categories, the site was in the bottom tier. There were, in essence, no opportunities for **customization**.<sup>16</sup> The page's only **multimedia** only components were the photos it ran. There were none of the **participation** options (user blogs, author email addresses, live chats) we looked for on the site. The site was not updated during the day (in

fact only once a week, at the time of our inventory) which hurt its **depth** score. And the site had few ads – only six – and no fee content which placed it near the bottom in **revenue streams**.

While many people look at The Week as the print version of a Web aggregator, its Web presence pays little or no heed to the capabilities of the Internet or the on-line world's 24-hour news cycle. It is the new-media home of a very old-media approach.

### **WTOP Radio (www.wtop.com)**

Washington-based WTOP represents an entirely different look at radio online, one which is simultaneously local and national in scope. The homepage features an obvious lead story; an invitation to visitors to listen to WTOP radio news; weather and traffic information for the day; and a prominently featured local news section. Advertisements also have a heavy presence.

WTOP.com ranks in the top tier for offering **customizable** options. Users can subscribe to both RSS feeds and podcasts, and its RSS feeds are relatively varied (totaling 12 different feeds, all of which are different categories of news). WTOP also goes further than NPR in providing on-demand listening options: visitors can sign up for content delivery (headlines, weather, traffic and breaking news) to their mobile phones.

WTOP.com is still largely about narrative text (it makes up close to three-quarters of the content with still photos the second-most common form). Still, it did make some effort at **multimedia** forms (falling in the mid-level range of all sites studied) with some presence of video stories, slideshows, interactive graphics and yes, live streaming audio. *Listening* makes up only a small though prominent part of the Web site's homepage with a section called "Audio Center" that is devoted to live streaming of the WTOP radio station content.

The site puts less emphasis on its own original **branded** content, relying mostly on the A.P. The heavy use on wires reflects the larger reality of radio today — even in Washington, D.C., national and international news comes heavily from sources other than the station itself. And even for local stories, only some had WTOP staff bylines; most came from the A.P., along with a few contributions from the Washington Post.

Economically, WTOP seems to emphasize **revenue streams** from its Web site, as opposed to simply leaning on its radio station for cash-flow. It averaged close to 20 different ads on its home page, only one of which was self-promotional. Ad eyeballs, it seems, are the way users pay for use of the site. All the content is free and there no registration is necessary.

### **Yahoo News (www.news.yahoo.com )**

At first glance the news page for Yahoo.com looks a lot like a dumping ground for the newswires, particularly the AP. The top stories are all wire, as are the pieces in the secondary "More Stories" area. But look a little closer and there is more going on here on this site. There is video from a number of sources, including CNN and ABC News. And further down the page there are tabs to look at headlines from a number of sources including NPR, USA Today, the Christian Science Monitor, Congressional Quarterly, Business Week, Fashion Wire Daily and the Sporting News. Outlets specializing in specific topics are grouped under their topics headers – like Business, Entertainment, Travel and

Sports. The site is a mix of approaches seen on other aggregator sites. The news here makes a comprehensive “newspaper” like page, but news is segregated by outlet.

In our site inventory, Yahoo’s news page didn’t really stand out in one category. It scored fairly well on **customization**, ranking in the second tier. Users could modify the page considerably and the site remembered the changes they made on subsequent visits. There were multiple RSS feeds and an advanced search option. But the site didn’t offer podcasts on its page or a mobile version.

It was also a second-tier site when it came to user **participation**. It offered a link to a page with user content, let users rate stories and offered most viewed and most emailed story lists. But there was no user blog, live discussions or polls.

Yahoo News scored lower on **branding**, in the third tier. It was hurt by the fact that it simply pulls material from other places, but the site’s human editors gave its score a lift. It also scored in third tier on **depth**, hurt by the limited number of stories it linked into packages. And it was in the bottom tier on **multimedia**. There are some video links here, but no audio and the page is dominated by text.

Its **revenue stream** also scored fairly low, in the third tier, with only eight ads on the page.

The strength of Yahoo News’s content is that it is always fresh. The site is put together by real people, not a computer program, and they apparently comb the news all day long looking to make updates. So at one point on March 7 the lead story was an AP account of an airliner that overshot a runway in Indonesia and a few minutes later it was a Reuters story about civil strife in Iraq. Users of the site, in other words, are not likely to miss the big stories of the day with human editors constantly updating the news. But if there is a drawback it is that those lead stories are wire stories – long on facts, but often done as the news breaks and short on context.

[Click here to view footnotes for this section.](#)

The Testing Ground is a Flash-based interactive feature that allows users to analyze and compare news websites.

**Click here** to open this feature in a separate window. (Takes a few moments to load).

## Site Profiles

### Site Profiles

#### **ABC News (www.abcnews.com)**

The Web site of ABC News was redesigned in late 2004.

A new site is expected later this year, perhaps as soon as spring.

But until it arrives, the Web identity of ABC News reflects the strategic thinking of the network for the last two years.

ABC's Web team paid particular attention to the most popular television Web sites, CNN.com and MSNBC.com, and sought to "broaden its online initiatives past the familiar narrowband Web," according to one of the key designers, Mike Davidson.

The designers built in more video, developed more wireless initiatives, and began offering RSS feeds. The site also launched ABCNewsNow, which it claimed was the globe's first 24-hour online video feed. <sup>1</sup>

An analysis of ABCNews.com also suggests that the site places the greatest emphasis on using multiple forms of digital content, and at the same time, promoting the ABC brand. Indeed it stands out as the only site among the 38 studied to earn the highest scores on **multimedia** and **branding** but on nothing else.

The site puts less emphasis on the **depth** of its content, it was in the bottom tier in that category.

One of the most noticeable things about ABCNews.com is its layout. Its three-column format is set against a white background with one dominant photo — a slide-show image that cycles through five top stories — as well as a list of headlines. All of that lets the viewer know there is a lot available without seeming overwhelming.

The key to the site's information-rich-but-clean-to-the-eye look may be the simple color scheme. The site is basically black and white and blue all over, with small red callouts for "video" or "webcast." That's important on a site where the first screen offers 16 clickable news links and headlines.

As with ABCNews.com, only half the content is narrative. A mix of six other media forms make up the rest of the content, putting it in the highest tier for its use of multimedia forms. Nearly a quarter of the content is in video form, including a 15-minute "World News Webcast," designed with a younger audience in mind. The webcast offers a lineup and format different from those on the traditional evening newscast and is first available to users live at 3 p.m. Eastern Time. The site also makes use of audio, podcasts, poll data, photos and more slide shows than any other site studied.

Executive producer Jon Banner said of the site: "What it has become is much more of a broadcast aimed at people who use the Web and who are much more Web-savvy than people who watch the broadcast. You still get a lot of things that are on the broadcast every evening, but they're done in a much more Web-friendly style." <sup>2</sup>

To cater to the user, the site has also taken steps to make its news content more portable. All the network news sites now offer podcasts or "vodcasts," but ABC News vodcasts are consistently among those most frequently downloaded on Apple's iTunes. In September, for example, there were 5.2 million downloads of the "World News Webcast," Reuters reported. <sup>3</sup>

On the homepage itself, though, there is less customization. There are no options for the user to adjust the layout, and the search is based only on simple key words. Over all, then, the site fell in the mid-to-high-tier ranking for **customization**.

What exactly is behind all those headlines on this site? As with the other networks, ABC placed heavy weight on the

originality of and control over its content. Beyond the World News Tonight vodcast, the content relies more heavily on outside sources. The featured stories that appear in the center of the homepage slide show are always from ABCNews.com itself, in their print and video forms. But the print stories that appear under “Top Headlines” and “Hot Topics” are FROM AP or Reuters. In fact, that’s true of the vast majority of the print copy that appears on the site besides the pieces in the featured-stories box.

There are a few exceptions. Correspondent Brian Ross and his investigative team have space on the homepage — “Brian Ross Investigates” — with original content. And there is a section on the page about half-way down that features “Blogs and Opinion” with original content.

ABCNews.com has yet to make much use of the ability to link several news reports together and offer coverage of one event in multiple media forms. The lead story tended to have just one additional report listed as a link. And most stories themselves contain no embedded links offering additional information such as biographies of sources or original documents.

The user-generated content, in the form of narrative, photos or videos, has presented the site with some advantages and challenges.

In 2006, after first breaking the story on the so-called page scandal involving the Florida Congressman Mark Foley, a blog on the site received even more messages from pages providing “even more salacious messages,” according to Mark Glaser of PBS. <sup>4</sup> ABC, however, didn’t just post the material; it called Foley’s office and asked people there to verify the instant-message postings.

The site scored in the middle-to-low tier on user **participation**. Individuals can usually e-mail the author of a news report, but cannot post comments for others to see, or rate the story. But what stands out here is the site’s use of user-generated content. There is a clear place for users to submit stories, such as their own reports from breaking-news locales, some of which appear as a part of the homepage layout.

Finally, the ads on the site are largely self-promotional, which in part led to its sitting in the mid-to-low tier for **revenue stream**. The top banner ad is always related to ABC and/or Disney products, and ads for ABC news programs appear up and down the page. There are only two true outside ad spaces on the page, a small box under the topic navigation box and a long one over the page header. There is no registration process, though there is some premium content that users can pay for if they choose. All archived material remains free.

### **AOL News (www.aol.com)**

With its modular design that places everything in boxes and its range of sources AOL.com’s news site seems focused on telling users what everyone else thinks is news. This is not an aggregator site that is focused on combing through sites to put together a kind of uber news page. It is rather a site that seems content to mine the wires, the big broadcasters and prominent print outlets for a snapshot of the days news viewed through different prisms. Most of the pages “top news” comes from the news wires but further down the page are boxes for AOL partners – the New York Times, USA Today, CNN, Wall Street Journal and CBS News – each with three headlines that take users to those pages. Video links work the same way on the page, listed by outlet.



This approach had pluses and minuses in our site inventory.

AOL News scored high in our **participation** category – in the first tier – for giving viewers several ways to interact with the site. There was a user blog, a page with stories generated by users and chances for users to comment on stories. Authors could also be emailed in some cases.

The site was also fairly **customizable** – ranking in the second tier in that category. Users could modify the front page and the site offered multiple RSS feeds and an advanced search option.

AOL News scored in the third tier on **multimedia**. While there are video links here, the site on its face is mostly text driven with more than 70% of the home page content consisting of narrative and narrative links. It also finished in the third tier on **depth**. While the site often linked stories together for packages that give readers a the broader context of issues, the site was hurt by not updating as much as others. And as one might expect from a site that simply gathers content from elsewhere on the Web, the site scored in the bottom tier on **branding**.

It doesn't have a strong revenue stream either, sitting in the third tier in that area with only about a half-dozen ads in the site.

In terms of content, the news on AOL may not be organized into a comprehensive page, but there is clearly a lot here. Between the wires, news outlets, blogs and "citizen media" links here, users can see the day's events through a lot of different lenses. And the combination of human editing (which the site clearly uses on its "Top Story" and the running headlines from the wires and other outlets on the rest of the site makes for a real mix of news. The site's design may be a drawback as well. The site can feel like looking at a wall of front pages. All those top headlines from various outlets feels in some ways like the site is missing a page two.

### **BBC News ([www.bbc.co.uk](http://www.bbc.co.uk))**

The Web site for the British Broadcasting Channel is one of the more advanced that we came across. Its look is that of a traditional site, designed around the news of the hour– with lead headlines on a range of topics, followed by video and audio reports. Its offerings, though, are significantly more complex. It scored in the highest tier for at least three out of six categories (one of just four sites to do so). And, the area where it scored in the lowest tier—**revenue streams**—may be one that users would welcome since it means fewer ads to navigate.

The site placed the most emphasis on **customization**, use of **multi media** forms and **editorial branding**. Users of the site can tailor the home page layout each time they visit (though the selections are not saved for repeat visits) and can access the specific news items through advanced search techniques. They can also have the news come to them. The site features multiple RSS feeds, podcast options and even mobile delivery.

The BBC News also makes more use than most of the **multimedia** forms the web allows. On the days we visited the site, news items listed on the home page came in seven different media formats, including video, audio, live streams, podcasts, interactive graphics and more.

When it comes to the editorial **branding**, the BBC name takes high priority. All content comes directly from the BBC

itself—without even wire service supplements. And all news stories are bylined.

The ability for users to **participate**—to somehow add their voice to the mix—is more evident here than on most of the 38 sites we examined. While most sites fell on the lower end of the spectrum, BBC News scored in the second tier. Through a section called “Have Your Say,” linked to from the left-hand column of the home page, users can submit their own photos and video and view selected submissions from others. Also on this page, visitors can email in their thoughts on a number of daily topics—some of which continuously “crawl” across the top of the landing page. Specific news stories also have links at the bottom where users can send in comments. Group voice is displayed through lists of the most viewed and most emailed stories of the hour.

The BBC news site did less, scoring in the third tier, for making use of the potential **depth** of the web. Editors here have chosen to forgo the ability to place links inside stories to additional information about the newsmakers or to original documents. What they do offer instead are links to other related news stories they wrote as well. The individual story is still king here.

As a government funded entity, the area where BBC News scored the lowest—**revenue streams**—comes as little surprise. Users can dive into the content right away. There is no registration process at all, just one small self-promotional ad on the home page, and all the content is free—including all archive content.

### **Benicia News (www.benicianews.com)**

It is unlikely that Benicianews.com will win any awards for Web design, at least with its current layout, but slick looks and clean lines are not what the site is about. It is rather something of a rarity on the Web. It is a completely online local “newspaper” for Benicia California, a small community in the Northern part of the state, not far from Oakland, that is made up of stories aggregated from around the Web and from citizen journalists.

Visually the site is laid out in three columns, a narrow navigation column on the left, a wide one that contains content in the middle and another narrow column on the right that holds ads. There are few photos on the page. And its overall look – from the small logo in the top left with a dog holding a newspaper jumping through a computer screen to the text that appears in many different sizes – gives the site something of a homemade feel.

That look, however, is not in contrast with the site’s larger mission. The top 10 stories on the page all come under the “Citizen Journalism” header, with the top three containing teaser text. These pieces were all submitted by users. Under that comes a broader “News From The Web” header with 10 more stories – all of them culled from online news sites based in the area (like the Contra Costa Times and San Jose Mercury News sites). Under that are a bunch of category headers – News, Education, Cartoons – that may or may not have any headlines with them.

The site did not score well in many of our inventory categories. It was in last tier in **customization**. It offered users no way to modify the home page no RSS feeds and no podcasts. It was also in the bottom tier on **multimedia**. On the day we examined the site it not only lacked video and audio links – which is generally the case – there were also no photos.

Its **depth** score was also in the bottom tier, hurt a great deal by the few updates on the site (some stories were on the

front page for days) and the lack of an archive. And it sat in the lowest tier on **branding**. The site's staff editing helped its score, but the amount of material from outside hurt it. It did slightly better on **revenue streams**, the third tier. The 11 ads on the page were more than some sites offered, but there was no fee content or fee archive.

As one might imagine with a site so dependent of citizen journalism, Benicia News did better on **user participation**, where it sat in the second tier. There is obviously a lot of user content here and users can email story authors. It didn't score higher because it lacked thing like interactive polls and online discussions.

This site speaks to the strengths and weaknesses of citizen journalism. Topics are extremely varied – from personal experiences to the opening of new parks – and users are “empowered.” But they don't seem to be empowered that often. Perhaps the most surprising thing about the content on Benicia News is how static it is. Stories can sit in the top two or three for weeks at a time.

### **Boston Phoenix (www.thephoenix.com)**

The website of the respected 40 year-old alternative news weekly, Boston Phoenix, is still in the early stages of Web development. It is a lively site, with bright photos and language clearly aimed at younger, culturally active Bostonians. Even the top news item is constantly on the move as a handful of headlines and photos rotate through the lead space on the page.

Despite all that, however, the site does little to take advantage of all the Web offers. It scored in the lowest tier in three categories, the second lowest in two and the highest in just one.

Its high spot lay in promoting its own **brand** name. All content is original, bylined material by Phoenix staff. The news stories themselves are in the free-spirited tone of the print version, with headlines like “The who behind What” and “Of pols and pop culture.” Beyond the headlines are sections on dining, movies, arts, a highlighted Reader Poll on the Best of 2007 and other cultural areas.

This reliance on staff reports impacts another area—**depth**. The site is largely built around individual stories. What's more, the print product is weekly, not set-up for hourly or even daily news reports. This carries through to the Web site as well, which scored in the low-mid tier here. The site is not about news of the minute. On the days we visited, much of the content was nearly a week old. Only the top headlines were newer and even several of those were three-days old. There are no links embedded into articles and only on rare occasion a related, secondary story attached to a headline. The site is officially updated every six hours or so, but again, only for a few choice headlines.

The **media forms** have moved slightly beyond those of the print version, but not by much. More than 70% of the home page content (all links other than those to landing pages) is narrative with accompanying still photos accounting for another 15%. Beyond that, users can find a section of video stories—many of which are several days old—and some use of interactive graphics.

Boston Phoenix also does little to let its audience **customize** the news to their tastes. The home page comes only as is, the search is simple key word, and the only alternative delivery mode available is RSS. User **participation** is just as scarce. The only options we found here were the ancient mode of emailing the author as well as a way to post

comments to a story.

Even this low-tech product though has appeal. Visitors can access all this personality driven content without any kind of registration or fees. And, the number of ads in on the low side—an average of just seven on the home page—granted they are quite large, colorful and pretty hard to miss.

### **CBS 11 TV (www.cbs11tv.com)**

The Web site of the local CBS affiliate in Dallas-Forth Worth also stood out among local TV sites for the its web offerings. CBS11tv.com placed highest emphasis on customization and on offering content in different media forms. It also scored in the mid-high range for the level of developing revenue streams from the site.

The site earned lower marks for the depth of its offering and for giving users a chance to participate in the content.

The homepage's upper banner features local weather, traffic and a search tool, which is unusual, because most sites feature a banner advertisement in that prime homepage property. Below the banner, the Web site usually calls attention to its lead story with a large headline and picture, often packaged with a video or another multimedia component. Following the lead story are 10 links to other top stories, a featured slide shows, most popular videos, and a poll of some sort. The right- and left-hand columns of the homepage feature categories of information (such as "local news," "politics," and "health"), more videos, local services like yellow pages, stock quotes and more.

The site scored in the mid-high range in **multimedia**. The bulk of the content is a mix of narrative, still photos and videos (roughly 90%) with some use of slide shows, polls and interactive graphics. And, while just a small portion of the content comes in these last three forms, the fact that the site uses them at all increases its rank here.

The site has chosen a mix of options for users to **customize** the content, ultimately scoring it in the mid-high level. The home page comes as is, but with an advanced search option for archived stories. The site also offers users the chance to access content as podcasts and, for a small monthly fee, as content deliverable to cell phones.

One thing the site seems to have not taken full advantage of at the moment is offering **participation** options to the user. There are no user forums or any other space for users to comment on stories or other content offered on the site. There is also no option to email the correspondent of a report directly from the story, though a user can find a reporter from the "contact us" or "news team" pages to send their comments in an email. The site does solicit story ideas in a section at the bottom of the site that asks readers, "Got an Idea for a Story?" The link, however, only prompts an e-mail window rather than a space for ideas to be vetted publicly. The site also has two sections on the home page where users contribute to selecting most popular videos and popular slideshows.

The site also does less than others to promote its own **brand**. A slightly obscured category in the left-hand column is a link called "The Investigators," which sends a user to CBS11 original reporting, special reports and consumer news. The work of three reporters is highlighted here, along with a picture. Outside of the Investigators section, much of the content on the site comes from the Associated Press. That is true even for some local news stories, though to a lesser extent than for national and international stories.

One of the more unusual content destinations on the site is a section called “Inspiring People,” which presents a gallery of videos about acts of kindness and heroism. The site also offers three lifestyle sections (“beauty & style,” “family,” and “new baby”) aimed at niche audiences, primarily girls and young women.

All new and archived content on the site is free. Its biggest hope for **revenue**, like many sites, seems to come in the advertising realm. We found an average of 15 ads on the homepage, the bulk of which were not tied to any kind of self-promotion. It also has the potential to expand revenue from services such as its mobile news delivery to cell phones.

### **CBS News (www.cbsnews.com)**

Over the past few years, CBS News has attracted the most buzz among the networks for its Web site. After hiring Larry Kramer, who founded MarketWatch.com, as head of CBS Digital in March 2005, it announced a ambitious plan in which a revamped Web site would “bypass” cable news by providing news to the consumer anytime, anywhere.

In 2005, the CBS News site was the first to allow users to build their own newscasts, and promised to put its entire archive of news video online. Its unique blog, Public Eye, gave readers a look at the inner workings of the editorial process that produced the evening newscast, a move that offered much-needed transparency after the CBS News’s Memogate affair tarnished its credibility in late 2004.

Heading into 2007, what is going on? The changes have given way to more changes. Kramer was ousted in November of 2006 and replaced by Quincy Smith, a 35-year-old venture capitalist, who said he planned to be “much more proactive making acquisitions across the board,” according to an interview with MarketWatch. 5 Possible targets include social networking sites, the “hot” sites in 2006 and 2007.

Whether that emphasis will move resources away from the news site is unclear, but for now, CBSNews.com remains one of the Web’s most diverse and robust news sites. In our measurements, indeed, it ranked along with only three others — the BBC, the Washington Post and a citizen media site called Global Voices, for its breadth and depth. In our loose grouping, it was one of our High Achievers.

Upon opening the homepage, it is clear there is a lot going on. There is a slide show with rotating stories, a lead story in the center of the page, a list of “Top Stories” next to that, and a large advertisement. Above all that are links to streaming “Live Video,” E-mail alerts, RSS feeds, Podcasts, and more.

All of this quickly gives users a sense of exactly how much is available and gives them access to it all quickly. With that comes a busier feel than at some other sites, perhaps a bit too busy for some.

Over all, CBSNews.com scored in the top tier in three out of five content categories, one of only two sites to do so of all 38 studied.

The Web site is highly **customizable** for the user and scored in the top tier in that category with advanced searching, multiple podcast options, mobile phone delivery and several different RSS feeds. The one option it does not give users is the ability to tailor the homepage to their own interests.

The site also scored in the top tier for its mix of **multimedia**. It offered nearly every kind of multimedia option we had on our checklist. Only about half the content on its homepage was narrative text, with the rest a mix of video, photos, audio, live discussion, polls, slide shows and interactive graphics.

The site was also one of only three studied to score at the high end when it came to the **depth** of the content. The site updates at least once every 20 minutes and makes significant use of the ability online to “package” news by offering myriad related stories under the lead headline — an average of 18 in our study.

Some of those stories have only tangential links to the stories they are tied to. For instance, on January 8, the site’s homepage listed the headline “Genocide Charges Against Saddam Dropped” in its “Top Stories” column. The story was bylined CBS/AP and though it was attached to a CBS News video, that video was about how Iraqis might react to a U.S. troop surge, rather than about the genocide charges against Hussein.

There is a lot of CBS video here, but the site is more than a collection of items from what it airs on its news programs. For example, 60 Minutes posts lengthy interview clips that don’t air on the Sunday night broadcast.

The network, however, has stopped short of others when it comes to showing the newscast online before it appears on TV. The site offers a live simulcast of the evening news broadcast, the first to do so. ABCNews.com, on the other hand, offers a 15-minute webcast starting at 3 p.m. CBSNews.com simply offers the potential “rundown,” or a list of stories being considered for the night’s broadcast, late in the afternoon.

In content, the CBS name still carries weight, but not to the degree of some other destinations, and CBSNews.com earned a high mid-range grade on the level of **brand** control it tried to exercise. Homepage content comes from either CBS News, sister outlets owned by the CBS Corp., or wire services. The wire service news, though, gets heavy use. The print stories on the site are largely wire or wire that has been edited by CBS (usually bylined “CBS/AP”). But perhaps because of the heavy reliance on wires, the site makes sure there are few print stories that stand alone.

The reliance on outside news, though, may grow over coming years; CBSNews.com has formed partnerships with two major content producers. First, the site joined forces with WebMD in August 2006, tapping into a growing, somewhat underrepresented market of medical news, where research shows there is considerable consumer demand. Then in October it announced a deal with Answers.com, which allows readers to get more background and information on words and phrases that are hyperlinked in news articles published on the site. But even unoriginal content is subject to staff editing, and most links inside the stories keep people inside the CBS News Web site.

The site fell at the low end of the spectrum when it came to **participation**, letting the user take part in the news, an area that news sites over all tended to underplay. Users can comment on most stories, but cannot do much beyond that. There is no way to rate the story, to e-mail the author, enter into a user-based blog or contribute original news stories. User choices are recognized through a list of the most-viewed stories of the hour, though the site does not track the most e-mailed or linked-to stories.

One noticeable aspect of the site is the large role the promotion of CBS entertainment programming plays. The homepage page features an entire column of links to clips from that night’s CBS primetime lineup. Katie Couric has a prominent spot on the page, just under the lead story and “Top Stories” column. A small mug shot of Couric sits next

to five video links from the CBS broadcast as well as a link to the Couric & Co. blog, where users can watch video and post comments.

Economically, CBSNews.com demands something from its users but not as much as others, scoring in the second tier on **revenue stream**. All content is free, even in the archives. Users can register if they choose, but don't have to, What they must do instead is make their way through a number of different ads — we found an average of 18 just on the home page, many of which were self-promotions.

Ultimately, there is a lot on CBSNews.com. It is an example of a site that sees the Web's potential as a multimedia news outlet, but also as a way to win viewers for CBS.

### **Chicago Sun-Times (www.suntimes.com)**

Chicago's tabloid daily, the Sun-Times, has created an online identity that is clean, well-organized and very local, with a dash of sensationalism thrown in.

**Suntimes.com** uses a two-column layout with a white background and mostly emphasizes news from the Chicago area, particularly the print headlines. But the video links, which are played high here, are focused more on celebrity and news of the weird.

What the site emphasizes is the personality of the paper. It earned its lone top mark for branding, the level of original content and its own editorial judgment and style.

As for the rest of the inventory, it sat in the third tier on **customization**. The home page cannot be modified to personal taste. Users cannot get podcasts or a mobile version of the site. It was similarly in the third tier on **user participation**. Beyond the ability to e-mail the author, there was little opportunity for users to contribute to the site. The only other participatory option was the most controversial one, an online vote or so-called poll.

The site landed in the lowest tier in its use of **multimedia**. There were video and slide-show links on the homepage, but more space was taken up by text than on other sites. The site also fell in the last tier relative to others for **depth**. It was updated less often and offered fewer links to go deeper into topics and events.

When it came to **economics**, or the number of revenue streams, Suntimes.com fell to the bottom tier. Advertising was the only revenue stream, and the number of ads was small.

The content here was again, highly local. Other than video AP links high on the page, national and international news takes a back seat on the site. Links to those kinds of stories come only after the lead item on the page, the videos and metro and tri-state headlines.

The site's homepage on February 12, 2007, for example, led with a piece about car fatalities caused by a drunken driver in the Chicago-area community of Oswego, Ill. The feature under it asked users to "Outguess Roger Ebert's" Oscar predictions. The film reviewer, incidentally, has his own navigational tab on the site. Then the site ran three local headlines ranging from the shooting death of an off-duty police officer to a winter storm watch. After that came

two national headlines, two world headlines and two politics headlines. And that was after a big weekend for Illinois politics as Sen. Barack Obama announced his candidacy for president.

### **CNN (www.cnn.com)**

Streaming an average of 50 million news videos a month, and averaging about 24 million unique visitors a month, 6 CNN.com comes second to MSNBC among the three cable news sites in traffic.

While MSNBC has the advantage of being a partner of MSN, the leading Internet portal in the U.S., CNN benefits from its commercial relationship with Yahoo, which is the search engine for CNN and sells the advertising displayed on the site. 7 It is also working to tie together its digital media components. In October of 2006, the channel formed “CNN Events,” a division devoted to cross-media marketing that allows a marketer to buy advertising across the CNN spectrum — television, the Internet, and newscasts provided through cell phones and podcasts. 8

What impression does the site give its users? Like MSNBC, the site seems more about doing many different things than identifying itself around particular skills. Again like MSNBC, the site did not earn top marks in any one of our content categories, but scored in the mid-range for all, and earned low marks for none.

The site maintains the cable channel’s focus on up-to-the-minute information. But it also makes some effort to develop its own Web identity with less emphasis on the on-air personalities and more on user’s ability to customize the news. Beyond the top few stories, however, it also relies more often than not on outside wire copy for its headlines and its breadth.

On the homepage, the latest headlines take up the bulk of the screen view. The lead story dominates the site on the left of the screen, and is normally accompanied by three or four related stories that have some multimedia elements. On September 22, 2006 it was a story about the E. coli outbreak in spinach with links to a CNN video report on the lack of standards for spinach safety and a graphic map of states with E. coli outbreaks.

It adds new content at least every 20 minutes, with a time stamp for the latest update at the top of the homepage and time stamps at the top of each full story. The focus on continuous updates, though, seems to take priority over other depth to the news. The site averaged just four related story links to lead story and just over one for other top headlines.

The CNN name is important on the site, but as with **depth**, takes second seat to timeliness. Most headlines are wire stories, and those that come from CNN staff carry no bylines, except when stories are taken directly from the cable channel or occasionally from a sister outlet from the Time Warner family. The layout of the page is by top news and then by topic area like World, Health, Travel and Law, and the stories here are mostly AP as well. Overall, CNN.com fell in the high-mid range for the level of brand control.

Under the headlines is a list of video segments, offered again in two ways: either most popular or “best video” (though it is not entirely clear how “best” is determined). Next to that the site displays its premium video content — CNN Pipeline. A commercial-free subscription service of streaming video content, it was launched in December 2005 and has helped to make the site more appealing. 9



CNN puts noticeable effort into letting the user **customize** the material. The site scored in the mid-high range here. Users can create a customized home page. They can also choose to have the information come to them through RSS with more than 20 feeds, ranging from straight news to blogs, Podcasts (both audio and video) or even to their mobile phones (an option not yet available at even some of the higher-tech sites we examined but available on all three cable news sites).

The site's mobile content is in a section called CNN to Go, which includes news headlines, alerts on breaking news and an audio-video newscast produced specifically for the Web called "Now in the News." CNN also offers a live audio feed of CNN Radio. What's more, nearly all of the content on CNN.com is free. That includes all archives, a feature quickly fading on many Web sites. Users don't even have to register to go through content, but can if they choose. The only fee-based content is CNN Pipeline.

In an attempt to be more **interactive**, CNN launched a citizen journalism initiative in August 2006. Called "I-Report," it invites people to contribute news items for possible use on the Web and on the cable channel. On a subsidiary site called CNN Exchange, users can submit their own news reports, photos or video either on specific solicited topics or those of their own choosing. CNN editors then screen the material and decide what to publish. (CNN does not pay for the material).

The user content here stands out among news sites, but some of the more standard ways to invite user input are absent. There is no place on the homepage for users to post comments, enter live discussion, rate stories or take part in a user-dedicated blog. Even the ability to email the author is offered in only the most general capacity.

When it comes to **multimedia** components of its content, the site landed right in the middle of our ranking scale. It is still heavily based on narrative text—it made up roughly 70% of all the content on the homepage. Pre-recorded video and photography were still the most common other forms, but the site also offered live streams, slide shows and interactive polls. The lead story was almost always made into a "package" of reports offered in at least three different media formats.

When it came to **revenue** options, the site demands little of users and varies on its use of ads. The only fee-based content is on CNN Pipeline, a broadband channel providing live streaming video, video-on-demand clips and video archives. Its subscription fee is \$25 a year or \$2.95 a month. <sup>10</sup> For the rest of CNN.com, the "cost" to users is putting up with a barrage of ads. When it comes to ads, one visit to the home page displayed 19 separate ads, only 6 of which were self-promotional. But another visit had just six ads, all but one of which was non-CNN related.

### **Crooks and Liars (www.crooksandliars.com)**

The liberal blog Crooks and Liars labels itself a "virtual online magazine," but the site is ultimately a relatively straightforward Web diary of links and excerpts of other material. The element that differentiates this blog from others is its heavy use of video links. And for that material it seems to rely heavily on cable news to provide the fodder, positive and negative.

In our site inventory, Crooks and Liars scored its highest marks for **branding**, where it placed in the highest tier of the 38 sites studied. But that score is somewhat misleading. While the site does have bylined entries that included some

editorial commentary (which helped its score) the majority of those entries were excerpts from other places.

Beyond that, the site didn't score highly in any of the categories measured. Even its **multimedia** score was in the third tier despite the many video links on the page. That was largely because even with those links, the page was dominated by text. Crooks and Liars also fell into the third tier for the level at which it allows users to participate, offering little beyond the ability to e-mail authors and comment on stories. There was no user blog here.

The site also scored in the third tier for **depth**. It doesn't offer much of an archive and does little to link stories together into complete packages. It also wasn't updated as often as other sites.

Crooks and Liars scored in the bottom tier on **customization**. This is essentially a static site. There is no way for users to modify the homepage. There are also no podcasts for users and no mobile version of the site.

The home page reflects one **revenue stream**, advertising, and it had a fairly high number of ads, about 12.

In content, Crooks and Liars is similar to many blogs with a political agenda. It uses print and video clips to hit at issues, politicians and personalities on the right, and uses other material to support those on the left. On March 5, for instance, one of the site's authors posted a clip of the MSNBC host Keith Olbermann's "World's Worst Wingnut Trifecta" (Newt Gingrich, Rush Limbaugh and Ann Coulter). On the same day a different author posted video of CNN's Jack Cafferty calling the recently chronicled problems at Walter Reed Hospital "a disgrace." The same post also quoted the New York Times columnist Paul Krugman as calling the Walter Reed fiasco "another Katrina."

### **Daily Kos ([www.dailykos.com](http://www.dailykos.com))**

With 20 million unique visitors monthly, Daily Kos, the liberal blog started in 2002, is one of the busiest on the Web, and the site shows it. With its orange and white color scheme and professional-looking banner, it does not look like a mom-and-pop operation. It also offers its own line of merchandise — t-shirts, sweatshirts and hats. And its founder, Markos Moulitsas Zúniga, has become something of a TV talking head, appearing on cable shows to discuss issues in the news.

In terms of format the site does the usual linking and quoting one expects on a blog, but there is more original text and commentary mixed in. Indeed, some posts are largely the author's thoughts about the topic he's discussing, with the cited material making up only a few lines. That is a big reason why the site scored in the highest tier on **branding**. This site is about the mind of Daily Kos.

Daily Kos also received high scores for user **participation**, sitting in the top tier in that category. It lets users blog, e-mail authors, add their own content and rate stories. It was the only blog we examined that scored in the top tier in this category.

The site scored lower, in the third tier, for **customization**, or the degree to which it allows users to make the site their own by customizing what they see or how it is delivered. Like most blogs, it does not offer some of the customizing features that bigger sites do. There are no podcasts, for instance, and the site has no mobile version. Users do have the ability to modify the homepage, however.

Daily Kos also scored lower on **multimedia**, again in the third tier. It does not offer photos or audio links on the front page and only a few video links. Daily Kos is largely focused on words.

It placed in the lowest tier on **depth**. Posts were not packaged together by issue or topic, and stories didn't offer links to archived material to add context for users.

The site's heavy readership has led to a fairly strong **revenue stream**. It was in the second tier of all the sites we looked at in that area with about 15 ads on the page.

Daily Kos's approach to content varies depending on who is posting, but the site is more likely than other blogs to include extensive comments from posters. Excerpts from other outlets are often used as jumping-off points for longer, column-like entries. And the posts here, from the left side of the political spectrum tend to be more inside-politics than on other sites. There is less commentary on other commentary than there are posts about actual news. For example, many posts the week of March 5, 2007, addressed the inquiry into whether several U.S. attorneys had been forced from their positions for political reasons. The posts looked at the specifics of the case, who might be coming forward in the days ahead and what groups were filing additional ethics complaints.

### **Des Moines Register ([www.desmoinesregister.com](http://www.desmoinesregister.com))**

The Web site for the Des Moines Register bears the hallmarks of an online home that has been added to and expanded to make room for new features. Yet the content can seem to be competing with itself.

Dominating the top of the page is a DesMoinesRegister.com logo with a score of navigation buttons above and below it. The main story on the page sits in the extra-wide second column of the four column layout, with a headline and teaser text, but no picture. The space that might be used for a photo is occupied by a tabbed box that features, depending on the tab a visitor clicks, staff blogs, local news videos, photos or online extras. Under that lead story are nine more headlines, mostly local. Next to those are four ads, three of which include flash animation. And in the far-right column is a bit of a catch-all space that holds weather, a searchable calendar of local events, and a series of ads. After news at the top of the page, there is a section on sports in the middle, followed by "entertainment & life." Those sections have photos connected to their top items. On the bottom of the page are links to a variety of sites the page says are "worth a click."

Like many newspaper sites in our inventory Desmoinesregister.com earned its highest marks for **branding**, or the emphasis put on its own content and editorial standards and judgment. It scored closer to the bottom in other content areas.

The site was not particularly **customizable**, ranking in the third tier. It did not offer users the chance to modify the homepage, download podcasts or receive a mobile version. The site's text-heavy front page, 70% of which was narrative, also placed it in the third tier on use of **multimedia**. There were photos and some video links, but no other multimedia options.

It ranked in the third tier relative to other sites, too, on user **participation**. The site did not give users the ability to e-mail authors or create blogs and offered no live discussions or other options. And it ranked in the lowest tier relative

for **depth**, or the use of links and other methods to give users access to background material, archival content, documents, reference sites or more.

The site did rank at the high end for **economics**. There was no fee content, but there were more than 20 advertisements on the page, over a quarter of them from local advertisers.

The content on the site is updated throughout the day and is extremely local. A visitor has to hunt through the front page to find national or international news; they are down near the bottom with headlines from the AP and USA Today. And that means the majority of the copy here is from the staff, though not all of it. Even in the lead-stories section of the site, editors are not averse to running AP copy for pieces they don't have staff to cover, though those stories, too, are from Iowa.

Many of the stories updated during the day are relatively short, some only a few graphs. But the main piece, which stays on top as the content beneath it changes, is a longer, newspaper-length piece.

Because the paper is based in Iowa, home of the nation's first presidential caucuses, it has a blog devoted to politics written by the paper's well-known political David Yepsen.

The video on the site is noteworthy because it is mostly local — everything from high school sports features to highlights from a karaoke contest — a pattern not seen on even bigger sites. Reporters off-camera ask questions of interview subjects or simply record action. There are links to USA Today video as well.

### **Digg (www.digg.com )**

Digg is democracy in action. The site, which calls itself a “user driven social content Web site,” is all about user participation. Users do more than participate — they select, create and manage the content. Indeed, with its high level of customization and user involvement, it was among the most user centric sites examined.

It works like this. A user — any user—posts new stories that appear in a simple column format. They are originally posted in chronological order, but then users rate them as stories they either “digg” (like) or don't like and want to bury further down the list. The list of stories constantly changes with new posts and rankings.

Each story has a headline, a line on who submitted the story to the site and a few lines of teaser text. Next to that a small box shows how many users “digg it” as well as a way for others to rate, blog or e-mail the story and its topic.

There is no editorial staff making decisions on the content or even determining what the page looks like. The only requirement made of users before they begin adding their input is a fairly unobtrusive registration process — choose a user name and password and submit your e-mail address.

While most of the layout is determined by the masses, users can **customize** it a bit to fit their own interests, placing the site in our top tier as one might imagine. When users register with the site and begin to “digg” and “bury” items they are able to get a feel for other users who post things they are interested in, and over time they can make those people “friends.” They can then remake the homepage to feature posts by “friends.” RSS is also an option prominently

located on the front page. A podcast tab was also available, though in beta-test at the time of the study, and mobile-phone options were absent.

Over all, Digg scored in the top tier of user **participation** as well. The entire site, after all, wouldn't really exist without users supplying content and they ultimately control where stories end up on the page through participation.

The site, like some other citizen based sites, was largely narrative, and it scored in the lowest tier on the scale of **multimedia**. Its home page offered no audio or video links and nearly 85% of it was text.

As an aggregator, Digg also scored near the bottom, the fourth tier, in **branding**. Editors don't really play a role here and there is no site-generated content.

Ads are limited, helping place the site in the bottom tier of **economics**. Small Google ads appearing under the header and down the right column are the only sign of revenue-producing advertisements. And in terms of **depth**, Digg was a third tier site, with frequent updates and an archive, but no story packages.

So about what kind of things do these users post? Perhaps not surprisingly, since this is an online group made up largely of early adapters, there is a heavy focus on technology. For instance, on January 11, the morning after President Bush's major speech on his policy shift in Iraq, only one of the top 15 stories on Digg in the previous 24 hours concerned Iraq — a map showing where the U.S. armed forces casualties were from. Eight of the top 15 stories were about technology.

The top story on Digg can also look dramatically different depending on what minute a user comes by — literally. At 5:29 p.m. January 10, the top story was “A First Person Shooter in javascript?” a piece about what users can do with the program Java. At 5:30 p.m. it was “Nastiest traffic jam EVER” with a picture of lions eating a giraffe carcass on a highway in Africa.

### **The Economist (www.economist.com)**

The brand. The brand. The brand. If there is one thing that Economist.com accomplishes, it is clearly and successfully pushing the Economist brand online. Lest anyone wonder, the site is anchored in the top left corner by the signature white lettering in a red box — in this case spelling Economist.com — with a picture of the current magazine's cover prominently beneath.

Like the magazine, the site is clean, well-organized and text-heavy. It is also, like its print sibling not heavy with pictures or graphics (there were six on a representative homepage, and four of them were quite small). Even the site's ads, (often for petroleum companies or large blue-chip corporations) are designed without a lot of colors or jumpy graphics. 11

There is a lot of free content here, but most of the stories from the print edition are accessible only to subscribers — those who get the magazine delivered or pay a fee to access premium online content.

At the time we did an accounting of Economist.com it was in the second tier in terms of **customization**, receiving

points for having a multiple-component search and several RSS feeds. It was also in the second tier on **multimedia**, due to the photos on the page several and podcast options.

Its weakest scores came in **interactivity** and **depth**, where it was in the bottom tier. A user-based blog (one where the Web editor picks a topic of the day and users are invited to sound off on it) was essentially the only way for users to participate on the site, hurting its interactivity score. And the site's twice daily updating – as a magazine site it seems less interested in being up-to-the-minute – cost it points in out depth raking.

The site was in the top tier for having a number of revenue streams, boosted by a significant number of advertising combined with the content available for a fee helped its economic score.

But it was brand that stood out. The content here all comes from the staff of the magazine. This is not a place to go to keep up with what's on the wire. Nor is there content from other publications in The Economist Group, which includes Roll Call and European Voice.

Nonetheless, Economist.com does keep a steady flow of content coming by magazine standards. The top story is new every day, as are the items in Today's Views — which includes a staff column and a Correspondents Diary (both unbylined) and Debate, a blog devoted to an interesting topic elsewhere on the Web. That is the closest economist.com gets to outside sources for news. The online pieces are short — in most cases, it appears, a bit shorter than the tightly written pieces that appear in the magazine — but they attempt the same kind of news blended with analysis for which the magazine is known.

One of the best features may be the staggering amount of data accessible here. Beyond the news and analysis pieces there are entire separate sections like the site's Cities Guide, with information about happenings in 27 cities around the world, from Atlanta to Zurich. And there are the country briefings, which look at economic and political news from countries around the world. They include recent stories from the magazine on each country and an economic forecast, a fact sheet and information on the political structure of each.

For The Economist, which prides itself on giving readers data and raw facts along with its analysis, it is yet another way to extend the brand.

### **Fox News (www.foxnews.com )**

Fox News, the star on cable, lags behind the other two cable news channels online. Its Web site has roughly a third the audience of its competitors, though it made efforts to address that lag in 2006.

In November, Roger Ailes appointed Ken LaCorte, Fox Television's Los Angeles bureau chief, to head Foxnews.com and take over all editorial and design functions. He will report directly to John Moody, vice president of news for the Fox network.

The site was revamped in September 2006 in an effort to streamline the content. It also added new interactive and delivery features. Visitors to the site can now customize it as they like and have the option of getting Fox News headlines on their Blackberry phones and cell phones. <sup>12</sup> As a result, the Fox site now earns the highest marks for

both the level of customization offered on the site and for the level of multi media offerings, and mid-range marks in all other categories. It has become somewhat more competitive, by those measures, with its rivals.

Even so, Foxnews.com still feeds off the identity and strength of the cable channel more than it embodies an identity for itself. For the most part, the site *is* the Fox News Channel. The brand promoted here are the Fox personalities rather than individual stories, to a much greater degree than CNN or MSNBC.

The top of the page is dedicated to the news headlines, but up-to-the-minute news is clearly not given the same kind of priority as at other cable news sites. It updates every half hour, but there are usually just three or four headlines, which are brief unadorned reports from wires. Each headline stands alone, sometimes with a related wire story link underneath. There is little attempt to create coverage packages with multimedia reports or backgrounders from Fox News. About a quarter of the stories we captured had been augmented somehow by staff members, whose names, unknown to most, appear on the inside (i.e. landing) page at the very bottom of the story. What's more, the page has just one overall time stamp of the latest update, rather than time stamps on each story as is common at other sites.

After top headlines and other "latest news" from the AP, the page focuses on promoting the Fox Brand with content involving Fox hosts and programs. In the upper right corner when we looked in September 2006 were Fox News videos, with a Web-exclusive interview with Senator Barack Obama. The interview was an exclusive that first aired about 10 hours earlier. That same interview also appeared as the lead item in the next section down, "Only on Fox," along with a link to a science report "Black hole won't devour Earth, scientists say." Other subsections on the page also carry the Fox name and previously aired Fox News content: Fox411, Fox Online, FNC iMag, Fox News Talk and individual program listings.

The site does emphasize the use of **multimedia** more than those of its cable rivals. Just over half of the content was text-based (primarily the wire feed stories) with heavy use of video and still photos but also some live streams, podcast items, polls and interactive graphics. In October 2006, Foxnews.com launched two new video products, collectively called "Fox News Flash."<sup>13</sup> They include two one-minute newscasts, in the morning by Fox & Friends and in the afternoon by the Fox Report with Shepard Smith. Those news segments can also be received, without any need to subscribe to the site, in the form of video podcasts.

The site also targeted mobile phone users starting in January 2007 when it launched a new service called "#FOXN," the acronym for the digits you dial to access it. It allows customers to listen to live audio of the cable channel's on-air broadcasts. The service costs \$2.99 a month and so far is available only to Cingular wireless service customers. It will also offer headlines on demand as well as a call-back service to let users know when a particular program is about to begin on the television channel.<sup>14</sup>

In promoting its **brand**, the site places little emphasis on making its users part of that identity, ranking in the low-mid tier of all 38 sites. The personalities on Foxnews.com speak to you much more than you speak to them or even to each other. The site had one of the lowest user-participation scores of any Web site in the study, offering only the most basic ability to e-mail the author of a report along with a poll on how visitors rated the Fed (related to a topic to be discussed on "Your World" later that day). Even the e-mail ability is only occasional, and the e-mail goes not to the staff member who worked on the piece but to the nameless "editor" of that section. There is no way to post comments

or rate a story, no live discussion and no user-oriented blog.

When it comes to economics, the main **revenue stream** on Fox News.com is commercial ads. Upon entering the site, Foxnews.com visitors see a lot them—on average 21 ads on the home page alone, among the highest number we encountered.

There is a news archive, at least two years of which is free to users. It includes stories from all the main sections of the site, though video components are quite spotty at this point.

All in all, Foxnews.com is the lesser-nourished sibling of the Fox News Channel. Whether attention and resources begin to even out as the online world expands remains to be seen.

### **Global Voices (www.globalvoicesonline.org )**

Of all the Web sites we examined, **Global Voices** was in many ways the least conventional. The end result was that it scored high in several of the areas we measured. It was the only citizen media site that would fit our definition of a high achiever, a site that earned top marks in three of five content areas.

The site is non-profit, with an emphasis on relating information that the staff editors find interesting, not on providing the top news of the hour (or minute or day).

But Global Voices takes a unique four-step approach to identifying what is interesting. First, rather than searching stories from mainstream news outlets, editors cull through a vast number of blogs from around the world. The editors, who themselves are located across the globe, then decide which postings are worth passing on. Next, they add their own comments or background information to put the blog entries in context. Finally, when necessary, entries are translated into English, often by a different “language” editor.

Take, for example, January 10. In the afternoon the lead was “Philippine free press under attack.” The entry featured a lead-in by an editor noting that the Philippine press has been “one of the freest in the world” since Ferdinand Marcos was deposed, but reporting that the current first family “is harassing journalists by filing libel cases” against them. The post then ran blurbs from the Pinoy Press and the site Freedom Watch. The next post used the same approach to look at the Iraqi government’s efforts to register bloggers.

In our inventory, the site scored well, in the top tier, on **customization**. While its home page could not be modified by users, there were many RSS and podcast options available to users.

Global Voices was also one of only three sites studied to score in the top tier for **depth**. It did well because of the large number of stories it grouped together in packages and the archive it included.

The site also earned top marks for the degree to which it was offering a unique brand in which its own editorial process and judgment was emphasized. With the stories chosen by paid editors and with content that came from wholly staff, even when citing other sources, it exercised significant editorial quality control. The banner across the top of the page pays tribute to its many authors. The page’s logo and name sit next to the headshots of four bloggers,



each one linking a short bio and a compilation of that blogger's work. Each post then has the link to the original blog as well as a tag-line of the Global Voices editor. And running down a side column is the list of blog authors and the number of posts each has contributed to date.

The site also scored well, in the second tier, for **user participation**. It did not offer live discussion and interactive polls, two of the more controversial elements of web participation. But it contained a good deal of opportunity for users interact. In addition to the editorial choices, user content — through a user-based blog — is a big part of this site. At the end of each piece users are invited to “Start the conversation” by posting comments, which are moderated by site editors.

The one content area where this remarkably well rounded site did not stand out is for **multimedia**. This site is about words, 95% of the content available from the home page was narrative.

The site's score for **revenue streams** placed it in the bottom tier as well – perhaps not surprising since it is a non-profit.

The strongest impression one has when visiting this site, however, is its international feel. The largest box of text is a list of countries from Afghanistan to Zimbabwe. Next to that is a thinner blue box with a list of topics ranging from Arts & Culture to Governance to History to Youth. Under that is a slim one-line search box that runs the width of the page.

Global Voices is not a site to visit to get the latest headlines or find out what the media are talking about. But it shines a bright light on issues the big media often pass by.

### **Google News (www.news.google.com )**

If you could constantly comb through thousands of news stories to cobble together a page of top news links from outlets around the world, you would be creating the front page of Google News. No person can do that, of course, but Google's computer programs can. The result is a page that is broad, deep and somewhat serendipitous. Users never know exactly what they are going to get when they visit the site – maybe the lead piece is from the New York Times and maybe it is from China's Xinhua news service – but Google's algorithms ensure that many people are reading them. That determines what stories make it to the front page.

The stories also contain lots of links to other pieces on the same topics which is the why the site scored obscenely high in our **depth** category, not only in the first tier but far and away first overall. Stories were “packaged” with hundreds of other stories to give users more links on any one topic than they probably know what to do with – though often the stories are just the same wire copy repeated in many outlets. The site was also updated frequently.

Google's news page scored fairly high on **customizability** – in the second tier. Users can modify the page, choose from multiple RSS feeds and access a mobile version of the site. There are, however, no podcasts here.

In all other areas we measured, though, the site ranked in the last tier. Its **multimedia** score was hurt by the fact there is so much text on the front page. And opportunities for user **participation** are largely nonexistent. There are no user blogs, no ways for users to comment on stories and no polls to take part in. And, of course, the site's **branding** score

was bound to be low considering everything on the site is from somewhere else.

There is essentially no **revenue stream** for the content on the page, with no ads and no fee content from Google.

The content here is from well-known outlets from across the globe and that can make for some interesting reading. On March 6 for example, the top story in the afternoon was about the just announced verdict in the Scooter Libby trial, though the account was from Prensa Latina. The second story was a New York Times piece about the Mega Millions lottery jackpot, which was at a record \$370 million. But other top pieces (running along the right side of the page) included a Business Week story about Michael Eisner's bid to buyout the baseball card maker Topps and San Jose Mercury News account of Virginia Commonwealth University defeating George Mason in men's college basketball. Users, of course, can ultimately shape the page as they want – choosing what kinds of stories they want to see on top. But visiting Google News randomly can be a lot like going by a virtual newsstand that is constantly updated. What one takes away depends on when one stops by and where one looks.

### **KING 5 TV (www.king5.com)**

The Web site of Seattle's Belo-owned local television station, KING 5, stands apart from the average local-TV Web site. Its content, unlike many other local TV sites, is highly local. There is weather, a link to a free classified section, a box, updated roughly every hour, that spotlights developing local stories or other advisories, followed by three top stories that are presented as a package with headline, brief story synopsis, picture and at least one video clip.

But that layout is not a must. KING5.com earned its highest marks for being **customizable**. A button at the top of the page, "Customize KING5.com" allows users to "choose your news," by constructing an individual news page with headlines they choose from KING5.com as well as other sites. The site also allows users to do advanced searches to find what they want on the site. And if you'd rather not come to the site, it will come to you via RSS, Podcast or even your mobile phone (a feature available on only on a handful of sites examined).

A major site redesign at the start of 2007 gave even more weight to the user. In October 2006, there was no way for the user to add their own voice—no way to comment or rate a story or even access a "most emailed" list. By February 2007, visitors who become "members" (something they are prompted to do after a few clicks on the site) are encouraged to contribute to the site's content. One of the headers along the top of the page along with "news," "weather" and "sports" is a link called "interact," and invites users to contribute photographs, engage in forums to discuss news, politics, sports and the outdoors, comment on King 5 blog entries, and contribute to the local calendar of events. With no way to directly email station staff, have a live discussion, rate a story, or see a list of the most emailed or linked to repots, there is still some room to grow. Overall, it falls in the mid-low level here for **participation**. But this is a site that is focusing more than many others on users.

The redesigned KING 5 site also increased its use of **multimedia** forms for its content, putting it in the mid-high category here. Just over half of the content on the homepage is text-based. The rest features video news clips, slide shows and interactive graphics like a two-way calendar of local events.

KING 5 does not place nearly as much emphasis as some other sites on its own **branded** material or content control. It fell in the high mid-range of sties studied. There is a place, called "Investigators, designated to its news team's

original reporting” But these reports, primarily local in focus, appear only periodically: on January 30, 2007, the top 10 stories listed on the Investigator page were dated January 23, 2007 back to November 21, 2006. Over all, the primary source of content, for both video and narrative stories, is the Associated Press. KING 5 reporters have bylines for about half of the local news content, with the AP and other contributing sources (such as KGW.com) filling in the rest.

The site scored at the low mid level for **depth**. That, given the paucity of this characteristic in the sites studied, still ranks it better than many others. The site updates its content every hour, but again it is primarily with wire copy that does not offer many links either inside or along-side the story to provide readers with additional information.

Finally, for now anyway, visitors can use the site with little demanded of them. Registration is optional (though encouraged), all content is free including the archives and there are on an average of just five ads on the page.

### **Little Green Footballs ([www.littlegreenfootballs.com](http://www.littlegreenfootballs.com))**

Blogging from the right side of the political spectrum, Little Green Footballs has become a popular Web destination for conservatives by offering, largely, a critique of mainstream media coverage. It is of the category of blogs that focuses less on original content and more on aggregation. Much of the content is a few lines of author text tied to an excerpt or link from another online outlet. The entries are not always critical of the media, often pointing out approvingly stories the blog wants noted.

Like all the blogs we looked at in our inventory, Footballs scored highest on **branding**, landing in the top tier in that area, because its content all comes from the author of the blog, Californian Charles Johnson. Again, that is despite the fact that many of the entries on the page were largely content from other places. Even in those cases though, a few lines from the blogger usually introduced the item and put the excerpts in context.

The site didn’t score well in the other areas examined. It was in the third tier on **customization**. Though it did have a front page that users could modify, it had only one RSS feed and no podcasts or mobile version of itself available.

It sat in the bottom tier in the other areas we measured. It offers little in the way of **participation**. Users have no ways to interact with the site beyond posting user comments at the end of entries.

As for **depth**, the site offered an archive and updated fairly frequently, but it did not package links to give user a broader sense of issues.

The site was also not heavy on **multimedia**. All told, 84% of the page was made up of narrative text.

Again though, like Daily Kos, the site’s unique visitor number has helped with its **revenue streams**, where it ranked in the second tier. Though it depends on ads there were a lot of them, just under 20 on the homepage.

The content of Little Green Footballs is diverse with a strong foreign-affairs tilt. Topics can range from domestic politics to the news media, but international news has a special place here. And while the site’s view on such issues always comes from the right, one can read the site and get a fairly comprehensive view of the subjects in the news. The first six posts on the site on the afternoon of March 6 were the verdict in the Scooter Libby case, the way the

Huffington Post was blocking nasty comments about Vice President Cheney's blood clot, the story of a possible defection of a former Iranian defense minister to the U.S., the hunt for Osama bin Laden, and a visit by German bishops to Israel. Little Green Footballs is a site for those wanting a conservative look at the news of the world.

### **Los Angeles Times (www.latimes.com )**

The online home of the Los Angeles Times is best known heading into 2007 for an internal study the paper conducted that was sometimes brutally frank about its shortcomings.

Our content inventory found the site crowded with material, but still organized. **Latimes.com** may not be a clean site, but it finds a place for everything — videos, photos, blogs and, of course, text.

The site uses a four-column layout set against a white background, which helps prevent it from looking overwhelmed and cluttered. But the sheer amount of content on this page is impossible to ignore. The site tries to prominently feature as many as eight stories at the top and in the middle of the page, more than most of the sites we studied.

Framing the page down the left side is a lengthy set of navigational buttons. Over it all is the blue Latimes.com masthead, and over that in smaller is the Old English logo of the Los Angeles Times. In look, indeed, the site in some ways echoes the Washington Post in the sense of trying to create a distinct online personality that differs from the print product.

There is a lot of content on the site, and it helped Latimes.com score well in some areas of our site inventory. The site sat in the second tier on **customization** with its multiple RSS feeds and a mobile version of the site. It also gave users the chance to modify the homepage and saved those modifications for future visits. In terms of **multimedia**, it was also a second-tier site. It was not overly text-heavy and offered users many video links, but little else — no audio, live discussion or podcasts.

The ability of users to post and add content helped the site's **user participation** rating, placing it again in the second tier. It would have scored higher had it offered live discussion or other options. The site, in other words, seemed to have been constructed for more user participation. But the elements that would require staff to keep that opportunity fresh did not always materialize.

The site ranked lower, in the third tier, in another area that would require continuing attention, **depth**. That requires the kind of effort that occurs story by story, and probably involves team effort. It is also an area where most sites studied had room to grow.

Interestingly, LATimes.com also placed in the bottom tier on **economics**, or the number of revenue streams evident on the site. It offered fewer ads than most sites we examined — only six — and did not have any fee content or a fee archive. That may help explain why, according to the Times internal report, it generated less revenue for the company than other major newspaper sites.

In terms of content, Latimes.com may be based on the West Coast, but it is a national news site as well. The lead stories tend to have a few local entries, but the biggest headlines are usually national or international in their focus,

and most are staff written. Wire bylines do appear on some pieces.

On February 14, for instance, the top stories for the site were about film makers in Hollywood, North Korea's nuclear shift, the insurgency in Iraq, the Fed chairman Ben Bernanke's feelings on the economy and the disappearance of a statuette of the Maltese Falcon at a local restaurant. The Bernanke story was from the AP, the rest from the staff. The smaller "More News" headlines in the top tend to be local in nature, however, and the photos from users in "Your Scene" are usually from California locations.

Video links on the site are a mix. Some come from the local news team at KTLA, some are Times-produced and some don't have any attribution at all.

Over all, Latimes.com looks like something of a combination of Nytimes.com and Washingtonpost.com. It is a unique online entity that strives to be national in content with heavy multi-media options. But the potential in some ways seems unrealized.

### **Michelle Malkin ([www.michellemalkin.com](http://www.michellemalkin.com))**

The blog of the syndicated columnist Michelle Malkin is clean and understated in its look, with a white background and a column of running posts from the author. But what may stand out the most about the blog is the lack of writing on it. Malkin, who writes a weekly political column for the Creators syndicate, seems happy to use the blog as a way to stay on top of breaking news, calling attention to news that she wants noticed without writing extensively online. That's not to say there is a lack of viewpoint here. Malkin's arch and sardonic conservative voice is clearly heard, but it comes in short, quick bites.

In our inventory, the site's strength was its **branding**. It is all about Malkin, from the domain name to Malkin's picture looking over the page to each item, which is posted by her. This is the writer's online home. Michelle Malkin is the reason to go here, the brand and the appeal.

The site scored in the bottom tier in the other categories we measured. It offers users few chances to modify the site, our category called **customization**. There is an RSS feed, but no podcasts, no mobile version of the site and no way of altering the front page.

Malkin also scored low on **participation**. The site offered no way for users to interact beyond the ability to e-mail the author. Other than the picture of Malkin, the site was all text when we did our accounting, which led to a low **multimedia** score. There were no video or audio links and the page was 96% text.

And like other blogs its **depth** score was low because the site didn't package pieces together to give users context and breadth. The site also didn't update as much as others.

As for **revenue stream**, Malkin's site was also limited. There were only a few ads on the page (roughly five) and no for-fee content.

That said, the site isn't really about those categories or about generating revenue. It seems designed to give Malkin

an online platform to talk about the things she wants and extend her brand online. Its content allows her to do that. For instance, in a March 6 entry about the Huffington Post's blocking users from saying cruel things about Vice President Cheney's blood clot, Malkin wrote "Huffington Post has disallowed comments on an article about VP Cheney's blood clot. The first step toward recovery..." In a March 5 post about the Walter Reed Medical Center scandal, Malkin posted a "Note to haters" in which she told people who questioned her critique "I know perfectly well that Walter Reed is not part of the VA system. Duh."

Michelle Malkin's Web site is ultimately a place for her fans and detractors to go to find out what's on her mind. On that score it is highly successful.

### **MSNBC & NBC News ([www.msnbc.com](http://www.msnbc.com))**

MSNBC.com comes across as an amalgam. As the online home of NBC, MSNBC and the weekly magazine Newsweek, the site strives to give all three their due while at the same time creating its own identity. Those efforts, however chaotic they may seem, have succeeded in building an audience.

Unlike its performance on cable TV, MSNBC's Web site (which launched simultaneously with the cable channel in 1996 as a joint venture between Microsoft and NBC) has long been one of the top three news sites on the Internet, with a monthly average of 26 million unique visitors.

What is in the brand that draws users to the site?

No one trait jumps out. In our study of 38 different news websites, MSNBC doesn't strongly emphasize any one area. Indeed, it did not earn the highest marks in any category of content. But it scored fairly well at everything and did not earn low marks anywhere, one of the few sites that can make that claim. It really was a jack of all trades.

The site is word oriented. Roughly three-quarters of the stories on the homepage are text-based. Just 12% of stories took advantage of the video produced by either MSNBC or NBC. This puts it at the mid-low range of the spectrum for **multimedia**. On the days we examined, users could at one point access a slide show or an interactive graphic, but these were few and far between. There were no live components at all.

The lead story often has a video component attached to it, but most other video offerings on the page stand apart either within a section labeled "Video" or under the header "NBC News Highlights."

A bigger draw may be the ways users can **customize** the news or add their own views, but even here the site doesn't employ as much as others, falling in the mid-high range of the sites studied. Currently, the site has focused more on making its content mobile, rather than the site itself customizable. In November 2006, the Web site began offering free video podcasts of NBC's Nightly News and Meet the Press. Earlier, in April 2006, the channel announced that a specialized, ad-supported version of the Web site would be available free on cell phones with Internet capability. MSNBC's mobile phone service (called MSNBC.com Mobile) is available on all major phone networks. Initially it was only text, photos and podcasts, with a notice on the site saying that multimedia components were expected, but with no timeline mentioned. <sup>15</sup> The new business model is seen to be a test to gauge how consumers react to advertising on their mobile devices. There are also additional RSS options.

The home page itself, though, is less flexible. There is only a simple key word search. And users can choose homepage layout, but only for the current view. At the next visit, it's back to MSNBC's design.

How about citizen voice — web 2.0? MSNBC is not the top destination we found for users who want to be heard. There is no **user-generated** content, no user-based blogs, and no live discussion. There are a few ways to be heard. Some stories allow users to enter into an online chat. Also, users can rate a story and the results are used in a couple of different ways. First, the results for that story are posted at the bottom of the piece in a star system along with the number of ratings to date. Second, on each inside page is a list of “most popular” stories at a given moment.

As the online home of multiple news outlets (even Newsweek's own site often directs people here) it is not surprising that **brand** identity can get confusing. There is content from all of its family members—MSNBC, NBC, Newsweek—as well as the Washington Post and the wire services. In fact, wire stories make up a good portion of their top headlines. Staff editors control the content, but again, there seems to be a bit of a split over whether their mission is to promote the family names or the content itself.

The top stories of the hour command a good amount of the prime real estate. The next three sections promote reports from each of the three news outlets, followed by Web site-only content — “only on MSNBC.com.” Scrolling down the page, though, a visitor can eventually get to a list of content organized by topics in the news. The editorial staff also keeps tight control over where users go once they enter. None of the stories we examined ever contained links to outside Web sites.

Perhaps in the end, it is the **revenue** structure, or lack thereof, that attracts people to the site. MSNBC.com expanded how many ads it contained from September 2006 to February of 2007, but it still remained on the low end. In September there were just 7 ads, all of which were self-promotional. In 2007, a few more had been added, including one prominent outside ad per day and a list of “sponsored links” at the bottom of the page.

Still, the most visible ones are self-promotional and are relatively unobtrusive.

The site doesn't make up for the ad-free environment by asking users to pay. There is no fee-based content at all, not even the archive. Nor does the site demand that visitors reveal personal information; it has no registration at all.

### **New York Post ([www.nypost.com](http://www.nypost.com))**

Love it or hate it, there is little question that **nypost.com** brings the spirit of the tabloid paper to the Web, along with a great deal of the appearance.

So strong are the ties to the print edition that the homepage for the site actually looks like a tabloid paper, complete with the ruffled right side of the page where a reader would turn print pages. There is also what looks to be a rip just under the masthead, where the top stories change as virtual pages appear to be turned. The Post's familiar red and black motif is on full display and pictures dominate the page. Top stories feature very large headlines that are usually printed on top of a photo, as in the print newspaper.

If the challenge of Web for newspapers in part is that a screen is much smaller than a broadsheet, Nypost.com offers

a hint of how a tabloid online can be different.

Yet after offering the contents of the paper, with some additional multi-media features, plus making use of more multimedia formats, Nypost.com does not score as highly in our systematic audit as some other sites. The only area where it earned top marks was in **branding**, or the level of original content and promotion of its own editorial standards and practices.

The New York Post's site is not very **customizable**, for instance; it ranked in the third tier of sites studied. It offered no podcasts and limited RSS feeds. Users were also unable to change the page in any way, and there was no mobile version of the site.

Nypost.com also sat in the bottom tier on **user participation**, or the degree to which visitors can contribute. There is little chance for users to get involved beyond e-mailing authors. There was no way for users to add content, no users' blog and no interactive discussions.

It was also in the bottom group in **depth**, with few stories linked as packages, fewer updates than many sites and no embedded links in stories. And with few ads on the page and no fee content, Nypost.com also placed in the bottom tier of **economics**.

In its content, the Post's Web site makes it clear that the organization believes its franchise to be "shocking" stories, "exclusive" photos and pieces about government malfeasance. All play a prominent role here.

In the three days after the death of the former Playboy model Anna Nicole Smith, for instance, the Post was still leading with a story about her and the battle over her baby. "MAD 'DADDY' IN HEIR RAID" read the headline.

Or consider the piece about how the state's comptroller failed an economics quiz given him by a Post reporter: "TESTY POL GETS 'F' IN FISCAL ED." Along with those stories, the paper's signature Page Six gossip page gets an entire section on the site with stories about movers and shakers in New York, celebrity photos and poll questions for readers. One showed pictures of the actresses Scarlett Johansson and Cameron Diaz and posed the question, "Who's Hotter?"

### **New York Times ([www.nytimes.com](http://www.nytimes.com))**

The look of the newspaper is still there, including the paper-white background and the distinctive old-English masthead. The work of the correspondents, their bylines and their reporting, still form the core attraction.

But while retaining the feel of print, the Web site of the New York Times, redesigned in 2006, is more subtly a customizable, participatory news outlet that covers the news as it happens.

Indeed, to a degree greater than for most newspaper Web sites, this really is the newspaper and more; it is the New York Times....online.

That sense begins with the page's design. Users will undoubtedly notice how wide the page is and how much information is there. The site is one of only a few with a five-column layout, another evocation of the newspaper, which



has six columns. Most Web sites are three or four columns wide.

And the sense that this is the newspaper's identity and **brand** in an online form is also reflected in the numbers from our content analysis. In our site inventory, the New York Times earns its highest mark for promoting and emphasizing its own brand and editorial control. Most of the content here, more than 75%, is from the Times staff. It promotes the bylines of its writers prominently.

Yet this is now more than a given morning's newspaper. A visitor is also struck by the frequency with which the page is updated. Times correspondents are filing the news as it breaks, and then filling in more as the day goes on. There is a sense of the news breaking, the day evolving, the page changing; small red text indicates when a story first appears on the page. The site gives the impression of being in the Times newsroom and seeing as reporters come back and start filing. Even breaking stories on the site are usually written by the staff. Wire copy does appear in this lead story area, but it is usually replaced quickly by a staff byline.

Interestingly, the site has also found a way to use blogs to rely on wire copy less, at least ostensibly. For instance, the day of Anna Nicole's Smith's death, the site quickly had the story on its front page with a staff byline under "The Lede Blog" header. When users clicked the link they were taken to a blog that largely quoted other sources. Thus the site ran wires, with the look of running staff copy.

Beyond its exceptional emphasis on the Times brand, in real time, the site offers a good deal more, though not as strikingly.

NYTimes.com also scored well — in the second-highest tier — for the degree to which it allows users to **customize** the content. It offers multiple RSS feeds and allows visitors to create their own homepage layout to greet them on each visit. It has yet to offer, though, the newer delivery mode — mobile.

The site also makes some effort to allow **participation**. Visitors can e-mail authors now, and even add their own comments to stories and to blogs. The site scored, over all, high mid-range marks here.

NYTimes.com ranked in the bottom tier, however, for **multimedia** use. That may be somewhat deceptive, partly because most of its video links are on a separate page, not featured on the home page. That, again, reflects the fact that the newspaper is the core identity here, more than the site as its own environment. Yet even though the page incorporates some video and a bit of audio and graphic work, this is still by and large a text-heavy destination.

The site also scored somewhat lower, in the third tier, for **depth**, or the extent to which stories also linked to other material, original documents, background pieces, archival material and more. That, too, reflects its character; stories written by Times correspondents are what this site is about.

When it comes to revenue streams, not surprisingly, the Times also scored highly. It features, in effect, everything that a Web site today could. It has a lot of ads — 13 on the days we examined — many of them small and unobtrusive. And it adds revenues from fees it charges for premium content.

Nytimes.com is leading example of a franchise that has decided not to create a new identity online, but to transfer the

old one, enriched and modernized.

### **National Public Radio ([www.npr.org](http://www.npr.org))**

NPR.org is becoming something of an identity unto itself, a destination offering substantially more than just radio programs moved online. The site leads with a top story usually presented as a package with multiple links and multimedia components. That is followed by a list of other top news stories, which, once accessed, are offered as both audio and text.

Below the top stories comes a mix of news content, including a list of top e-mailed stories (updated continuously), a sidebar of news topics for further reading/listening, and Associated Press headlines.

Amid all this content is a clear sense of the NPR **brand**—a clear emphasis of this site, and a category where it got some of its highest marks. The vast majority of stories posted on the site are researched and written by NPR's staff, something it accentuates by offering bylines to most stories as well as links to the author's biography. In addition to the NPR content, the site augments its stories with a limited selection from the A.P.

The other area where NPR.org excels is in allowing users to **customize** the NPR content to their own interests or needs. Both RSS feeds ("really simple syndication") and podcasts are prominent features, situated in the upper left-hand column of the homepage. The RSS link takes users to a page where they can choose to receive particular categories of news feeds (e.g., opinion), specific programs (e.g., Morning Edition), topics (e.g., children's health), or particular member-station feeds (e.g., KQED in San Francisco). All in all, there are 52 categorical RSS feeds and 19 member station feeds. Another feature extensively employed on the NPR site is podcasts. The podcast link from the homepage takes the user to an extensive directory of podcasts organized by "this week's picks," topic, title and by station provider. As of February of 2007, though, the site had yet to embrace the latest trend of mobile phone delivery.

NPR.org was in the mid-level range when it came to use of **multimedia** forms. Audio features were prominent, with some live streaming options, podcasts and other MP3 downloads. These are supplements, though, to the more common text and photo elements on the home page. And, the site did not offer video content.

Clicking further inside the site, however, reveals more of a multimedia feel. Once users click on a story headline from the main page, they are taken to the transcript of the story (or a synopsis) and are then presented with the choice to read or listen to the story. Indeed, NPR.org stands out in offering about 85% of its content simultaneously as textual narrative and audio streams or podcasts.

A big question facing all online entities is one of **economics**. NPR.org hosted only two advertisements on its home page, one self-promotional, the other a PBS logo. Still, it does find a way to draw in some revenue. The site charges users for some archive material: \$3.95 for a single archived transcript, or \$12.95 for a monthly subscription to the archive (up to 10 transcripts).

### **OhmyNews International ([English.ohmynews.com](http://English.ohmynews.com))**

Lying somewhere between [globalvoices.com](http://globalvoices.com) and [digg.com](http://digg.com), **OhmyNews International** is a hybrid of citizen

journalism and news editing. As with Digg, all the content comes from users, in the format of news stories rather than blog entries. There is also a heavy emphasis on narrative text. But, as with Global Voices, the editorial staff plays a heavy role in the internationally focused content. The approach in the end gives users a lot of ways to contribute and be heard but with strong brand identification.

The site itself is based in Korea, though the international version is posted in English. Although the content all comes from users, the site is far from an open forum or a clearinghouse for stream of consciousness. Potential reporters and writers must apply and accept the conditions laid out by the site, and if “hired” are paid for their work.

The process of submitting reports operates a lot like that at more traditional news outlets. There is a heavy editing process that instills a uniform style, which in the end reads a lot like a straight news or analysis piece. The contributors here are hybrids — edited citizens.

The diverse mix of largely international topics speaks to the individual interests of the citizen journalists who filed them. Stories come from around the world. On the afternoon of January 11, the lead item on the page was Part 3 of a series on the “History of French Nuclear Tests in the Pacific.” The next piece was a story on women in Africa using cell phones and the growth of mobile technology there. It was followed by a story about a Japanese politician visiting Pyongyang.

In addition to the stories themselves, the editors use a fair amount of the homepage to highlight certain features or help visitors find what interests them most. Next to the lead stories is a slimmer column with content the site is emphasizing in some way — special-report sections, podcasts, pieces on citizen journalism and a list of that week’s “Featured Writers.” And on the right is a map of the world showing the areas generating the most media attention, more featured-site links and headlines from the International Tribune.

Farther down are headlines arranged by topic area — Korea (the site’s home), World, Technology, Art & Life, etc., and finally a list of the most recent posts to the site.

As such, OhmyNews International sat in the top tier on **branding**. There is no wire copy on this site and the home page decisions are made by staff, not computers. What the site offers, instead, is branded controlled citizen journalism. If the number of citizen journalists posting to OhmyNews International continues to grow, one would expect the topics and regions covered to grow as well.

Thus, while the site may currently be the home of various bits of international news that have fallen through the cracks of mainstream journalism, it may be something very different in six months or a year

The site scored fairly well on user **customization**, in the second tier. It was helped by offering multiple RSS and podcast options high on the page. Visitors could not, however, remake their own homepage or get a mobile version of the site. As with Digg and Global Voices, **multimedia** was less of a focus, it placed in the last tier in that area. There was no video and no live streaming audio and, while the site is made up of content from citizen journalists, no blogs per se.

The site scored highly, in the second tier, on **user participation**. The site, obviously, has a lot of user content. It did

not, however, accommodate live discussions, or the use of online votes.

The site did poorly in the rankings for **depth** and **economics**. Its depth score was hurt by not updating as often as other sites and not packaging stories together. And ads are largely non-existent on OhmyNews International. From its base in Korea it has a variety of Korean corporate “partners,” most notably Samsung, but there are no real ads on the homepage and the only ones on interior pages are Google ads.

### **The Online NewsHour (<http://www.pbs.org/newshour>)**

The online home for the NewsHour is a lot like the program itself – it is focused on a few topics and doesn’t overwhelm the user with charts, graphs or information. A calm and deliberate site, the Online NewsHour uses a two- or three-column format to offer stories from the previous night’s program. Pieces are available in text, audio or video format. The name of this Web site sums it up fairly well. It’s an online version of the program.

In our site inventory, the Online NewsHour scored highest, in the top tier, in **branding**. This content comes completely from the program. The site does not rely on the wires or other outlets for news and it is put together by a human editor, not a computer program.

The site also ranked fairly high on **customization**, in the second tier. There was no way for a user to modify the front page, but there were a large number of RSS feeds and podcasts available to customize content delivery. The site also achieved a second-tier ranking in **multimedia**. It was relatively light on content overall, and almost all of what was there had audio and video links attached.

The Online NewsHour sat in the bottom tier of all the sites we examined for user **participation** and **depth**. Other than through occasional email addresses alongside the reporter’s byline, there was essentially no way for a user to interact with the site. And its depth score was hurt because it isn’t updated often and doesn’t offer embedded links in most stories.

As one might expect with a public TV site, the Online NewsHour doesn’t have a strong **revenue stream**, but it was in the third tier – not the bottom one – with eight ads on its home page.

As for the site’s content, it is largely repurposed NewsHour items, offered in multiple forms and with a few added features. Along with the audio and video links, there are links to past stories and external links to sites of interest. For instance the lead piece on January 9th was a transcript from the January 8th show, but it also included maps, lists of “key players” and a timeline among other things.

NewsHour is definitely not a site to visit if a user is looking for the latest news on a large variety of topics, but for focused coverage on a few – usually very current – topics, it offers a lot.

### **Reuters News Service ([www.reuters.com](http://www.reuters.com) )**

Like 19 th century wire service of its name, the main thrust of the Reuters web site is the latest news headlines. The page is filled with news reports across a wealth of categories— U.S., international, Investing, business, science, and

many more. As the wire service is known for, the reports themselves are unadorned, focused primarily on articulating the information at hand. A few key features though—one of which is it being open to the public—moves the Web site beyond the image of the age-old wire service.

Overall the site scored in the highest tier in only one area—editorial branding—and the lowest in four.

With staff reporters spread throughout the world, Reuters has no trouble filling its vast pages with original, bylined content, giving it the highest score possible for editorial control and **branding**. Branding here does not imply voice, but conveys the more traditional sense of original content and strict editorial practices. The bylines are clearly there for added authority and accountability rather than to feature the voice of staffers.

For a news outlet that was never before even available to the general public, Reuters places a good amount of emphasis on allowing the public to make the web offering their own—**customization**. Users can create their own home page structure to greet them each time they return, can subscribe to multiple RSS feeds and have news delivered to the mobile phone. The ability to search their vast array of content is more limited, with only a simple key word option and for now anyway, the site had skipped over the podcast phenomenon.

User **participation** and **multimedia use** appear to be not so highly emphasized. Beyond the ability to email the author of a news story, users must keep their views to themselves. When it comes to story forms, Reuters has initiated quite a strong video news service with many stories offered both as narrative and video reports. Other media forms, like live streams, Q & A's and user polls are left for other sites.

The site also fails to take advantage of the potential **depth** of news stories. Though constantly updated, the site does not embed links into the news reports and often does little to try to link stories together.

For **revenue**, the site at this point relies more on advertising than on direct user fees. The site averaged 7 different ads on the home page with all content and archive material a free service for visitors.

### **Salon.com (www.salon.com)**

Salon.com has often been thought of as Slate's less affluent and smaller sibling — it was launched at roughly the same time, 1995, also as a Web-only magazine. **Salon.com** in 2006-07 is an attempt to carve out a niche as a place where “you'll directly support independent journalism,” the site says. The result is something akin to an online version of Mother Jones, much more predictably liberal than Slate, with a few dashes of pop culture and sports thrown in.

It also differed in the scores it earned. The site stood out for promoting its own branded content, where it earned top marks. In every other category, Salon by our metrics earned mostly low-mid range scores.

Upon reading the content, the **brand** becomes quickly evident. Reports generally feature a first-person voice. Politics is a mainstay, but there is also a lot of culture as well. And often the two come together, such as the January 22 review of movies at the Sundance Film Festival. “You can start out a weekend at Sundance, as I did, irritated by all the minor inconveniences of this place,” the review began, “and end it as I also did, sitting in a roomful of strangers weeping at an impromptu late-night speech delivered live by Dick Gephardt.”

Also striking is the number of ways Salon.com aims at raising revenue. There are five outside ads on the site, split between two advertisers and a prominent advertisement for joining Salon Premium for \$35 a year. That membership gives users access to Salon.com's discussion forums and the ability to skip ads on the page as well as some benefits that have nothing to do with Salon — subscriptions to Wired and The Week. Despite this, the site was in the third tier of our **revenue streams** category in part because it didn't feature many ads — only eight.

The site had been redone between the time of our inventory, October, and the New Year, and had added podcasts and video to its homepage. It did not score highly in most categories in our examination, however.

It was in the third tier in terms of **customizability**. Users could not modify the home page and there was no mobile version of the site available — though the site would have ranked somewhat higher after its additions. The same could be said about its **multimedia** ranking, where it was in the bottom tier. The big video link now on the front page would have lifted that score as well.

Its score for the level of user **participation**, also in the third tier, was unchanged though. There are live discussions and users can email story authors, but the site does not include user content or things like polls. Its third-tier **depth** score also would have been the same. The site's relatively infrequent updates — three a day — helped keep the figure low.

### **San Francisco Bay Guardian (www.sfbg.com)**

The San Francisco Bay Guardian is one of two alternative weekly newspapers in San Francisco, and one of the few papers in the country that is still independently owned. Like most "alt-weeklies," it is known for its local investigative pieces and extensive entertainment listings. Its online version is pretty much the same thing—literally. All of the reported pieces come straight from the current week's print edition. The web specific content comes in two forms. A right-hand column highlights (in red-text that often runs together) a list of daily "picks"—cultural events about town. Second, a block in the upper left-hand column offers five blogs. The blogs—one on music, arts and culture, politics, San Francisco and a featured blog by Bruce Bergmann—provide more recent musings than those in the print edition, but are not nearly as active as some. On the days we studied, the most recent postings on most of the blogs were four days old.

As a site that mostly proffers its print-work along with city calendar listings, it scores low in most areas of Web potential. Its highest ranking, not surprisingly, is in the **editorial brand**. The work is all by SFBG staff. The report's byline is often not only attached to the story, but featured on the home page along with the headline. Voice is clearly a main thrust of the site.

It welcomes visits but doesn't do much to compete with other online options. The ability to email authors and post comments to stories or blog posting gives the site a few marks for **user participation**, but there are no options beyond that, keeping it in the low to mid tier in this category. **Customization** is even scarcer with a simple key word search as the only way users can take control of the headlines they see. How about **multimedia**? Suffice it to say in our study we found 95% of the content to be straight narrative. The other 4% was still photos.

When it comes to **revenue streams**, the site has spent some energy placing ads—an average of 8—prominently on

the home page. If you don't mind wading through these, the rest of the content is available for free. Registration is optional and all past editions of the paper (and website version) are available free of charge.

### **Slate (www.slate.com)**

Though it is one of the pioneers in the world of Web journalism, most Americans who regularly visit the Internet for news are probably at least aware of **Slate**, the online magazine founded in 1996 by Microsoft and run initially by Michael Kinsley, the highly regarded editor who helped revive the New Republic in the 1980s. Since it began, Slate has gone through several redesigns, a change in editors and a change in owners.

Through it all it has retained a distinctive look, feel and approach. Of all the sites examined, Slate probably uses visuals the most prominently — almost in place of headlines.

In our content analysis, Slate might be called the site that offers Its Brand, Your Way. The site clearly is offering a team of writers and commentators, with a high degree of editorial quality control. But, it also stood out for the level of customization allowed. It was one of the few sites studied, along with NPR, to stand out for that particular combination.

The opening screen features several prominent photos or cartoons, each linking to a story or feature. There is text on the page, but the pictures dominate. The lead piece in the center of the page, twice as wide as any other column, is anchored by a photo. The headline for the piece even runs within the picture, and there is no teaser text. Under that lead item are five smaller items lined up in a row, each with a small photo and a headline.

Slate may be owned by the Washington Post and have an affiliation NPR, but its content is its own. There are no links to pieces from the Post or the wires on the homepage to give users the latest stories. From the beginning the site has taken great pride in its editorial voice — usually “smart” and often counterintuitive. The pieces rarely stress reporting, but rather about offering different views on topics in the news. On January 19, for instance, the lead article for the site was “How the Camera Phone Changed the World — For the Worse.” The piece recounted the rise of the camera phone's prominence in news events, such as Saddam Hussein's hanging. “A camera on a phone has only aided the perverted, the nosy, the violent, and the bored,” the piece opined. As such, it scored at the very top of the sites studied for **branded** control of its content.

It earned its high marks for **customization** with multiple RSS and podcast options featured prominently. Mobile phone delivery was also available back in September; a feature found only on a few of the sites studied.

The site also put notable emphasis on allowing users to **participate**. They were welcomed to comment on stories. There were links to most-read and most-e-mailed stories and there were ways to e-mail the authors of stories.

After quality narrative and giving users a lot of room to participate and customize the site, Slate became more typical.

Even with the heavy use of photos, the site scored in the bottom tier for **multimedia** potential. On the days monitored, 85% of the content on the front page linked to narrative text only. There is some presence of video, slide shows and interactive graphics, but despite a partnership with National Public Radio there were few audio links.

It also is not doing much to exploit the potential of the web for **depth**. Its score there was hurt by updating less often than other sites and by not packaging related stories together.

When it came to the level of **revenue streams** evident on the site, Slate scored in the low mid range, second from the bottom. It boasts relatively few ads and its experiment with paid subscriptions was abandoned some years ago.

Slate has grown immensely, adding new features and blogs in its 10 years, and is climbing the ranks of most-visited sites. And in an age when people are pointing to multimedia as the Web's next wave, Slate seems happy to stake its position as the Web's version of the New Yorker — relying heavily on writing but minus the heavy reporting, of course.

### **Time (www.time.com)**

At the start of 2007, Time revamped and re-launched its Web site. It added new features, limited its color palette and cleaned up a site that was fairly cluttered. The new site is more organized and simpler without being sparse. It looks and feels more like the online home of a new Web outlet than it did before and less an online parking space for the magazine.

Still, some of what we found on the site in October still held true in January. For instance, the first thing a visitor is likely to notice is that Time is not alone here. Signs of its partnership with CNN — another news outlet owned by Time/Warner — appear in the header. But there is more brand differentiation now than before. In the earlier incarnation, the site offered “The Latest Headlines from CNN.” That has been replaced by “Latest Headlines,” which lists 10 news items from a variety of sources, CNN among them.

The new Time.com is also an environment more distinct than before from the print magazine. The image of the current week's magazine cover, for instance, is pushed further down on the page, rather than appearing in the top right hand corner.

One thing the old and new sites have very much in common, however, is that everything here is still free.

Visually, the new Time.com uses a cleaner three-column format as opposed to the four-column approach it used to have. And while the old site had pictures scattered all over it, the new one features only a changing slide-show picture, with an ad on the right side and a row of three photos in the section below. The layout is modular.

The old cluttered Time.com was not without its advantages. It was one of the more **customizable** Web sites, finishing in the top tier in part because it offered several different RSS feeds, podcasts and a mobile version of itself. It also finished in the top tier for **branding**, using human editors to make decisions about layout (rather than computer programs) and using bylines on staff copy. The site also relied heavily on its staff for lead stories — more than 75% of its lead pieces carried staff bylines.

It scored lower, in the third tier, in **depth**. Its score was hurt by offering fewer updates than other sites (something true of most magazine sites) and not using embedded links to take readers further into a subject

Time put even less emphasis on **multi media** (it finished in the bottom tier). This is a text based Web site. It also



earned the lowest marks for user **participation**. It offered users little in the way of communicating or reacting, not even the opportunity to send emails to authors.

Time also does not have a significant number of **revenue streams** on the site at this point. It did not have many ads – eight – and it did not charge for any content.

The new Time.com seems to place less emphasis on allowing users to customize it — it certainly highlights customization less—and is more focused on presenting users with a clean, uncluttered first view of the page. It still has multiple RSS feeds and podcasts, and a link to get a mobile version of the site, but those links are at the bottom.

On the other hand, blogs have multiplied. Andrew Sullivan’s Daily Dish is still here (though Sullivan announced that his blog was moving to Atlantic.com), and it has been augmented with blogs about Washington (Swampland), The Middle East and entertainment (Tuned In). The site also added a column called “The Ag,” which stands for aggregator, which talks about what’s news in other media.

Interestingly, the redesign actually left the site with fewer ads. There were a total of four in September, placing it in the bottom 10 of the sites we looked at. But there were only two in January and they were coordinated for the same product — Bentley College. That approach, also taken by Economist.com, makes the ads feel more like an integrated part of the page and less noisy.

The strength of Time.com is its willingness to reach beyond its own pages for content. There is a lot here. The 10 stories in the “Latest Headlines” box are usually wire copy, but they do at least offer users a link to major breaking news. And such fare as Andrew Sullivan’s blog not only brings more outside content to the page, its teaser text can definitely bring a different flavor, as it did on December 9, 2006: “If the Democrats have the balls to restore our constitutional order I may have to stop being an independent for awhile.” Not exactly journalism in the tradition of Henry Luce.

Perhaps most interesting, the new Time.com does not make a point of offering content from the magazine. The daily stories from Time’s staff, on the page’s top left, are often shorter than magazine stories and feature either a different tone or some exclusive tidbit, and Time.com clearly differentiates between them and the stories on the rest of the site. And articles from the actual magazine are hidden down the page under the image of that week’s cover. Users have to click the image to get to those pieces.

It all amounts to a step toward a Web environment that is more than the magazine, with plenty of short items and Web-only content. That is what Time promised in the summer of 2006 when it said it was going to turn to the Web more and more, particularly on breaking news.

### **Topix.net (www.topix.net)**

The first thing a user probably notices at **Topix.net** is the breadth of information available. The site does not generate content, but is an aggregator plain and simple. It draws from thousands of outlets ranging from U.S. newspapers to wires to foreign news sites.

That diverse mix is evident from the headlines that fill the homepage. The top nine may feature nine different news outlets from nine different countries. Under those are three headlines from your home area — something the site automatically identifies when you arrive.

Still, the site scored in the lowest tier of sites for depth, or making use of the potential of the web to go deep into a topic. Its rating here was hurt by the fact that it offered no archive and stories on the site existed as separate items, with nothing connecting related content together.

Topix.net scored somewhat higher, in the low-mid range, for **customization**. The site had strengths in that area — users, for instance, can further customize the local news section by choosing from a list of 30,000 different U.S. cities. And if a user changes his or her home location, the site remembers it. Other kinds of customization found on other sites, however, were absent here. There was just a single RSS feeds and at the time of the study, there were no podcasts or mobile phone delivery options.

The site puts somewhat more emphasis on allowing users to participate in the site. It scored in the second tier here. The page's entire right column is reserved for readers' comments, with a list of topics and the number of comments posted under each. Every headline also has a similar place for feedback.

As one might imagine with an aggregator site, the **branding** score for topix.com placed it in the bottom tier, with no content coming directly from the site and a computer program selecting the stories that appear on the front page.

Nor is Topix oriented to **multimedia**. It earned low marks in that category. Its home page was mostly text with roughly 90% of it being narrative. There were also no audio or video links.

The site also scored in the bottom tier for the level of revenue streams to the site. There was no paid content here and few ads.

That limited number of ads, though, helped with Topix.net's clean-feeling front page. Ads are limited to the far right of the screen, after the user comment column. Here, too, localizing comes into play — the ads are local ones from Google about everything from cars to jobs to court records.

Unlike other aggregators, such as Google, Topix doesn't change the top news headlines all that frequently. While there is no human editor on the site (its headlines are selected by a computer program), the program operates at a little slower pace than others. At noon on January 10, 2007, its lead story was about the possible of the chief of Al Qaeda in Somalia had been up for seven hours. Other "latest" stories had been there six hours, 10 hours and 13 hours. In other words, the stories that show up on the homepage are not just the latest wire copy. That can have the virtue of not piling the most recent story on top when it's not necessarily the most important.

### **USA Today ([www.usatoday.com](http://www.usatoday.com))**

As this report went to press, the Web site for USA Today underwent an extensive redesign. The redesign took steps to advance in several of the categories that we identified. It now offers more video and other multimedia components. It also facilitates more of an online community by allowing users to contribute their voice to the site and tailor it to their

needs.

The study of the site—and this analysis—was performed in February of 2007, before these changes.

The Web site for USA Today carries over a lot of the newspaper's look and feel. The blue USA Today header box is on the site as are the color-coded section names, a red box around Sports, a green one around Money, and so on. Other than a flash picture slide show on the top right of the screen **usatoday.com** feels a lot like USA Today online.

The site also has carried over the simple, modular layout of the newspaper. It essentially features a two-column layout, fewer than many of the newspaper sites we visited, that keeps things fairly simple. There is a lead story with a photo just under the masthead on the left and next to it on the right is a list of six headlines, some with supporting material like photos and analyses and others without, and no teaser text.

But the impression that this is the newspaper in another platform is not entirely accurate. Indeed, this is one of the few newspapers that did not earn top marks for **branding**, or promoting its own content and editorial control. It scored in the second tier. To stay immediate, it relies heavily on wire copy.

Indeed, in our sit inventory, USAToday.com didn't particularly stand out in any area. In our loose groupings, it was Jack of All Trades.

The site ranked in the second-tier on **customization** partly because of the large number of podcasts and RSS feeds available. That rating was also helped by giving users the chance to modify the home page. But the site is not as mobile as some others and offers no podcasts.

USAToday.com was also a second-tier finisher on **multimedia**. The site is not particularly text heavy; photos made up a larger percentage of the space. But there were no large audio or video components, and limited offerings, relative to other sites studied, in the way of video or audio links.

The site fell in the lowest tier relative to others when it came to the level of user participation. There was no chance for users to add content, no live discussions, and few chances to even e-mail authors.

And the site scored in the third tier for **depth**, the degree to which it linked stories in packages, or went deeper with paths to relevant archives, background, documents, interview transcripts and so on.

USAToday.com fell toward the middle in terms of the number of revenue streams on the site. There 13 ads on the page. The site does not charge for content, even its archive.

Unlike the paper, which publishes Monday through Friday, the site is always adding material, even on weekends, though it relies heavily on wire services to do that.

Staff people do sometimes contribute as news breaks, but much of the material comes from the Associated Press. Even in its lead positions the site is comfortable using wire copy.

On the afternoon of February 11, for example, six of the seven stories in the lead area were from the AP. That is

particularly interesting since the site is owned by Gannett and could, in theory anyway, stock its page with stories from the papers the company runs around the country. The newspaper does pull stories from other Gannett papers at times.

### **Washington Post (www.washingtonpost.com)**

In contrast with some sites, particularly that of the New York Times, the Washington Post has gone out of its way to create a different identity on the Web from the one it has in print. The Web identity is high-tech and defined by multimedia and the ability of users to customize the site as their own.

The traditional logo of the paper is small and off to the side. The dominant masthead is the two-toned **washingtonpost.com** logo in black and red, which of course we do not see in print. The layout is a clean, three-column format, unlike the paper product.

In our content analysis, Washingtonpost.com scored highly in more categories than almost any other site examined. It was one of only two sites of the 38 studied, indeed, not to earn low marks in any category. And it was one of only four to earn the highest marks in three of our five content categories — in our loose groupings, one of four High Achievers.

The site earned top marks for **branding**, or the degree of original content and editorial control. More than 75% of the content was staff written.

Yet the site also earned top marks in our content audit for **customization**. Visitors could create their own page layouts, subscribe to content through multiple and highly promoted RSS feeds, and arrange to receive a mobile version of the site.

And it was also a top-tier site for its use **multimedia** formats. A visitor is more likely than on most sites to find video, photo and Q&A links on the homepage. Live chats with Post staff members and newsmakers are featured prominently. All this also meant that the amount of plain text was smaller than on other sites. This destination is about more than reading stories.

The site earned second-tier marks for the level of user **participation**. That, however, still put it in the upper half of all the sites studied in a category where only three sites earned top marks.

The site was a high-scorer on **economics**, landing in the top tier with somewhere between 15 and 18 ads usually on the homepage. That includes advertisements for site features and logos of sister sites like Newsweek, Slate and MSNBC.

Washingtonpost.com earned its lowest marks for **depth**, in the third tier. That meant the site did not embed a lot of links in and around stories for people to go deeper, to background, documents, full text of interviews and various other options, including easy access to archives.

To some extent, given the nearly infinite set of options the Web offers that may reflect the fact that depth and immediacy are hard to balance. The content here starts out in the morning, as most newspaper sites do, with stories

from the print paper, and throughout the day the site is updated to add new material.

The overwhelming majority of the stories, upwards of 90%, feature staff bylines. But washingtonpost.com is not afraid to run wire copy, particularly in sidebar stories that provide supplementary information around staff-written lead pieces. And the site takes great pains to include a lot of supplementary copy to go along with its featured pieces, including links to photo presentations, staff Q&As and interactive graphics. Generally, each featured story has at least two extra sidebar links.

Washingtonpost.com is a site that takes advantage of much of what the Web has to offer, adding a lot of interactivity to expand the paper's identity beyond its print franchise of heavy coverage of the federal government.

### **The Week ([www.theweekmagazine.com](http://www.theweekmagazine.com))**

The online home for The Week, [www.theweekmagazine.com](http://www.theweekmagazine.com), can best be described as exactly that — a place for the online versions of the content that appears in the print title. It is a sparse environment, and appears by and large to be an afterthought.

Its narrow, three-column format is evocative of a magazine page and fills only about half the screen. Only the wider middle column holds real content, which is labeled “In the Magazine...” and features a large photo. The narrow left column is saved for navigation. The current week's cover image is displayed prominently in the narrow right-hand column (it links to a page where users can subscribe to the print version) and is followed down the page by ads. Users coming to the site are greeted by only three images and three story links on their first screen.

All told, there are 24 links directly to stories on the page, an extremely low number among the sites we examined.

There is no place for breaking news and no attempt at posting daily staff-written content.

In fairness, The Week's format, which involves giving a weekly summary of news accounts from around the nation and world, may not really be suited to the Web. First, publishing more often online goes against The Week's *raison d'être*: the premise that people are overloaded with information and need a simple, short synopsis of events that they can carry with them. Second, if one wants a quick look at what's going on in the world from several sources while online, online aggregators already offer many such services.

But that limited approach is ending. The magazine has announced it will soon launch a new Web site that will do on a daily basis what the title does every week — condense news from around the nation and world.

Looking at the rankings in our site inventory, The Week was not a big winner in much of anything. It scored well in one category, **branding**, where it was in the top tier because editors choose what content goes on the page and all of it is generated in-house – though it must be noted the content consists of summarize stories from other outlets.

In all other categories, the site was in the bottom tier. There were, in essence, no opportunities for **customization**.<sup>16</sup> The page's only **multimedia** only components were the photos it ran. There were none of the **participation** options (user blogs, author email addresses, live chats) we looked for on the site. The site was not updated during the day (in

fact only once a week, at the time of our inventory) which hurt its **depth** score. And the site had few ads – only six – and no fee content which placed it near the bottom in **revenue streams**.

While many people look at The Week as the print version of a Web aggregator, its Web presence pays little or no heed to the capabilities of the Internet or the on-line world's 24-hour news cycle. It is the new-media home of a very old-media approach.

### **WTOP Radio (www.wtop.com)**

Washington-based WTOP represents an entirely different look at radio online, one which is simultaneously local and national in scope. The homepage features an obvious lead story; an invitation to visitors to listen to WTOP radio news; weather and traffic information for the day; and a prominently featured local news section. Advertisements also have a heavy presence.

WTOP.com ranks in the top tier for offering **customizable** options. Users can subscribe to both RSS feeds and podcasts, and its RSS feeds are relatively varied (totaling 12 different feeds, all of which are different categories of news). WTOP also goes further than NPR in providing on-demand listening options: visitors can sign up for content delivery (headlines, weather, traffic and breaking news) to their mobile phones.

WTOP.com is still largely about narrative text (it makes up close to three-quarters of the content with still photos the second-most common form). Still, it did make some effort at **multimedia** forms (falling in the mid-level range of all sites studied) with some presence of video stories, slideshows, interactive graphics and yes, live streaming audio. *Listening* makes up only a small though prominent part of the Web site's homepage with a section called "Audio Center" that is devoted to live streaming of the WTOP radio station content.

The site puts less emphasis on its own original **branded** content, relying mostly on the A.P. The heavy use on wires reflects the larger reality of radio today — even in Washington, D.C., national and international news comes heavily from sources other than the station itself. And even for local stories, only some had WTOP staff bylines; most came from the A.P., along with a few contributions from the Washington Post.

Economically, WTOP seems to emphasize **revenue streams** from its Web site, as opposed to simply leaning on its radio station for cash-flow. It averaged close to 20 different ads on its home page, only one of which was self-promotional. Ad eyeballs, it seems, are the way users pay for use of the site. All the content is free and there no registration is necessary.

### **Yahoo News (www.news.yahoo.com )**

At first glance the news page for Yahoo.com looks a lot like a dumping ground for the newswires, particularly the AP. The top stories are all wire, as are the pieces in the secondary "More Stories" area. But look a little closer and there is more going on here on this site. There is video from a number of sources, including CNN and ABC News. And further down the page there are tabs to look at headlines from a number of sources including NPR, USA Today, the Christian Science Monitor, Congressional Quarterly, Business Week, Fashion Wire Daily and the Sporting News. Outlets specializing in specific topics are grouped under their topics headers – like Business, Entertainment, Travel and

Sports. The site is a mix of approaches seen on other aggregator sites. The news here makes a comprehensive “newspaper” like page, but news is segregated by outlet.

In our site inventory, Yahoo’s news page didn’t really stand out in one category. It scored fairly well on **customization**, ranking in the second tier. Users could modify the page considerably and the site remembered the changes they made on subsequent visits. There were multiple RSS feeds and an advanced search option. But the site didn’t offer podcasts on its page or a mobile version.

It was also a second-tier site when it came to user **participation**. It offered a link to a page with user content, let users rate stories and offered most viewed and most emailed story lists. But there was no user blog, live discussions or polls.

Yahoo News scored lower on **branding**, in the third tier. It was hurt by the fact that it simply pulls material from other places, but the site’s human editors gave its score a lift. It also scored in third tier on **depth**, hurt by the limited number of stories it linked into packages. And it was in the bottom tier on **multimedia**. There are some video links here, but no audio and the page is dominated by text.

Its **revenue stream** also scored fairly low, in the third tier, with only eight ads on the page.

The strength of Yahoo News’s content is that it is always fresh. The site is put together by real people, not a computer program, and they apparently comb the news all day long looking to make updates. So at one point on March 7 the lead story was an AP account of an airliner that overshot a runway in Indonesia and a few minutes later it was a Reuters story about civil strife in Iraq. Users of the site, in other words, are not likely to miss the big stories of the day with human editors constantly updating the news. But if there is a drawback it is that those lead stories are wire stories – long on facts, but often done as the news breaks and short on context.

[Click here to view footnotes for this section.](#)

## Methodology

### Methodology

As the Internet continues to change the news industry and the methods of production, circulation and consumption, it is ever more critical to understand the emerging trends and news outlets available online. Citizens must make daily choices about what sites to go to for various kinds of news information, but it is largely up to them to figure out which site can best fit their needs at the moment. And in many instances they may be making choices without fully understanding why.

The content analysis element of the 2007 Annual Report on the State of the News Media was designed to try to sort through the many different kinds of sites that offer news information. What do some sites emphasize over other things? Are there common tendencies? The creation of the study and the analysis of the findings was a multi-step process.

## Sample Design and Web Site Capture

To assess the range of news Web sites available, we selected 38 different Web sites that provide such information. The sites were initially drawn from the seven media sectors that PEJ analyzes in each annual report:

- Newspaper (9 sites from a mix of national, regional and local papers)
- Cable news (3 sites)
- Network News (3 sites, commercial and public; NBC's online identity is merged with that of MSNBC)
- Local TV (2 sites)
- Radio (2 sites, one national network and one local)
- Weekly news magazine (3 sites)
- Online-only news sites (10 sites ranging from aggregators to citizen-based sites to online magazines)
- Online blogs (4)

In addition, we included one foreign broadcast site (BBC News) and the site of one wire service. (Due to the language barrier, Ethnic, non-English language Web sites were not included in the study.)

The result was the following list of sites:

### Sites Studied

ABC News Com <http://abcnews.go.com>

BBC News <http://news.bbc.co.uk>

Benicia News <http://www.benicianews.com>

Boston Phoenix <http://www.thephoenix.com>

CBS11 TV <http://cbs11tv.com>

CBS News <http://www.cbsnews.com>

Chicago Sun Times <http://www.suntimes.com>

CNN <http://www.cnn.com>



Crooks and Liars <http://www.crooksandliars.com>

Daily Kos <http://www.dailykos.com>

Des Moines Register <http://www.desmoinesregister.com>

Digg <http://digg.com>

Economist <http://www.economist.com>

Fox News <http://www.foxnews.com>

Global voices <http://www.globalvoicesonline.org>

King5 TV <http://www.king5.com>

Los Angeles Times <http://www.latimes.com>

Little Green Footballs <http://www.littlegreenfootballs.com>

Michelle Malkin <http://www.michellemalkin.com>

MSNBC <http://www.msnbc.msn.com>

AOL News <http://news.aol.com>

Google News <http://news.google.com>

Yahoo News <http://news.yahoo.com>

New York Post <http://www.nypost.com>

New York Times <http://www.nytimes.com>

NPR <http://www.npr.org>

Ohmynews.com <http://english.ohmynews.com>

PBS NewsHour <http://www.pbs.org/newshour>

Reuters <http://www.reuters.com>

Salon <http://salon.com>

San Francisco Bay Guardian <http://www.sfbg.com>

Slate <http://slate.com>

Time Magazine <http://www.time.com>

Topix <http://www.topix.net>

USA Today <http://www.usatoday.com>

Washington Post <http://www.washingtonpost.com>

The Week Magazine <http://www.theweekmagazine.com>

WTOP Radio <http://www.wtop.com>

Web sites were captured by a team of professional content coders. At each download, coders made an electronic and printed hard-copy of the homepages for each site as well as the top five news stories. Prominence was determined as follows:

The biggest headline at the top of the screen is the most prominent story. It may or may not have an image associated with it. The second-most prominent story is one that is attached to an image at the top of the screen, if that is a different story from the most prominent story. If there is no image at the top of the screen, (or there are two significant stories attached to the same image) refer then to the next-largest headline. To determine the next-most-prominent stories, refer first to the size of the headlines, and then the place (height) on the screen. If two stories have the same font size and are at the same height on the screen, then give the story on the left more prominence.

Stories were defined as:

- Any headlines that linked to a landing page within the Web site rather than a specific news report were omitted, as were links to landing pages of other Web sites.
- We *did* include links to specific stories on other Web sites as well as video or audio stories.

### **Capture Timing**

Web sites were initially studied from September 18 through October 6, 2006. For that initial review, each site was captured and coded four different times. For two captures, the research team coded for the entire set of variables, both the homepage analysis and the variables related to the content of news stories. The other two rounds of capture were coded only for the variables relating to the content of the lead stories.

Each site was then studied again during the week of February 12-16, 2007, and coded separately. Results for the two time periods were compared. In cases where features had changed, we closely examined the site again to confirm the change or correct inconsistencies. Final analyses were based on the confirmed February site scores.

### **Coding Scheme and Procedure**

To create the coding scheme, we first worked to identify the different kinds of features available online — everything

from contacting the author to quickly finding just what you want to receiving your news free — and how they could be measured. After several weeks of exploratory research, we identified 63 different quantitative measures and developed those into a working codebook (see list of primary variables below).

Coding was performed at the PEJ by a team of seven professional in-house coders, overseen by a senior researcher and a methodologist. Coders were trained on a standardized codebook that contained a dictionary of coding variables, operations definitions, measurement scales and detailed instructions and examples. The codebook was divided into two sections. The first was based on an inventory of the Web site's homepage. That was performed three separate times — twice in September, 2006, and once in February, 2007. The second component involved coding the content of news stories themselves. We included the top five stories for the variables related to the content of the news and took the average score for each variable.

Before coding began, coders were trained on the codebook. Excel coding sheets were designed and used consistently throughout the process. Meetings were held throughout to discuss questions, and where necessary additional captures took place to verify findings.

Coders followed a series of standardized rules for coding and quantifying Web site traits. Three variables deserve specific mention:

1. *Multimedia components* on the homepage: Coders counted all content items, defined as links to all material other than landing pages or indexes of some sort. Included were narrative text, still photos, interactive graphics, video, audio, live streams, live Q&A's, polls, user-based blogs, podcast content and slide shows. Next, the coders tallied the total number of content items on the page as well as the totals for each media form and entered the percentages for each into the data base.

2. *Advertisements*: In counting advertisements on the homepage, coders included all ads, from obvious banners and flash advertisements to the smaller single-link sponsors of a site. Self-promotional ads were also included in the total. The idea of this variable was to estimate the economic agenda of a given site based on the amount of advertising on the homepage. Advertisements on internal pages were not included in the tally. Because of day-to-day variance in the total number of homepage ads, the final figure was either the average based on all the visits to a site or, in cases where a site redesign had clearly occurred, the latest use of ads.

3. Also in the *Byline* variable, blog posts required special rules. In counting bylines, for instance, researchers coded a blog entry as if the entry was posted by the blog host—John Amato on Crooks and Liars, for example. If the blog entry was posted by a regular contributor or staff, the “story” scored a “2.” And if the blog entry was posted by an outside contributor, not bylined, or consisted primarily of outside material (an entry, for instance, that simply said, “Read this,” followed by an excerpt from another source), then the post received a score of “3,” the lowest on the scale of original stories.

## **Analysis**

In analyzing the data, we were able to group variables into six different areas of Web emphasis: User Customization, User Participation, Multimedia Use, Editorial Branding and Originality, Depth of Content and Revenue Streams.

*Customization includes*

- Homepage customization (allows user to tailor page)
- Search options (simple or advanced search)
- RSS feeds — options and prominence
- Podcasts — options and prominence
- Mobile phone delivery options

*Participation includes*

- Users' contribution to content
- Scheduled, live discussions
- Ability to:
  - e-mail author
  - post comments
  - rate the article/post
  - take a poll
- List of most-viewed stories
- List of most-e-mailed stories
- List of most-linked-to stories

*Multimedia includes*

Percent of homepage content devoted to:

- Narrative
- Photos/non-interactive graphics
- Video

- Audio
- Live stream
- User blog
- Live Q & A
- Slide show
- Poll
- Interactive graphic

*Editorial Branding includes*

- Breadth of sources
- Editorial process
- Use of bylines
- Direction of story links (internal or external)

*Story Depth includes*

- Frequency of updates
- Use of related story links
- Use of archive links

*Revenue Streams includes*

- Registration requirements
- Fee-based content
- Archive fees
- Number of homepage ads (self-promotional and external)

Codes within each variable were translated into a numerical rating from low to high for that particular feature. Then

PEJ research analysts produced an Excel template to tally the scores (summing the variables) for each site within the six categories. Thus for each of the six categories, each site had a final score. The range of scores was then divided into four quartiles and sites were marked according to which quartile they fell into.

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Newspapers – Intro

### Intro

*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

Is the newspaper industry dying? Not now. On an average day, roughly 51 million people still buy a newspaper, and 124 million in all still read one. <sup>1</sup>

The industry is recording pre-tax profit margins in the high teens, and online editions are adding readers and advertising revenues at a healthy pace. When online and print readers are combined, the audience for what newspapers produce is higher than ever.

But the print newspaper is unquestionably ailing. Circulation is declining. Advertising is flat. As Warren Buffett said at his annual investor's meeting in May 2006 newspapers appear to have entered a period of "protracted decline." <sup>2</sup>

The search is on for new business models, but success is not guaranteed. And while the fundamentals might reverse, there is no compelling case that they will.

Newspapers are focusing more on improving their journalism online. But it is not clear if the Web will ever make enough money to support journalism as we know it in print. The worry is that newspapers may be stuck with a traditional manufacturing cost structure that cannot be reduced or shifted fast enough.

In 2006, the traditional indicators were all negative:

\*Circulation fell even faster than in 2005 — down 2.8% daily and 3.4% Sunday for the six months ending in September compared to that period a year earlier. <sup>3</sup>

\*Industry revenues were flat, a poor showing in a non-recession year. On the print side, retail, national and automotive classified all showed weakness. Online growth left most companies roughly even in revenues for the year.

\*Earnings fell. Wall Street responded by marking shares of publicly traded companies down by about 14%, after a tumble of 20% in 2005. <sup>4</sup>

\*At big metro papers, such as the Dallas Morning News and the Philadelphia Inquirer, there were deep newsroom cuts. Together with some closings of national and international bureaus, the trend was to smaller, local papers with

diminished ambitions.

The outline of what readers might be losing in coverage is still emerging. For now, metros have pulled way back from coverage of more remote areas. Unglamorous watchdog coverage of council and school board meetings appears to be suffering. Copy editing is being reduced. Already in 2007, several papers have collapsed business news and metro into a single department.

The industry looked for a more positive story by proposing some new audience measures. One of those is the much larger number that *reads* at least one edition of a paper in the course of a week (as distinct from those who buy it on newsstands or subscribe to it). The total reach of print, online and niche products combined is another. For a sales pitch, the Newspaper Association of America sponsored research showing that print newspapers remain a valued “destination” source for information on stores, products and comparative prices.

Another positive is that the growth in online revenue and readership continued. By the end of 2006, however, there was evidence that the rate was slowing and would slow some more in 2007.

The industry is taking the Web more seriously, and that will probably only intensify in 2007. Many sites are cluttered and due for a redesign that can promote interactivity and create more display space for advertisers. Online enhancements, in turn, are prompting rethinking of the print product — a tighter, more forward-looking and analytical approach on the model of the reworked Wall Street Journal, introduced in January 2007.

The Web clearly is both opportunity and threat to newspapers. It represents a chance to increase audience across new delivery systems and perhaps draw in young people and other readers who have proven elusive in print. Optimists hope that the online advertising will not only grow in revenue but expand in form to include things like local search and e-mail. Already newspaper companies are partnering with former rivals like Monster and HotJobs.

But something else could also happen. The competition online is even greater than in print. It is easier than ever for alternative news sources to start up and lure away audience. And the newspapers’ own online advertising, which increasingly seems unlikely to be sufficient by itself to sustain journalism at anything like current levels, could also further ebb in the face of options with no news content at all, like design-your-own-car company sites, Craigslist and more.

As of now, we find it too soon to side with either the optimists or the alarmists.

All those factors, both the problems and the long-term promise, seemed to manifest themselves in a flurry of ownership changes and the emergence of various private investors as a force in the transactions. But what does the arrival of the new private suitors portend? Are they investors for the long term and for the interest of the papers’ home communities? Or are they rich magnates looking for a plaything? Or will they prove liquidators looking to flip a property? It is simply not clear yet.

Near the end of 2006, groups of newspapers struck separate advertising deals with Google and Yahoo, holding out at least the promise of broader collaboration with the two Internet giants and a boost to online ad revenues.



Newspapers could gain momentum if they demonstrate success, rather than just good intentions, in inventing new lines of Internet revenue. Some strong initiatives that would reduce business-side costs over time would help, too.

More likely, the stage seems set in 2007 for more business turmoil, a negative industry image and further cuts in the newsroom's capacity to do public-service reporting with distinction.

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### Charts & Tables

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- Daily Newspaper Readership by Race/Ethnicity
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## **Audience**

Audience

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*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

For a third consecutive year, daily and Sunday circulation of America's newspapers fell sharply in 2006. The losses may moderate in 2007, but few in the industry are now saying the downward trend can be reversed in the foreseeable future. And 2006 in the end was worse than many had expected.

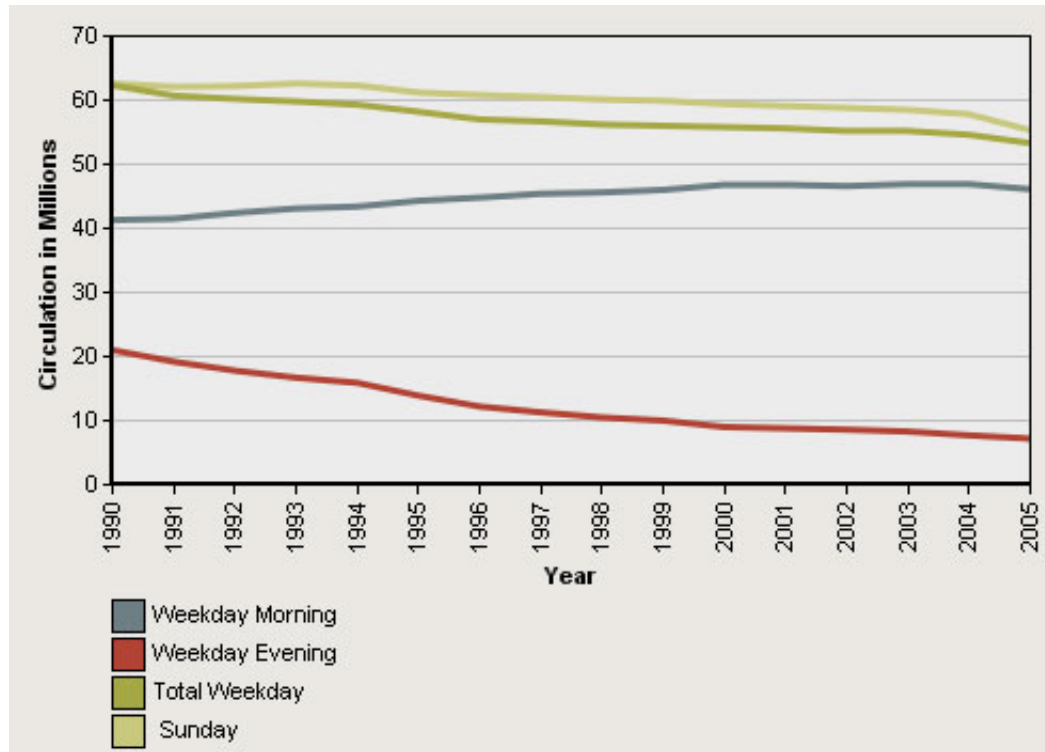
To keep things in perspective, the magnitude of the losses over all is not by itself devastating. Even better, the growth in audience online may be more than making up for the losses in print. The problems facing the newspaper industry are not about readers abandoning what newspaper newsrooms are producing, which is why industry leaders are pushing now for those alternative measures of audience – including the total a newspaper reaches in the course of a week or total reach including the paper, online users and niche publication readers.

## **Circulation**

For the six months ending September 2006 —industry circulation was down 2.8% daily, 3.4% Sunday compared to the same period a year earlier. That was marginally worse than in the same period of 2005, when circulation was down 2.6% daily and 3.1% Sunday. <sup>1</sup> And those 2005 results were considered dramatic, producing headlines about the possible death of the industry.

# U.S. Daily Newspaper Circulation

Circulation in Millions, Weekday and Sunday editions, 1990-2005



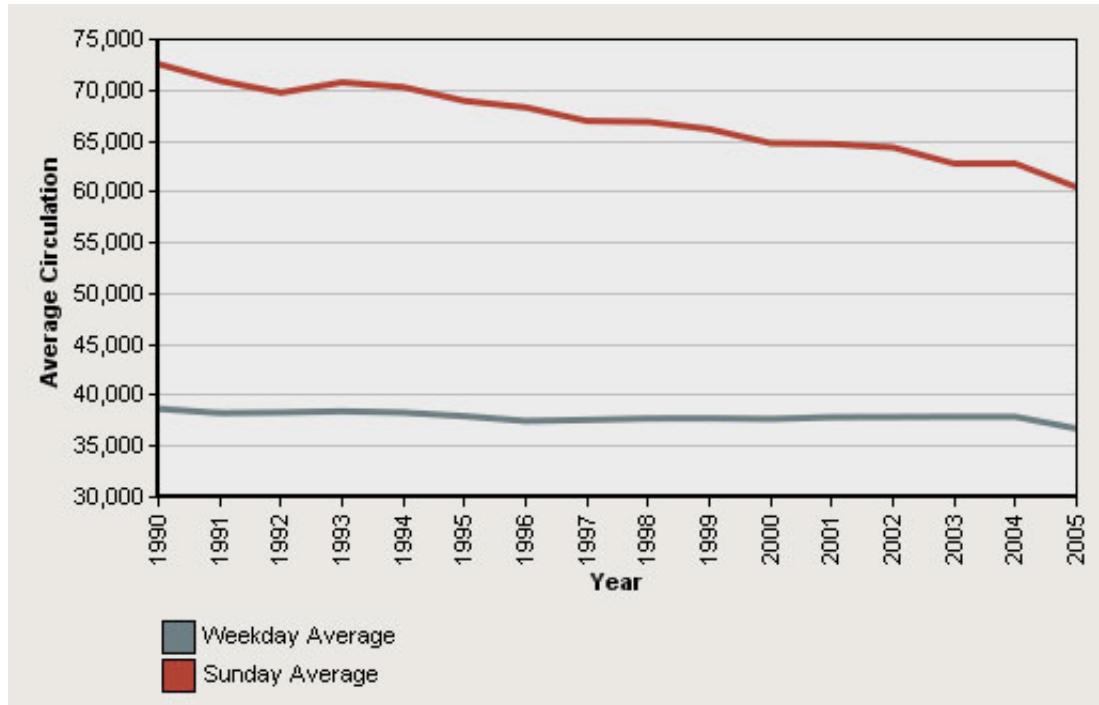
Design Your Own Chart

Source: Editor and Publisher Yearbook data

Note: Based on 2006 E&P estimates

## Average Circulation of U.S. Daily Newspapers

Weekday and Sunday editions, 1990-2005



Design Your Own Chart

Source: Editor and Publisher Yearbook data

Note: Based on 2006 E&P estimates

The losses are mounting. For the last three years, cumulative losses total 6.3% daily and 8% Sunday.<sup>2</sup>

What may be even more significant than the numbers is the change that the trend signifies. Circulation has been falling in absolute numbers since roughly 1990, and as a percentage of households since the 1920s. Yet much of that history could be attributed to the waning popularity and ultimate closing of evening papers. As recently as 2003, morning circulation was as high as it had ever been.

Now, even those surviving morning papers are beginning to shrink, and some of the country's most famous papers — the Washington Post, the Los Angeles Times and the Boston Globe — are not immune.

Industry analysts attribute the more recent, steeper declines to many factors, not one or two. Some news consumers, particularly the young, have moved online. The current generation of young adults also includes more people who have no interest in news.

Free dailies are a competitive factor, too, especially in larger cities. The availability of media generally is a rival for giving people news.

The net result is not so much that people are giving up on newspapers altogether as that they read less often. Seven-day-a-week subscribers have become a smaller group; many have switched to getting the paper a few days of the week and skipping others.

There are also some more technical matters. The federal do-not-call registry restricted phone marketing and made using that method to acquire new subscriptions more expensive at a time when newspaper budgets had been tightening. Finally, after circulation-padding scandals hit four papers in 2004, many others also set about trimming their reliance on third-party sales and other loophole categories of paid circulation that were of little benefit to advertisers.

Those trends raise a number of questions. Several newspapers had suggested that once some of the softer circulation numbers were trimmed, the losses in 2006 would lessen. That didn't happen, but there is some anecdotal evidence that it could begin to happen as early as the reporting period ending in March 2007.

It is also not clear how much the circulation losses will hurt advertising rates. It is possible, some industry executives hope, that many advertisers don't care about a decline of 2% or 3%.

A grimmer scenario is that the current pace of losses continues or even accelerates, confirming an advertiser perception that newspapers are falling out of favor, and thus depressing the lifeblood of advertising revenue.

### **Distributing the Pain: Big Metros Are the Big Losers**

The most severe losses were in large metro markets like Los Angeles, Boston, San Francisco and Philadelphia, continuing a trend we identified in 2005 and 2004. The top 50 in circulation lost an average of 3.6% daily, September to September, according to the Deutsche Bank Securities analyst Paul Ginocchio, eight tenths of a percentage point more than the industry average. <sup>3</sup>

Yet there were some even more ominous signs of generalized decline in 2006. Admired regionals like the St. Petersburg Times, the Sacramento Bee and The Oregonian did not escape the trend. Each was down more than 3%. For those who hoped for evidence that more news investment and quality would hold circulation, those dips were a tough signal. Each of these papers lost more than the industry average.

In the two previous years, the three national papers had managed to stay even, but not in 2006. The September-period circulation was off 3.2% at the New York Times, 1.9% at the Wall Street Journal, and 1.3% at USA Today. <sup>4</sup>

A few papers were in positive territory, but they seemed to be special cases: the New York Post and New York Daily News, aggressively promoted tabloids, and the St. Louis Post Dispatch and Cincinnati Enquirer, which had heavy losses in earlier years.

Among publicly traded companies, Lee, with a portfolio of mid-sized papers, was the best performer with a loss of only 0.2% September to September. Tribune Company, which announced in September that it would consider buyout bids, recorded the steepest declines of the large publicly traded newspaper companies. Its circulation losses stood at 5%, with its largest-circulating daily, the Los Angeles Times, leading the other 10 Tribune paper holdings in circulation

losses with an 8.5% drop. 5

The big metros appear to have three particular negatives as they struggle to hold readers. Their markets typically have a high proportion of Internet users and high broadband penetration, facilitating visits to online sites and the offerings of national news outlets. From the opposite direction, many face meaningful competition from suburban dailies and weeklies that dish out hyper-local news regional papers cannot hope to cover. And the big cities, especially those with lots of public transportation, are most likely to attract free dailies.

### **A New Story: Weekly Readership and Total Audience Reach**

Understandably, the industry is looking for a new and more upbeat story on audience to tell. One thread is the sense that some of the “lost” readership is being lost to newspapers’ own Web sites. The problem, in that sense, is a change in platform, not a migration entirely from what the newspaper is offering.

For some years, the Newspaper Association of America and certain companies have touted readership as a more meaningful measure than paid circulation. Readership is the total number of adults who read a paper rather than the number of copies of the newspaper sold. It is of course a bigger number — on average about 2.3 times bigger daily and 2.5 times on Sunday. 6 It also is a more comparable metric to how television and radio measure audience.

Newspaper readership is falling, too, but not as fast as circulation. According to the Newspaper Association of America, the average weekday readership in 2006 was 124 million, or about 57% of the adult population. 7 According to the association’s study of the top 50 markets, that represents a 1.7-percentage-point drop from the previous year, and 5.2 percentage points from 2000. 8

A similarly positive spin is that while approximately 50% of adults read a newspaper on a given day, roughly 76%, according to the Newspaper Association, read at least one issue in the course of a week. 9 That may not mean a great deal to an advertiser placing an ad on a given day, but it is valid rebuttal to the perception that print newspapers have become irrelevant to most adults. Even two-thirds of young adult Americans, 65% of those 18 to 34, are at least once-a-week readers, according to the association. 10

A third way to look at audience is to add together traditional print audience, unduplicated — exclusive — online audience, and unduplicated audience for the newspapers’ specialty niche publications. The industry has different terms for what that adds up to — total audience, integrated audience, total reach or market footprint. But they mean the same thing.

A major reason the industry likes this metric is that the audience for newspaper online sites and niche publications continues to grow at double-digit rates. Hence the Newspaper Association was able to headline its analysis of results for the six-month period ending September 2006, “Eight Percent Increase in Total Newspaper Audience.”

Is it a valid measure? Certainly it helps the industry’s battered image. It is less clear how well it sells financially.

Not too many advertisers will simultaneously buy across all platforms to reach that overall audience. But having a portfolio of products to offer (including direct marketing as well) does help newspaper sales people as they make their rounds.

The hitch is that the standard measure of online audience is unique visitors per *month*. That clearly does not equate to circulation or readership on an average *day* or even in the course of a week. Stronger metrics are under development, and 2007 may be the year that newspaper companies can build a better case to advertisers that at least some portion of those visitors give the online edition a thorough reading on a regular basis.

### **The New York Times Factor**

In earlier reports we have mentioned the New York Times's gradual shift over a decade to a more national circulation strategy. More than half the paper's circulation is now outside the New York metro region, and it still has room to grow as it adds printing plants reaching more of the country. We have pondered whether the Times may be draining business from local papers, especially in big, cosmopolitan cities.

A pair of academics, Lisa M. George and Joel Waldfogel, answered yes to that question in an article in the March 2006 *American Economic Review*. Studying 600 papers and 11,600 zip codes during the period 1996-2000, they found that the availability of the Times did cut into the circulation of local papers among targeted, well-educated readers.<sup>11</sup> They also found that the effect was to make papers more local in their coverage orientation. The Times's national march has now continued for another six years beyond the period studied. On top of that, the audience for its Web site continues to grow even faster — presumably heightening the effect the researchers found.

### **Circulation Revenue**

Circulation now accounts for only about 20% of a typical newspaper's revenue.<sup>12</sup> In 2006, some papers increased their prices; USA Today, notably, completed a full year at 75 cents a copy and a 1.3% drop in circulation. Some of the circulation losses that resulted from the price hikes were of marginal, deeply discounted subscriptions, so the revenue impact was minimal. Over all, as papers raised prices, the industry managed to keep circulation revenue loss at about 2.5%. Even so, by some estimates, circulation made the difference between gaining and losing overall revenue at some companies.

A question for the future may be whether mainstream papers will consider doing away with paid circulation — giving papers away — or charge only for the convenience of home delivery. Doing so would have several benefits. It might boost circulation. The savings from not having to constantly push for new subscriptions and reducing the delivery fleet and circulation work force, could also be significant. But traditionalists might say that even as new metrics are receiving heightened attention, the commitment of readers who have paid for their newspapers is a plus to advertisers.

### **A Closer Look at Online Audience, and Online Strategy**

It belabors the obvious to say that the audiences for online newspaper sites continue growing and that the Internet is the platform of choice for younger readers. The shorthand description is that news readers are migrating to the Net. But the reality is more complicated, and more nuanced, than that.

As we have reported in earlier editions of the Annual Report, the percentage of readers who get news exclusively from the Net is quite small. Adding the number who go online and watch some television news but don't read newspapers yields a higher count. But the predominant pattern of consumption is that most people now tend to regularly use a mix of four or five different media.

Efforts to document the total reach of a newspaper Web site reveal that a great many print readers also go online. The Scarborough study of "integrated newspaper audience," (which is the percentage of a market that weekly consumes only the print edition, only the online edition, or both) found that the Atlanta Journal-Constitution added 10% to its weekly reach with readers who only visit its Web site. But the duplicated audience, or combined print and Web site people, however, was double that — 19%.<sup>13</sup> The Washington Post recorded the largest duplicated audience reach, with 25% of its readers consuming both the print and online version. The New York Times and the Boston Globe came in next with duplicated audience levels of 22% and 21%, respectively. The Journal-Constitution was fourth on the list.

A second development, somewhat unexpected, is that newspaper online readership at work is robust. A study of heavy users by MORI Research for the Newspaper Association found that nearly as many visited between 8 a.m. and 11 a.m. as during the leisure hours between 6 p.m. and 10 p.m. Many of the visits are brief, and appear to fly under the radar of employers monitoring for serious Internet abuse like visits to gambling and porn sites.

The industry also acknowledges that a share of those "unique visitors per month" are out-of-area, dropping in once or twice a month from a search engine and staying only a minute or two. The New York Times says the average visitor spends 30 minutes a *month* on its Web site; the Web sites of local papers are lucky to average a half or a third that.<sup>14</sup>

Thus, a couple of current strategies. Sites are aiming to maximize the number of visits a day and a month, often with prominently displayed breaking-news updates. They also want to increase so-called "stickiness" — the time a visitor spends on site — with an array of multimedia presentations and interactive features. If successful, such initiatives will help close the gap between the value to an advertiser of a daily reader and a Web site visitor.

Unfortunately for the industry, following readers to the Web comes at a price. If the many readers who sample both print and their local paper's Web site spend more time online, that is a transfer of attention from lucrative print advertising to sparser and cheaper advertising on the Web. (See Economics).

A U.S. census bureau report released in December 2006 suggested the cumulative impact of the migration. Since 2000, the time a typical adult reports spending with a newspaper fell from 201 hours a year to a projected 175 hours in 2007. For the Internet, average hours were expected to rise to 195, up from 104 in 2000.<sup>15</sup> The Internet time, of course, includes great deal of online use unrelated to news. But that is part of the challenge for the industry — competing for time and attention, not just competing as a news source.

### **Number of Newspapers**

Despite the problems with print circulation, the total number of daily newspapers in the U.S. has remained pretty stable.

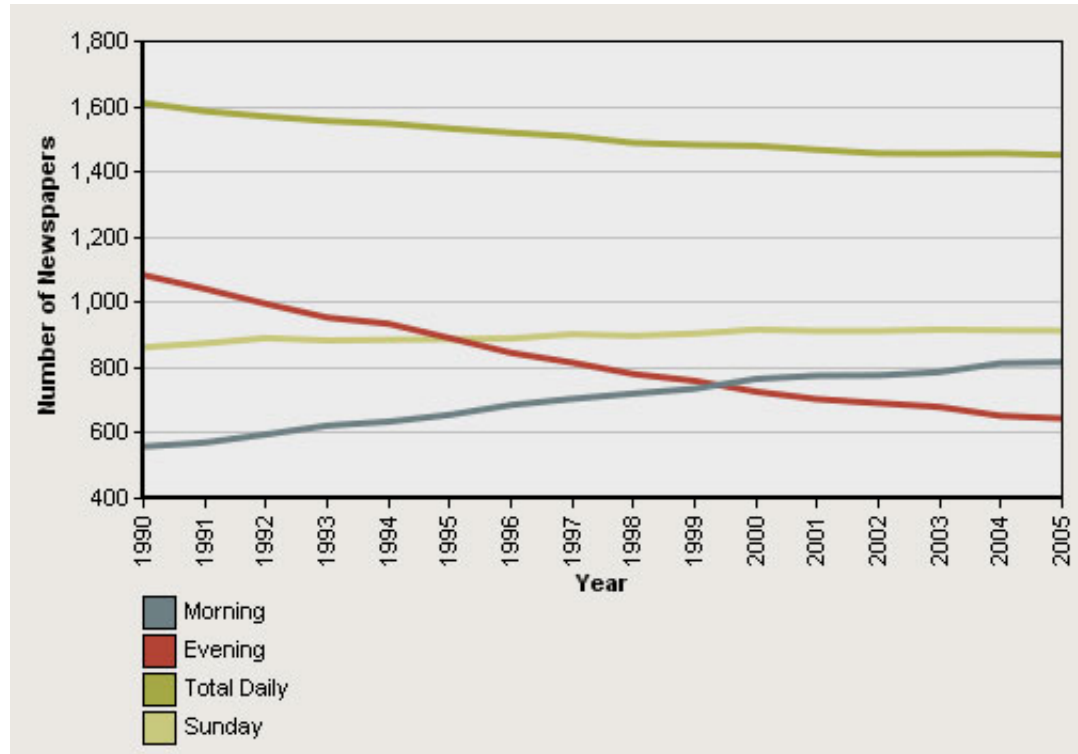
The number declined to 1,452 in 2006, just five less than the previous year.<sup>16</sup> The number of morning papers in daily



circulation is up to 817 (over 814 in 2005 and 787 in 2004). The number of Sunday papers is relatively static, seeing gains and losses of no more than four papers since 2000. Evening papers continue to disappear at a continuing rapid rate that portends their likely extinction.

## Number of U.S. Daily Newspapers

Weekday and Sunday editions, 1990-2005



Design Your Own Chart

Source: Editor and Publisher Yearbook data

Note: Based on 2006 E&P estimates

## Conclusion

Circulation trends were as bad in 2006 as they had been in 2004 and 2005. Those trends are beginning, though, to have the flavor of old news — not nearly so shocking as the first waves of losses. Among industry executives and some analysts, there is guarded optimism that the multi-year exercise in trimming extraneous circulation and building a “quality” core is cycling through and may lead to slowing losses in 2007.

The industry has redoubled its focus on building online audience. But that is no longer a raw numbers game. Here too

the focus will increasingly be on building and documenting quality — of time spent reading on the Web and attention to its advertising.

## Economics

Economics

*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

Newspapers have a tough time making the case that their business is headed in the right direction. The year 2006 was terrible in many respects, and there seems little prospect that 2007 will be much better.

The best that the industry can hope for is that some easing of costs — both paper and people — will improve earnings and that they can demonstrate continued strong growth in the range of their online and niche offerings and in ad revenues in the new media.

Even that last seems in doubt. Online revenue growth came in just below 30% in 2006 after years of 30%-plus growth. <sup>1</sup> The rate is expected to fall to 22% in 2007, and for the first time newspaper sites are not maintaining share in total Internet advertising growth.

The grim 2006 picture contained these elements:

\*Pre-tax earnings at print newspapers were off about 8.4% compared with 2005, and that was not an especially good year either. <sup>2</sup> At companies with television holdings, that was softened by the predictable windfall of Winter Olympic and election advertising.

\*Ad revenues were flat, despite contributions from online and niche publications that continue to grow at an average rate of 20% to 30% rate. Optimistic industry sources are predicting a slightly more positive 2007 for advertising. <sup>3</sup> Most analysts, however, forecast that ad revenues will be down by 1 to 2%.

\*After seeing their share prices drop an average of 20% in 2005, publicly traded newspaper companies lost another 14% of value in 2006. <sup>4</sup> One of the gainers for the year was Tribune — but that came on speculation that it would be sold at a premium early in 2007.

There will be some good news on costs in 2007, though it comes with a caveat. Newspapers have been downsizing everything from their staff counts to the dimensions of the paper to the breadth of their coverage and the range of their circulation area. All of that flirts with the danger of chasing away readers from an inferior product. Executives argue that they must live within means, but some are also cutting way back on business-side staffing and circulation promotion, which will likely further depress circulation.

One unambiguous bit of good news is that newsprint prices, after three consecutive years of 10% increases, had softened by the end of 2006 and were expected to be flat or down in 2007. With smaller papers, a typical company can save 7% on newsprint spending. <sup>5</sup>

Looking for more fundamental reasons for hope, we find two. A year ago we noted that the impending sale of Knight Ridder was a likely “lose-lose” proposition — dooming the 32 papers to more deep cuts under new ownership or the industry to a sort of no-confidence vote if no buyer materialized.

In fact, the McClatchy Co., with a strong record of commitment to editorial quality, came away with 20 of the papers. All 12 of the papers McClatchy chose not to keep, in turn, found buyers among private companies and investor groups. But the fact that only one public company came forward did signal some lack of interest in newspapers generally. And some of those local and private owners have indeed made deeper cuts at the papers they purchased (See Ownership and News Investment).

The drama over newspapers’ appeal continued with turns at another company, Tribune, in 2006 and early 2007. With Tribune on the block, a trend may be emerging in which private investors see better possibilities for newspapers than Wall Street does.

Then there are indications that the industry is making progress toward a whole-hearted commitment to transformative online growth. Paul Ginocchio, one of our analyst sources, said after listening to company presentations during the December 2006 Media Week investors’ meetings he could now see at least the potential outline of a successful turnaround.

But the biggest question remains whether the economic model of the Internet can change as the audience moves more heavily to that platform. Until it does, it seems reasonable to foresee the economics of the newspaper business — even with an ever-larger online component — as one of erosion and shrinking horizons.

### **What Ails Advertising?**

In the golden era of the newspaper business financially, from the 1960s well into the 1990s, newspapers had three big things going for them. The first was a lock on the highly profitable classified advertising business. The second was page after page of department store advertising — John Wanamaker in Philadelphia, Woodies in Washington, D.C., Dayton’s in Minneapolis, and dozens more. The third was the leverage to raise rates aggressively even as circulation was beginning to slide because of the numbers, the attractive demographics of newspapers’ readership and their near-monopoly pricing power.

You will find vestiges of all three in newspapers circa 2006-2007. But all three of those pillars are now badly eroded.

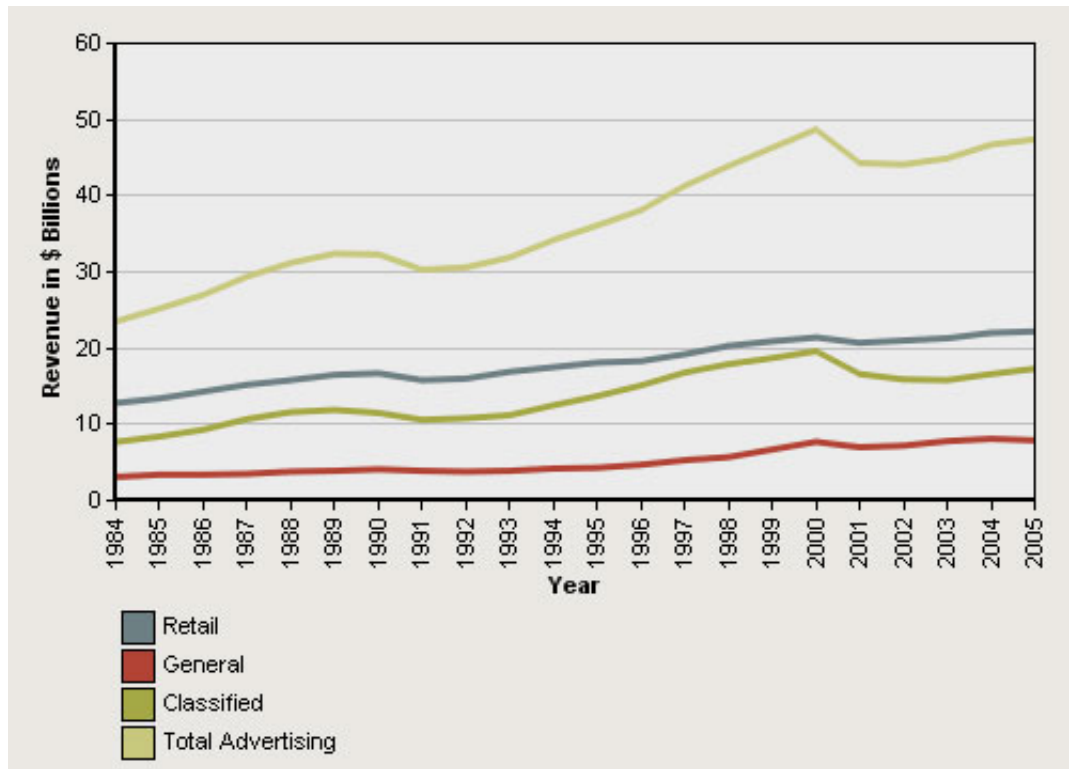
Classifieds are subject to massive competition from electronic companies like Google, Yahoo, Monster and Craigslist, plus an assortment of sites for autos and real estate.

The traditional department store has been progressively weakened by the growth of Wal-Mart, a very light newspaper advertiser, and other discount retailers. Remaining department stores have been consolidating over the last quarter-century notably in the merger of Federated and May stores, carried out over 2005 and 2006.

Stronger competition and faster circulation losses eat at newspapers’ ability to raise rates at will.

## Daily Newspaper Advertising Revenue

1984-2005



Design Your Own Chart

Source: Newspaper Association of America Business Analysis and Research Department

Here is a breakout of how those advertising troubles played out in 2006.

**Retail** The department store herd has been thinned dramatically. Some of the big-box stores — Best Buy and Home Depot — are at least reliable sources of insert income. In 2006, the Federated and May consolidation led to double-digit-percentage losses in local retail advertising in some markets.

Despite that, the overall picture for local retail advertising in newspapers is not so bad. The Newspaper Association of America found that spending on such advertising was up just under 1% from 2004 to 2005.<sup>6</sup> In the first three quarters of 2006, spending on retail looks flat.

**Classifieds** Classified advertising has a more complicated set of troubles. From competition from online listing entities to companies connecting directly to the consumer through their own sites, skipping the middle man altogether, to the free pricing of Craigslist, classified advertising has entered a new era.

The online giant Monster Inc. built a huge business in employment listings through the late 1990s and early 2000s while newspapers were sitting on their heels. The industry finally countered with its own national service — CareerBuilder — which now edges Monster in volume but not profits. At the end of 2006 Yahoo, with its Hot Jobs (No. 3 in online job classifieds) signed an agreement with 200 papers. Monster, too, has begun to make newspaper affiliations.

After massive declines in ad revenue from employment classifieds in the 2000-2002 recession, the sector bounced back some in 2004 and 2005. But employment classified again declined in the second and third quarters of 2006, down 6.5% and 10% year-to-year, respectively. <sup>7</sup> That leaves the marketplace unsettled headed into 2007, but this much is clear: the industry has lost its pre-eminent position.

Automotive classifieds had an especially bumpy 2006. One of Detroit's responses to the deep losses of the domestic manufacturers has been to eliminate some local dealerships and reduce the advertising budgets of those that remain. Direct online-to-consumer communications, where car buyers can sample everything from interior color schemes to prices, have become a big factor in the business. (A current Toyota TV ad touts the Web site rather than the cars themselves.) New marketing dollars are sure to flow that way in years to come. Automotive classifieds have declined since 2004, and those declines accelerated through the first three quarters of 2006, hovering near 15%. <sup>8</sup>

Real estate classifieds were a bright spot in 2006, up about 20% year-to-year through the first three quarters, as a big inventory of properties stayed on the market for months at a time. <sup>9</sup> But as real estate heads from slowdown into downturn in 2007, the industry will be pressed to stay even in that category.

For those three big categories of classified advertising and the smaller “other” (general merchandise and services), the industry faces killer competition from the communitarian-minded Craigslist. From a modest local start in San Francisco in 1995, it has expanded to 450 cities worldwide and posts 14 million new classifieds a month. <sup>10</sup> Most listings are free. The service is now among the top 10 in monthly page visits and clearly has achieved the mass to do the job for a great many buyers and sellers.

**National advertising** was also weak in 2006, contributing particularly to the poor performance of large regional newspapers and of the New York Times, where the important movie advertising category has fallen considerably from its 2000 peak. Year-end spending in 2005 was down 18.5% from that 2000 high, representing a loss in revenue to newspapers of over \$230 million. <sup>11</sup>

Another major source of national ad revenue is transportation advertising, which accounts for about 15% of the category (down from about 19% in 2000). As in the case of movie ads, newspaper revenue from transportation ads also fell, by 18.5%, from 2000 to 2005, representing a revenue loss to newspapers of over \$265 million. <sup>12</sup>

There is a bright element in this dismal picture, however. Coupon spending, which currently accounts for approximately 17% of national advertising, has increased by just over 17% from 2000 to 2005. <sup>13</sup>

**Ad Rates** On pricing, the industry has a pair of problems. Online is competitive and priced accordingly. Google search produces results (and premium bid pricing for top placements) that the industry cannot currently match.

Even in the face of falling circulation, newspapers raised their stated rates in 2006 and have said they plan to do so again in 2007. But the higher rates may paint a misleading picture — some advertisers are simply choosing to take less space, something that is evidenced by the decline in total print ad revenue for 2006.

Discussions of newspaper economics are often thin on new trends in the advertising industry. At the moment, advertisers are moving their budgets not only online but also to non-traditional direct-to-the-consumer marketing. One example is Procter and Gamble, a bell-cow in consumer product marketing. It now has its own word-of-mouth agency, Tremor, with 800,000 registered panelists who agree to sample products and then talk them up to friends and acquaintances. The Web makes such “viral marketing” far more powerful.

In the face of all this, newspapers need to protect their share of flat traditional-media budgets, continue to grow online and invent some new lines of e-commerce — all three at once.

### **Making the Best of It**

While advertising has not declined at the same pace as circulation, there are parallels to the two stories. Repeated reports hammering newspapers for circulation losses tend to overlook the 50 million-plus buyers and 120 million-plus print readers on an average day.

On the advertising front, all the challenges and losses may obscure something about the enduring financial muscle of newspapers: Taking into account the loss of some advertising and the simultaneous arrival of new business, newspapers annually are holding on to the vast majority of their advertising base. 14

Loyalty and inertia play a role; local advertising practices don't turn on a dime. So does the perceived effectiveness of newspapers, especially when advertising a store's sale prices. The Newspaper Association attempted to highlight those elements with a campaign hailing newspaper advertising as “a destination not a distraction.” The study, by MORI research, includes a barrage of survey statistics on how many readers consider advertising a welcome information resource. The “distraction” is a thinly veiled dig at television, where blocks of commercials are a repetitive irritant increasingly vulnerable to being zapped by TiVos and other DVRs. In short, newspaper ads, executives believe, still have distinct advantages, especially as the landscape of options becomes more cluttered.

Newspapers also continue to field the largest advertising sales force in most communities. We are told anecdotally that there has been a steady effort to upgrade sales people and particularly managers, recognizing that simple order-taking will not suffice. With the boom of online and niche publications, those sales people now have a portfolio of products to sell.

Newspaper pricing practices also help. Advertisers earn big discounts if they commit to a fixed-amount annual contract. That can help lock up budgets against other alternatives.

### **Costs**

On the cost side, mark 2006 down as a transitional year. Throughout the industry (not just at public companies under Wall Street pressure) newspaper executives were judging that their cost structure was out of whack with revenues

and future prospects.

Many reduced the page width, paper weight and space allocated to news. The Wall Street Journal shrunk to five columns, instead of its former six, and a 12-inch page width with its first 2007 edition, a 20% trim in the physical size of the page. The Journal expects to net \$18 million annually in newsprint-related savings from the downsizing.<sup>15</sup> The New York Times will follow later in the year, the last of the big-circulation broadsheets to take a trim.

Another cut was of distant, so-called “vanity” circulation, basically to readers who live too far away to be of interest to advertisers. The Dallas Morning News for instance, eliminated all distribution beyond a 100-mile radius in 2006 and will cut back, with a few exceptions, to a 50-mile radius in 2007.

One negative in 2006 was the rising price of paper. Newsprint costs were up for the fourth consecutive year in 2006 to the tune of 7% to 8%.<sup>16</sup> But with the ad slump and the shrinking dimensions discussed above, demand was off dramatically by the fourth quarter. Prices are expected to flatten or even fall during 2007. Another positive factor, we were told by William Dean Singleton, CEO of MediaNews Group, is that imported Chinese newsprint, less expensive and high-quality, is now an option, especially for West Coast publishers.

The most conspicuous attempt to rein in costs was another round of staff reductions, both in the newsroom (discussed in the News Investment section of this chapter) and elsewhere in the operation. Many of those were in the form of buyouts of more experienced and better-paid staff members. There will be savings in 2007 and years to come, but in the short run, the reductions are an expense. At the Washington Post print edition, for instance, the pre-tax profit margin would have been about 10% had the paper not bought out employees.<sup>17</sup> With the plan, it fell to about 5%.

In previous editions of the Annual Report, we have not treated labor issues. But 2006 ushered in a trend of hardball negotiations that seemed likely to continue. Block Communications used non-union help in the production departments of the Toledo Blade and threatened to sell both that paper and the Pittsburgh Post-Gazette unless unions agreed to new contracts with deep concessions on benefits and work rules. The National Labor Relations Board ruled the lockout at the Blade illegal in December 2006, but in early 2007 the situation remained unresolved. Blade management said the paper lost \$5 million in 2006.

Dean Singleton's MediaNews Group got the Newspaper Guild at the San Jose Mercury News to agree to discontinuation of a pension plan, a new employee contribution to health benefits and a two-tier wage scale with lower pay for new employees. In exchange management agreed to a 2% wage increase and fewer layoffs than previously planned.<sup>18</sup>

In Philadelphia, the Guild made loud noises about striking but reluctantly voted in early December to accept a disappointing contract rather than further endanger the financially precarious position of the Inquirer and Daily News. At the Boston Globe, the Guild agreed to tie future raises to revenue increases at the paper and its online operation.

### **Can Online Editions Rescue Newspapers?**

Since newspapers typically have the best-trafficked Web sites in their markets and the sites' ad revenues have grown

at a 30% rate for five years now, it would be appealing to think that readership and advertising will simply transfer gradually to the Web. <sup>19</sup> Thus could the expensive news-gathering function and newspapers' public service mission be preserved, and without the cumbersome costs of printing and delivering the paper.

Unfortunately, after all that growth, online typically still contributes only 6% or 7% of ad revenues. <sup>20</sup> So while developing the new platform, papers can ill afford to take their eye off the ball of a print operation that constitutes 94% of the business.

As we noted last year, Rick Edmonds of the Poynter Institute, a co-author of this chapter on newspapers, in January 2005 ran a rough projection estimating that it would take online a dozen years to pass print as a revenue source, assuming continuation of the trends of 2003 and 2004. Built into that model, in other words, online would have to continue to grow by a third each year. Print revenue would grow modestly, by 3%.

Two years later, it probably makes sense to adjust downward the assumption that print will grow at 3% a year for a dozen more years.

But it also seems overly optimistic, absent some surge from new and unanticipated lines of business, to think that online can keep up that percentage growth.

Partly that is just the law of large numbers. As the base gets bigger, even substantial gains are not so large a percentage (a phenomenon that soured Yahoo's earnings reports in 2006).

More mature newspaper Web operations, particularly those of the national papers, are now growing annually in the 20% to low 30% range. Gannett executives told analysts in December that USA Today.com would end 2006 with 25% revenue growth and was estimated to grow 18% to 20% in 2007. <sup>21</sup>

Industry online growth fell just below 30% in 2006, and the Newspaper Association forecasts that it will grow just 22% in 2007. <sup>22</sup> That is still robust growth, but not a third a year. So it still seems reasonable to expect that the industry is a decade or more away from seeing online business contributing half of revenue. What can newspapers do to maximize sustained online growth? The consensus strategy heading into 2007 is to get more people to visit and more often (especially with breaking-news updates) and to stay longer (especially with new multimedia and interactive features). More page views can equate to more advertising opportunities.

A second strategy is to redesign, reduce clutter and create better display space for advertising. The industry's current mix depends lopsidedly on classified (roughly 75%). <sup>23</sup> But some speculate that the mix could shift as national and regional advertisers gradually develop the capability for integrated campaigns that include more online display advertising, some of it now in video or even interactive video.

A shift of readership from print to online cuts several ways for newspapers. The commitment of time and attention is so much less that online readers do not command the premium rates print can charge. Paul Ginocchio, a Deutsche Bank analyst, estimates that a print reader is worth \$350 a year to a newspaper, an online reader 10% to 15% of that.

Since only the Wall Street Journal and the New York Times charge for all or part of their daily content, newspapers are



losing circulation revenue every day, month or year that a potential reader opts instead for the free Web version.

On the other hand, in theory, there should be a critical mass of Web audience that will allow newspaper companies to save at least on paper costs and perhaps on printing and delivery capacity.

So the potential profitability of news Web sites theoretically is high but also conjectural. One can envision a scenario in which lucrative Web operations carry costs for a newsroom that serves both the site and a slimmed-down and more targeted print edition. But it is just too early to predict that. Nor is there evidence that papers are using the savings from online production and distribution to reinvest in news staff.

Donald Graham, CEO of the Washington Post Company, has a reputation for plain-speaking on the topic. He noted in a December 2006 presentation to investors that the Post already gets 11% of revenue from online (nearly double the norm) and reaches a huge national and international audience who are not served by the print edition.<sup>24</sup> But even with those “strong cards to play,” he concluded, “I simply have no way to tell you” what combined newspaper print and online revenues will be like in five or ten years. Extrapolating from the last several years doesn’t work because trends could easily change, he said.

### **Niche Publications, Acquisitions and Collaborations with Google and Yahoo**

Companies have several additional strategies to keep overall revenue growing as the print newspaper falters.

As discussed in earlier editions of this report, most have added a family of niche publications as a way to target audiences that the main paper is starting to miss. Some of the more ambitious go after a Spanish-language audience with separate daily editions where concentrations of immigrant Hispanic population are highest — cities like Miami or Dallas. Others target young adults, with free dailies in the big cities, weeklies elsewhere.

Another layer of niche products, many of them monthly and in magazine format, focus on health, home design, travel and fashion, often with an advertising-driven agenda of reaching the well-to-do. Gannett now has 1,000 such publications in its 90 newspaper markets, 100 in Phoenix alone and 40 in St. George, Utah, where print circulation is just 24,000.<sup>25</sup>

The companies now routinely lump those niche efforts together in reports to investors with online as a part of a growth story in counterpoint to the negative trends for the traditional paper. Our read is that niche publications remain significant but less of a novelty. They aren’t expanding as quickly as a few years ago, hence a lesser part of the growth story. The St. Petersburg Times and the Virginian Pilot in Norfolk, Va., launched free youth dailies in 2006, but the pace of such launches is slowing. In several markets, Spanish-language launches have met strong competition from established family-owned publications or community-based start-ups.

A second approach has been to acquire online companies, often information-driven but not strictly news. Examples include E.W. Scripps’s Shopzilla, a comparison-price shopping site, and the New York Times Company’s About.com, which offers information on more than 500 topics, produced by freelance “guides.”

The acquisitions bulk up and diversify online operations, adding further counterpoint to profitable, slow-growing print

operations. Most of the acquisitions took place in 2005, and it is not clear whether the best properties had been picked over by 2006 or whether the companies were marshalling cash for other priorities. Gannett did add Planet Discover, a small company that provides technology for local search. Scripps acquired U-Switch, a British company that lets consumers switch utility providers online (legal there but not in the U.S.).

What was new at the end of 2006 was joint ventures with both Yahoo and Google — a sign that the industry had gotten past wringing their hands about the huge upstart competitors and started figuring out ways to make money together.

In the Yahoo deal, put together by Dean Singleton, 200 newspapers will partner with the online giant. Initially that will mean placing online classifieds through Yahoo's Hot Jobs (third in listings behind Craigslist and Monster). But the partners envision later sharing content and mounting an initiative to build local search advertising (essentially the equivalent of Yellow Page listings for specific goods or services). That would combine using Yahoo's technology and the newspapers' advertiser contacts within their markets to ramp up an emerging base of new business.

The venture is open on the same terms to any other newspapers that wish to join. Media General, owner of 25 newspapers (with a circulation of over 850,000), did so weeks after the initial announcement. The deal is being celebrated as "transformational" by several of the participants, and could be so if it opens a new front on local search, which Google dominates. The market analyst Gordon Borrell estimates that local paid search and e-mail advertising will be the hot growth areas online in the next four years, and that newspaper sites are in danger of losing share unless they strengthen their effort.

The Google deal is entirely different: a 90-day trial in which Google is placing ads from its base of search clients into 50 newspapers with digitized "bid" pricing. Initially it was for so-called "remaindered" space in which newspapers typically place house ads but it has been expanded to guaranteed placements. The buzz at the December investment meetings where major media companies talk to Wall Street analysts was that Google had met its three-month revenue projection in the first three weeks.

Each of those experiments is new enough that the results cannot be predicted (nor were the revenue splits disclosed). But they add one more piece of evidence that the industry is no longer committed in wishful fashion to doing all the traditional things the traditional way.

If all goes well, the deals might help increase ad revenues as well as pave the way for licensing content to Google and Yahoo, a far more realistic prospect for newspapers than charging local customers directly for content.

### **Newspaper Next and the New Business Model**

If one thing seems inevitable, it is that the newspaper industry is moving toward a new business model, though no one seems certain what that will be. The turmoil of 2006 prompted many proposals (see sidebar).

The one attracting the most attention was a year-long, \$2 million project of the American Press Institute entitled "Newspaper Next" and based on work by Clayton Christensen and others at the Harvard Business School.

In essence, the Harvard team concluded in a report released in September, all of the above — the print edition, existing online sites, niche publications and acquisitions — may not be enough.

Newspapers were urged instead:

\*To be much more committed to a systematic approach to innovation, scoping out unmet “jobs to be done” for consumers and advertisers in their communities.

\*To settle for projects that can be started quickly on a modest scale and be readjusted if the initial plan is flawed, as it likely will be.

\*To consider a broad cooperative industry-wide effort to sell and place national online advertising.

One of six pilot projects, at the Dallas Morning News, involved setting up a Web site for mothers, with lots of informative listings on camps, after-school programs and the like. The appeal to a set of advertisers is obvious if the targeted audience is assembled. The idea is catching on fast. By the December investor meetings, Gannett and Journal Communications announced that they had similar sites up, running and off to a fast start at the Indianapolis Star and Milwaukee Journal-Sentinel, respectively.

Another pilot paper, The Oregonian, sought to tap into the “non-consuming” youth population of Portland and learned that its potential audience primarily demands local and entertainment information. The newspaper is developing a product to meet those needs.

The Boston Globe, like the Richmond Times-Dispatch, is focusing on marketing, using search engine marketing (SEM) programs for its Web site that guarantee advertisers with small budgets a certain number of clicks from high-potential customers.

Yet another of the pilot papers, the Desert Sun in Palm Springs, Calif., asked employees to take a close look at the pages of their own paper to identify what they read regularly. Executive Editor Steve Silberman found his reporters consumed little of their own product, and when he asked them to write in a way that they would be more inclined to read, the result was that stories shrunk in length.

Ultimately, the “Newspaper Next” project’s strategy is to encourage newspapers to experiment outside of their core news product to compete with cheaper alternatives, or what Christenson refers to as “disruptive” products that are proliferating online and as niche publications. Such changes may seem radical to some or a sign of desperation in a beleaguered industry to others. But as one of the organizers remarked, the motivation for change shouldn’t be fear, but enthusiasm. For now, it may be both.

### **Profits, Stock Performance and the Dividend Question**

Newspaper stocks staged a “mini-rally” late in 2006, but it was another year of falling valuations. Having lost 20% on average in 2005, shares declined another 14% in 2006. 26

There was substantial variation company by company. The biggest losers were Journal Register, which experienced

some of the sharpest advertising revenue declines, and McClatchy, a former market favorite, which in Wall Street's view doubled down at the wrong time by purchasing Knight Ridder.

#### Newspaper Company Stock Values 2004 vs. 2005

Company	12/31/2005	12/29/2006	% change	2-year peak	Decline from peak
Gannett	\$61/share	\$61/share	0%	82 (2/05)	-26%
Tribune	30	31	3%	42 (2/05)	-26%
New York Times	26	24	-8%	41 (1/05)	-41%
Dow Jones	35	38	9%	43 (1/05)	-12%
E.W. Scripps	48	50	4%	52 (4/05)	-4%
McClatchy	59	43	-27%	75 (04/05)	-43%
Washington Post	765	746	-2.5%	928 (2/05)	-20%
Lee	37	31	-16%	46 (2/05)	-33%
Journal	14	13	-7%	17 (4/05)	-24%
Journal Register	15	7	-53%	19 (9/05)	-63%
Media General	51	37	-27%	69 (7/05)	-46%
Belo	21	18	-14%	25 (1/05)	-28%

Source: Yahoo Finance, PEJ Research

Dow Jones, improving on several years of poor performance, saw a nearly 10% rise in the value of its shares.<sup>27</sup> Scripps, Washington Post and Gannett were all roughly even for 2006. Tribune stock was declining for the first part of the year but rallied on the announcement that it was being put up for sale.

Pre-tax earnings margins for the public company group fell to roughly 17%.<sup>28</sup> Individual papers, including the San Francisco Chronicle, Seattle Times and Boston Globe, now report losing money.

Various analysts suggest that newspaper companies could boost their appeal to shareholders by paying out a big dividend (a reasonable course for a business with strong cash flow but slow growth). The companies have resisted, saying they need to keep those earnings to cover the cost of new ventures, acquisitions, debt repayment, and the transition to online.

GateHouse Media Inc., a New England-based chain of weeklies and dailies, had a successful initial public offering in part by saying it planned to pay a 7.5% dividend, more than three times the industry norm.<sup>29</sup>

## Conclusion

What are the chances of the industry's making a successful transition to a new business model? Newspapers are embracing transformation as a concept and a slogan. The Newspaper Next project even provides models of what new lines of business could look like.

Still, a pessimist might note the number of competitors that have emerged from nowhere so far this decade — Google and Craigslist siphoning off ad dollars; Wikipedia, My Space and YouTube capturing audience and attention. Isn't it reasonable to expect more of the same new ventures at regular intervals in coming years?

There is a case too, however, for a more positive long-term picture. Newspapers remain the pre-eminent source of news, recycled by aggregators and blog commentators. The aggregators, at least, are now signaling that they may prefer cooperation to a duel that continues to diminish newspapers' capacity.

## Ownership

### Ownership

*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

For the last several years, newspaper ownership changes were few, and industry consolidation — the old pattern of big fish acquiring smaller ones — seemed to be stalling out.

With business fundamentals worsening and shareholders disgruntled, 2006 was far more dramatic. The dynamic flipped into reverse. Big companies came apart. Private owners, from large operating companies to private equity firms to rich individuals, peeled individual papers away from public ownership. In 2007, more of the same seems likely.

The trend even tends to raise a new question: Has public ownership, the model that increasingly took hold in the industry from the 1970s on, begun to show cracks? Do the demands of Wall Street now conflict with the demands of management? Is the future of the newspaper industry, to survive the transition to the next phase, demand longer-term bets and more risk than the public markets can safely allow? And what risks are special to the private alternatives?

Among the highlights of a volatile year:

\*Knight Ridder, the second-largest chain in circulation and third in revenues, vanished — sold for \$4.5 billion (and assumption of \$2 billion in debt) to McClatchy Co. in March. <sup>1</sup> McClatchy turned around and sold 12 of the 32 Knight Ridder papers, including the Philadelphia Inquirer and San Jose Mercury News, to an assortment of private buyers by July.

\*In a year-end surprise, McClatchy sold its largest newspaper, the Star Tribune of Minneapolis, to Avista Capital Partners, a private equity group, for \$530 million. <sup>2</sup> McClatchy had paid \$1.2 billion for the paper and some smaller businesses in 1998.

\*Tribune, second-largest of the companies, in revenue with 13 newspapers and a range of television and other holdings, was formally put in play by management in the fall. Wealthy individuals, including the real estate tycoon and philanthropist Eli Broad and the entertainment mogul David Geffen, bid on the Los Angeles Times. Local investor groups also expressed interest in the Baltimore Sun, Newsday and the Hartford Courant. By early 2007, it appeared that the market had deteriorated. Two rounds of bids came in so low they were rejected. A possible outcome is that Tribune will retain its Chicago properties and some other newspapers, taking the company private, and auction off its broadcast division and some other newspapers.

\*Several companies — Dow Jones, Journal Register and the privately held Copley — disposed of a number of their smaller newspapers to redeploy resources to stronger properties and digital ventures.

\*Early in 2007 E.W. Scripps management indicated it might eventually consider selling some or all of its 19 newspapers. Nothing imminent should be expected, CEO Ken Lowe said later. But the company did tell investors at a December conference that newspapers and broadcast will play a progressively smaller role in the company, whose main business now is cable television networks, which contribute 60% of earnings. 3

\*The New York Times Co. was also under pressure from unhappy shareholders, but, unlike Knight Ridder and Tribune, is protected by a controlling family share of voting stock. Jack Welch, the former General Electric CEO, and associates expressed serious interest in acquiring the Boston Globe, a money-losing problem child for the Times in recent years. Times management did not sell but was equivocal on whether it might in 2007. The Times bought the Globe and other New England properties for \$1.1 billion in 1991 and added the Worcester Telegram & Gazette for \$296 million in 2000. In early 2007, it wrote down the value of the properties by more than half to reflect changed market conditions.

\*Amid all the breakups, GateHouse Communications, a New England-based chain of small weeklies and dailies, had a successful initial public offering in October. Its promise to pay a cash dividend of 7.5%, a novel business proposition, ensures a good return to shareholders even if the stock does not appreciate. 4

### **What's Happening Here?**

What has caused the sudden activity? For the first several years of this decade, newspaper share prices continued to rise, even as circulation, ad revenue growth, earnings growth and margins were stalled. Safe and steady was attractive to investors after the burst of the tech bubble in the late 1990s. Plus, conventional wisdom held that newspapers would be first to come roaring back after a recession like that of 2001.

Holders of big blocks of newspaper stocks were thus set up for a fall when industry performance turned worse in 2004 and 2005 despite a relatively healthy economy. With an 18.5% share of Knight Ridder and little prospect of a stock turnaround, Bruce Sherman of Private Capital Management saw a potential way out by demanding that the company be put up for sale in the fall of 2005. He was joined by two other longtime Knight Ridder shareholders, and suddenly nearly 40% of the company's ownership was pushing for a sale.

The sale to McClatchy in March was hardly a windfall, but it gained back some of the losses the three big institutional investors were experiencing. 5

Tribune has less concentrated ownership, but came under a parallel set of pressures in 2006. Share price had fallen more than 50% from its peak. Like Knight Ridder, Tribune responded with cuts and promises of more cuts. It also did a large share buyback in the middle of the year, enabling investors who wanted out to leave at a modest premium.

None of this, however, sent share prices up significantly. The Chandler family, with more than 10% of the stock, was the most outspoken of many Tribune critics. And the company's management was further damaged when its two top executives in Los Angeles, publisher Jeffrey Johnson and editor Dean Baquet, openly broke with their corporate bosses, denouncing their plans for more cuts as short-sighted and damaging. In September, Tribune's board established a committee to "explore strategic options" — code for seeing whether the company, or at least pieces of it, could be sold at a premium.

The auction drew expressions of interest from several private equity firms. The billionaires Broad, Geffen and Ron Burkle all indicated they wanted to buy Tribune's largest paper, the Los Angeles Times. But as of March, the rumored interest hadn't translated to a winning premium offer.

That implied some cooling of the acquisition climate since the Knight Ridder deal. Even so, with share prices falling again in 2006 after a 20% tumble in 2005, investors looking for a shock-wave boost to the value of their holdings are likely to continue as a force pushing for the sale or breakup of big newspaper companies.

A second dynamic became apparent with McClatchy's decision to sell 12 of the 32 newspapers it acquired in the Knight Ridder deal. McClatchy explained that the papers, quickly dubbed the "orphans" of the transaction, were in slower-growing communities that did not match McClatchy's preferred profile. The papers also had lower profit margins, were mostly in the Northeast and Midwest, and had union representation.

Nonetheless, all 12 sold within a matter of three months. Even more eye-opening, those ostensibly less attractive properties actually went at a higher ratio to earnings than McClatchy paid for its Knight Ridder keepers.

Lauren Rich Fine of Merrill Lynch and other analysts extracted the clear lesson: we seem to have entered a period where private markets now value newspapers more highly than Wall Street does.

The buyers included big private companies like MediaNews and Hearst, obscure small companies like Black Press and Shurz Communications, and consortiums of local investors (in Philadelphia and Wilkes-Barre). All are in a better position than Wall Street institutional investors to be patient if the industry is indeed making a multi-year transition to new business models with depressed earnings in the meantime.

Private equity funds are flush with cash — including money from institutional investors like pension funds that also can play on Wall Street — and they are looking for deals. As we had speculated might happen in earlier editions of this report, very wealthy individuals are now looking at newspapers as the might look sports franchises — high-profile enterprises important to their communities, where making lots of money may not be the main point. Nonprofit foundations and even the Newspaper Guild have also surfaced as potential buyers. But what such owners would do to papers and their journalism is yet to be tested. (See Private Ownership section below)

With 2007 looking no better than 2006 for operating results and other near-term indicators, the valuation gap is likely

to continue for at least another year.

In 2006 newspaper companies felt a variety of financial pressures, forcing some hard choices about which operations are essential and which expendable.

Dow Jones sold six of the papers in its small paper group to Community Newspaper Holdings for \$282.5 million.<sup>7</sup> The transaction allowed Dow Jones to complete its acquisition of Factiva, an electronic business information service.

Journal Register, experiencing some of the sharpest ad revenue and share price declines, sold two Massachusetts papers and has three in Rhode Island for sale, hoping to pay down debt.

Copley Press, facing an estate tax bill after the death of its owner, Helen Copley, is in the process of selling all nine of its smaller papers, to concentrate on its flagship San Diego Union-Tribune and its online and niche businesses.

The New York Times Co. dealt off its seven TV stations in January 2007. It declined an initial offer for the Boston Globe from Jack Welch and associates, but has left the door open to revisiting the deal in 2007.

McClatchy provided a coda to turbulent 2006 when it announced the day after Christmas that it had sold the Star Tribune of Minneapolis to a private equity firm. "How often does a newspaper company sell its largest paper?" William Dean Singleton, CEO of MediaNews, commented. "It doesn't happen."

On close inspection, though, the deal, while surprising, was not inexplicable. With the big loss compared to the purchase price eight years ago, McClatchy said, it was able to save \$160 million of the \$500 million in capital gains taxes it was facing on the sale of the orphan Knight Ridder.<sup>8</sup>

The proceeds could be used to pay down debt and invest in Internet ventures, the company added, after a year in which operating results had fallen far short of expectations.

McClatchy's CEO, Gary Pruitt, has emerged as a leader among those speaking out for the future of the industry, and the company has been considered a model of commitment to news quality as a sound business strategy. The Star Tribune offered an ambitious redesign in late 2005 that Pruitt said he hoped would be a model for the industry.

All of which made the transaction a letdown to the Star Tribune's staff and many outsiders alike. It underscored that financial logic, unfortunately, trumps journalistic idealism with some regularity these days.

### **Private Ownership: Potential and Perils**

The emergence of various private ownership groups, especially those more attuned to their communities and public service role than to maximizing profit margin, was hailed in some circles as a potential avenue to put the industry back on track journalistically.

John Carroll, the respected former editor of the Los Angeles Times and a bruised veteran of Tribune's newsroom cost-cutting initiatives, articulated the possibility in an April speech to the American Society of Newspaper Editors. Profit-driven public corporations, answering mainly to fund managers, Carroll said, "are shrinking the social purpose of



newspapers...are shrinking the newspaper journalist.”<sup>9</sup>

Potential local owners, he continued, include “sophisticated people with real money...willing to accept a lower financial return” to maintain a newspaper that will serve their community.<sup>10</sup> But Carroll conceded that “the old local owners were far from perfect. Some of them were good, most were mediocre, and some were downright evil.”

How are the new owners doing? The honest answer is that by early 2007 the model has barely been tried. Though the billionaire class is eagerly pawing the dirt for potential acquisitions, we don’t yet know, as the writer Michael Wolff put it in a Vanity Fair article, what “the Daily Geffen” would look like. And we may not know for awhile.

One cautionary case exploded soon after Carroll’s talk. Wendy McCaw, the billionaire owner of the Santa Barbara News Press, already had a record of turning over publishers quickly and supporting pet causes in editorials. But beginning with the protest resignation in July of her editor, Jerry Roberts, she was soon at war with much of her news staff. Resignations and firings, lawsuits and a movement to unionize soon followed.

A scenario that seemed more likely to become typical played out in Philadelphia, where a local group headed by the public relations executive Brian Tierney bought the Inquirer and Daily News for \$562 million.<sup>11</sup> In his PR days, Tierney was a bare-knuckles advocate for clients like the Roman Catholic Archdiocese of Philadelphia. But he and his partners signed a pledge not to interfere in editorial matters, which appears, so far, to have been honored.

The hitch was that a steep fall throughout the industry in third-quarter advertising hit the Inquirer especially hard. With union negotiations looming, Tierney wrote in an October memo to employees that without substantial concessions (and some reduction in work force), his group would be unable to meet their commitments to lenders in 2007.

A strike was narrowly averted in December and the unions accepted some easing of work rules and reductions in benefits. Then the other shoe dropped in the first week in January: 71 Inquirer newsroom employees and 30 more in the advertising department would be laid off. The following week, management announced it was considering putting the Inquirer’s landmark building in downtown Philadelphia up for sale.

Not all the news was bad. Tierney claimed he was bringing an informed outsider’s view to market the paper better and make it more attractive to advertisers, efforts that would start to bear fruit in 2007. He also succeeded in hiring as editor Bill Marimow, who won two Pulitzer Prizes as an Inquirer reporter and had earlier top editing jobs at the Baltimore Sun and National Public Radio.

Still, the events called into doubt whether Tierney would be able to play out his hopes for a gradual revitalization of the battered Philadelphia papers. The problems raised the question whether his group may simply have paid too much at the wrong time.

Elsewhere several of the new private owners made sharp newsroom cuts on top of those earlier imposed by Knight Ridder: MediaNews at the San Jose Mercury News, Hearst at the St. Paul Pioneer Press, and Black Press at the Akron Beacon Journal, which lost 40 newsroom employees from a staff of 160. (See News Investment).

The year occasioned interest in models of nonprofit ownership like that of the St. Petersburg Times or the Guardian in

Great Britain. At both those companies, control is firmly in the hands of journalist/executives, an arrangement that may be difficult to replicate on the fly.

Freedom from short-term profit pressures has served those papers well, just as it has helped some of the large private chains like Advance and Cox. But no one is insulated from the current rough financial climate, and as much as news company executives are maligned for short-sightedness and timidity, it is far from clear that owners with no experience will do better.

And the new private owners are different in one important characteristic from the patriarchal owners of the past, a group whose record may be more checkered than is remembered. Whatever their strengths and weaknesses, family owners like Ochs, Hearst, Pulitzer, Scripps, Copley and many more made their reputations and their fortunes in news. They were, fundamentally, news industry people. The new generation is a different model. For some, such as Geffen or Welch, news is a second act in life. They made their fortunes elsewhere, with a different set of business pressures and attendant cultures. For others, such as private equity firms, newspapers may even be short-term, three-to-five-year investments made with an eye toward turning around and selling.

It is safe to say, though, that 2007 will almost certainly provide more public-to-private transactions and a richer record of whether the new ownership models are a potential path to salvation.

## News Investment

News Investment

*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

With every business indicator down for 2006 and looking little better in 2007, the newspaper industry continues to downsize. Newspapers, especially big metros, are not only shedding reporting and editing staff, they are shrinking in physical dimensions — paper width, paper weight — and in the space allocated for news.

The predominantly bad news of 2006 broke down this way:

- Newsroom staffing continued to fall, not as precipitously as in 2005, but with no end in sight. The layoffs and buyouts are still not as great as in other industries, and it would be a mistake to exaggerate them.
- Nonetheless, when combined with smaller paper sizes and reduced newshole, the result is that American newspapers have diminished ambitions. The metros are pulling back to a much more local orientation.
- At the same time, Wall Street seems to have reached a point where it wants more from companies than simply cutting. Growth on the top line (revenue) is more important.

- The effort online continues to become more serious. No reliable count of online staff growth is available, but it clearly does not equal the losses on the print side.

Over all, the industry enters 2007 with a flurry of redesigns for both online and print products. This may well be the year when a smaller American newspaper, more analytical and targeted to older, well-educated readers, emerges as the new model.

### **Staffing**

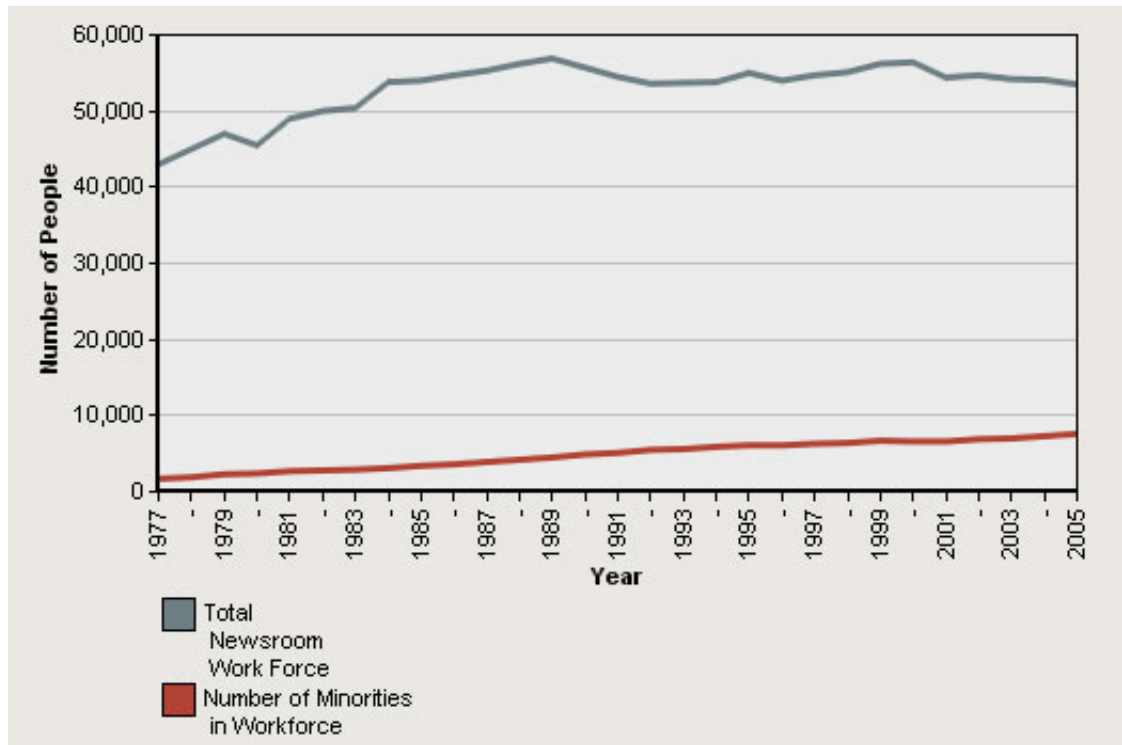
The most fundamental metric of American newspapers' ability to cover the country is the overall workforce, the number of people dedicated to gathering and editing the news. In contrast with most other news media such as network television and radio, the newspaper industry has stood out because it sustained and in many cases enlarged its newsrooms in the 1980s and 1990s, even as its share of the audience declined.

That trend is now over, probably permanently. The newsrooms of America's newspapers are shrinking.

The industry began 2006 with roughly 3,000 fewer full-time newsroom staff people than it had at its recent peak of 56,400 in 2000. <sup>3</sup> Over the course of the year, that number fell further, and more cuts are coming in 2007.

How much did newsrooms shrink? Our prediction of the 2005 losses in last year's report proved more severe than the actual estimated result as calculated by the Newspaper Editors in their annual census, released in April 2006. That showed an industry with 53,500 full-time professionals in 2005, a drop of just over 1% from the year before, but less than the 2.5% drop we had forecast. <sup>2</sup> Once burned, we are inclined to be twice shy on projections. Still, weighing the numbers that have already been announced (many are not) we would be astonished if the job loss was less than 500 to 1,000 in 2006. And it could be as bad, or worse, in 2007. If so, that would amount to an accumulated drop in newsrooms since 2000 of roughly 7% by the end of 2007. <sup>1</sup> But in certain newsrooms the cuts go far beyond that — as high as 40%.

## Newspaper Newsroom Work Force 1977-2005



### Design Your Own Chart

Source: American Society of Newspaper Editors, Newsroom Employment Census, 2006

Note: Minorities include Native Americans, African Americans, Latinos, and Asian Americans. ASNE dates its data according to the release date. PEJ presents the data according to the year the data was compiled.

Just as the circulation and advertising losses were worst at metro newspapers, the buyouts and layoffs were concentrated at prominent big-city papers, too. Among those that made headlines were the Dallas Morning News, the Philadelphia Inquirer, the Washington Post, the Cleveland Plain Dealer and late in the year the Boston Globe.

There were also deep cuts, however, at mid-sized papers. Under new ownership the Akron Beacon Journal lost a quarter of its 160-person news staff. MediaNews acquired the San Jose Mercury News and made cuts both there and at the St. Paul Pioneer Press, which it operates under an agreement with the new owner, Hearst. For all those papers, save the Plain Dealer, it was the second or third wave of cuts this decade.

Once again most companies opted for buyouts — offering veteran employees sweetened severance packages — as the preferred method of staff reduction. On the one hand, the practice allows for voluntary departure, and some of the takers may be ready for a change or near retirement. On the other, it tends to strip the papers of experienced, talented professionals and depletes their institutional and community memory

With fewer people, papers also pulled back on their reach. The Baltimore Sun closed down its venerable network of foreign bureaus. In January 2007, the Boston Globe announced that it would do the same. The Washington bureau of the Toledo Blade and Pittsburgh Post-Gazette, which generated the lead for a recent Pulitzer Prize in national reporting, was cut from five reporters to one. The Sacramento Bee called home its Los Angeles and San Francisco correspondents.

At another Tribune paper hit with repeated cuts, the Hartford Courant, publisher Jack Davis retired and editor Brian Toolan quit for a national editing job at the Associated Press.

The threat of deep cuts was also central to a mutinous struggle at the Los Angeles Times and the ouster of its highly esteemed editor, Dean Baquet. In Chicago, Tribune was insisting that the paper cut as many 140 newsroom jobs, trimming a staff that was at about 940 people.<sup>4</sup> The paper's publisher, Jeffrey Johnson, and Baquet both refused, arguing that the cuts would materially damage the quality of the paper. Still others at the Times were more alarmed by their sense that Tribune had no long-term plan. Each year, it wanted more cuts. "I think we can produce a great newspaper with 800 people," one senior manager told PEJ. "I'm worried that next year they will just say, now cut to 600."

Tribune ousted Johnson for resisting. Baquet remained, and launched a project in which the newsroom began to form a long-term plan for the paper's future — the Spring Street Project — sending out some of his best reporters to investigate the future of the business. Before it was completed, the paper's new publisher, who had been sent from Chicago, became incensed when Baquet continued to speak out against newsroom cutbacks. Shortly after Baquet returned from a speech at the Associated Press Managing Editors conference in New Orleans, in which he talked about editors pushing back on excessive staff cuts, he was fired. Baquet was eventually hired by the New York Times as Washington bureau chief.

The company's proposed reductions for the Times are surely coming in 2007 if Tribune Company retains control.

### **Where the Cuts Came**

The details of the cuts show their range and seriousness.

According to ASNE's projection from its annual newsroom census, the industry lost 2,000 full-time newsroom jobs during the advertising recession of 2001 and a net of about 1,000 more in the next four years.

That set the stage for some drastic reductions during 2006:

\*At the Belo Corp.'s Dallas Morning News, 111 news staff members accepted buyouts.<sup>5</sup> That reduced the staff, which numbered 575 at the start of 2004 and stood at roughly 500 at the beginning of the year, to fewer than 400.<sup>6</sup> Besides the typical financial pressures, the Morning News was one of four papers caught in 2004 padding its circulation. So as publisher Jim Moroney put it, the business was smaller — by at least 10% — than it had thought it was.<sup>7</sup> During its heyday in the 1980s and 1990s under Burl Osborne, editor and then publisher, the Morning News was considered among the top 10 or even the top 5 papers in the country. In 2006, editor Bob Mong told an interviewer from a local weekly that it would aim to be "a leading paper in the region."<sup>8</sup> Belo's Press Enterprise in Riverside, Calif., also

bought out 50 newsroom employees.

\*At the Washington Post, 70 senior staff people accepted buyouts early in June. 9 Another 54 had accepted a similar offer in 2003. While the latest action stripped experienced talent from the newsroom, especially in the business news section, the Post remains well-staffed. And its Web site, WashingtonPost.com, is among the strongest editorially and best at generating revenue, with 75 to 100 news people assigned to it full-time. 10

\*The Philadelphia Inquirer, which absorbed 75 buyouts in 2005, seemed poised for an upswing when the local investors headed by Brian Tierney, the PR executive, bought the paper in July. 11 But the industry's third-quarter advertising shortfall resulted in Tierney's October announcement that he would need concessions and further reductions in staff to meet his group's bank obligations in 2007. In the first week of the new year the layoffs of another 68 in the newsroom, about a sixth of the staff were announced. 12 In its glory days in the 1970s and 1980s under the legendary editor Gene Roberts, the Inquirer, too, was considered a top regional, winning numerous Pulitzers and becoming a destination for talent.

\*At the Cleveland Plain Dealer, 65 news staff members accepted buyouts, reducing the staff by 17%, to 308. 13 The paper's owner, the Newhouse family's Advance Publications, has a reputation in recent years for running good and well-staffed papers, including The Oregonian of Portland and the Times Picayune of New Orleans, while accepting more modest profit levels than Wall Street would demand if the properties were publicly owned. But Editor Doug Clifton told a local magazine that margins had slipped to "passbook savings levels" — presumably about 3%. 14 That was too low and the paper was overstaffed for its sliding revenue base, he said. In January 2007, Clifton announced plans to retire later in the year.

\*At privately held Copley, 45 staffers, including 19 in the newsroom at its flagship San Diego Union Tribune, accepted buyouts early in 2007. 15 That represented a cut of approximately 7% to the newsroom.

\*Privately held MediaNews trimmed 16 positions from the San Jose Mercury News (6%) and cut 21 from the St. Paul Pioneer Press (about 10%). 16 Another buyer of the 12 papers McClatchy chose to divest, Black Press, cut 40 positions from a staff of 160 at the Akron Beacon Journal (25%). 17 All three of those papers had experienced deep cuts earlier in this decade under Knight Ridder ownership.

\*Other well-regarded newsrooms labor under the sword of Damocles. Tribune is expected to cut at least 100 reporting and editing jobs if it retains ownership of the Los Angeles Times. A new generation of leadership at Block Communications has said publicly it need concessions and cuts at the Pittsburgh Post-Gazette and Toledo Blade or it will sell the papers. 18

\*The surprise sale the day after Christmas of the Star Tribune of Minneapolis to a private equity group raises worry that staff cuts are on the way, even though the buyers, Avista Capital Partners, have said otherwise.

\*Smaller papers don't make headlines, but there are cuts there too — five in the newsroom at Media General's Winston-Salem Journal, 44 part-timers, company-wide, at Advance's Union-News of Springfield, Mass. 19

\*Plenty of papers — Tribune properties in particular — did not experience new announced layoffs or cuts in 2006 but

have been on the attrition train for a long time. The Hartford Courant, for instance, has shrunk from a newsroom staff of 355 in 1998 to 265. 20 More cuts could be on the way in 2007. Besides the deep cuts at the Philadelphia Inquirer, the New York Times Company's Boston Globe announced in January 2007 that it would eliminate 19 newsroom positions through buyouts, a reduction of about 5%. 21

As this report was being prepared in early 2007, the Columbus Dispatch, the Sun Sentinel of Fort Lauderdale, and the Ann Arbor News all announced buyout plans. The Atlanta Journal Constitution has offered up to 80 buyouts to a newsroom of roughly 475 as part of a plan to reorganize print and online reporting and editing and reduce distribution and coverage from a multi-state region to, basically, metropolitan Atlanta.

### **Paper Size and Newshole**

The year 2006 was also one in which the few holdouts for wide broadsheet design capitulated to the trend of trimming the physical size of the paper sheet. The Wall Street Journal's first edition of the New Year packaged a thoroughgoing redesign with a substantial trim in web width and a reduction from six columns to five. The St. Petersburg Times, following the same game plan, reduced both paper weight and page width in a redesign in October. The New York Times plans to trim its width in August 2007.

The new dimensions may be easier for readers to handle and may be readily accepted, but there is no mistaking the guiding agenda of saving on paper expense. It also means less space, page for page, for news and ads.

Reductions in newshole (the daily space for news content) typically are not announced as big staff cuts are, but we would venture that the typical metro is printing 10% to 20% less news than in the good old days of 2000. 22 Of course, papers with a lesser volume of ads are smaller, but here, too, budget-minded managers are capturing some savings on paper.

Among larger papers, the Wall Street Journal reduced newshole by 10% with the redesign, about half of that from financial tables. 23 The New York Times plans a 5% reduction when it trims width. 24 And in a memo to the newsroom in 2006, editor Len Downie of the Washington Post mandated an unspecified percentage of further "tightening" of the total space for news and individual story lengths. 25

### **Is the Sky Falling?**

Anyone who wants to make the case that despite all this negative news, the sky is *not* falling, might cite these factors:

\*Medium-sized and small papers are not experiencing the severe financial setbacks of the metros and are not cutting their staffs as deeply. That would explain, for instance, why the net job loss, by the Newspaper Editors' count, during 2005 really was not much more than the cuts announced by big papers (though the census does show some losses at smaller papers).

\*Cuts and threatened cuts get the notice, but stability is invisible. The co-author of this report on newspapers, Rick Edmonds of the Poynter Institute, is given access to the paper-by-paper results on the condition that individual titles are not named. At the end of 2005 about as many papers with 250,000-plus circulation had increased staff size or

held it equal since the end of 2001 as had experienced losses. In total, however, losses well outnumber gains.

\*The trims are being paired with development and increased staffing of online sites. Not even rough counts of online-dedicated news staff are available, and it is unclear whether the reports papers file for the ASNE census consistently include those positions. It is fair to say, though, that the increases in no way cancel the losses. Belo, for example, paired the announcement of 111 buyouts at the Dallas Morning News with a planned increase of 30 positions in its Dallas online operations. At the same time, the responsibility of creating content for the new platforms also adds to the workload of the remaining staff in the newsroom.

\*There needs to be some correspondence of news staff and budget to revenues and revenue prospects. As the business shrinks, so must newsrooms.

\*With cuts to news space and the elimination of features like long-form stock tables and TV listings, not as many people are needed. Probably, technology from Google to cell phones to electronic page design has made the work of the newsroom at least somewhat more efficient.

\*The industry still comfortably fields more than 50,000 full-time professionals. Losses for the decade are well under 10%.<sup>26</sup>

All that said, the fairest assessment must include an acknowledgement that the cuts have an effect, one that is only like to grow.

### **The Ambitions of the American Newspaper**

Collectively, the effects of smaller staff, smaller sheets of paper, and smaller newshole add up to something more significant. The logical next phase for the industry is defining a newspaper of more modest ambitions and proportions.

What that will mean to citizens is hard to say definitively. Where are the cuts being made? What does more localism mean? How does building up the Web affect original newsgathering? Are the hires online technical people or reportorial? How will citizen contributors be used? The answers to all those questions are still emerging.

For now, this much can probably be safely determined.

Concentrated at metros, the staff reductions are gutting once-great and ambitious publications. In effect, the industry ends up ceding national and international coverage to four papers and the Associated Press. That means less effort, less variety.

Newspaper editors say one of the last things to go will be investigative public service work. Certainly the flow hasn't stopped. But retaining an investigative team is not the whole story. The work at its best entails a willingness to let a number of reporters explore leads that may not pan out. That requires generous staffing rather than lean.

And the watchdog function is more than big-splash special investigation. The novelist Carl Hiaasen's 2003 book, "Basket Case," a screed against corporate newspapering and a villainous CEO with more than a passing resemblance to Tony Ridder, puts the matter pungently. A hiring freeze at the fictional Union-Register leaves a single



reporter covering first two communities, then three, all of whose city councils meet on Tuesday. “The politicians in Beckersville and Palm River are not exceptionally astute,” Hiaasen writes, “but soon figured out that every other meeting was pretty much a freebie and composed their venal agendas accordingly.”<sup>27</sup> Management racks up a 23% profit margin while readers “were semi-regularly being reamed and ripped off by their elected representatives, all because the newspaper could no longer afford to show up.”

The curmudgeonly alt-weekly columnist Jack Lessenberry offered this real-life example from Detroit. A local woman, Iris Ovshinsky, who with her husband was a prominent inventor and scientist, died. Neither the Detroit Free Press nor the Detroit News nor the suburban Oakland Press provided more than passing notice. Compounding the offense, Lessenberry said, two of the three mistakenly reported she had drowned when she in fact had suffered a heart attack while swimming.

So loss of people along with newsgathering and editing capacity translates into loss of what people come to a newspaper looking for. There is a downside, too, for those who stay. News people aren’t known for their cheery dispositions, but the last few years have left morale in many places, as a colleague used to say, “lower than a snake in snowshoes.” A Pulitzer-Prize winning reporter, who had surveyed contacts at other regional and mid-sized papers, privately put it this way: “In the trenches, people are scared, panicking. They look to the glass offices for leadership but aren’t finding it. Where are we going? Are we doomed?”

The response of companies is no. Doom is an extravagant and emotional overreaction. Rather than giving up, the industry is becoming more local. By the end of 2006, that new phase — the micro-local mantra — was spreading from small and mid-sized papers to the likes of the Philadelphia Inquirer, Dallas Morning News, and Boston Globe. The extended debate over the future of the Los Angeles Times could be framed as a question of whether it should scale way back on its national and international news effort in favor of more intense Los Angeles coverage.

Skeptics are dubious. The big metros are not equipped to cover civic clubs and little leagues as a suburban weekly or daily might. Part of the economizing, indeed, has been pulling back staff from the outer edges of the metro area. Hence, some of those communities won’t get local coverage at all.

Part of the re-imagining of print newspapers involves seeing them as complementary to the online edition and/or targeted to a narrower, older audience.

The Wall Street Journal billed its redesign project as Journal 3.0, suggesting that online and print would play in tandem in new ways. USA Today has a version of the process in progress, to be unveiled around the date of publication of this report.

### **Wall Street Reaction**

In many a telling of this story, analysts and investors are the heavies, driving public-company executives to make imprudent cuts for short-term profits. That is not all wrong. Institutional investors are in the newspaper game to make money. Perhaps going public was, in retrospect, a deal with the devil for many companies (though most of their executives insist otherwise). (See Ownership).

But there is some over-simplification at work here. In the roster of staff-cutters earlier in this section, private companies — Advance, Copley, MediaNews and Brian Tierney's Philadelphia group — are generously represented. Financial pressures are now significant for any good-sized newspaper, so inattentiveness to cost control is not an option.

And Wall Street, while it still likes cost control, has also come to see that newsroom cuts are no cure-all. Both Knight Ridder and now Tribune sought to placate shareholders with high-profile cuts, and neither stock recorded any forward movement of note as a result. Journal Register, proudly skinflint in its news operations, had the worst stock performance of any public newspaper company in 2006.

That squares with what we hear from the three analysts we read and talk to frequently — Lauren Rich Fine of Merrill Lynch, Paul Ginocchio of Deutsche Bank Securities and Peter Appert of Goldman Sachs. All agree that excessive newsroom cuts will lessen reader appeal, circulation and value to advertisers. And they say that to build online, investments in content will be needed. They contend that revenue growth rather than profit margin is the key to getting more favorable valuation in the market. Ginocchio and Fine add that newspapers, while whacking at their newsrooms, have been relatively slow in upgrading their ad-sales staff or identifying potential savings in production and distribution.

Attention to cost control is still viewed as a plus. But these days deep newsroom cuts are likely to be seen more as a symptom of financial distress and lack of a strategic plan than as a remedy.

### **Online: The Good-News Story of 2006**

In last year's report, we noted that after languishing for years, newspaper online sites showed a better effort in 2005 and might be in for more visible upgrades in 2006. That came to pass, and rather quickly.

Rick Edmonds and colleagues of his at the Poynter Institute surveyed a dozen online news operations in spring 2006. PEJ also included another 38 sites in its own study. Both found two dominant trends: (1) All the sites were aiming for rapid posts of breaking news. The practice of saving good stories (at least those with a strong time element) for the next day has become passé. (2) Sites are experimenting with all manner of multi-media enhancements – blogs, audio, video, slide shows, podcasts and interactive features. No one model or even two or three models have yet emerged as dominant. It's reasonable to think some approaches will become more successful and popular than others, but for now a lot of experimentation by itself represents a new level of commitment.

The initiatives were typically supported by what might be called a “some-of-both” staffing effort. The main newsroom staff is increasingly being asked to contribute breaking news and multimedia efforts. At the same time sites are adding producers, tech specialists and reporters and editors with special skill at tailoring their work to the medium. We heard almost everywhere of bottlenecks: not enough people to teach print people the new formats or work with them to execute ideas.

Unfortunately, there is a dearth of information on even such basic questions as how many full-time news professionals now work predominantly online. A fuller set of metrics paralleling print basics like staff, budget and newshole, is several years away. So is any measurement of combined news effort in print and online, though companies have

been quick to add faster-growing online advertising revenue into their reports of financial results.

National web sites — the Wall Street Journal, the New York Times, USA Today and the Washington Post — have dedicated news staffs of 50 to 100 and participation (even full integration) with the legacy newsroom. It shows in sites that are freshened hourly and have a rich offering of Web-specific features and a steady stream of innovations. On the day the draft of this section is being written, NYTimes.com offered a first-of-its-kind video clip that opened, “Hi, I’m Art Buchwald, and I just died.”

A growing number of smaller-city sites are drawing attention for excellence or innovation — Lawrence, Kan.; Naples, Fla.; Spokane, Wash.; Bluffton, S.C.; Milwaukee. Typically they have a high degree of interactivity and reader-contributed material. Bluffton Today, for instance, was launched in a growing community near Hilton Head Island, conceived as a participative Web site first with some of that material repackaged in a free print daily. Such operations begin to suggest the shape of an idealized Web site that has not just news but all you might want to know about your local community and a flavor of continuous discussion.

In recent years, companies have included niche publications and some forays into ethnic media in a claim that they offer an array of products that increase options and total audience reach to advertisers. Neither faded away in 2006; Gannett’s 90 papers now have more than 1,000 such publications. <sup>28</sup> The Dallas Morning News still published both a free youth-targeted tabloid and a Spanish-language daily. Our sense, though, is that the best opportunities have been seized and that indigenous ethnic media offered stronger than anticipated competition.

Our forecast for 2007 is for more growth in online and the emergence of winning formats that become standards. As the volume of online content grows, sites have become cluttered and hard to navigate. We look for a wave of redesigns in 2007, aimed both at better organization and better display opportunities for advertisers.

We also think that the emerging top priority among many is going to be interactivity — both in content that has rich citizen input and in how a user can find his or her way into, around and out of the site. By the end of 2008, today’s typical newspaper site will probably look quaint.

### **Defining the New Print Newspaper**

For some years we have been saying that the print newspaper is not about to die, but it is about to morph. Newspapers are almost certain to become smaller, targeted to an older and educated audience, perhaps more expensive and operated in tandem with a distinctive Web site.

At the end of 2006 and the beginning of 2007, two major newspaper companies announced changes of just that kind. The Wall Street Journal redesign, begun on January 2, 2007, didn’t strike most readers or industry commentators as radical. But the shift in angle-of-attack in stories was seismic. Most Journal print stories (80%, the company estimates) are now what used to be called second-day pieces, analyses of what happened yesterday. Many carry forward-looking “will” headlines. Less and less is duplicated online, creating incentive for a subscriber to get and use both versions in different ways throughout the day.

The Journal has a specialized business audience and one of only a few sites that successfully charges for most

content (though the paper has been making more material available free). Still, there does not appear to be a reason some of the principles of the makeover could not be adapted by a more typical paper.

A second strong vote for rethinking print and online came in November 2006 when Gannett announced it would transform newsrooms at all 90 of its papers to “information centers.”<sup>29</sup> The program incorporated some existing practices and others that had been field-tested through the year, but embodied a hard-edged agenda of kicking news operations out of the traditional focus on the 24-hour cycle of getting a daily print edition out. In fact, Gannett anticipates that print editions will eventually target more educated and affluent readers, 45 and older.

Gannett charges its newsrooms with seven tasks. On the traditional side are a strong watchdog function and local news effort. In addition, though, the newsrooms are asked to develop rich databases, convene community conversations, develop custom content for consumers, and expand multimedia and varied digital content.<sup>30</sup>

In a presentation to investors and analysts in December, Gannett led with its new plans for news and offered these examples:<sup>31</sup>

\*A three-week old Web site, Indy Moms, produced by the Indianapolis Star, which was rich with listings and ad opportunities and had already attracted 100,000 users. (Watch for a wave of “mom” Web sites in 2007).

\*Video of a fire in Palm Springs, Calif., that spliced film shot by a golf writer for the paper and a citizen contributor.

\*A successful investigation by the News Press in Fort Myers, Fla., of excessive sewer hookup charges that drew on citizens not just for examples but for volunteer expert analysis, which was then combined with the work of professional reporters.

Gannett has a reputation in the business for high margins and modest newsroom investment. But it also is frequently ahead of the curve — as in a 2001 directive to publishers to build audience in whatever medium, whether the newspaper, online or niche. The Information Center initiative, doubtless subject to tweaking as it goes along, puts the company and its newspapers in the attractive position of wholeheartedly trying something new instead of drifting.

## **Conclusion**

We have described here an editorial plunge into transformation. The direction is clear, but the destination and success are uncertain. For journalists, who tend to want freedom to practice what they consider a public service, the abruptness of the change and what they think is at stake make all of this unnerving.

The first outlines of a potential solution, in which newsrooms maintain their commitment to informing citizens while doing a lot of things differently, are starting to emerge.

One concern is that 2007 is likely to present more of the same business reversals, prompting a fresh wave of reductions of news staff and news capacity — capacity that cannot be readily be restored.

In the long run, if print dies, newspapers can benefit from the cost savings involved in transferring distribution from paper and truck delivery to online. Those savings could be used to improve content. Or they may simply be eaten in

covering shrinking revenues. The problem is that no one knows at this point which of those will happen. Even optimists who believe the economics of the Web will work out worry about the transition. Assuming the Web does provide substantial revenue, what will newsrooms look like by the time that occurs?

## Digital

Digital

*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

Newspapers were early if often tentative entrants in the digital game. By the mid- to late 1990s most big papers had online homes.

But the content was often little more than what was in the newspaper, plus some occasional extras.

For the most part, newspaper sites have succeeded in attracting visitors. Over all, in most markets, newspapers have the best-trafficked Web sites. <sup>1</sup> The Atlanta Journal-Constitution, for instance, has extended its weekly reach by about 10% through its Web site. Many major papers, such as the New York Times and the Washington Post, now have more daily visitors than they sell copies of the paper each day, though most of those are the same people.

But as noted throughout this report, the economics of the Web are far more problematic.

Consider, for instance, that even with the radical growth in online ad revenues in the past five years —about 30% annually — they are still making only small contributions to the overall newspaper bottom line. All that online money still makes up only 6% or 7% of total newspaper ad revenues.

Those numbers vary from paper to paper. The Washington Post, for instance, earns 11% of its revenue from the online operation, according to CEO Donald Graham. <sup>2</sup> At the Los Angeles Times, however, online ad revenues make up only about 5% the total. And forecasts are that the overall industry rate of online ad revenue growth will slow in the years ahead. The Newspaper Association of American estimates online ad revenues will grow by about 22% in 2007.

If print readership continues to fall (as it has for decades now) and readers move to online, ad revenues seem unlikely to keep up. An industry analyst with Deutsche Bank Group estimates each print newspaper reader is worth about \$350 to that newspaper, while online readers are worth only 10% to 15% of that.

And whatever the cost savings to newspapers from the transition to online delivery, those are not fully realized until the day the paper actually stops printing on paper altogether. The printers, the presses, the trucks, the delivery system still all exist, even if the press runs shrink.

Ultimately, the future may really depend on whether newspapers can produce a better, deeper, richer journalism online than they can in what some wags call the “flat” medium of print. That is the promise of the Web. How far are we toward realizing it?

To get a better feel for what individual newspapers offer their users in an online environment, PEJ examined the sites of seven different dailies from around the country as well as two alternative weeklies. They were part of a larger inventory of 38 different news sites in September 2006 and February 2007 of various types from across the Web. The overall findings across the 38 sites (as well as an interactive tool to help citizens evaluate their favorite news sites) can be found in the **Digital Journalism chapter**.

We looked at six different measurements: The **customization** options the sites offered, their use of **multimedia**, the possibilities they offered for **participation**, the **branding** of the content (that is, how the site promoted its own name brand for content and presentation), the **depth** of information available and the **economic** picture for each, their revenue streams. On each of these measures sites were placed into one of four categories, ranging from a top group that placed heavy emphasis on a given measurement to a last group that offered the least amount.

### **New York Times ([www.nytimes.com](http://www.nytimes.com))**

The look of the newspaper is still there, including the paper-white background and the distinctive old-English masthead. The work of the correspondents, their bylines and their reporting, still form the core attraction.

But while retaining the feel of print, the Web site of the New York Times, redesigned in 2006, is more subtly a customizable, participatory news outlet that covers the news as it happens.

Indeed, to a degree greater than for most newspaper Web sites, this really is the newspaper and more; it is the New York Times....online.

That sense begins with the page's design. Users will undoubtedly notice how wide the page is and how much information is there. The site is one of only a few with a five-column layout, another evocation of the newspaper, which has six columns. Most Web sites are three or four columns wide.

And the sense that this is the newspaper's identity and **brand** in an online form is also reflected in the numbers from our content analysis. In our site inventory, the New York Times earns its highest mark for promoting and emphasizing its own brand and editorial control. Most of the content here, more than 75%, is from the Times staff. It promotes the bylines of its writers prominently.

Yet this is now more than a given morning's newspaper. A visitor is also struck by the frequency with which the page is updated. Times correspondents are filing the news as it breaks, and then filling in more as the day goes on. There is a sense of the news breaking, the day evolving, the page changing; small red text indicates when a story first appears on the page. The site gives the impression of being in the Times newsroom and seeing as reporters come back and start filing. Even breaking stories on the site are usually written by the staff. Wire copy does appear in this lead story area, but it is usually replaced quickly by a staff byline.

Interestingly, the site has also found a way to use blogs to rely on wire copy less, at least ostensibly. For instance, the day of Anna Nicole's Smith's death, the site quickly had the story on its front page with a staff byline under "The Lede Blog" header. When users clicked the link they were taken to a blog that largely quoted other sources. Thus the site ran wires, with the look of running staff copy.

Beyond its exceptional emphasis on the Times brand, in real time, the site offers a good deal more, though not as strikingly.

NYtimes.com also scored well — in the second-highest tier — for the degree to which it allows users to **customize** the content. It offers multiple RSS feeds and allows visitors to create their own homepage layout to greet them on each visit. It has yet to offer, though, the newer delivery mode — mobile.

The site also makes some effort to allow **participation**. Visitors can e-mail authors now, and even add their own comments to stories and to blogs. The site scored, over all, high mid-range marks here.

NYtimes.com ranked in the bottom tier, however, for **multimedia** use. That may be somewhat deceptive, partly because most of its video links are on a separate page, not featured on the home page. That, again, reflects the fact that the newspaper is the core identity here, more than the site as its own environment. Yet even though the page incorporates some video and a bit of audio and graphic work, this is still by and large a text-heavy destination.

The site also scored somewhat lower, in the third tier, for **depth**, or the extent to which stories also linked to other material, original documents, background pieces, archival material and more. That, too, reflects its character; stories written by Times correspondents are what this site is about.

When it comes to revenue streams, not surprisingly, the Times also scored highly. It features, in effect, everything that a Web site today could. It has a lot of ads — 13 on the days we examined — many of them small and unobtrusive. And it adds revenues from fees it charges for premium content.

Nytimes.com is leading example of a franchise that has decided not to create a new identity online, but to transfer the old one, enriched and modernized.

### **Washington Post (www.washingtonpost.com)**

In contrast with some sites, particularly that of the New York Times, the Washington Post has gone out of its way to create a different identity on the Web from the one it has in print. The Web identity is high-tech and defined by multimedia and the ability of users to customize the site as their own.

The traditional logo of the paper is small and off to the side. The dominant masthead is the two-toned **washingtonpost.com** logo in black and red, which of course we do not see in print. The layout is a clean, three-column format, unlike the paper product.

In our content analysis, Washingtonpost.com scored highly in more categories than almost any other site examined. It was one of only two sites of the 38 studied, indeed, not to earn low marks in any category. And it was one of only four to earn the highest marks in three of our five content categories — in our loose groupings, one of four High Achievers.

The site earned top marks for **branding**, or the degree of original content and editorial control. More than 75% of the content was staff written.

Yet the site also earned top marks in our content audit for **customization**. Visitors could create their own page

layouts, subscribe to content through multiple and highly promoted RSS feeds, and arrange to receive a mobile version of the site.

And it was also a top-tier site for its use **multimedia** formats. A visitor is more likely than on most sites to find video, photo and Q&A links on the homepage. Live chats with Post staff members and newsmakers are featured prominently. All this also meant that the amount of plain text was smaller than on other sites. This destination is about more than reading stories.

The site earned second-tier marks for the level of user **participation**. That, however, still put it in the upper half of all the sites studied in a category where only three sites earned top marks.

The site was a high-scorer on **economics**, landing in the top tier with somewhere between 15 and 18 ads usually on the homepage. That includes advertisements for site features and logos of sister sites like Newsweek, Slate and MSNBC.

Washingtonpost.com earned its lowest marks for **depth**, in the third tier. That meant the site did not embed a lot of links in and around stories for people to go deeper, to background, documents, full text of interviews and various other options, including easy access to archives.

To some extent, given the nearly infinite set of options the Web offers that may reflect the fact that depth and immediacy are hard to balance. The content here starts out in the morning, as most newspaper sites do, with stories from the print paper, and throughout the day the site is updated to add new material.

The overwhelming majority of the stories, upwards of 90%, feature staff bylines. But washingtonpost.com is not afraid to run wire copy, particularly in sidebar stories that provide supplementary information around staff-written lead pieces. And the site takes great pains to include a lot of supplementary copy to go along with its featured pieces, including links to photo presentations, staff Q&As and interactive graphics. Generally, each featured story has at least two extra sidebar links.

Washingtonpost.com is a site that takes advantage of much of what the Web has to offer, adding a lot of interactivity to expand the paper's identity beyond its print franchise of heavy coverage of the federal government.

### **USA Today (www.usatoday.com)**

As this report went to press, the Web site for USA Today underwent an extensive redesign. The redesign took steps to advance in several of the categories that we identified. It now offers more video and other multimedia components. It also facilitates more of an online community by allowing users to contribute their voice to the site and tailor it to their needs.

The study of the site—and this analysis—was performed in February of 2007, before these changes.

The Web site for USA Today carries over a lot of the newspaper's look and feel. The blue USA Today header box is on the site as are the color-coded section names, a red box around Sports, a green one around Money, and so on. Other



than a flash picture slide show on the top right of the screen **usatoday.com** feels a lot like USA Today online.

The site also has carried over the simple, modular layout of the newspaper. It essentially features a two-column layout, fewer than many of the newspaper sites we visited, that keeps things fairly simple. There is a lead story with a photo just under the masthead on the left and next to it on the right is a list of six headlines, some with supporting material like photos and analyses and others without, and no teaser text.

But the impression that this is the newspaper in another platform is not entirely accurate. Indeed, this is one of the few newspapers that did not earn top marks for **branding**, or promoting its own content and editorial control. It scored in the second tier. To stay immediate, it relies heavily on wire copy.

Indeed, in our site inventory, USAToday.com didn't particularly stand out in any area. In our loose groupings, it was Jack of All Trades.

The site ranked in the second-tier on **customization** partly because of the large number of podcasts and RSS feeds available. That rating was also helped by giving users the chance to modify the home page. But the site is not as mobile as some others and offers no podcasts.

USAToday.com was also a second-tier finisher on **multimedia**. The site is not particularly text heavy; photos made up a larger percentage of the space. But there were no large audio or video components, and limited offerings, relative to other sites studied, in the way of video or audio links.

The site fell in the lowest tier relative to others when it came to the level of user participation. There was no chance for users to add content, no live discussions, and few chances to even e-mail authors.

And the site scored in the third tier for **depth**, the degree to which it linked stories in packages, or went deeper with paths to relevant archives, background, documents, interview transcripts and so on.

USAToday.com fell toward the middle in terms of the number of revenue streams on the site. There 13 ads on the page. The site does not charge for content, even its archive.

Unlike the paper, which publishes Monday through Friday, the site is always adding material, even on weekends, though it relies heavily on wire services to do that.

Staff people do sometimes contribute as news breaks, but much of the material comes from the Associated Press. Even in its lead positions the site is comfortable using wire copy.

On the afternoon of February 11, for example, six of the seven stories in the lead area were from the AP. That is particularly interesting since the site is owned by Gannett and could, in theory anyway, stock its page with stories from the papers the company runs around the country. The newspaper does pull stories from other Gannett papers at times.

## Los Angeles Times (www.latimes.com)

The online home of the Los Angeles Times is best known heading into 2007 for an internal study the paper conducted that was sometimes brutally frank about its shortcomings.

Our content inventory found the site crowded with material, but still organized. **Latimes.com** may not be a clean site, but it finds a place for everything — videos, photos, blogs and, of course, text.

The site uses a four-column layout set against a white background, which helps prevent it from looking overwhelmed and cluttered. But the sheer amount of content on this page is impossible to ignore. The site tries to prominently feature as many as eight stories at the top and in the middle of the page, more than most of the sites we studied.

Framing the page down the left side is a lengthy set of navigational buttons. Over it all is the blue Latimes.com masthead, and over that in smaller is the Old English logo of the Los Angeles Times. In look, indeed, the site in some ways echoes the Washington Post in the sense of trying to create a distinct online personality that differs from the print product.

There is a lot of content on the site, and it helped Latimes.com score well in some areas of our site inventory. The site sat in the second tier on **customization** with its multiple RSS feeds and a mobile version of the site. It also gave users the chance to modify the homepage and saved those modifications for future visits. In terms of **multimedia**, it was also a second-tier site. It was not overly text-heavy and offered users many video links, but little else — no audio, live discussion or podcasts.

The ability of users to post and add content helped the site's **user participation** rating, placing it again in the second tier. It would have scored higher had it offered live discussion or other options. The site, in other words, seemed to have been constructed for more user participation. But the elements that would require staff to keep that opportunity fresh did not always materialize.

The site ranked lower, in the third tier, in another area that would require continuing attention, **depth**. That requires the kind of effort that occurs story by story, and probably involves team effort. It is also an area where most sites studied had room to grow.

Interestingly, LATimes.com also placed in the bottom tier on **economics**, or the number of revenue streams evident on the site. It offered fewer ads than most sites we examined — only six — and did not have any fee content or a fee archive. That may help explain why, according to the Times internal report, it generated less revenue for the company than other major newspaper sites.

In terms of content, Latimes.com may be based on the West Coast, but it is a national news site as well. The lead stories tend to have a few local entries, but the biggest headlines are usually national or international in their focus, and most are staff written. Wire bylines do appear on some pieces.

On February 14, for instance, the top stories for the site were about film makers in Hollywood, North Korea's nuclear shift, the insurgency in Iraq, the Fed chairman Ben Bernanke's feelings on the economy and the disappearance of a statuette of the Maltese Falcon at a local restaurant. The Bernanke story was from the AP, the rest from the staff. The smaller "More News" headlines in the top tend to be local in nature, however, and the photos from users in "Your

Scene” are usually from California locations.

Video links on the site are a mix. Some come from the local news team at KTLA, some are Times-produced and some don't have any attribution at all.

Over all, Latimes.com looks like something of a combination of Nytimes.com and Washingtonpost.com. It is a unique online entity that strives to be national in content with heavy multi-media options. But the potential in some ways seems unrealized.

### **Chicago Sun-Times (suntimes.com)**

Chicago's tabloid daily, the Sun-Times, has created an online identity that is clean, well-organized and very local, with a dash of sensationalism thrown in.

**Suntimes.com** uses a two-column layout with a white background and mostly emphasizes news from the Chicago area, particularly the print headlines. But the video links, which are played high here, are focused more on celebrity and news of the weird.

What the site emphasizes is the personality of the paper. It earned its lone top mark for branding, the level of original content and its own editorial judgment and style.

As for the rest of the inventory, it sat in the third tier on **customization**. The home page cannot be modified to personal taste. Users cannot get podcasts or a mobile version of the site. It was similarly in the third tier on **user participation**. Beyond the ability to e-mail the author, there was little opportunity for users to contribute to the site. The only other participatory option was the most controversial one, an online vote or so-called poll.

The site landed in the lowest tier in its use of **multimedia**. There were video and slide-show links on the homepage, but more space was taken up by text than on other sites. The site also fell in the last tier relative to others for **depth**. It was updated less often and offered fewer links to go deeper into topics and events.

When it came to **economics**, or the number of revenue streams, Suntimes.com fell to the bottom tier. Advertising was the only revenue stream, and the number of ads was small.

The content here was again, highly local. Other than video AP links high on the page, national and international news takes a back seat on the site. Links to those kinds of stories come only after the lead item on the page, the videos and metro and tri-state headlines.

The site's homepage on February 12, 2007, for example, led with a piece about car fatalities caused by a drunken driver in the Chicago-area community of Oswego, Ill. The feature under it asked users to “Outguess Roger Ebert's” Oscar predictions. The film reviewer, incidentally, has his own navigational tab on the site. Then the site ran three local headlines ranging from the shooting death of an off-duty police officer to a winter storm watch. After that came two national headlines, two world headlines and two politics headlines. And that was after a big weekend for Illinois politics as Sen. Barack Obama announced his candidacy for president.

## Des Moines Register ([www.desmoinesregister.com](http://www.desmoinesregister.com))

The Web site for the Des Moines Register bears the hallmarks of an online home that has been added to and expanded to make room for new features. Yet the content can seem to be competing with itself.

Dominating the top of the page is a DesMoinesRegister.com logo with a score of navigation buttons above and below it. The main story on the page sits in the extra-wide second column of the four column layout, with a headline and teaser text, but no picture. The space that might be used for a photo is occupied by a tabbed box that features, depending on the tab a visitor clicks, staff blogs, local news videos, photos or online extras. Under that lead story are nine more headlines, mostly local. Next to those are four ads, three of which include flash animation. And in the far-right column is a bit of a catch-all space that holds weather, a searchable calendar of local events, and a series of ads. After news at the top of the page, there is a section on sports in the middle, followed by “entertainment & life.” Those sections have photos connected to their top items. On the bottom of the page are links to a variety of sites the page says are “worth a click.”

Like many newspaper sites in our inventory Desmoinesregister.com earned its highest marks for **branding**, or the emphasis put on its own content and editorial standards and judgment. It scored closer to the bottom in other content areas.

The site was not particularly **customizable**, ranking in the third tier. It did not offer users the chance to modify the homepage, download podcasts or receive a mobile version. The site’s text-heavy front page, 70% of which was narrative, also placed it in the third tier on use of **multimedia**. There were photos and some video links, but no other multimedia options.

It ranked in the third tier relative to other sites, too, on user **participation**. The site did not give users the ability to e-mail authors or create blogs and offered no live discussions or other options. And it ranked in the lowest tier relative for **depth**, or the use of links and other methods to give users access to background material, archival content, documents, reference sites or more.

The site did rank at the high end for **economics**. There was no fee content, but there were more than 20 advertisements on the page, over a quarter of them from local advertisers.

The content on the site is updated throughout the day and is extremely local. A visitor has to hunt through the front page to find national or international news; they are down near the bottom with headlines from the AP and USA Today. And that means the majority of the copy here is from the staff, though not all of it. Even in the lead-stories section of the site, editors are not averse to running AP copy for pieces they don’t have staff to cover, though those stories, too, are from Iowa.

Many of the stories updated during the day are relatively short, some only a few graphs. But the main piece, which stays on top as the content beneath it changes, is a longer, newspaper-length piece.

Because the paper is based in Iowa, home of the nation’s first presidential caucuses, it has a blog devoted to politics written by the paper’s well-known political writer, David Yepsen.

The video on the site is noteworthy because it is mostly local — everything from high school sports features to highlights from a karaoke contest — a pattern not seen on even bigger sites. Reporters off-camera ask questions of interview subjects or simply record action. There are links to USA Today video as well.

### **New York Post (www.nypost.com)**

Love it or hate it, there is little question that **nypost.com** brings the spirit of the tabloid paper to the Web, along with a great deal of the appearance.

So strong are the ties to the print edition that the homepage for the site actually looks like a tabloid paper, complete with the ruffled right side of the page where a reader would turn print pages. There is also what looks to be a rip just under the masthead, where the top stories change as virtual pages appear to be turned. The Post's familiar red and black motif is on full display and pictures dominate the page. Top stories feature very large headlines that are usually printed on top of a photo, as in the print newspaper.

If the challenge of Web for newspapers in part is that a screen is much smaller than a broadsheet, Nypost.com offers a hint of how a tabloid online can be different.

Yet after offering the contents of the paper, with some additional multi-media features, plus making use of more multimedia formats, Nypost.com does not score as highly in our systematic audit as some other sites. The only area where it earned top marks was in **branding**, or the level of original content and promotion of its own editorial standards and practices.

The New York Post's site is not very **customizable**, for instance; it ranked in the third tier of sites studied. It offered no podcasts and limited RSS feeds. Users were also unable to change the page in any way, and there was no mobile version of the site.

Nypost.com also sat in the bottom tier on **user participation**, or the degree to which visitors can contribute. There is little chance for users to get involved beyond e-mailing authors. There was no way for users to add content, no users' blog and no interactive discussions.

It was also in the bottom group in **depth**, with few stories linked as packages, fewer updates than many sites and no embedded links in stories. And with few ads on the page and no fee content, Nypost.com also placed in the bottom tier of **economics**.

In its content, the Post's Web site makes it clear that the organization believes its franchise to be "shocking" stories, "exclusive" photos and pieces about government malfeasance. All play a prominent role here.

In the three days after the death of the former Playboy model Anna Nicole Smith, for instance, the Post was still leading with a story about her and the battle over her baby. "MAD 'DADDY' IN HEIR RAID" read the headline.

Or consider the piece about how the state's comptroller failed an economics quiz given him by a Post reporter: "TESTY POL GETS 'F' IN FISCAL ED." Along with those stories, the paper's signature Page Six gossip page gets an

entire section on the site with stories about movers and shakers in New York, celebrity photos and poll questions for readers. One showed pictures of the actresses Scarlett Johansson and Cameron Diaz and posed the question, “Who’s Hotter?”

### **Boston Phoenix ([www.thephoenix.com](http://www.thephoenix.com))**

The website of the respected 40 year-old alternative news weekly, Boston Phoenix, is still in the early stages of Web development. It is a lively site, with bright photos and language clearly aimed at younger, culturally active Bostonians. Even the top news item is constantly on the move as a handful of headlines and photos rotate through the lead space on the page.

Despite all that, however, the site does little to take advantage of all the Web offers. It scored in the lowest tier in three categories, the second lowest in two and the highest in just one.

Its high spot lay in promoting its own **brand** name. All content is original, bylined material by Phoenix staff. The news stories themselves are in the free-spirited tone of the print version, with headlines like “The who behind What” and “Of pols and pop culture.” Beyond the headlines are sections on dining, movies, arts, a highlighted Reader Poll on the Best of 2007 and other cultural areas.

This reliance on staff reports impacts another area—**depth**. The site is largely built around individual stories. What’s more, the print product is weekly, not set-up for hourly or even daily news reports. This carries through to the Web site as well, which scored in the low-mid tier here. The site is not about news of the minute. On the days we visited, much of the content was nearly a week old. Only the top headlines were newer and even several of those were three-days old. There are no links embedded into articles and only on rare occasion a related, secondary story attached to a headline. The site is officially updated every six hours or so, but again, only for a few choice headlines.

The **media forms** have moved slightly beyond those of the print version, but not by much. More than 70% of the home page content (all links other than those to landing pages) is narrative with accompanying still photos accounting for another 15%. Beyond that, users can find a section of video stories—many of which are several days old—and some use of interactive graphics.

Boston Phoenix also does little to let its audience **customize** the news to their tastes. The home page comes only as is, the search is simple key word, and the only alternative delivery mode available is RSS. User **participation** is just as scarce. The only options we found here were the ancient mode of emailing the author as well as a way to post comments to a story.

Even this low-tech product though has appeal. Visitors can access all this personality driven content without any kind of registration or fees. And, the number of ads in on the low side—an average of just seven on the home page—granted they are quite large, colorful and pretty hard to miss.

### **San Francisco Bay Guardian ([www.sfbg.com](http://www.sfbg.com) )**

The San Francisco Bay Guardian is one of two alternative weekly newspapers in San Francisco, and one of the few

papers in the country that is still independently owned. Like most “alt-weeklies,” it is known for its local investigative pieces and extensive entertainment listings. Its online version is pretty much the same thing—literally. All of the reported pieces come straight from the current week’s print edition. The web specific content comes in two forms. A right-hand column highlights (in red-text that often runs together) a list of daily “picks”—cultural events about town. Second, a block in the upper left-hand column offers five blogs. The blogs—one on music, arts and culture, politics, San Francisco and a featured blog by Bruce Bergmann—provide more recent musings than those in the print edition, but are not nearly as active as some. On the days we studied, the most recent postings on most of the blogs were four days old.

As a site that mostly proffers its print-work along with city calendar listings, it scores low in most areas of Web potential. Its highest ranking, not surprisingly, is in the **editorial brand**. The work is all by SFBG staff. The report’s byline is often not only attached to the story, but featured on the home page along with the headline. Voice is clearly a main thrust of the site.

It welcomes visits but doesn’t do much to compete with other online options. The ability to email authors and post comments to stories or blog posting gives the site a few marks for **user participation**, but there are no options beyond that, keeping it in the low to mid tier in this category. **Customization** is even scarcer with a simple key word search as the only way users can take control of the headlines they see. How about **multimedia**? Suffice it to say in our study we found 95% of the content to be straight narrative. The other 4% was still photos.

When it comes to **revenue streams**, the site has spent some energy placing ads—an average of 8—prominently on the home page. If you don’t mind wading through these, the rest of the content is available for free. Registration is optional and all past editions of the paper (and website version) are available free of charge.

## Public Attitudes

### Public Attitudes

*By the Project for Excellence in Journalism and Rick Edmonds of The Poynter Institute*

Since 1992, the number of people who say they regularly read newspapers has fallen more than 20%, according to survey data. <sup>1</sup> Why is that happening? Is it just technology? Changing lifestyle? Or is it something about the newspapers themselves and how they have changed?

A close look at the data on public attitudes suggests that lifestyle, particularly people’s perceptions of time and convenience, is the major factor.

Still, newspapers have a core of loyal readers. People who really enjoy following the news prefer newspapers to other media by a significant margin. That advantage should transfer to the Web as well.

And while that group is not as large as it once was, it is still a significant number. Those readers, moreover, not only appreciate the depth and breadth of newspapers, but more of them than not think that papers are getting better.

There is one more bit of good news in the data. While newspapers still fall in the middle of the pack when it comes to believability, their rates have inched up in the last two years while other media have seen further declines.

### **Why People Have Stopped Reading**

No doubt technology and changing lifestyle explain part of why newspaper circulation is declining. But what specifically do people who choose not to read the newspaper cite as their reasons?

The answers overlap some, but the biggest reason by far, according to data from the Pew Research Center for the People and the Press, is people saying they don't have time (23%).<sup>2</sup> That trend has been building since the 1960's, and the ever-expanding array of new technologies no doubt contributes to its acceleration, particularly among younger people.

Perceptions of time, of course, can reflect a combination of factors — the length of stories, the fact that print newspapers are usually read at home, the ease of accessing other sources. The second most cited reason, indeed, was a related one — lack of convenience (10%).<sup>3</sup> The fourth factor cited, in some ways, is also connected — people saying they don't enjoy reading (7%).

Add those factors together and they account for 40% of those surveyed.<sup>4</sup> Still others are also related (the design of papers, 5%, the cost, 5%, and the hassle of subscribing, 6%).

Some of these perceptions can be ameliorated by the Web.

But not everything people cite as reasons for not reading newspapers is related to delivery. People are also worried about bias (at 8%) and some just find what's in the paper dull (6%).<sup>5</sup>

### **Why People Are Not Reading the Newspaper**

"What is it that you like less about newspapers compared with TV, radio or the Internet?"	%
Don't have time	23
Inconvenient	10
Biased/opinionated	8
Don't like to read	7
Inconvenient to get/don't subscribe	6
Not interesting/nothing there	6
Cost/not free	5
Layout (small print/big pages)	5
Just pile up/clutter	5

Source: Pew Research Center for the People and the Press, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006



## What Are Newspaper Readers Reading?

And what about those who still do read? What keeps them turning to the printed page?

Nearly half of all newspaper readers say they come in part for local news about government, the top factor. <sup>6</sup> That is a full 20 percentage points higher than the second most popular subject, culture and arts (29%). Crime and business come next (23%), followed by international and political news, each with 15% of the public's attention, according to the Pew news consumption data.

Why People Turn to the Newspaper

Type of News	Percent
Local Government	49
Culture/Arts	29
Crime	23
Business	22
International	15
Political	15
Entertainment	14
Sports	13
Weather	7

Source: Pew Research Center for the People and the Press, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

When asked a slightly different question, "What things in the newspaper are most interesting to you?" regular readers again highlighted local news. More than a third (35%), cited the local/metro/state section, which included obituaries, gossip and scandal. <sup>7</sup> Second on the list was a general category for headlines/current events (28%). Following those sections were sports (21%) and international affairs (11%). <sup>8</sup>

## Politicos and News Junkies

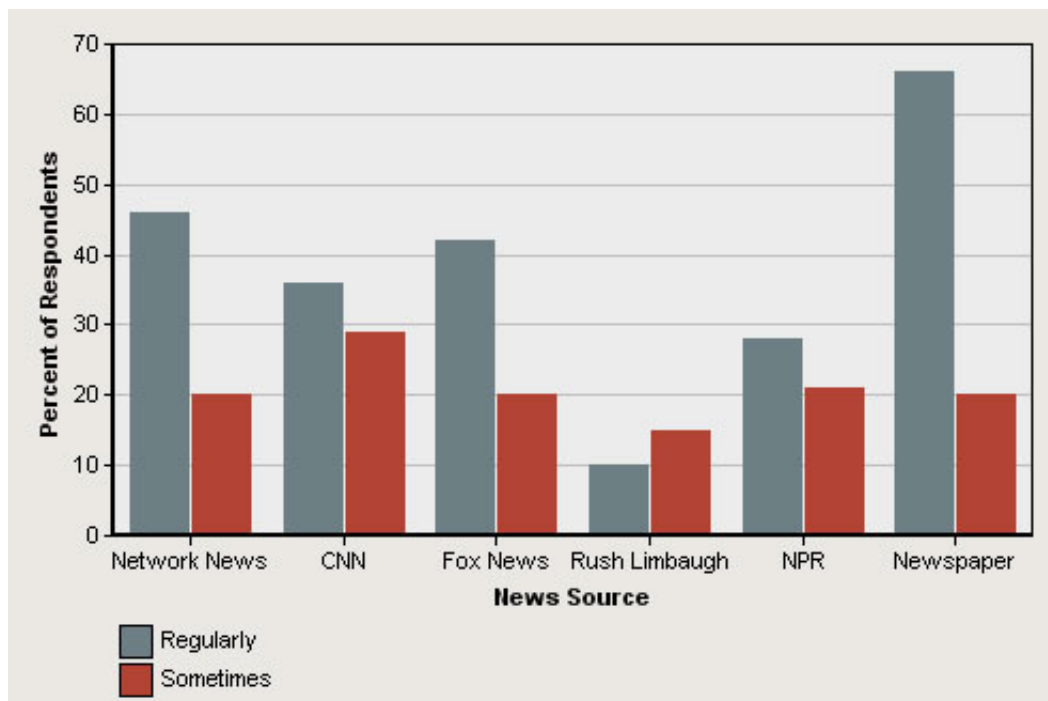
The data also suggest there is a core audience for newspapers that represents something of a strategic advantage for the medium. People who love to follow the news, and especially those who love politics, prefer newspapers over every other medium.

Two-thirds (66%) of those who follow political news closely prefer newspapers, a full 20 percentage points more than

the next most popular medium, network news (at 46%) and 30 points more than CNN (36%).<sup>9</sup> The problem is that only 11% of the public is especially interested in politics, according to the Pew data.

### Newspapers are a Destination for Political News

2006



### Design Your Own Chart

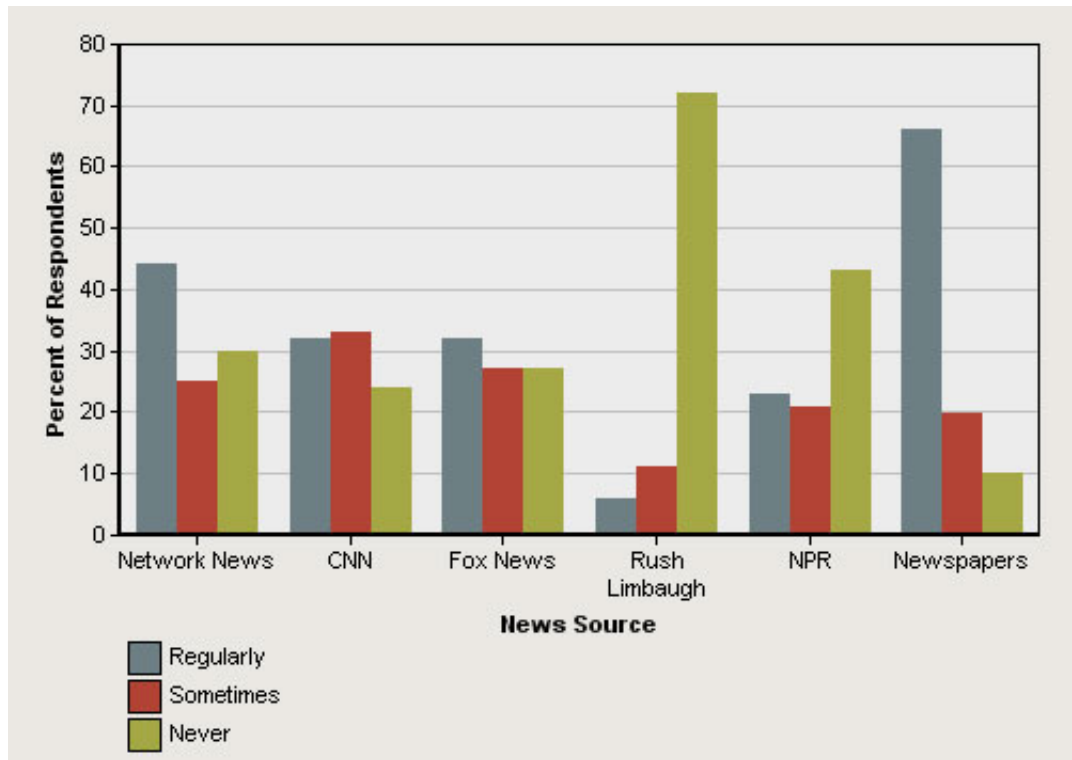
Source: Pew Research Center for the People and the Press, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

But newspapers also remain the destination of choice for those who might be called "news junkies" generally — people who say they particularly "enjoy keeping up with the news." Roughly two-thirds of them chose newspapers first. Network news was a distant second (less than half). And news junkies are a large group of the population (52% of the people surveyed).<sup>10</sup>

Here may be the logical base for the newspaper's future — people who are particularly attuned to the world around them. And online, newspapers theoretically may be able to increase their share of that group.

## Media That News Junkies Turn To

2006



Design Your Own Chart

Source: Pew Research Center for the People and the Press, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

### Newspaper Performance

Another advantage newspapers have is that people tend to think their daily newspaper has improved in the past five years. About 4 in 10 (38%) said that the paper they were most familiar with had become better, according to the Pew data. 11 A smaller but still significant number (27%) thought their paper was worse.

Those who see improvement most often think the coverage has provided more depth. They also believe the range of topics has broadened. And a smaller number believe the newspapers have improved their format to make them easier to read.

That may be good news for editors who have worked hard in recent years to change how stories are written, broaden the definition of news and redesign papers to make them easier to navigate. Readers apparently have noticed.

What is worrying those who think that coverage has eroded? The biggest factor here is that people think the coverage is biased, liberal or too opinionated. Next they worry that the range of topics is too limited. Third, they think the

coverage is shallow. 12

## **Believability**

But trust is another matter altogether.

Despite the relative popularity of newspapers, the Pew biennial survey found that people don't really believe a whole lot of what their daily newspaper tells them. For that matter, they don't believe much of what any news medium has to say.

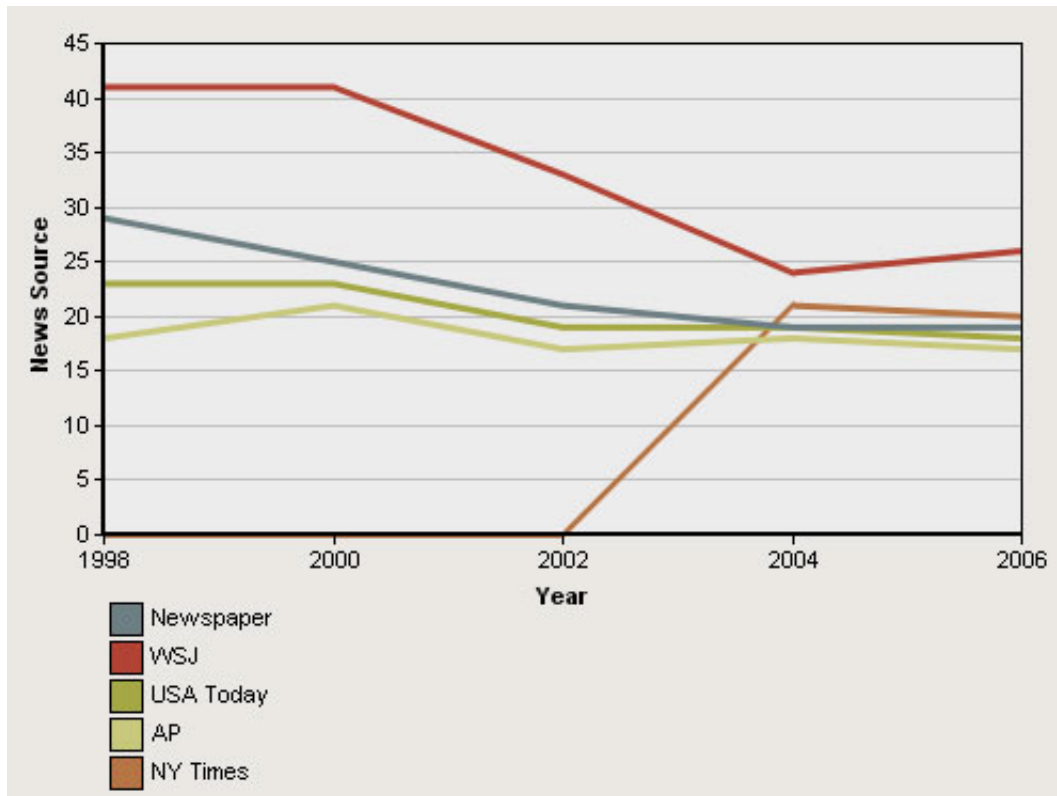
Overall, local daily newspapers sat on the lower end of the scale among media on believability, lower than CNN, Fox News, NPR and local television, and above only the Associated Press. In 2006 19% of people said they believed all or most of what they read in their daily paper, down 10 points in eight years. (Another 40% believed a good deal of what they read in the paper, though less than "most").

Three national newspapers that the Pew survey has tracked over time fared both better and slightly worse than newspapers in general. In all, 26% said they believed all or most of the Wall Street Journal, down from 41% in 1998. And 18% believed all or most of what they read in USA Today (down from 23% in 1998). 13 Slightly more, 20%, said they believed all or most of what they read in the New York Times. That was down just slightly from 21% two years earlier, when the survey began asking.

Of the media tracked here, only one improved its believability ratings from 2004 to 2006. The Wall Street Journal saw a slight uptick, from 24% to 26%. 14

## News Source Believability

1998 – 2006



Design Your Own Chart

Source: Pew Research Center for the People and the Press, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

### Conclusion

There is much, in fact, for newspapers to be optimistic about in the public survey data.

People who really love the news still prefer newspapers by a large margin. What's more, many of the problems people see are fixable. By far the largest core of complaints about newspapers — time, convenience and access — are all something that the Internet may alleviate.

Bigger problems, however, may loom. For newspapers to thrive on the Internet, Americans have to continue enjoying the news. There are limits to how far journalists can change their product to make news compelling, and going too far in the direction of entertainment may actually weaken the appeal of what newspapers provide. Society needs to produce citizens who find the outside world worth following if newspapers, or their online versions, are to flourish.

The other concern has to do with the journalists themselves. Newspapers, probably more than other media, deliver

news at some remove. The journalists are not seen or heard. Their work comes more strictly through words — without a face or a voice attached. The strength of the newspaper is in the style of the prose, the quality of the analysis, and the breadth of topics — and indeed people say those are the things they like.

Yet the modern audience increasingly also wants the news on demand, and wants it to be immediate and interactive. Serving such needs, at a certain point, can undermine the emphasis newspapers put on reporting and writing. The answer, ultimately, is in finding some kind of balance.

## **Alternative Weeklies**

### Alternative Weeklies

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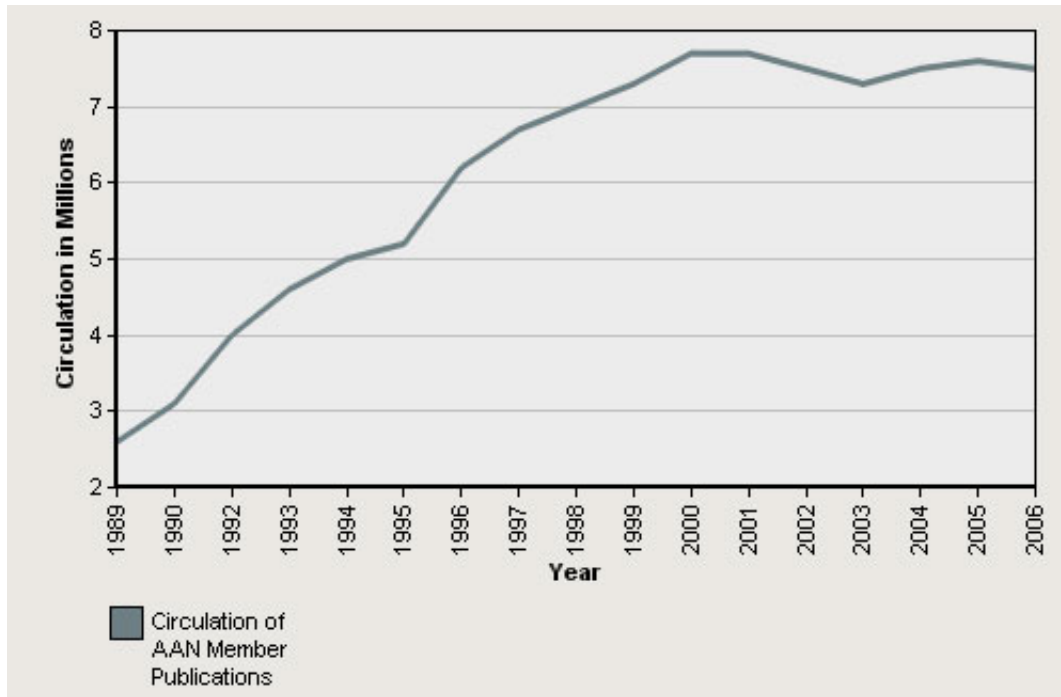
Alternative weeklies, those publications rooted in the political ferment 1960s that became mainstream by the 1980s, are beginning to suffer some of the pains of establishment daily newspapers.

After years of substantial growth in audience during the very time that daily papers were beginning to suffer, alternative weeklies are having more difficulty as print products. But they appear to be enjoying enormous growth on the Internet.

In print, readership was down slightly in 2006, according to figures from the Association of Alternative Newsweeklies. The total audience for hard-copy editions of its member papers dropped to roughly 7.5 million in 2006, from 7.6 million in 2005 — a decline of about 1.3%.

## Growth in Alternative News Weeklies

### Association of Alternative Newsweeklies Member Publications, 1989 – 2006



Design Your Own Chart

Source: Association of Alternative Newsweeklies unpublished data

But a survey of the readers of 25 alternative weeklies by the audience researchers The Media Audit found that those publications had collectively increased their audience by 2 million through their Web sites. (That figure does not include readers of both print and online versions of the weeklies, just online. So AAN considers them net additions to readership—though they have not yet included them in the circulation figures mentioned above.)

Some of the gains are fairly substantial. The Village Voice in New York City has added more than 240,000 readers online. LA Weekly has added more than 220,000, the Chicago Reader more than 100,000. And smaller weeklies also made big gains, the survey reported. More than two-thirds of AAN's member weeklies gained over 10,000 online readers apiece.

Over all, says Richard Karpel, executive director of the association, print audience in recent years has been flat — just bouncing slightly up and down — and the group is happy about its online growth. The challenge, he says, is finding a way to cash in on that online audience.

As we have noted in this report in the past, survey data show that the readership of the weeklies is aging. The percentage of readers 25 to 34 years old has been declining steadily since 1995, according to surveys by The Media Audit. At the same time, the percentage of readers 45 and older has been growing.

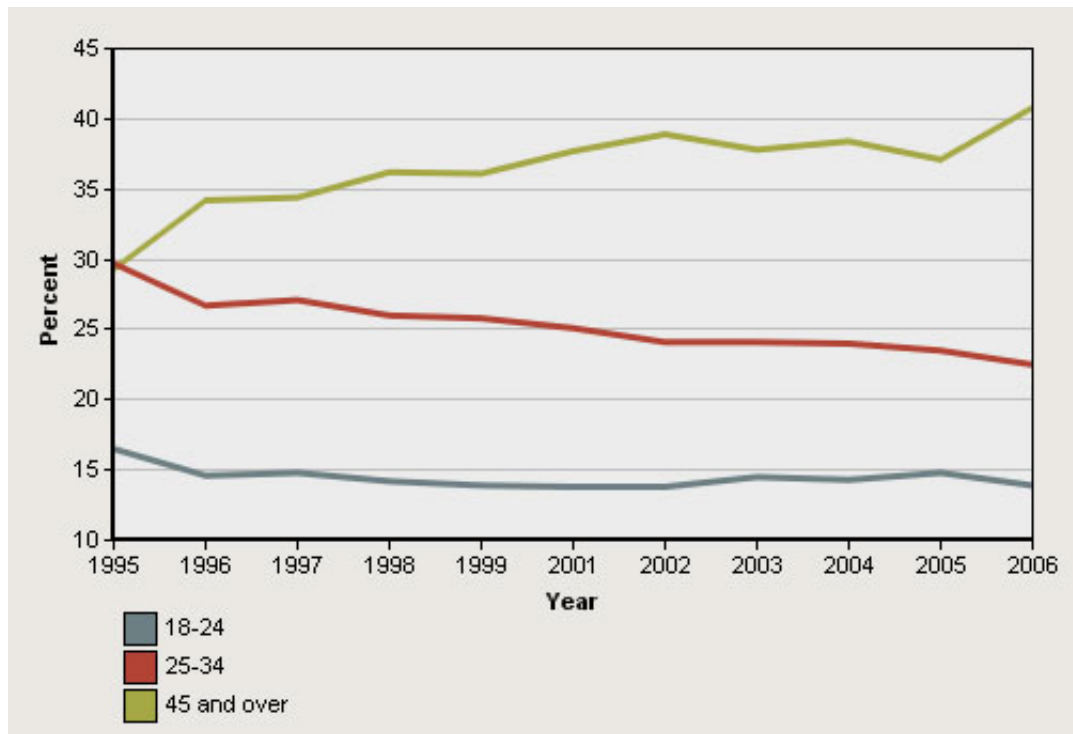
That aging readership has raised concern within the industry. A graying audience is one sign of a maturing media sector, something no one in the media business wants to hear. Advertisers tend to favor targeting younger consumers for whom brand loyalty has probably not fully developed.

In 2006, the trend continued. Only 22.5% of alternative weekly readers were in the 25-to-34 group in 2006, down 1 percentage point from the previous year and down more than 7 points since 1995 (29.7%). Meanwhile the number of older readers (45 and up) grew to 40.8% in 2006, the first time that that group has made up more than 40% of readers. That was up from 37.1% the year before and 29.3% in 1995.

The survey of readership by The Media Audit covered the audiences of 120 weeklies in 71 different markets.

## Alternative Weekly Readership by Age Group

1995 – 2006



Design Your Own Chart

Source: Association of Alternative Newsweeklies unpublished data  
The Association of Alternative Newsweeklies did not gather data in 2000

In some ways the graying is not too surprising. The tabloids were born of the political revolt of the 1960s and as they become more established — in some cases like New York's Village Voice and Chicago's Reader, very established —



it would make sense that the readers who grew up thumbing through them would continue to pick them up.

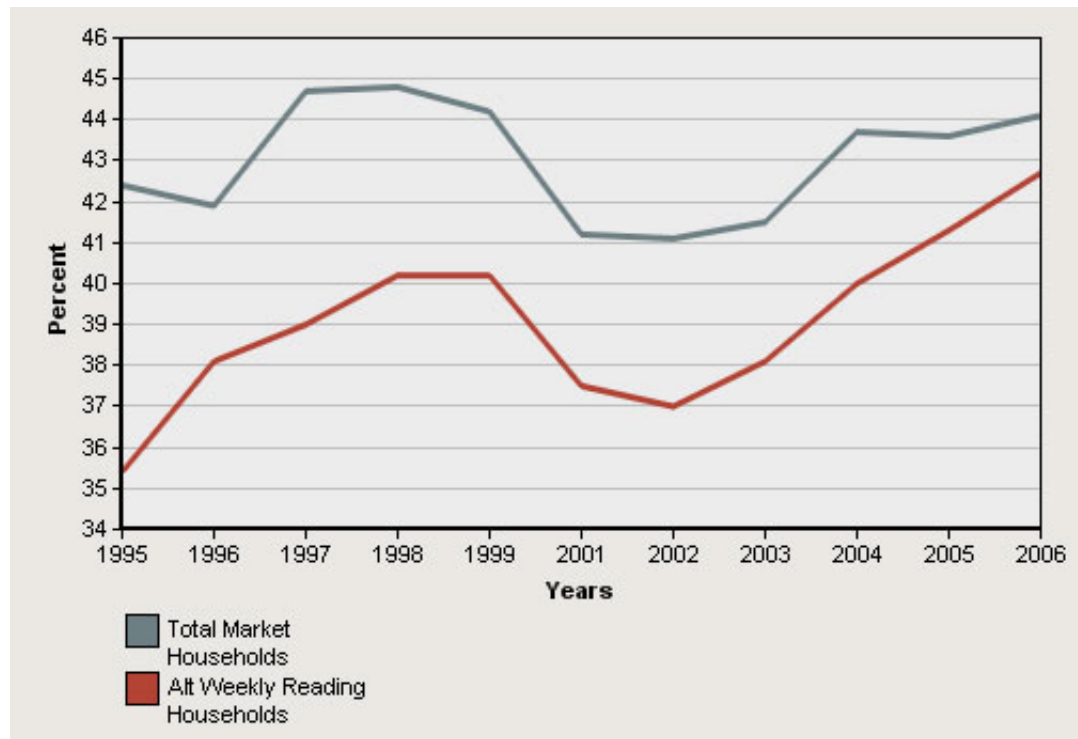
The aging of their audience, however, has particular significance for the weeklies. Their readers have traditionally been young and their advertising has been built around a demographic group that spends its evenings out — young adults with disposable income to spend on urban entertainment. Flip through the pages of most alternative weeklies and you will find a lot of ads for movies, plays, restaurants, clubs, alcohol and edgy boutiques. Classified ads are largely for apartment rentals or, often, are risqué personals.

Such ads may be of less interest to the weeklies' aging readers, or to parents who increasingly make up a larger percentage of readers.

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## Growth of Alternative Weekly Readers Who Have Children

Households with a 'child at home,' alt weekly readers vs. market average



Design Your Own Chart

Source: Alternative Weekly Network survey

Even more than aging, parenting may be a major issue for the weeklies. Since 1995 the number of alternative weekly readers with a child at home has grown closer to the figure for the general population. In 2006, 42.5% of weekly

readers in the 71 markets surveyed had a child at home. The figure for the entire market was 44%. That's a difference of only 1.5 percentage points. Compare that to 1995 when only 35.4% of alternative weekly readers had a child at home as against an average of 42.4% of homes over all in the markets surveyed.

Could alternative weeklies simply change their ad targets, moving from bars and restaurants to children's stores and toy retailers? In theory, yes. But industry experts say it would take time to institute such a switch. And there would still be a large group of readers who participate in the activities the weeklies have traditionally targeted.

Of course there are advertisers that would transcend the differences between those groups and fit with another big finding in the survey — that weekly readers are getting wealthier. The 2006 survey found 32.7% of readers with an average household income of more than \$75,000. Over all, 27.7% of households in those markets that had incomes that high.

### **After the Merger**

The talk of the alternative weekly industry in 2005 was the merger of the New Times and Village Voice chains. The two had been the leaders in field, and their union created two primary concerns for readers and the remaining chains. First, insiders worried about whether the merger would lead to homogenization among the titles owned by the company. (One of the criticisms often leveled at New Times was its papers were similar in look and content.) Second, people worried that the merged company would be so big that it would begin to dominate the field and either force other companies to merge so they could compete or start buying other titles and companies themselves to create an alt-weekly behemoth.

The merger led to some bumpy times at the Voice. The paper's editor and publisher left soon after the ownership change, as did its esteemed media writer.

Critics of the merger say they have noticed changes in the content of the Voice as well. One pointed to a recent cover story on the fifth-place finisher on American Idol as an example. That story and others like it, detractors say, do not fit with the magazine's iconoclastic alternative image and depart from its history as a voice of liberalism.

The new owner, meanwhile, has said any changes in approach at the Voice are based on moving the paper toward reporting than opinion. In an e-mail in 2006 to the Boston Phoenix media writer at the time, Mark Jurkowitz (who is now associate director of PEJ) the new conglomerate's executive editor, Mike Lacey, said the Voice's liberal tilt was not an issue with him, but the way politics was covered was. "I expect original reporting, not merely some lazy form of print blogging," Lacey wrote.

Economically, the early indications are that the merger may not have as dramatic an effect as many in the industry expected.

Two companies sell most national ads for alternative weeklies across the country: the Alternative Weekly Network and the Ruxton Media Group, which was owned by New Times. Historically, with AWN selling ads for Village Voice, the ad dollars have been split fairly evenly between the companies. The merger, which put Village Voice in the Ruxton camp, led to speculation that the ad dollar mix would change dramatically. But in 2006 the great sea change did not manifest

itself.

Alternative Weekly Network's revenues were down to \$9.2 million in 2006 from \$10.3 million in 2005, a drop of about 10.7%. The company expected a much steeper drop, however, after losing a third of sales team and media properties.

Still, it is only one year into the merger of the two biggest owners in the industry. Time will tell if somehow the merger can be leveraged into bigger market dominance.

### **Conclusion**

The next few years hold challenges for the alternative weeklies. A lot of classified advertising, a reliable revenue base, has moved onto free Web sites like Craigslist. And new free publications in bigger cities, like commuter dailies and ad supplements, are taking away ad dollars.

But the bigger question probably involves the changes in audience demographics and their relationship to content. The weeklies were born with the long-form, no-holds-barred journalism as the goal. Should they stick with that hallmark formula and try to hold onto their older readers? Or do they switch to producing shorter items in the hope of attracting a young crowd? And if they do will the younger demographic follow?

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Online – Intro

Intro

*By the Project for Excellence in Journalism*

In 2006, the Internet as a platform for news continued to expand and mature, with more options offered to citizens than ever before. But with that have come nuances, some shaking out, and signs that not all elements of online news are growing equally.

Those nuances are even clear in the audience patterns. After a decade of growth, the online news audience for now has reached a plateau, despite the increase in the number of people with high-speed connections.

One reason may be new technologies, such as RSS, podcasting and mobile phones, which may not get added in the audience count. But the audiences for those remain small. It may just be that not everyone will move as eagerly to the Web for news as did the earlier generation of users.

The traffic is also not evenly distributed. Newspaper Web sites are growing more than others — something that seems to offer promise for the papers in the long term, but for now eats away at newspaper revenue.

News Web sites also found reason for concern in online advertising revenues. They are still small relative to other media, and while they continued to grow by roughly a third last year, experts now think the growth rate is beginning to slow — even down to single digits this decade.

There are increasing questions, too, about how advertising really works on the Web. Some advertisers are demanding more for their money — including more proof of the audience numbers and knowledge about who they are and what they are looking at. There are growing questions, too, whether advertising online works in the same complementary way with news as it does elsewhere. Is Web advertising more like the yellow pages — its own destination, independent of news than, say, a commercial break on a TV show,?

Those questions grow in significance in part because the Web — for all its sense of a democratic medium — showed more signs of the dominance of the big companies in 2006. The most popular sites for news remain the domain of large corporations. And new players, like You Tube, are quickly bought up — evidence that the giant players do not want to let another Google, a company some of them once could have bought, emerge in their midst.

It remains difficult to know the actual levels of investment in online journalism. The best indications are that the old media continued to get more serious about it in 2006, a trend we recognized in 2005. One study, from a leading journalism school, suggests online news divisions are more interested in recruiting employees with traditional news skills, such as copy editing, rather than technology skills like programming. That is something of a change. But it is clearly in its early days. The great question is what will happen if the news companies continue to cut because of declines in their old business model.

As for the public's view, after a three-year slide a majority of Americans say they once again trust the content on the Internet. But the phenomenon labeled Web 2.0, the participatory side of media, remains a wild card. There is no doubt it is growing, and most traditional news sites are beginning to see it is a complement in some ways, not merely a threat. But the question remains: Will advertisers be willing to market their products on sites with news content that may not be verified? After two decades of declining trust in the media, is Web 2.0 the solution that reverses the trend — or a continuation that brings down the house?

## **Audience**

Audience

*By the Project for Excellence in Journalism*

How many people were getting news online at the end of 2006?

Answering that remains a challenge. Various survey research organizations measure online audience, but they often use slightly different methods, yielding different conclusions.

Heading into 2007, a close analysis of the data suggests the following conclusions:

- Over all, roughly 7 in 10 Americans are now online, but there is conflicting evidence about whether that population is still growing.
- The online audience for *news* in particular has apparently flattened out, and that includes those who consume news online regularly.
- There is some evidence that people who are online may be spending more *time* there.
- But the amount of time spent consuming news does not appear to be increasing.
- That may vary depending on the kind of news Web site (newspaper sites do appear to be consuming more of people's time).

## The Number of Americans Online

By whatever measure one uses, about seven in ten adult Americans — or roughly 141 million people — now use the Internet. <sup>1</sup>

But it is less clear whether that number — U.S. online penetration — is increasing as it was in the late 1990s and early 2000s or decreasing.

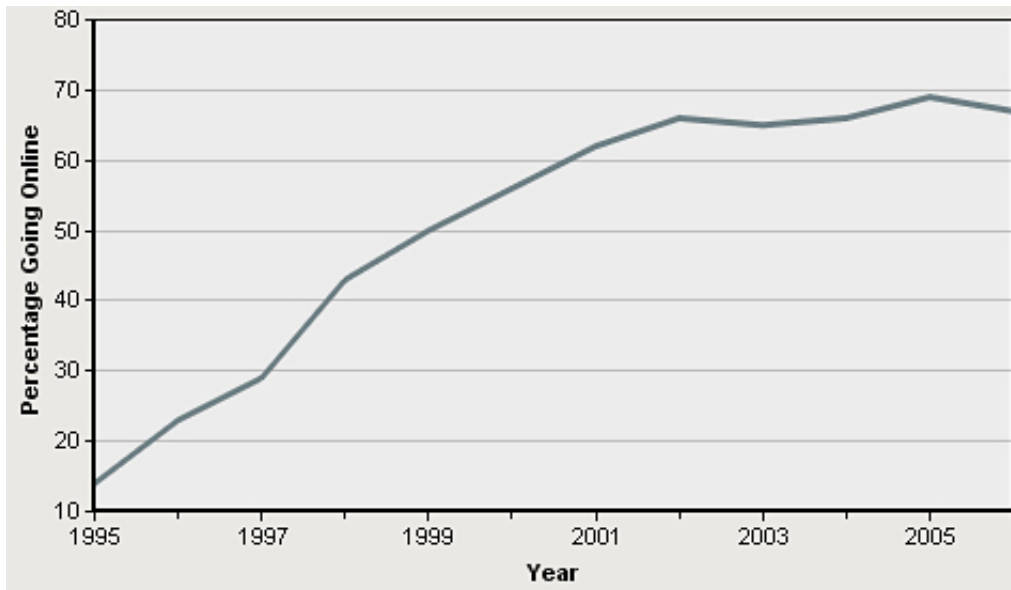
Two major groups of surveys track the number of online users, both under the aegis of the Pew Research Center. But with slightly different methodologies and conducted by different polling organizations, they offer conflicting conclusions.

The Pew Research Center for the People and the Press survey finds that the total number of Americans who report ever going online declined 2 percentage points in 2006, from 69% to 67%. <sup>2</sup>

The Pew Internet & American Life Project, however, using studies executed for it by Princeton Survey Research Associates, finds the percentage of Americans who reported going online rose 6 percentage points in April 2006 from the same month a year earlier, to 73%. <sup>3</sup>

## Percent of Population Ever Going Online

1995-2006



Design Your Own Chart

Source: The Pew Research Center for the People and the Press

\* qu: Do you ever go online to access the Internet or World Wide Web or to send and receive email?

## *Online News Use*

When it comes to online news in particular, however, there are clearer signs that the size of the audience has leveled off. That was true both for occasional news consumption and for the percentage of those going online for news more frequently.

As of December 2005, 68% of Americans report *ever* going online for news, down slightly from the last time this question had been asked by the Pew Internet & American Life Project.

Meanwhile, the percentage of Americans going online for news frequently may not be growing either. In last year's annual report, we discussed that while the overall online news audience wasn't growing much, every-day use had increased.

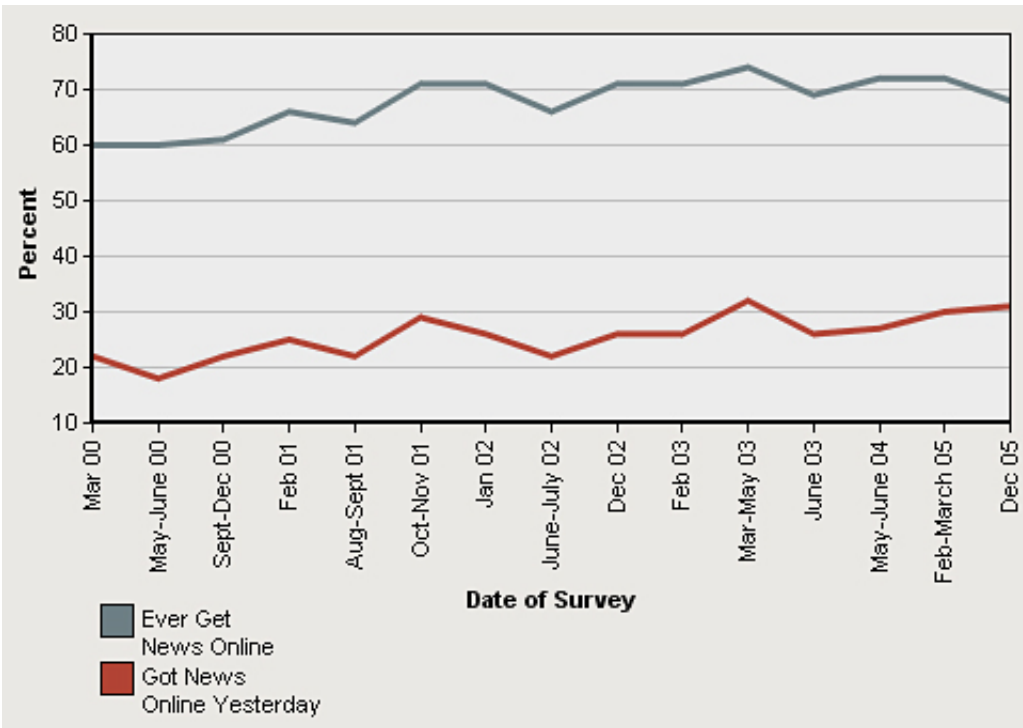
Not so in 2006. The number of Americans who said they go online *every day* for news dropped 7 points, from 34% in June 2005 to 27% in June 2006, according to the Pew Research Center, sending it back to where was in 2004. When the question was asked slightly differently, did you go online for news *yesterday*, the numbers were flat, slipping from 24% to 23% over the last two years. 4

Finally, one area of online news that continues to grow is in the number of incidental online news consumers, or those who go online for reasons other than news but end up consuming some while online. According to the latest Pew Research Center for the People and the Press survey, the figure increased to 76% in 2006, up from 73% in 2004. 5

The growth in incidental use may pinpoint how Web behavior has evolved over the last couple of years. First, the Web has gradually become a part of the working day; thanks to increasing broadband penetration in the workplace, workers log on for the bulk of the day. As part of that, people are multi-tasking more. They may not log on for one specific reason, such as getting news, but use the Web in multiple ways simultaneously. In doing so, they come across news and information from time to time. Thought of as "news grazers," they get news sporadically throughout the day, rather than, say, one hour of devoted news time in the morning or around the dinner hour.

## Percent of Internet Users Who Access News Online

Percent accessing news online ever or yesterday, 2000 to 2006



Design Your Own Chart

Source: Pew Internet and American Life Project tracking surveys

### *Time Spent Online*

While there are questions about whether the *number of people* online has leveled off, there are some signs that the amount of *time* they spend there may be growing.

Data from the USC Annenberg Digital Future Project show that the number of hours Americans spend online rose in 2006 to an average of 8.9, a full hour more than 2005, an increase of almost 13%.<sup>6</sup>

But people do not appear to be spending more of their time online getting news.

According to data from the Pew Research Center for the People & the Press, the amount of time Americans spent getting news online “yesterday” did not change from two years earlier. Those who went online for news spent an average of six minutes doing so (far less, incidentally, than other media platforms).



Time Spent With the News “Yesterday”

<b>Average # of minutes spent</b>	<b>1994</b>	<b>1996</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2006</b>
<b>Watching TV news</b>	38	31	31	28	28	32	30
<b>Reading a newspaper</b>	19	19	18	17	15	17	15
<b>Listening to news on radio</b>	17	16	16	13	16	17	16
<b>Getting news online</b>	n/a	n/a	n/a	n/a	n/a	6	6
<b>Total</b>	74	66	65	58	59	72	67

Source: Pew Research Center for the People & the Press

There is, however, some tracking evidence to suggest that certain kinds of news sites may be faring better than others, in particular the Web sites of newspapers.

According to Nielsen/Net Ratings data compiled for the Newspaper Association of America, visitors to newspaper Web sites, among the most popular news sites each month, spent an average of 42 minutes a month on the sites in the fourth quarter of 2005, an increase of 16% from the previous year. Those data are also reinforced by what individual newspapers privately report about the migration of their readers to the Web. <sup>7</sup>

If borne out by other data over time, this trend is a double-edged sword with significant ramifications for the newspaper industry. It suggests that the newspaper audience may not be shrinking, something also evident in survey data. But it reinforces the imperative that the Internet model needs to figure out a way to “monetize” those readers. Otherwise the resources available to cover the news may shrink.

*Looking Ahead*

If the growth in online use has slowed, or even stopped, is that temporary? What do experts expect?

There are several factors that analysts think point to growth for online use generally and news in particular. Among the most important is the continuing spread of high-speed connections. Analysts for years have predicted that since such broadband hookups make the Internet easier to navigate, reliance on the Web will grow. <sup>8</sup>

And broadband does appear to be spreading. According to the Federal Communications Commission, there was a 33% increase in high-speed subscriptions in 2005, with 50.2 million subscribers by the year’s end. DSL, which is typically less expensive than cable, added 5.7 million lines, while cable companies added 4.2 million subscribers. <sup>9</sup>

Data from Pew Internet & American Life showed broadband adoption at home grew more than 20% in 2006, from

40% of households at the beginning of year to 49% by the end.

And that growth is only expected to continue. One study, from the Leichtman Research Group, a New-Hampshire based media research firm, estimates that by 2010 some 80% of homes will be high-speed, an increase of 33% from 2006 levels. 10

But why, then, if broadband penetration is increasing, has online use for news apparently stalled? There are a number of hypotheses, some of them overlapping.

First, interest in news may be declining. The number of people who say they did not check out the news “yesterday,” for instance, grew from 9% in 1994 to 19% in 2006, according to the Pew Research Center for the People and the Press. 11

Online news consumption may also be undercounted because people don’t consider the places they go to be “news” sites. More than half the people said they got campaign news last year from blogs, candidate sites, government Web sites, comedy sites, and interest-group sites, where often they were reading wire stories. 12 And that may be even more the case as people move to the next platforms — RSS, podcasts, cell phone, e-mail alerts and more.

Finally, people who get broadband now may behave differently from those who moved to it earlier. Those first adaptors may have been more oriented to news in the first place. The next generation of broadband consumers may not spend as much time online as the earlier group did, especially for news.

### *The Complementary Nature of Web*

Then there is the question of cannibalization, the degree to which using the Web chips away at the number of consumers and the time spent with older media such as television or newspapers.

In one sense, the question of cannibalization of traditional media has been superseded. Heading into 2007, most media companies, even if they may be losing audience and advertising dollars to the Web, are now investing in their own digital components to exist alongside their traditional offline operations. The more relevant question now may be, how can the Web and traditional media work together?

A study released by the Online Publishers Association and conducted by Ball State University’s Center for Media Design suggests that the Web has emerged as a partner to television, newspapers and magazines. According to the data, online may actually increase the “reach” of older media when information about a particular topic or advertisement is available both online and offline. Reach is a concept well known in the advertising industry. It represents the total percentage of people who will see a particular advertisement.

Based on observations of 350 people in Muncie, Indiana and Indianapolis, the study’s authors concluded that consumers are often using the Web either “consecutively or simultaneously” with different media, including television, radio and newspapers. Moreover, the study found that the Web actually extends the reach of those media.

“Based on our real-world observations, it is clear that consumers are consistently online even while they’re watching

TV or listening to the radio,” said Pam Horan, president of the Online Publishers Association. “This unique attribute of Web usage means that advertising messages receive a dramatic boost when online is part of the buy.” 16

That doesn't, of course, alleviate the problem of trying to sell a combined audience to advertisers, or figuring out an economic model that makes the online world pay for itself. To that extent, shifts in where audiences go for news, even if it is inside the same corporate family, matters a great deal. If people turn off NBC to get news on MSNBC.com, the implications for the parent company are enormous. TV is significantly more profitable than the Web, because marketers advertise differently online than on TV, and because users online may or may not click on ads or see them. The same is true if the New York Times sees a print reader migrate to becoming an online user. With that in mind, the issue of replacement, or cannibalization, remains central to plotting the medium's future.

### *Online News Destinations*

The places Americans visit online remain varied and vast in number, but the heaviest use continues to be for more established, traditional sites like those of newspapers and television outlets. Still, there are clearly winners among news sites that are online only, not tied to some legacy media parent. That is especially true of portals, or sites that aggregate material from many different content producers.

### Where Users Have 'Ever' Gotten News Online

<b>Percent in each group who have EVER gone to these sites</b>	<b>All Internet Users</b>	<b>Dial-up Internet Users</b>	<b>Broadband Internet Users</b>
<b>National TV news site (CNN or MSNBC)</b>	46	40	52
<b>Portal (Google, Yahoo)</b>	39	35	44
<b>Local daily paper</b>	32	31	36
<b>Local TV news site</b>	31	31	33
<b>National daily paper</b>	20	17	24
<b>Site of radio news organization</b>	13	10	16
<b>International news sites (BBC or al Jazeera)</b>	12	9	15
<b>News blogs</b>	9	6	12
<b>Alternative news organizations</b>	6	5	7
<b>Online list serves</b>	5	5	5

Meanwhile, when news consumers are asked where they got news “yesterday,” a similar pattern emerges.

Where Users Got News “Yesterday”

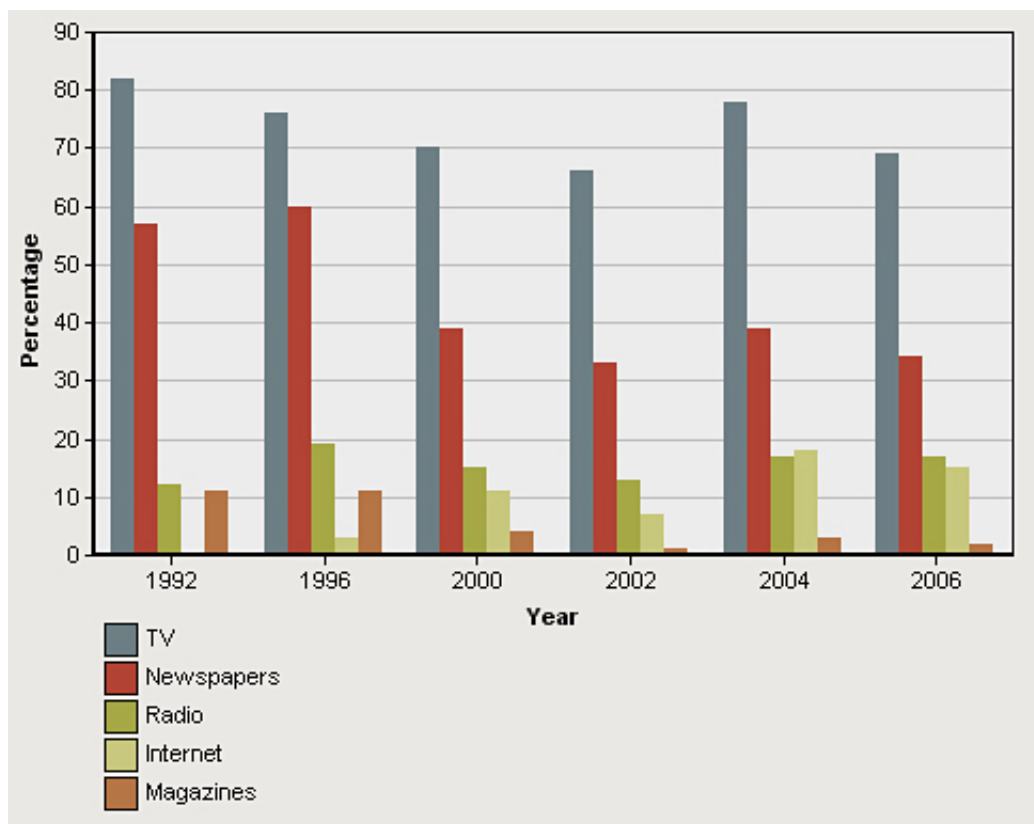
<b>Percent in each group who YESTERDAY went to these sites</b>	<b>All Internet Users</b>	<b>Dial-up Internet Users</b>	<b>Broadband Internet Users</b>
<b>National TV news site (CNN or MSNBC)</b>	16	13	21
<b>Portal (Google, Yahoo)</b>	14	9	17
<b>Local daily paper</b>	9	6	11
<b>Local TV news site</b>	8	6	10
<b>National daily paper</b>	6	4	8
<b>International news sites (BBC or al Jazeera)</b>	3	2	3
<b>News blogs</b>	3	2	5
<b>Site of radio news organization</b>	2	2	3
<b>Alternative news organizations</b>	2	1	2
<b>Online list serves</b>	2	2	2

Source: Pew Internet & American Life Project

*Online and the 2006 Election*

While online news consumption may not be growing generally, during the 2006 elections, the Internet did swell as a primary source for political news. According to the Pew Internet Project, 15% of all Americans reported getting news and information about the 2006 elections, more than twice the number (7%) who did so in the previous midterm election of 2002.

## Primary Source of Election News 1992-2006



Design Your Own Chart

Source: Pew Internet and American Life Project tracking surveys

The places gaining audience during the campaign varied. The largest number of Americans using the Internet for news said they relied on Web sites of traditional news organizations, such as network and cable TV sites (60%), national newspapers (31%), and news portals such as Google News or Yahoo News (60%), according to a Pew survey. But more than half (53%) also went to blogs, comedy sites, government Web sites, candidate sites, or alternative news sites. 21

The 2006 campaign season also witnessed the advent of a distinctly different kind of destination for election-related news: YouTube, the citizen-based video-sharing site founded in February 2005. In January 2007 alone, according to the measuring company comScore, 30 million different Americans visited the site. 22

One reason people went to YouTube was to see video of candidates making mistakes. That became so popular that a

gaffe at a campaign event could quickly become a social phenomenon and talk-show fodder. The most important example of 2006 may have been the notorious Macaca video, in which Senator George Allen, Republican of Virginia, used what was widely perceived as a racial slur to describe a young man of Indian descent who worked for his opponent. By the time the election ended, more than 300,000 users had viewed the video on YouTube. Allen lost his race, and cost the Republicans control of the Senate, by roughly 9,000 votes.

That was hardly the lone example of YouTube's political juice. Bill Clinton's critique of Fox News drew more than a million views, and the actor Michael J. Fox's pitch against the Republican Jim Talent in the Missouri Senate race for his views on stem cell research generated over two million.

Blogs also were a political draw for the Internet in 2006 — again. Most political blogs do not generate the same audiences as videos, but there is some evidence their readership increases during political campaigns. Tracking data from the Pew Internet & American Life Project showed that the number of Americans who read blogs surged in 2004, when Howard Dean's campaign first made them famous. Readership then leveled off in 2005 only to explode once again in 2006, when another national campaign season was in full swing. <sup>23</sup>

Among those blog readers, importantly, are the mainstream media talking heads who still shape the political discourse in this country. Howard Kurtz, the media writer for the Washington Post and host of CNN's Reliable Sources, said he read 20 to 25 blogs a day during the campaign. <sup>24</sup>

Thus it may be no surprise that various campaigns and bloggers began forging close relationships in 2006. In Connecticut, for instance, liberal bloggers were given credit for helping the anti-war cable executive Ned Lamont upset the incumbent, Senator Joe Lieberman, in the Democratic primary, though Lieberman recovered to win the general election as an independent.

Relationships with bloggers sometimes caused friction. In Virginia, a blogger on the payroll of Jim Webb's campaign posted a controversial item linking George Allen with white supremacists, forcing representatives of the Webb campaign to distance themselves from the blogger.

The bigger question may be whether the closeness between some bloggers and campaigns might undermine the blogosphere's appeal. If bloggers are seen as becoming yet a new extension of the establishment, just more partisan spin, might they lose the sense of authenticity they have as a grassroots, citizen form of communication?

Some advocates argue that as long as bloggers are transparent about their interests and allegiances, there should be no concern. "I believe [bloggers] can still be effective if they're clear about their own loyalties and about the various stakeholders in the blog," Bill Mitchell, the online editor at the Poynter Institute in Florida, told PEJ.

The evidence from 2006 suggests that he may be right, but the environment is still clearly evolving.

### **News Over the Phone**

As traditional news companies continue to invest in online media, they are not only looking at the Internet but at other digital media as well. One viewed with growing enthusiasm is cellular phones.

The number of consumers who get news over phones remains small. As of June 2006, just 6% of Americans reported getting news on their cell phones, according to a survey conducted by the Pew Research Center for the People and the Press. 25

The audience for TV and video delivered over the phone is even smaller. According to Telephia, which conducts research on communications and new-media markets, there were just 3.7 million mobile TV subscribers in the second quarter of 2006. But the numbers are growing; that figure was up 45% from the first quarter. 26

A number of hurdles have to be overcome before mobile news can become a mass medium. First, many cell phones in the United States lack the capability to play video clips, and some cannot show photos. There is also the question of whether consumers will pay for content. Finally, it is not clear how much Americans want to watch video on such a small screen in the first place. When a survey conducted by RBC Capital Markets, an international and corporate bank, asked adults to respond to the statement: "I am not interested in watching TV programs or movies on my handheld device," three quarters (76%) said they agreed.

For the present, news distributed over cell phones appears to be in a largely trial-and-error phase, but its potential as a revenue stream has captured the attention of media companies. As CBS's chief executive, Les Moonves, told the New York Times in February 2006: "Everybody's basically putting their toe in the water. We're all aware how hugely significant this is going to become both culturally and financially in the next couple of years." 27

Things could change quickly. Most cell phone users upgrade their phones every 18 months, according to Cyriac Roeding, vice president of wireless at CBS Interactive. By that timetable, the cell phone market may start exhibiting signs of significant growth toward the end of 2007 and in early 2008. Jupiter Research, for instance, estimates that video over the cell phone will generate over \$500 million in revenues by 2010.

### **Podcasting and RSS**

Americans are increasingly getting news in two other ways: podcasting and RSS.

Podcasting involves downloading audio or video onto MP3 players to listen to at a later time. RSS, or Really Simple Syndication, refers to a computer user's subscribing to a Web feed format which then allows the user to check the feed for new content (usually headlines) published by the Web site. 28

By late summer 2006, 12% of Internet users had downloaded a podcast, up from 7% the winter before, according to the latest data from the Pew Internet & American Life Project.

Market analysts expect the market to grow rapidly. The Diffusion Group, a research firm that specializes in new media, projects the number of podcast users at roughly 60 million Americans by the end of the decade, or roughly 4 in 10 Internet users, based on their current number.

An even smaller number of Americans have used RSS. An estimated 5% report using RSS aggregators or XML readers to get news and other information, according to survey data from the Pew Internet & American Life Project. Indeed, most people, 88% according to a study conducted by Ad Age in August 2006, have no idea what RSS is. 29

Advertisers, however, remain interested in the potential of both podcasting and RSS, though for the moment there is very little evidence much ad money is being spent on either. “While essentially still in nascent form, podcasts offer free audio and video content that is inexpensive to create, easy to access and on a portable platform that has already reached mass distribution,” Larry Gerbrandt, general manager and senior vice president of Nielsen Analytics, told Media Week in July. “This exciting new medium has only just begun to stretch its legs.” 30

## Economics

### Economics

#### *By the Project for Excellence in Journalism*

The economics of the Internet remain journalism’s billion dollar mystery. And in 2006, that mystery only seemed to deepen.

Advertising revenues online continued to grow rapidly, but by year’s end there were already subtle signs that the growth rate was beginning to slow. And the medium still has a long way to go before it can begin to compare with the economics of the traditional media it was beginning to challenge.

At the same time, some of the euphoria about the medium’s potential is beginning to give way to harder-nosed questions about exactly how much things should cost. Some ad companies and industry analysts are beginning to demand a more accurate way to measure Web traffic.

Then there is another question, possibly even more baffling, to be sorted out — the idea that advertising works so differently online, the economics need to be rethought more completely.

The old journalism model of advertising was broadly based on audiences coming to look at content and staying to read or view the ads.

Online, that connection is looser. When people visit the Web for news, they often do so in short bursts, with little attention to ads. Advertising online is more like the Yellow Page listings (except for big display and video ads). People are looking for a good or service or researching a topic. (That is the commercial essence of search, and it also applies to classifieds.)

The poses little problem for online sites such as Yahoo or Google, in which search is part of the advertising structure. But it is a major issue for news sites, where ads are incidental to the reason people visit.

If that continues to be true — and some think targeted search will only grow — advertising may never grow to the point where it can pay for journalism on a scale to which we are accustomed. Those in journalism will need to develop a new economic model, not wait for this one to grow.



## Online Advertising Revenue Over All

### *Growth in 2006*

In 2006, the online advertising market appeared headed for yet another record-setting year. Through the first nine months, ad revenue reached roughly \$12.1 billion, an increase of roughly 36% over the first nine months of 2005. By year-end, eMarketer projected it would reach \$16.4 billion, a 31% increase. <sup>1</sup>

In all but 2 of the last 10 years, the year-to-year increases have exceeded 20%. Indeed, the increase in 2006 is in line with the kind to which the industry has become accustomed.

This extraordinary rates of growth are particularly impressive when compared with those in other media industries. According to Veronis Suhler Stevenson, a private equity and investment firm, advertising in “pure play” companies, or those who solely online such as Amazon.com, is projected to grow 20% from 2005 to 2010. That contrasts to the much more modest growth Veronis anticipates for other media industries: broadcast television (4%); cable and satellite television (10%); newspapers (2.2%); and radio (3%).<sup>2</sup>

Other survey research suggests that as the dollars in online ads rise, so too does the array of advertisers. According to Outsell, a California-based research firm, fully 8 in 10 marketers say they are advertising or planned to do so on the Web in 2006. That number is expected to reach 90% by 2008. Moreover, the same study also reported that smaller companies with ad budgets of less than \$1 million are allocating more of their budgets online. <sup>3</sup>

For the moment, however, the largest Web companies, particularly the most popular Web portals — are reaping nearly most of the benefit. According to Pricewaterhouse Coopers, the biggest 50 Web companies, including Yahoo and AOL, are attracting 96% of the ad spending, the Wall Street Journal reported in late 2005. <sup>4</sup>

But when all is said and done, only a small share of total advertising dollars are channeled to the Web. In 2005, advertisers spent roughly \$11 billion on pure-play Internet companies, a relatively small number compared to television (\$65 billion), newspapers (\$55 billion), and even radio (\$20 billion), according to figures compiled by Veronis Suhler Stevenson. <sup>5</sup>

Market analysts have also looked at all this another way. According to TNS Media Intelligence, the top 50 advertisers are spending just 3.8% of their budgets on online ads. While the figure is higher for smaller advertisers, 6.8%, the data emphasize the relative immaturity of the online ad industry, but also its potential for growth. <sup>6</sup>

To some analysts, the amount of advertising on the Web does not correlate to how much time people spend there. A Veronis Suhler Stevenson study found that consumers were spending 17% of their media consumption time with the Web. But the medium made up just 8% of total ad expenditures. <sup>7</sup> According to Pam Horan, president of the Online Publishers Association, this represents a “misalignment,” and more money could be steered to the Web once it is corrected.

### *Looking Ahead*

That gap may suggest more reason for growth, but at least some analysts think the pace can't continue. As the base being measured gets bigger, growth rates of 30% a year, they reason, just aren't sustainable.

The market research firm eMarketer, for instance, projects online ad spending to grow 15% in 2007, 18% in 2008, below 10% in 2009, and then 7% in 2010.

According to Emily Riley, an analyst with Jupiter Research, “The growth is trending downward. We're no longer seeing hyper growth rates.”

If that continues, it creates a difficult scenario for journalism. The finances of the old media platforms are expected to flatten. But it is not clear when, if ever, the new media will compensate.

## *New Economic Model*

That points to the trillion-dollar question about the Web: Can journalism ever figure out a way to “monetize” the new platform?

A year ago in the newspaper chapter of this report, we estimated that at current growth rates, it would take more than a decade for the Internet to match the revenue of newspapers.

The new estimates about advertising growth cast serious doubt about whether that can happen anytime soon. Certainly, no one imagines the Web can sustain 31% annual growth rates in advertising for a dozen more years.

Now even more questions exist about the nature of advertising on the Web.

Historically in journalism, audiences come for news and are exposed to advertising incidentally. Online, hunting through advertising is an activity unto itself. Advertising here works more like yellow pages, or classified advertising in the newspaper. It is a form of research, often targeted.

In the new platform, in other words, journalism and advertising are more loosely connected. And display advertising, which grabs the eye, creates an image, reinforces a brand, and imparts a little information, is only a small part of the Web advertising experience.

That raises doubts about whether journalism can survive in a form we are familiar with if the Web remains an advertising-based environment for news. Increasingly, the math on Internet advertising suggests that the news business must find a new economic model, one that gets consumers to begin to pay for content.

One possibility, the one companies are experimenting with, involves trying to persuade consumers to begin to pay for premium content. The New York Times, with its Times Select program, asks consumers to pay for its editorials, columnists and archives. But the success here has been limited, and the most expensive aspect of journalism—the basic news gathering, is not covered.

Another scenario that has had even less success is trying to get consumer to buy subscriptions for all content online.

Increasingly, a different model, one that the industry has not pursued as publicly, or even perhaps as aggressively, seems to have more merit.

In this model, rather than charge consumers directly, news providers would charge Internet providers and aggregators licensing fees for content. The Internet providers would likely turn around and add those fees to the bills consumers pay for Internet access. Aggregators could also be involved in the fee system, sharing revenue with news content providers.

News organizations may have to create consortiums to make this happen, which is a complicated

but not necessarily difficult step. But trying to negotiate among a dozen or so internet access providers is far more workable than trying to win over individual consumers, one at a time, to pay for something they currently get for free. Internet access providers also have an incentive to make this happen. They recognize that if journalism shrivels, there will be less for people to want to access online. Their business depends on the news. Aggregators are even more aware of this.

And the notion that the Internet is free is already patently false. Consumers pay every month to get access.

This is the model that exists in cable. The cable companies pay a fee to the channels that they carry, and they pass the cost of that fee along to the consumer.

There are differences between cable TV and the Web — far more content producers — but relatively few of them actually are in the business of producing content that is expensive to produce and passed along free. Journalism is at the center of that group.

This would be a major shift in emphasis for the business side, which is one reason perhaps it has not been aggressively pursued. But the mandate for a new economic model now seems clearer than ever before. And the idea that news producers can be passive in this increasingly seems like a fatal error. If one were inventing the financial system for the Internet a decade ago, instead of it evolving by happenstance, the notion that those who provided the funds.

### **The Challenges of Measuring Online Traffic**

In addition to the complications of who will pay for the Web and the future of advertising, in 2006 another set of questions came into clearer relief — growing doubts about how to measure the audience.

For years, the Web's appeal to advertisers has been built in part around a greater sense of accountability than in older media about who is actually paying attention to the advertising content.

But observations that there were holes in this claim have begun to grow over the last few years.

Roughly a dozen firms track online use, but there is no standard method for doing so. The result, according to Rich Gordon, a professor at the Medill School of Journalism at Northwestern University, is that some metrics inflate the absolute number of unique visitors, or unduplicated visitors to a Web site, while others undercount it.

Such discrepancies began to attract more attention, and more concern, as 2006 wore on.

As an example of the problems, two of the most important firms measuring online audience, comScore and Nielsen, determine a Web site's traffic by assembling a panel of online users considered representative of the overall online audience. But there are questions about how

representative the samples are. Panel members must install specific software on their computers. But since some corporate offices and government agencies do not allow their staff members to install it, those segments of the population may not be fully represented in the samples. That is also true for many universities.

There are also concerns about something called click fraud, which occurs when a user or computer-generated program clicks on an online ad without the intention of actually viewing the ad. By one estimate, as much as \$800 million could be wasted by advertisers on fraudulent clicks. 8

Finally, one other potential curve ball is the consumer tendency toward media multitasking. Some worry that online consumers may not be as engaged as they are with other mass media. According to the Internet marketing research company Big Research, nearly 7 in 10 Web users report watching TV while they surf the Internet. “Suddenly a once captive TV audience has now defined itself as a moving target,” said Phil Rist, the vice president of strategic initiatives for the company.

As a result, some marketers, including Ford, Visa, and Colgate-Palmolive, have started asking for audits of online audience figures. In the words Dave Morgan, CEO of Tacoda, a behavioral and targeting ad network with headquarters in New York, the success of an advertisement placed on a Web site will more likely be “decided by the accountants, not the chief marketing officers.” If such a system is put in place, how could it affect the overall economics of the Web? 9

The issue is unlikely to be resolved quickly, or easily. The fact that the technology of Web pages can change so quickly means that how it is measured will have a hard time keeping up.

### **Main Categories of Online Advertising**

To better understand the economics of the Web, it is useful to know the different kinds of advertising it attracts. Three types of advertising account for roughly 90% of the ads on the Web — search, display and classifieds.

**Search ads** are more targeted than display or classified because they appear only when a reader has searched for a relevant topic. In the first half of 2006, search advertising surged, increasing 37%, to \$3.2 billion, according to data released by the Interactive Advertising Bureau and PricewaterhouseCoopers. 10

The surge kept it at pace with the first half of 2005, accounting again this year for 40% of all online advertising. What’s more, the gains are expected to continue. Jupiter Research, another forecasting agency, projects that search advertising will continue to be the most lucrative area online, forecasting a compound annual growth rate of 12%. 11

**Classified advertising** is the second major category is. In dollars, the category grew 56%, reaching \$1.6 billion in the first half of 2006. Classified has slowly increased its share of all online advertising for several years and now accounts for 20% of online advertising, up from 18% in

**Display advertising**, involving graphical banners placed on a Web site, is the third category. Display ads are less targeted than search ads because their placement is not influenced by the online viewer's behavior or search criteria. Their dollar amount increased 21% in the first half of 2006 to \$2.4 billion. The increase, while large, was below those of search and classified ads. Display ads now made up 31% of all online advertising, down from 34% in the first half of 2005. 13

The Interactive Advertising Bureau, an association that publishes the most widely quoted data on the online advertising industry, has traditionally categorized rich media as a subcategory of display. Rich media is a broad term that refers to digital, interactive media and can include video, graphics, text, animation or audio. Almost all discussion about rich video relates to video, which has moved the online industry from a largely text-based medium just five years ago to a more visual one now.

But there are still limits here. Rich media grew just 3% in the first half of 2006, accounting for \$475 million during that time. Along with high production costs and questions about how the audience is measured, such sluggish ad revenue growth, especially compared to other online advertising categories, probably explains why rich media now makes up 6% of all online advertising, down from 8% a year earlier. 14

To get a clearer picture of online video and video advertising it may be helpful to first look at the market of online video users and then at the ad dollars placed there.

### **The Video Picture**

How many Americans are watching video online? Last year we reported that online video use, particularly regular use, was still relatively small. One of the biggest Internet success stories of 2006, YouTube, suggests that the medium made huge strides. Time Magazine's "Invention of the Year," the site was purchased by Google in October 2006 with a reported audience size of 30 million unique visitors. 15

But the overall growth in online video use is a matter of debate. According to the Online Publishers Association (OPA), there was no growth and even some decline. In its February 2006 survey of Internet users 12 to 64 years old, 5% of respondents said they watched online video daily, the same as a year earlier. On a weekly basis, the number of Americans reporting they watched video actually fell three percentage points and now stands at 24%. And a smaller percent reported *ever* watching online video (69% versus 74%). The only positive movement was in the number saying they were "aware" of online video. 16

Other audience data, however, suggest that use of video on the Web is not only growing but substantially so. For instance, figures from comScore Networks, which combines both survey research and a panel of select viewers that give the organization permission to record their online behavior, found that the number of Americans viewing video online increased 18% from just

October 2005 to March 2006. The study found that Americans consumed 3.7 billion video streams and around 100 minutes of video per viewer on a monthly basis. 17

What type of video are people watching? The most popular destination for online video viewers is weather, followed by entertainment and then music videos. News and current events video was considerably lower on the list, according to the OPA survey.

The top video sites are owned by some of the largest media corporations. But much of the content distributed over those sites is user-generated, as is the case with MySpace, which is owned by the News Corp. and YouTube, now owned by Google. Here are the top video properties as of August 2006, according to comScore Video Matrix:

#### Top 10 Video Properties Ranked by Number of Streams Initiated

<b>Property</b>	<b>Streams Initiated (in millions)</b>	<b>Share of Streams Initiated</b>
<b>Total Internet</b>	6980	100%
<b>Fox Interactive</b>	1404	20%
<b>Yahoo</b>	823	12%
<b>YouTube</b>	688	10%
<b>Viacom Digital</b>	284	4%
<b>Time Warner Network</b>	238	3%
<b>Microsoft Sites</b>	186	3%
<b>Google</b>	102	2%
<b>Ebaumsworld.com</b>	53	0.8%
<b>Comcast Corporation</b>	45	0.7%
<b>Real.com</b>	44	0.6%

Though not ranked in the top ten, video from the AP Online Video Network, which offers up to 40 video clips a day of news, is becoming increasingly available to Americans, particularly on newspaper sites, where online readership has been growing rapidly. One estimate put the total audience for AP video at 76 million just six weeks after the service was launched in March 2006. 18 Also, the New York Times Web site, among the top 10 most popular news sites, offers a video channel and announced plans in February 2006 to syndicate video to other Web sites.

### **Video Advertising**

As of now, online video remains a relatively small piece of the pie. It currently accounts for just \$410 million of the \$16 billion online ad market.

Over the next few years, though, some analysts predict strong growth. The market research firm eMarketer, for instance, projects that online video advertising will grow to nearly \$3 billion by 2010. If it reaches that number, video will account for roughly 12% of all online advertising by the end of the decade. 19

There was considerable speculation that the Google-YouTube deal would be a big boost to both video use and advertising. Because of Google's ability to organize and aggregate information — in this case video — it would be a way for users to more easily search and find the video content they desire. As Diane Mermigas, a contributing editor to TV Week, wrote:

“ In fact, this is precisely the leap video must take to survive and thrive in the digital broadband media world, where portability, accessibility and personalization are keys to content success on all-size screens everywhere. That isn't going to happen with video rigidly bound by scheduled time slots, commercial pods and even tightly managed Web streaming by the owners of conventional broadcast and cable television networks.” 20

Oddly enough, the surge in online video advertising is projected despite what appears to be a declining number of Americans who say they have seen online video ads. Two thirds (66%) said they watched an online video ad in 2006, down from 70% who said so in 2005, according to survey data from the Online Publishers Association. 21

### **Local Online Advertising**

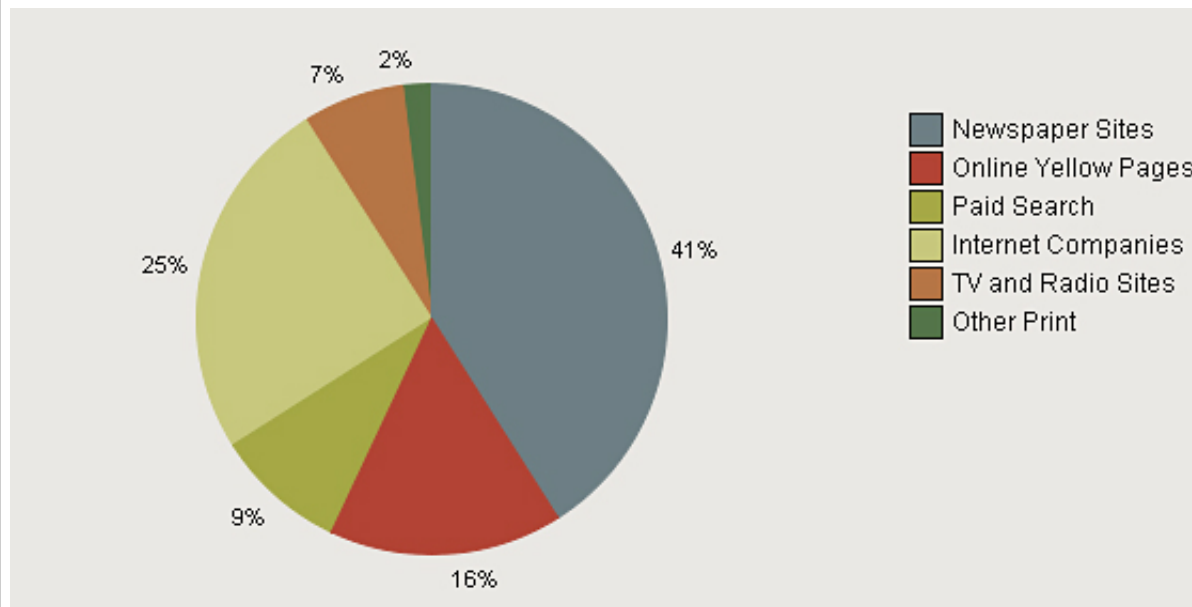
More strong growth in 2007 is expected in the local online advertising industry. Borrell Associates is projecting local advertising to grow 32% in 2007, to \$7.7 billion. In particular, local advertising will become more targeted, Borrell forecasts, with search advertising increasing from 24% of all local



advertising in 2007 to 44% by the end of the decade.

Right now, the largest percentage of local online ad dollars goes to newspaper-based Web sites. Forty-one percent of online ad dollars is spent on newspaper sites, followed by pure-plays (25%), Yellow Pages (16%), and paid search companies (9%). 22

Recipients of Online Advertising Dollars, 2006



Design Your Own Chart

Source: Borrell Associates Inc.,

As a sign that local advertising is becoming even more important to media outlets, survey research from Borrell shows that about half of all local news sites added to their sales forces in 2006, increasing the staffs by about 37%; some of the largest local Web sites now have three to four dozen salespeople dedicated to online sales.

It should be noted, however, that local online advertising remains a very small part of total advertising. In 2005, it accounted for just 1.8% of all advertising dollars and even with strong growth expected this year and next, it will account for just over 2% in 2006. 23

### Ad Dollars and the News

In the first three editions of the annual report we were not able to report on what percentage of total

online ad dollars was being spent specifically on news.

Now, data from TNS Media Intelligence separate ad dollars according to specific types of Web sites. Their data are based only on display advertising, which as mentioned above accounts for just 31% of the total ad dollars online, but the figures at least allow a first sense of the divisions.

According to the data, news may be the second-largest recipient of online ad dollars, trailing only portals and search engines. In 2005, U.S. marketers spent roughly \$763 million on news and current events Web sites, compared to \$1.1 billion spent on sites like MSN, Yahoo and AOL. 24

### **Revenues and Profits**

In the past, large media companies have struggled to generate revenues and profits from their traditional properties. Though revenues from digital operations are contributing to the bottom line at many companies, there are still a number of questions about the online business model.

For newspapers, the dominant economic model is largely dependent on advertising. The numbers here continue to grow. In the second quarter of 2006, newspaper online ad revenue increased 33% over the second quarter from 2005, according to the Newspaper Association of America. 25

A number of public newspaper companies themselves are reporting extraordinary revenue growth in online advertising. At the Washington Post Company, online revenue, primarily from washingtonpost.com, increased 31% to \$73 million for the first nine months of 2006. 26 At the New York Times Company, whose digital properties include 18 daily newspapers as well as About.com, online revenues for the first nine months of 2006 were \$190 million, up from \$134 million a year earlier. 27

A study from Borrell Research, meanwhile, found that large newspaper sites, defined as those with gross revenues of \$5 million or more, now contribute anywhere from \$3 million to \$14 million to the bottom line.

And more online newspaper sites have become profitable ventures. In 2003, more than 6 in 10 (62%) of newspaper Web sites reported they were not yet profitable. By 2005, that number was just 5%.

Just how profitable? That, of course, is a matter of accounting — or how much cost is attributed to the online site versus the old-media operations. But for those profitable sites, according to Borrell Associates, the average profit margin was 62%.

In 2006, we saw signs that the ad-based model could increasingly be the future for newspapers. First, newspaper companies signed a deal with the other major news aggregator, Google, which would help sell print advertising in many of the country's largest newspapers.

Then in late November, seven newspaper companies that publish newspapers in 38 states formed a partnership with Yahoo. According to a press release, Yahoo will help newspapers “deliver search, graphical and classified advertising to consumers in the communities where they live and work.” 28

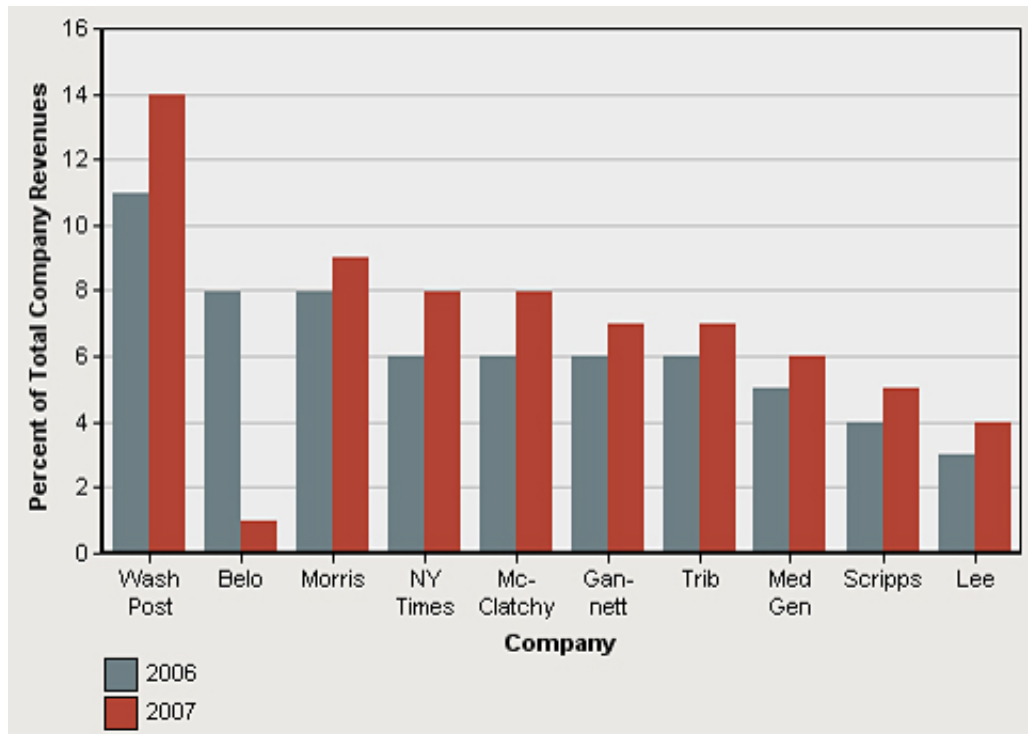
Several newspaper analysts applauded the Yahoo deal: “I’m used to the newspapers being very reactive, and here they’re stepping out ahead for a change,” said John Morton. “Here, I think they’ve become much more agile in trying to adapt to things that are happening.”

Even solid growth from online ads, however, can’t be considered a panacea for newspapers’ economic woes, as the industry continues to experience shrinking circulation figures and marginal growth from advertising in its print form. Even when online revenue is used to buttress anemic growth from print ads, combined revenues were almost flat in the second quarter, growing just 1%.

And the contribution of revenue from online properties to total newspaper company revenues will remain in the single digits in both 2006 and 2007, according to Borrell Associates. For major public newspaper companies, online revenue will account for 6% of total revenue in 2006, and then climb to 7.4% in 2007. 29

## Online's Share of Select Newspaper Company Revenues

2006-2007



Design Your Own Chart

Source: Borrell Associates Inc.,

The economic picture for other media industries is not necessarily as promising. The economics for online local television do not appear as successful as those of newspapers, but they are improving. The percentage of local television Web sites that reported making a profit in 2005 rose to 24%, up from 15% a year earlier, according to survey research conducted by the RTNDA and Ball State University.

The number of radio stations reporting a profit, meanwhile, did not change, according to the same study. Just 4% of all radio Web sites reported a profit, the survey found. 30

When it comes to the online operations of cable news, most of the data are anecdotal. Few companies break anything out.

Those anecdotes offer only a few hints. Kyoo Kim, MSNBC.com's vice president of sales, told the New York Observer the Web site may be earning more in monthly ad revenue than the cable channel. That claim was not verified, and it should be noted that the cable channel also earns at least half of its revenues from subscriptions. The Observer estimated that the online display ads

alone make tens of millions of dollars for CNN.com and MSNBC.com each month. 31

According to Rupert Murdoch, Fox's Interactive revenue will top \$660 million by the end of the year — but serious money is still way, way off and profits may still be elusive. In July, the News Corp. division that includes digital assets reported \$1.4 billion in revenue for the previous 12 months (the company does not break out interactive revenue), a figure that is one quarter what the company's movie studio made over the same period and makes Fox Interactive part of the company's second-smallest division. Moreover, the division lost \$150 million in operating income over the previous year, the only News Corp. division to be in the red. 32

## Ownership

### Ownership

*By the Project for Excellence in Journalism*

The 2006 battles among online owners were largely about jockeying for position, debating the rules, and trying to assimilate, often by acquisition rather than invention, the hottest innovations.

The lineup of the most popular news sites remained relatively stable. Yahoo News showed some signs of pulling away from the pack, but it is also suffering bigger corporate problems at the same time.

Google continues to rise, in news and elsewhere, including with its acquisition of the “it” site of the year, YouTube.

And the confusing fight over the Internet's financial rules — the brouhaha called “net neutrality” — dragged on, though one of the major combatants, AT&T, left the field to make a major acquisition. It bought back Bell South, one of the baby bells it once had to divest.

### Online News Leaders

Four sites continue to dominate online news. At the very top is Yahoo News, followed by MSNBC, CNN, and AOL News — the same order as in 2005.

But now Yahoo News appears to be separating itself from the pack. Two separate firms tracking online use found substantial two-digit growth for Yahoo News in 2006. Nielsen//Net Ratings had Yahoo growing by 18%, to 28.4 million unique visitors a month. ComScore, the other major tracking firm, showed its growth at 16%, or 31.4 million a month.

Several factors may account for the growth. Yahoo News redesigned its homepage in July, making access easier. The homepage also offers a boutique of non-news components — e-mail, music downloads, search, and instant messenger — that get heavy use and are generally not on other news sites.

Whatever the reasons, Yahoo News outdistanced its three chief rivals in traffic in 2006. At the end of 2005, for instance, the distance between Yahoo News and its next competitor was around a million, according to both tracking

firms. A year later the lead has expanded considerably, from roughly three million in Nielsen's list to 5.5 million according to comScore.

What happened at the other three top sites is less clear, but none of them grew at the pace of Yahoo News.

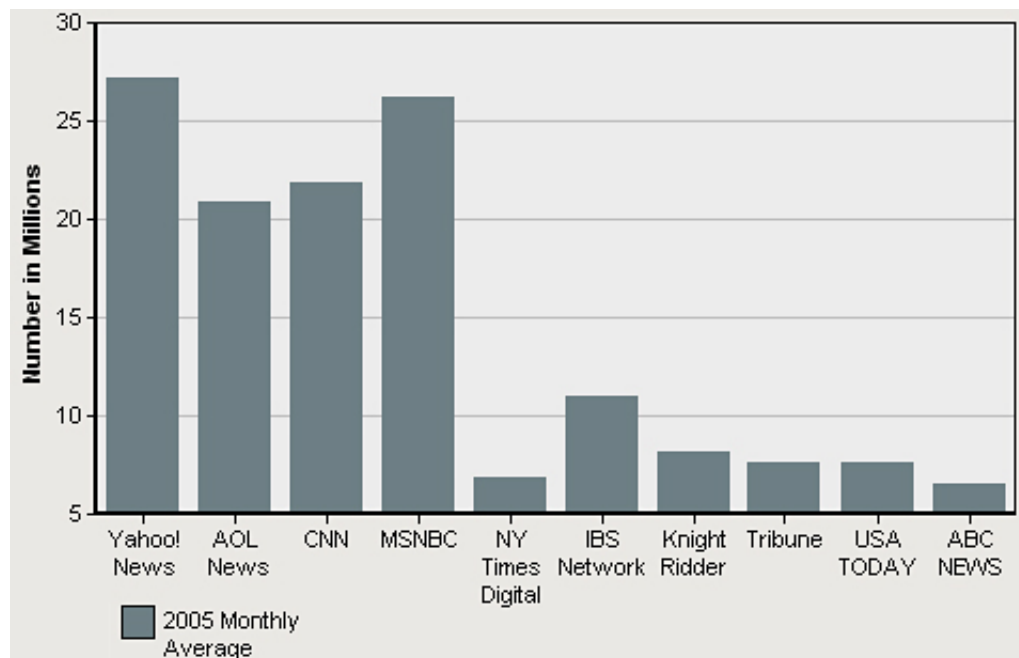
At No. 2 is MSNBC, with about 26 million visitors a month on average. 1 But the two major rating services differed on the trend line. Nielsen says its figure represents an increase of 9%; comScore has that as a 1% drop.

In third place is CNN, with 24.3 million unique visitors a month in 2006, according to Nielsen//Net Ratings. This was an increase of 10% year to year. 2

And in fourth place is AOL News. As we have discussed in previous annual reports, online audience figures for AOL News vary substantially depending on the tracking firm one consults. That was true again in 2006. ComScore shows AOL News much closer to the other three leaders, with a monthly average of 21 million, an increase of 1% and just 300,000 fewer than CNN. But Nielsen//Net Ratings puts AOL News at 16.8 million, around 7.5 million fewer than the 24.3 million that Nielsen reports for CNN.

## Top Online News Sites (Nielsen)

January-December 2006



Design Your Own Chart

Source: Nielsen//Net Ratings

## **The Rest of the Top 20**

Of the remaining 16 news sites among the top 20 in audience in 2006, some were individual sites, such as the New York Times, and others were collections of multiple sites under one corporate brand, such as Gannett. But all save one, Google, were traditional news organizations.

Among individual news sites, the New York Times was sixth overall with an average 12.4 million unique visitors a month in 2006, followed by the USA Today (10 million) at No. 9, ABC News (9.8 million) at No. 10, Google News (9.4 million) at No. 11, CBS News (8.3 million) at No. 12, Washington Post.com (7.9 million) at No. 13, Fox News (6.9 million) at No. 18, and the BBC News (6.2) at No. 20.

The top aggregated sites, meanwhile, were Gannett Newspapers (12.9 million) at No. 5, Internet Broadcasting Web sites (12.2 million) at No. 7, Tribune Newspapers (11.3 million) at No. 8, Associated Press (7.7 million) at No. 14, Hearst Newspapers Digital (7.6 million) at No. 15, World Now (7.3 million) at No. 16, and McClatchy Newspapers (6.4 million) at No. 19 in 2006, according to data from Nielsen//Net Ratings. <sup>3</sup>

Traffic data suggest that television news Web sites experienced the largest gains in 2006, According to Nielsen//Net Ratings. ABC News was up 22%, followed by CBS News at 29%, and Fox News at 17%. Perhaps what most distinguishes those sites is the heavy inventory of video as well as the strong goodwill the public generally shows to the network news industry.

Finally, two other sites that exhibited strong growth in 2006 were Google News, at 20%, as well as the Associated Press, at 75%, whose investment in online video the last couple of years has been well documented. <sup>4</sup>

## **Online Media Ownership Trends**

Although blogs and other forms of citizen media are becoming increasingly popular news sources for Americans, the most popular news sites are still largely owned by the richest media companies. And until the Federal Communications Commission (FCC) rules on the so-called “cross-ownership” ban that bars companies from owning newspapers and television stations in the same market, we should expect relative stability in 2007. (For a more detailed discussion of future FCC actions in 2007, see the ownership section in the local television chapter).

Of the top 20 most popular online news sites ranked by Nielsen//Net Ratings, 16 are owned by the 100 largest media companies in terms of total net revenue generated in the U.S. in 2005 (latest figures available), according to Advertising Age magazine. <sup>5</sup> Time Warner generated the most revenue in 2005 (\$33.7 billion), according to Ad Age, and owns the third (CNN) and fourth (AOL News) most popular news sites among the online audience. And Gannett, 12 th on Advertising Age’s list of leading media companies with \$6.4 billion in revenue, owns the fifth (Gannet Newspapers other than the USA Today) and ninth (USA Today) most popular news sites.

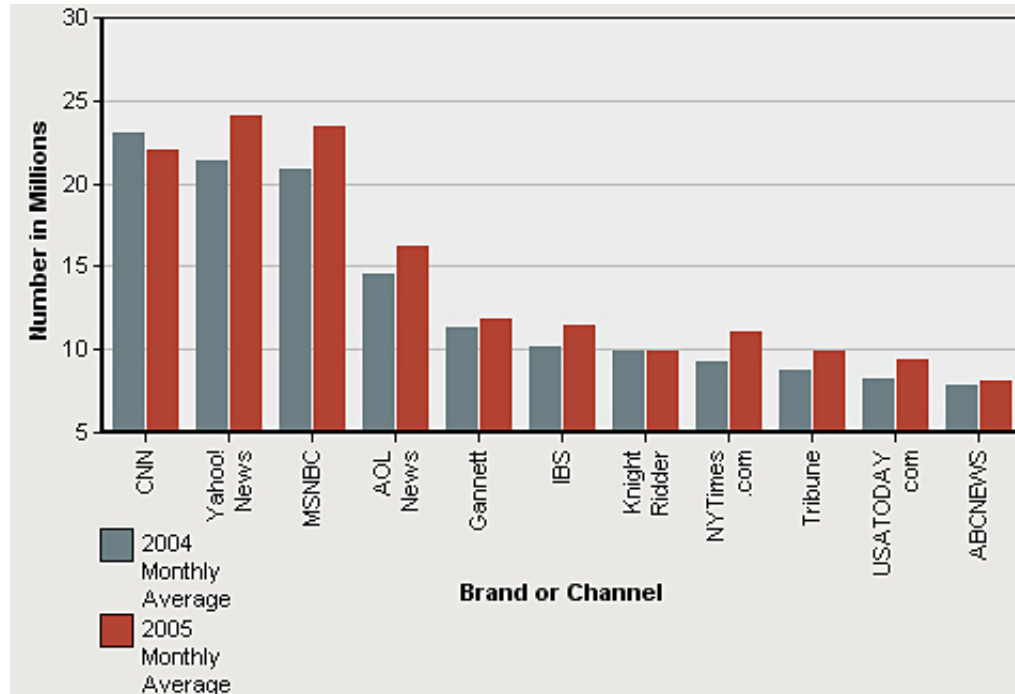
The number of sites owned by the top 10 richest companies, however, continues to fall. The figures were 32% in 2004, 25% in 2005, and 21% in 2006.

Two of the four sites among the top 20 in popularity not owned by leading U.S. media companies are Internet

Broadcasting and World Now, aggregations of many local news sites. The other two are the Associated Press, a non-profit cooperative, and BBC News, which is financed by a television license in the United Kingdom.

## Ownership of Most Popular News Sites

By company size, January through December 2006



## Design Your Own Chart

Source: Advertising Age, "100 Leading Media Companies list"; PEJ research

## Mergers and Acquisitions

The year 2006 was one of smaller but more frequent mergers and acquisitions than we have seen in some earlier years.

Through the first nine months of 2006, there were nearly twice as many acquisitions as in the same period in 2005. But the total monetary value of the transactions came to just 60% of last year's figures. According to data from the media investment bank Jordan, Edmiston Group Inc., there were 131 deals in 2006, up from 72 in the same time in 2005. The total value of these deals was roughly \$5 billion, compared with \$8 billion the previous year. <sup>6</sup>

Part of the reason for the smaller deals could be that some attractive marquee acquisitions have become just too



expensive. In March 2006, for instance, the New York Times reported that CNET, whose News.com site covers the business of the technology industry, was rumored as a potential acquisition. But the reported asking price of \$3 billion was considered too high. <sup>7</sup>

The one major exception to the trend in 2006 was the blockbuster announcement in October that Google had agreed to acquire YouTube for \$1.5 billion in stock. The Wall Street Journal reported that Yahoo, News Corp., and Microsoft were also interested suitors.

The deal had surprising elements. First, it bucked the trend of smaller acquisitions and companies investing in existing properties.

Second, some analysts noted that Google could be inviting a wave of potential copyright violations from content providers. In late October, the site removed clips from “The Daily Show with Jon Stewart” and “The Colbert Report.” Then in November, the Wall Street Journal reported that not only was YouTube forced to negotiate with media companies, but also publishers, video producers and even actors. There was less risk of all this earlier, when YouTube was a startup without any resources. Now that it was part of giant Google, potential copyright lawsuits, contracts and lawyers came more into play.

It’s possible that marketers could shy away from YouTube altogether. A poll conducted by Media Life magazine found that 15% of media buyers would not advertise on a user-generated site such as YouTube. According to an article on the research that appeared in Media Life, media buyers “saw the sites as too risky because of the possibility that their client’s ad might end up next to something risqué, controversial or libelous.” <sup>8</sup>

It’s not clear whether media companies would be successful in a lawsuit against Google/YouTube. According to Market Watch, to win, media companies “would have to prove that YouTube is marketing itself as a distributor of copyrighted material and that the major use of YouTube is the viewing of copyrighted material.” But so far, there doesn’t appear to be much argument that such is the case.

Rather than fight Google and YouTube in the courts, many media companies may form partnerships and sign licensing deals. After all, there is a lot of revenue-sharing potential for content providers to stream their videos over YouTube, which generated 16 million unique visitors in the U.S. in July 2006, and 63 million worldwide, making it the 17 th most-visited property worldwide during that month.

Moreover, YouTube may actually increase the audience size for traditional media platforms. In November, CBS attributed a boost in its TV viewership to its presence on YouTube. After CBS had uploaded to YouTube more than 300 clips from its talk-show programming, which averaged 850,000 views a day over a one-month period, the network announced viewership increases of 5% to the “Late Show with David Letterman,” and 7% to “The Late Late Show with Craig Ferguson.”

“Although the success of these shows on YouTube is not the sole cause of the rise in television ratings, both companies believe that YouTube has brought a significant new audience of viewers to each broadcast,” CBS and YouTube said in a joint statement. <sup>9</sup>

## Google vs. Yahoo

In 2005, Yahoo and Google were both regarded as desirable choices for investors. In 2006, however, the companies seemed to be heading in different directions. As 2006 came to an end, Google's financial performance was perhaps the strongest it had ever been. At the same time, it was reported that Yahoo was considering some potentially major changes as the company sought to close the gap with Google.

### *Google*

Google, the giant of online search and aggregation, made headlines in 2005 for its extraordinary economic performance, much of it fueled by revenues from online advertising. The giant showed few signs of slowing down in 2006.

By June 2006, Google had 45% of all the advertising revenue for search engines, an eight-point increase in market share over the 37% share it had in June of 2004. <sup>10</sup>

Some analysts predicted that Google would capture as much as 25% of all online advertising in the U.S. IN 2006, according to a report published by eMarketer. <sup>11</sup>

One reason, according to the eMarketer analyst David Hallerman, is that its size and range of search enable Google to squeeze more revenue from advertising than Yahoo and its other rivals. Some analysts also think Google has strengthened its command over advertising because its ad "network," Adwords, allows marketers to find out specific demographics about its readers, including their age, sex, and income, which they can use to further target the ad's audience.

Another indicator of Google's success is the swelling of its staff and the capital it has available for investment and research. In 2004, Google had 2,290 employees and \$1.6 billion in the bank; by the end of 2006, it reportedly had 7,900 employees and nearly \$10 billion in the bank. <sup>12</sup>

When it comes to news, with a computer algorithm to select relevant news stories in any given search, Google's investments are primarily related to software, hardware and engineering. Very little investment appears to be specifically earmarked for traditional news-gathering functions.

If anything, Google seemed to further solidify its identity as a technology-centric company in 2006 by investing heavily in upgrading its hardware and producing new software. There was even talk that the company was interested in making its own microchips.

As Google's market position strengthens, the company has run into its share of legal challenges, in addition to possible lawsuits in the wake of its acquisition of YouTube.

Google also encountered more trouble for one of its better-known but more controversial projects. For some time, the company has been working on a project to scan and reproduce the collections from some of the largest libraries in the world. The project, known as Google Book Search, allows readers to search within books but not download or read

them without paying if the book is still under copyright (according to Google's corporate Web site). If a book is not under copyright, the entire contents of the book would be displayed. Moreover, Google says ads will not be displayed alongside book results unless the author gives the company permission to do so.

But the library project received a major setback in October 2006 when a number of U.S. publishers, including McGraw-Hill, Simon & Schuster and Penguin, announced they were suing Google for copyright infringement. Quickly on the heels of that announcement, members of the International Publishers Association passed a resolution opposing Google's project.

The lawsuit may have larger implications — making it harder for Google to digitize other media formats. According to *Business Week*, a legal ruling against Google “could hobble attempts to apply the same method to existing media, like books, film, or sound recordings in programs like Google Print and Google Video.”<sup>13</sup> It seems doubtful Google's search business would be disrupted, though. Web publishers have generally accepted the way Google reproduces and displays Web content.

Google increasingly is thinking globally, but here too there have been challenges. First, it was criticized both in the press and on Capitol Hill for supposedly colluding with the Chinese authorities to offer censored versions of its search results.

And in France, President Jacques Chirac announced in April 2006 that he was creating an agency to develop a new search engine to compete with Google. The agency would mainly be funded by the French government, but would receive some support from the Germans as well.

The international arena may not prove as friendly to Google as its native country has, according to David A. Vise, who co-authored *The Google Story: Inside the Hottest Business, Media and Technology Success of Our Time*. He writes:

“For Google's global winning streak to continue, the search engine born and nurtured in Silicon Valley will have to do more than simply translate its whimsical homepage from English into other languages. It remains to be seen how successfully Google can navigate the challenges posed by distinct cultures and foreign governments as it aggressively pursues global growth in the Internet Age.”<sup>14</sup>

### *Yahoo*

In contrast to Google, 2006 was a difficult year for Yahoo. A disappointing economic performance raised new doubts on Wall Street and in the financial press about the company's identity and long-term vision.

Though Yahoo's revenues and profits were up from the previous year, the stock took a beating in 2006, falling 37% for the year. That resulted in a reported loss of roughly \$20 billion in shareholder wealth, according to the *Los Angeles Times*. Investors have soured on Yahoo largely because of the perception that Google's online ad service offers a far superior performance and that Yahoo has not done enough to catch up.<sup>15</sup>

Yahoo received more bad press in the fall when it lost out to Google in the derby for YouTube, and again later in the year when it apparently failed in its bid to acquire Facebook, a social networking site for college and high school

students.

Yahoo also fell further behind Google in the lucrative search advertising market. While Yahoo captures roughly 18% of the total online ad market, that represents a modest drop. In early January 2007, Yahoo told Online Media Daily that “most of its U.S. search advertisers had converted to its new ‘Panama’ search marketing platform, but that revenue gains from the new system wouldn’t appear until the second quarter of 2007.” 16

Yahoo, it seems, is competing not just with Google but also with a growing list of Web sites particularly popular with younger consumers. According to David Cohen, senior vice president of Universal McCann, a media buying agency, many marketers were reducing their budgets set aside for Yahoo and spending more on ads for MySpace and sites developed by Viacom, which include Comedy Central and MTV digital properties. 17

After a much-publicized push to begin offering more original content in 2005, Yahoo, more often described as a media company than Google, largely a technology company, has decided to reduce those efforts and concentrate on showcasing content created from either media companies, such as video from CBS’s “Sixty Minutes,” or even user-generated material. While the company hadn’t completely abandoned its original content ambitions, which include the multimedia blog of the journalist Kevin Sites, it announced it would develop only a few new online ventures in 2006 and not the dozens that had been announced in 2005, the New York Times reported in March 2006. 18

This departure has led to questions about Yahoo’s overall business strategy. “Yahoo has lost its appetite for experimentation. They used to be a lot more like Google, where someone would come up with a cool idea and run with it,” said Toni Schneider, a former product development executive at Yahoo who now runs a blogging software company. 19

In late November, an internal memo obtained by the Wall Street Journal detailed Yahoo’s frustration with its apparent inability to focus on its core businesses, and discussed revamping its management structure and cutting as much as 20% of its workforce. In the words of senior vice president Brad Garlinghouse: “I’ve heard our strategy described as spreading peanut butter across the myriad opportunities that continue to evolve in the online world. The result: a thin layer of investment spread across everything we do and thus we focus on nothing in particular.” A month after the memo was made public, the company’s CEO, Terry Semel, announced a major reshuffling of his top management. 20

The shifting tides are a reminder of how young an industry the Internet remains. And unlike media titans of old, such as CBS or NBC in broadcasting, the barriers to entry in this realm are small, and the pace of change rapid. Google didn’t exist a decade ago. YouTube is about two years old. And other companies, a half-dozen years ago major players in search, no longer exist.

### **A New Chapter for AOL**

AOL still seems to be in a transition period. A year ago we reported that it seemed to have turned a corner with a new business model that promised improved financial performance. In 2006, the Dulles, Va.-based company found it had to make even more changes, however, as revenues from online advertising failed to make up for losses from its subscription plans.

First, it moved toward becoming fully dependent on the online-advertising model. Second, it almost completely abandoned its dial-up subscription efforts, including laying off 1,300 customer-service jobs, a step it hoped would satisfy pressures from Wall Street and shareholders.

AOL's subscription base was 19.5 million at the end of 2005, down from 26.5 million in September 2002. Even though online advertising revenue increased 46%, overall revenue declined 3% in the third quarter of 2006, thus showing AOL's existing dependency on subscriptions for revenue. 21

But AOL's future, according to analysts, is clearly tied to online advertising. It has a long way to go to catch up, and critics contend it hasn't taken enough steps to distinguish itself from competitors.

One area where the company could do that, industry analysts speculate, is in online video. In late November, AOL tapped Randy Falco, an NBC executive, to become the company CEO. According to the New York Times, "AOL is gaining an executive well versed in video and advertising, but with limited Internet experience." 22

By the end of 2006, its efforts seemed to be paying some dividends, with a number of analysts applauding AOL's strategy.

### **Net Neutrality**

As the Web becomes an increasingly larger part of the social fabric, politicians and regulators have increasingly had to grapple with new problems. The most publicized, and in some ways confusing, is the one that has been dubbed "net neutrality."

The debate is over whether the telecommunications companies that build the pipes through which most Internet traffic travels can charge a premium to companies producing certain kinds of content that take up more bandwidth and in turn provide that content to at higher speeds. The result would be fast lanes and slow lanes on the Internet.

Currently, all content is transmitted equally over the web.

On one side of the debate are telecommunications companies, such as AT&T and Verizon, that provide consumers with Internet access. (The cable companies have largely stayed out of the debate so far). The telecommunication companies want a free-market approach that would allow them to set Internet speed and pricing based on the content of a particular Web site.

Under such a policy, the Internet providers could charge a fee to companies (like Google) that offer content that uses more bandwidth, such as video. Those fees, the telecom companies argue, would help them absorb some of the costs needed to maintain and upgrade high-speed Internet networks. 23

"Companies like AT&T who are making significant investments to build a private backbone should have some leeway in the services we are offering on that backbone," the AT&T spokeswoman Claudia Jones told the Christian Science Monitor in March 2006. 24

On the other side are Google and Yahoo, which don't want to be charged a premium for putting content on the Web.

They are aligned with public interest groups such as the Consumer Federation of America and Consumers Union.

If the current system changed, critics fear that the result would be unfair to some content producers. Rich companies could afford higher fees to produce content that required more bandwidth. Their sites would run at lightning speed. Start-up companies and those that were struggling might not be able to pay premiums, and their sites would run more slowly.

The critics argue that consumers would naturally be drawn to the faster sites, creating a leg up for the big companies online. “Our nation should not allow the creation of bandwidth ‘haves’ and ‘have-nots,’ ” said Michael Silberman, president of the Online News Association. “Net neutrality will protect both big media organizations and the small sites that are most likely to offer diverse points of view and least likely to be able to afford high fees to distribute those views.” 25

A number of Web companies support maintaining the current system, in which all Web content is available to the consumer at the same price and at the same speed. Establishing a hierarchy like the one advocated by telecommunication companies would represent a “break with the commercial meritocracy” that now rules the Web, wrote one such advocate, Christopher Stern, a media policy analyst with Medley Global Advisors, in the Washington Post in January 2006. 26

In late December 2006, AT&T, once a vocal supporter of new laws, agreed to maintain net neutrality to facilitate its proposed acquisition of Bell South Corp. Net-neutrality supporters were quick to declare victory. But some still urged Congress to enact legislation in 2007 that would preserve the status quo.

## News Investment

News Investment

*By the Project for Excellence in Journalism*

While the details are sometimes hard to pin down, the evidence suggests that investment in online newsrooms continues to grow.

But it remains less clear how much of that is in what journalists would call original newsgathering, and how much is in the technical side of processing the information and content that is becoming a larger part of the news business.

A clear inventory of how much the news industry is investing in online newsgathering is difficult, as we have noted in previous editions. There is no clear system of how companies split up their accounting. Some organizations still have a handful of technicians under their Web accounts with virtually all newsgathering costs charged to the old media. Others, such as Gannett, now have their newspapers and Web site operations heavily merged.

Still, the data that are available, along with discussions with consultants and professionals in the industry, suggest that the industry has come to recognize that the future depends on the Web — even if exactly how it is financed remains murky.

## Personnel Trends

In 2006 many news organization rooted in traditional media announced plans to build up their staffs dedicated to online content. At MSNBC.com, for example, the Web site's staff was expected to increase by 25% in 2006, according to the site's president and publisher. <sup>1</sup> That was after years in which the staff was frustrated over the lack of such growth.

There were signs of growth, too, at old-media shops where online operations were added on. At CBSNews.com, staffing grew by over 20% from mid-2005 to the end of 2006, one CBS News executive told the Project.

Figures on staffing for the industry are gradually becoming somewhat more available, but comparisons can be difficult. As with a lot of industry data, how they are collected and counted can vary dramatically from one news outlet to another. Some organizations may count as online staff people who work on both online and old-media content. Others count only those who are dedicated to online news. Still, the available figures provide a baseline with which to work.

At the cable networks, according to reporting by the New York Observer, the online staff numbers vary: 250 at CNN.com, 175 at MSNBC.com, and roughly 100 at FoxNews.com, though those figures were not confirmed by the networks in the article. <sup>2</sup>

Among newspapers, the total staffing numbers appear to be somewhat smaller, at least according to data compiled by Editor and Publisher magazine in May of 2006. The Washington Post and USA Today, for example, had 75 people each in their Web operations, the article said. <sup>3</sup> Those smaller numbers may well be due to the fact that more of the root-based content (print) is easily adapted to online.

The numbers are not usually released in a way that makes it easy to track whether they are growing. But there are signs that, at a time of cutbacks elsewhere in the news business, there is a willingness to invest online. MSNBC.com, for instance, is experiencing staff growth while the rest of NBC is shrinking.

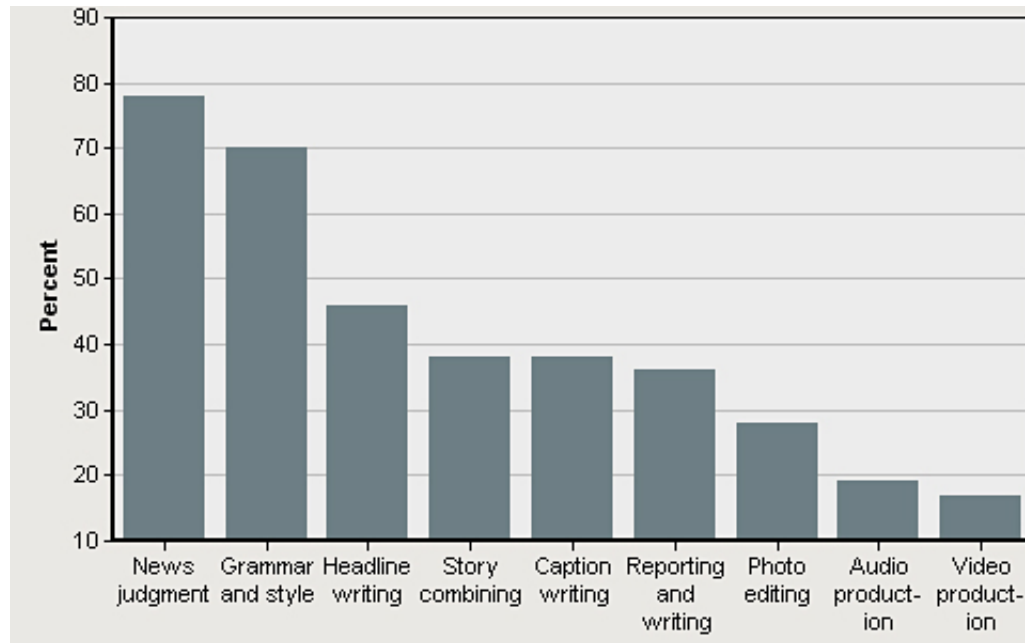
The same may be true in newspapers. According to data from the Newspaper Industry Compensation Survey, released by the Inland Press Association, online editors experienced an 8.1% increase in base pay from 2005 to 2006, and a nearly 9% increase in total direct pay, which includes both salary and incentives. By contrast, salaries for editors on the print side of newspapers increased just 2.58%, down from 2.72% in 2005. <sup>4</sup>

What is nature of those new jobs? Are they focused on news content or more on technological innovations? Again, that is difficult to determine, but one survey completed under the direction of Associate Prof. Rich Gordon of Northwestern University, with the cooperation of the Online News Association, offers some clues.

The survey of 239 professional members of the ONA, the largest organization of people who work in online journalism, found that more online managers valued content-related skills like copyediting than technology ones like producing audio and video. For example, online news managers identified news judgment (78%) and grammar (70%) as required skills to work in online journalism, while audio (19%) and video (17%) were valued much less, the survey found. <sup>5</sup>

## Most Important Skills for Online Journalists

Survey of online news managers, November-December 2005



Design Your Own Chart

Source: C. Max Magee, Online News Association

The study also suggests that copyediting skills were mainly being used for production and packaging purposes, rather than in producing original content.

## Digital

Digital

*By the Project for Excellence in Journalism*

What are those news sites like that are original on the Internet — sites that were not added on to some legacy TV network or newspaper? Do they have a personality profile? Do they have different emphases and strengths from those connected to another media? Or are they varied among themselves, an emerging platform with no fixed traits yet?

To try to help users sort through all that is available, the Project conduct a close study of 38 different news sites, those



from different media sectors, and those that are Web only, including some with a distinct citizen-media-based flavor. The overall findings across the 38 sites (as well as an interactive tool to help citizens evaluate their favorite news sites) can be found in the **Digital Journalism chapter**.

We measured site's using six different criteria: The **customization** options the sites offered, their use of **multi-media**, the possibilities they offered for **interactivity**, the **branding** of the content (that is how much was from the outlets as opposed to outside sources), the **depth** of information available and how the site was doing **economically** in terms of drawing advertising. On each of these measures each site was placed into one of four categories ranging from a top group that offered a lot to the last group which offered the least amount.

For the Web-only sites, we studied six, discussed here in detail. (For analysis of Web sites rooted in such different media as cable TV or radio, as well as a discussion of digital developments overall, please see the Digital section in each of those chapters.)

Over all, the Web-only entities vary a good deal in the features and kinds of information they offer. But generally they tend to place more emphasis on the user's voice and involvement and less on the latest multimedia appeals. The six sites studied are Topix.net, a site that lets users organize news by geographic area or topic; GlobalVoices, a digest of local blogs from around the world; Digg, a site made up wholly of content from other sites submitted by users; OhmyNews International, a site made up of entries from bloggers who are paid, and edited by journalists; Benicia News, the web-based local "newspaper" for Benicia, CA; Slate, the online opinion magazine started by Michael Kinsley and now owned by the Washington Post; and Salon.com, another online magazine.

### **Topix.net (www.topix.net)**

The first thing a user probably notices at **Topix.net** is the breadth of information available. The site does not generate content, but is an aggregator plain and simple. It draws from thousands of outlets ranging from U.S. newspapers to wires to foreign news sites.

That diverse mix is evident from the headlines that fill the homepage. The top nine may feature nine different news outlets from nine different countries. Under those are three headlines from your home area — something the site automatically identifies when you arrive.

Still, the site scored in the lowest tier of sites for depth, or making use of the potential of the web to go deep into a topic. Its rating here was hurt by the fact that it offered no archive and stories on the site existed as separate items, with nothing connecting related content together.

Topix.net scored somewhat higher, in the low-mid range, for **customization**. The site had strengths in that area — users, for instance, can further customize the local news section by choosing from a list of 30,000 different U.S. cities. And if a user changes his or her home location, the site remembers it. Other kinds of customization found on other sites, however, were absent here. There was just a single RSS feeds and at the time of the study, there were no podcasts or mobile phone delivery options.

The site puts somewhat more emphasis on allowing users to participate in the site. It scored in the second tier here.

The page's entire right column is reserved for readers' comments, with a list of topics and the number of comments posted under each. Every headline also has a similar place for feedback.

As one might imagine with an aggregator site, the **branding** score for topix.com placed it in the bottom tier, with no content coming directly from the site and a computer program selecting the stories that appear on the front page.

Nor is Topix oriented to **multimedia**. It earned low marks in that category. Its home page was mostly text with roughly 90% of it being narrative. There were also no audio or video links.

The site also scored in the bottom tier for the level of revenue streams to the site. There was no paid content here and few ads.

That limited number of ads, though, helped with Topix.net's clean-feeling front page. Ads are limited to the far right of the screen, after the user comment column. Here, too, localizing comes into play – the ads are local ones from Google about everything from cars to jobs to court records.

Unlike other aggregators, such as Google, Topix doesn't change the top news headlines all that frequently. While there is no human editor on the site (its headlines are selected by a computer program), the program operates at a little slower pace than others. At noon on January 10, 2007, its lead story was about the possible of the chief of Al Qaeda in Somalia had been up for seven hours. Other "latest" stories had been there six hours, 10 hours and 13 hours. In other words, the stories that show up on the homepage are not just the latest wire copy. That can have the virtue of not piling the most recent story on top when it's not necessarily the most important.

### **Global Voices ([www.globalvoicesonline.org](http://www.globalvoicesonline.org))**

Of all the Web sites we examined, **Global Voices** was in many ways the least conventional. The end result was that it scored high in several of the areas we measured. It was the only citizen media site that would fit our definition of a high achiever, a site that earned top marks in three of five content areas.

The site is non-profit, with an emphasis on relating information that the staff editors find interesting, not on providing the top news of the hour (or minute or day).

But Global Voices takes a unique four-step approach to identifying what is interesting. First, rather than searching stories from mainstream news outlets, editors cull through a vast number of blogs from around the world. The editors, who themselves are located across the globe, then decide which postings are worth passing on. Next, they add their own comments or background information to put the blog entries in context. Finally, when necessary, entries are translated into English, often by a different "language" editor.

Take, for example, January 10. In the afternoon the lead was "Philippine free press under attack." The entry featured a lead-in by an editor noting that the Philippine press has been "one of the freest in the world" since Ferdinand Marcos was deposed, but reporting that the current first family "is harassing journalists by filing libel cases" against them. The post then ran blurbs from the Pinoy Press and the site Freedom Watch. The next post used the same approach to look at the Iraqi government's efforts to register bloggers.

In our inventory, the site scored well, in the top tier, on **customization**. While its home page could not be modified by users, there were many RSS and podcast options available to users.

Global Voices was also one of only three sites studied to score in the top tier for **depth**. It did well because of the large number of stories it grouped together in packages and the archive it included.

The site also earned top marks for the degree to which it was offering a unique brand in which its own editorial process and judgment was emphasized. With the stories chosen by paid editors and with content that came from wholly staff, even when citing other sources, it exercised significant editorial quality control. The banner across the top of the page pays tribute to its many authors. The page's logo and name sit next to the headshots of four bloggers, each one linking a short bio and a compilation of that blogger's work. Each post then has the link to the original blog as well as a tag-line of the Global Voices editor. And running down a side column is the list of blog authors and the number of posts each has contributed to date.

The site also scored well, in the second tier, for **user participation**. It did not offer live discussion and interactive polls, two of the more controversial elements of web participation. But it contained a good deal of opportunity for users interact. In addition to the editorial choices, user content — through a user-based blog — is a big part of this site. At the end of each piece users are invited to “Start the conversation” by posting comments, which are moderated by site editors.

The one content area where this remarkably well rounded site did not stand out is for **multimedia**. This site is about words, 95% of the content available from the home page was narrative.

The site's score for **revenue streams** placed it in the bottom tier as well – perhaps not surprising since it is a non-profit.

The strongest impression one has when visiting this site, however, is its international feel. The largest box of text is a list of countries from Afghanistan to Zimbabwe. Next to that is a thinner blue box with a list of topics ranging from Arts & Culture to Governance to History to Youth. Under that is a slim one-line search box that runs the width of the page.

Global Voices is not a site to visit to get the latest headlines or find out what the media are talking about. But it shines a bright light on issues the big media often pass by.

### **Digg ([www.digg.com](http://www.digg.com))**

**Digg** is democracy in action. The site, which calls itself a “user driven social content Web site,” is all about user participation. Users do more than participate — they select, create and manage the content. Indeed, with its high level of customization and user involvement, it was among the most user centric sites examined.

It works like this. A user — any user—posts new stories that appear in a simple column format. They are originally posted in chronological order, but then users rate them as stories they either “digg” (like) or don't like and want to bury further down the list. The list of stories constantly changes with new posts and rankings.

Each story has a headline, a line on who submitted the story to the site and a few lines of teaser text. Next to that a small box shows how many users “digg it” as well as a way for others to rate, blog or e-mail the story and its topic.

There is no editorial staff making decisions on the content or even determining what the page looks like. The only requirement made of users before they begin adding their input is a fairly unobtrusive registration process — choose a user name and password and submit your e-mail address.

While most of the layout is determined by the masses, users can **customize** it a bit to fit their own interests, placing the site in our top tier as one might imagine. When users register with the site and begin to “digg” and “bury” items they are able to get a feel for other users who post things they are interested in, and over time they can make those people “friends.” They can then remake the homepage to feature posts by “friends.” RSS is also an option prominently located on the front page. A podcast tab was also available, though in beta-test at the time of the study, and mobile-phone options were absent.

Over all, Digg scored in the top tier of user **participation** as well. The entire site, after all, wouldn’t really exist without users supplying content and they ultimately control where stories end up on the page through participation.

The site, like some other citizen based sites, was largely narrative, and it scored in the lowest tier on the scale of **multimedia**. Its home page offered no audio or video links and nearly 85% of it was text.

As an aggregator, Digg also scored near the bottom, the fourth tier, in **branding**. Editors don’t really play a role here and there is no site-generated content.

Ads are limited, helping place the site in the bottom tier of **economics**. Small Google ads appearing under the header and down the right column are the only sign of revenue-producing advertisements. And in terms of **depth**, Digg was a third tier site, with frequent updates and an archive, but no story packages.

So about what kind of things do these users post? Perhaps not surprisingly, since this is an online group made up largely of early adapters, there is a heavy focus on technology. For instance, on January 11, the morning after President Bush’s major speech on his policy shift in Iraq, only one of the top 15 stories on Digg in the previous 24 hours concerned Iraq — a map showing where the U.S. armed forces casualties were from. Eight of the top 15 stories were about technology.

The top story on Digg can also look dramatically different depending on what minute a user comes by — literally. At 5:29 p.m. January 10, the top story was “A First Person Shooter in javascript?” a piece about what users can do with the program Java. At 5:30 p.m. it was “Nastiest traffic jam EVER” with a picture of lions eating a giraffe carcass on a highway in Africa.

### **OhmyNews International (English.ohmynews.com)**

Lying somewhere between globalvoices.com and digg.com, **OhmyNews International** is a hybrid of citizen journalism and news editing. As with Digg, all the content comes from users, in the format of news stories rather than blog entries. There is also a heavy emphasis on narrative text. But, as with Global Voices, the editorial staff plays a

heavy role in the internationally focused content. The approach in the end gives users a lot of ways to contribute and be heard but with strong brand identification.

The site itself is based in Korea, though the international version is posted in English. Although the content all comes from users, the site is far from an open forum or a clearinghouse for stream of consciousness. Potential reporters and writers must apply and accept the conditions laid out by the site, and if “hired” are paid for their work.

The process of submitting reports operates a lot like that at more traditional news outlets. There is a heavy editing process that instills a uniform style, which in the end reads a lot like a straight news or analysis piece. The contributors here are hybrids — edited citizens.

The diverse mix of largely international topics speaks to the individual interests of the citizen journalists who filed them. Stories come from around the world. On the afternoon of January 11, the lead item on the page was Part 3 of a series on the “History of French Nuclear Tests in the Pacific.” The next piece was a story on women in Africa using cell phones and the growth of mobile technology there. It was followed by a story about a Japanese politician visiting Pyongyang.

In addition to the stories themselves, the editors use a fair amount of the homepage to highlight certain features or help visitors find what interests them most. Next to the lead stories is a slimmer column with content the site is emphasizing in some way — special-report sections, podcasts, pieces on citizen journalism and a list of that week’s “Featured Writers.” And on the right is a map of the world showing the areas generating the most media attention, more featured-site links and headlines from the International Tribune.

Farther down are headlines arranged by topic area — Korea (the site’s home), World, Technology, Art & Life, etc., and finally a list of the most recent posts to the site.

As such, OhmyNews International sat in the top tier on **branding**. There is no wire copy on this site and the home page decisions are made by staff, not computers. What the site offers, instead, is branded controlled citizen journalism. If the number of citizen journalists posting to OhmyNews International continues to grow, one would expect the topics and regions covered to grow as well.

Thus, while the site may currently be the home of various bits of international news that have fallen through the cracks of mainstream journalism, it may be something very different in six months or a year

The site scored fairly well on user **customization**, in the second tier. It was helped by offering multiple RSS and podcast options high on the page. Visitors could not, however, remake their own homepage or get a mobile version of the site. As with Digg and Global Voices, **multimedia** was less of a focus, it placed in the last tier in that area. There was no video and no live streaming audio and, while the site is made up of content from citizen journalists, no blogs per se.

The site scored highly, in the second tier, on **user participation**. The site, obviously, has a lot of user content. It did not, however, accommodate live discussions, or the use of online votes.

The site did poorly in the rankings for **depth** and **economics**. Its depth score was hurt by not updating as often as other sites and not packaging stories together. And ads are largely non-existent on OhmyNews International. From its base in Korea it has a variety of Korean corporate “partners,” most notably Samsung, but there are no real ads on the homepage and the only ones on interior pages are Google ads.

### **Slate (www.slate.com)**

Though it is one of the pioneers in the world of Web journalism, most Americans who regularly visit the Internet for news are probably at least aware of **Slate**, the online magazine founded in 1996 by Microsoft and run initially by Michael Kinsley, the highly regarded editor who helped revive the New Republic in the 1980s. Since it began, Slate has gone through several redesigns, a change in editors and a change in owners.

Through it all it has retained a distinctive look, feel and approach. Of all the sites examined, Slate probably uses visuals the most prominently — almost in place of headlines.

In our content analysis, Slate might be called the site that offers Its Brand, Your Way. The site clearly is offering a team of writers and commentators, with a high degree of editorial quality control. But, it also stood out for the level of customization allowed. It was one of the few sites studied, along with NPR, to stand out for that particular combination.

The opening screen features several prominent photos or cartoons, each linking to a story or feature. There is text on the page, but the pictures dominate. The lead piece in the center of the page, twice as wide as any other column, is anchored by a photo. The headline for the piece even runs within the picture, and there is no teaser text. Under that lead item are five smaller items lined up in a row, each with a small photo and a headline.

Slate may be owned by the Washington Post and have an affiliation NPR, but its content is its own. There are no links to pieces from the Post or the wires on the homepage to give users the latest stories. From the beginning the site has taken great pride in its editorial voice — usually “smart” and often counterintuitive. The pieces rarely stress reporting, but rather about offering different views on topics in the news. On January 19, for instance, the lead article for the site was “How the Camera Phone Changed the World — For the Worse.” The piece recounted the rise of the camera phone’s prominence in news events, such as Saddam Hussein’s hanging. “A camera on a phone has only aided the perverted, the nosy, the violent, and the bored,” the piece opined. As such, it scored at the very top of the sites studied for **branded** control of its content.

It earned its high marks for **customization** with multiple RSS and podcast options featured prominently. Mobile phone delivery was also available back in September; a feature found only on a few of the sites studied.

The site also put notable emphasis on allowing users to **participate**. They were welcomed to comment on stories. There were links to most-read and most-e-mailed stories and there were ways to e-mail the authors of stories.

After quality narrative and giving users a lot of room to participate and customize the site, Slate became more typical.

Even with the heavy use of photos, the site scored in the bottom tier for **multimedia** potential. On the days monitored,

85% of the content on the front page linked to narrative text only. There is some presence of video, slide shows and interactive graphics, but despite a partnership with National Public Radio there were few audio links.

It also is not doing much to exploit the potential of the Web for **depth**. Its score there was hurt by updating less often than other sites and by not packaging related stories together.

When it came to the level of **revenue streams** evident on the site, Slate scored in the low mid range, second from the bottom. It boasts relatively few ads and its experiment with paid subscriptions was abandoned some years ago.

Slate has grown immensely, adding new features and blogs in its 10 years, and is climbing the ranks of most-visited sites. And in an age when people are pointing to multimedia as the Web's next wave, Slate seems happy to stake its position as the Web's version of the New Yorker — relying heavily on writing but minus the heavy reporting, of course.

### **Salon.com (www.salon.com)**

Salon.com has often been thought of as Slate's less affluent and smaller sibling — it was launched at roughly the same time, 1995, also as a Web-only magazine. **Salon.com** in 2006-07 is an attempt to carve out a niche as a place where “you'll directly support independent journalism,” the site says. The result is something akin to an online version of Mother Jones, much more predictably liberal than Slate, with a few dashes of pop culture and sports thrown in.

It also differed in the scores it earned. The site stood out for promoting its own branded content, where it earned top marks. In every other category, Salon by our metrics earned mostly low-mid range scores.

Upon reading the content, the **brand** becomes quickly evident. Reports generally feature a first-person voice. Politics is a mainstay, but there is also a lot of culture as well. And often the two come together, such as the January 22 review of movies at the Sundance Film Festival. “You can start out a weekend at Sundance, as I did, irritated by all the minor inconveniences of this place,” the review began, “and end it as I also did, sitting in a roomful of strangers weeping at an impromptu late-night speech delivered live by Dick Gephardt.”

Also striking is the number of ways Salon.com aims at raising revenue. There are five outside ads on the site, split between two advertisers and a prominent advertisement for joining Salon Premium for \$35 a year. That membership gives users access to Salon.com's discussion forums and the ability to skip ads on the page as well as some benefits that have nothing to do with Salon — subscriptions to Wired and The Week. Despite this, the site was in the third tier of our **revenue streams** category in part because it didn't feature many ads — only eight.

The site had been redone between the time of our inventory, October, and the New Year, and had added podcasts and video to its homepage. It did not score highly in most categories in our examination, however.

It was in the third tier in terms of **customizability**. Users could not modify the home page and there was no mobile version of the site available — though the site would have ranked somewhat higher after its additions. The same could be said about its **multimedia** ranking, where it was in the bottom tier. The big video link now on the front page would have lifted that score as well.

Its score for the level of user **participation**, also in the third tier, was unchanged though. There are live discussions and users can email story authors, but the site does not include user content or things like polls. Its third-tier **depth** score also would have been the same. The site's relatively infrequent updates – three a day – helped keep the figure low.

### **Benicia News ([www.benicianews.com](http://www.benicianews.com))**

It is unlikely that Benicianews.com will win any awards for Web design, at least with its current layout, but slick looks and clean lines are not what the site is about. It is rather something of a rarity on the Web. It is a completely online local “newspaper” for Benicia California, a small community in the Northern part of the state, not far from Oakland, that is made up of stories aggregated from around the Web and from citizen journalists.

Visually the site is laid out in three columns, a narrow navigation column on the left, a wide one that contains content in the middle and another narrow column on the right that holds ads. There are few photos on the page. And its overall look – from the small logo in the top left with a dog holding a newspaper jumping through a computer screen to the text that appears in many different sizes – gives the site something of a homemade feel.

That look, however, is not in contrast with the site's larger mission. The top 10 stories on the page all come under the “Citizen Journalism” header, with the top three containing teaser text. These pieces were all submitted by users. Under that comes a broader “News From The Web” header with 10 more stories – all of them culled from online news sites based in the area (like the Contra Costa Times and San Jose Mercury News sites). Under that are a bunch of category headers – News, Education, Cartoons – that may or may not have any headlines with them.

The site did not score well in many of our inventory categories. It was in last tier in **customization**. It offered users no way to modify the home page no RSS feeds and no podcasts. It was also in the bottom tier on **multimedia**. On the day we examined the site it not only lacked video and audio links – which is generally the case – there were also no photos.

Its **depth** score was also in the bottom tier, hurt a great deal by the few updates on the site (some stories were on the front page for days) and the lack of an archive. And it sat in the lowest tier on **branding**. The site's staff editing helped its score, but the amount of material from outside hurt it. It did slightly better on **revenue streams**, the third tier. The 11 ads on the page were more than some sites offered, but there was no fee content or fee archive.

As one might imagine with a site so dependent of citizen journalism, Benicia News did better on **user participation**, where it sat in the second tier. There is obviously a lot of user content here and users can email story authors. It didn't score higher because it lacked thing like interactive polls and online discussions.

This site speaks to the strengths and weaknesses of citizen journalism. Topics are extremely varied – from personal experiences to the opening of new parks – and users are “empowered.” But they don't seem to be empowered that often. Perhaps the most surprising thing about the content on Benicia News is how static it is. Stories can sit in the top two or three for weeks at a time.



## **Crooks and Liars ([www.crooksandliars.com](http://www.crooksandliars.com))**

The liberal blog Crooks and Liars labels itself a “virtual online magazine,” but the site is ultimately a relatively straightforward Web diary of links and excerpts of other material. The element that differentiates this blog from others is its heavy use of video links. And for that material it seems to rely heavily on cable news to provide the fodder, positive and negative.

In our site inventory, Crooks and Liars scored its highest marks for **branding**, where it placed in the highest tier of the 38 sites studied. But that score is somewhat misleading. While the site does have bylined entries that included some editorial commentary (which helped its score) the majority of those entries were excerpts from other places.

Beyond that, the site didn’t score highly in any of the categories measured. Even its **multimedia** score was in the third tier despite the many video links on the page. That was largely because even with those links, the page was dominated by text. Crooks and Liars also fell into the third tier for the level at which it allows users to participate, offering little beyond the ability to e-mail authors and comment on stories. There was no user blog here.

The site also scored in the third tier for **depth**. It doesn’t offer much of an archive and does little to link stories together into complete packages. It also wasn’t updated as often as other sites.

Crooks and Liars scored in the bottom tier on **customization**. This is essentially a static site. There is no way for users to modify the homepage. There are also no podcasts for users and no mobile version of the site.

The home page reflects one **revenue stream**, advertising, and it had a fairly high number of ads, about 12.

In content, Crooks and Liars is similar to many blogs with a political agenda. It uses print and video clips to hit at issues, politicians and personalities on the right, and uses other material to support those on the left. On March 5, for instance, one of the site’s authors posted a clip of the MSNBC host Keith Olbermann’s “World’s Worst Wingnut Trifecta” (Newt Gingrich, Rush Limbaugh and Ann Coulter). On the same day a different author posted video of CNN’s Jack Cafferty calling the recently chronicled problems at Walter Reed Hospital “a disgrace.” The same post also quoted the New York Times columnist Paul Krugman as calling the Walter Reed fiasco “another Katrina.”

## **Daily Kos ([www.dailykos.com](http://www.dailykos.com))**

With 20 million unique visitors monthly, Daily Kos, the liberal blog started in 2002, is one of the busiest on the Web, and the site shows it. With its orange and white color scheme and professional-looking banner, it does not look like a mom-and-pop operation. It also offers its own line of merchandise — t-shirts, sweatshirts and hats. And its founder, Markos Moulitsas Zúniga, has become something of a TV talking head, appearing on cable shows to discuss issues in the news.

In terms of format the site does the usual linking and quoting one expects on a blog, but there is more original text and commentary mixed in. Indeed, some posts are largely the author’s thoughts about the topic he’s discussing, with the cited material making up only a few lines. That is a big reason why the site scored in the highest tier on **branding**. This site is about the mind of Daily Kos.

Daily Kos also received high scores for user **participation**, sitting in the top tier in that category. It lets users blog,

email authors, add their own content and rate stories. It was the only blog we examined that scored in the top tier in this category.

The site scored lower, in the third tier, for **customization**, or the degree to which it allows users to make the site their own by customizing what they see or how it is delivered. Like most blogs, it does not offer some of the customizing features that bigger sites do. There are no podcasts, for instance, and the site has no mobile version. Users do have the ability to modify the homepage, however.

Daily Kos also scored lower on **multimedia**, again in the third tier. It does not offer photos or audio links on the front page and only a few video links. Daily Kos is largely focused on words.

It placed in the lowest tier on **depth**. Posts were not packaged together by issue or topic, and stories didn't offer links to archived material to add context for users.

The site's heavy readership has led to a fairly strong **revenue stream**. It was in the second tier of all the sites we looked at in that area with about 15 ads on the page.

Daily Kos's approach to content varies depending on who is posting, but the site is more likely than other blogs to include extensive comments from posters. Excerpts from other outlets are often used as jumping-off points for longer, column-like entries. And the posts here, from the left side of the political spectrum tend to be more inside-politics than on other sites. There is less commentary on other commentary than there are posts about actual news. For example, many posts the week of March 5, 2007, addressed the inquiry into whether several U.S. attorneys had been forced from their positions for political reasons. The posts looked at the specifics of the case, who might be coming forward in the days ahead and what groups were filing additional ethics complaints.

### **Little Green Footballs ([www.littlegreenfootballs.com](http://www.littlegreenfootballs.com))**

Blogging from the right side of the political spectrum, Little Green Footballs has become a popular Web destination for conservatives by offering, largely, a critique of mainstream media coverage. It is of the category of blogs that focuses less on original content and more on aggregation. Much of the content is a few lines of author text tied to an excerpt or link from another online outlet. The entries are not always critical of the media, often pointing out approvingly stories the blog wants noted.

Like all the blogs we looked at in our inventory, Footballs scored highest on **branding**, landing in the top tier in that area, because its content all comes from the author of the blog, Californian Charles Johnson. Again, that is despite the fact that many of the entries on the page were largely content from other places. Even in those cases though, a few lines from the blogger usually introduced the item and put the excerpts in context.

The site didn't score well in the other areas examined. It was in the third tier on **customization**. Though it did have a front page that users could modify, it had only one RSS feed and no podcasts or mobile version of itself available.

It sat in the bottom tier in the other areas we measured. It offers little in the way of **participation**. Users have no ways to interact with the site beyond posting user comments at the end of entries.

As for **depth**, the site offered an archive and updated fairly frequently, but it did not package links to give user a broader sense of issues.

The site was also not heavy on **multimedia**. All told, 84% of the page was made up of narrative text.

Again though, like Daily Kos, the site's unique visitor number has helped with its **revenue streams**, where it ranked in the second tier. Though it depends on ads there were a lot of them, just under 20 on the homepage.

The content of Little Green Footballs is diverse with a strong foreign-affairs tilt. Topics can range from domestic politics to the news media, but international news has a special place here. And while the site's view on such issues always comes from the right, one can read the site and get a fairly comprehensive view of the subjects in the news. The first six posts on the site on the afternoon of March 6 were the verdict in the Scooter Libby case, the way the Huffington Post was blocking nasty comments about Vice President Cheney's blood clot, the story of a possible defection of a former Iranian defense minister to the U.S., the hunt for Osama bin Laden, and a visit by German bishops to Israel. Little Green Footballs is a site for those wanting a conservative look at the news of the world.

### **Michelle Malkin (www.michellemalkin.com)**

The blog of the syndicated columnist Michelle Malkin is clean and understated in its look, with a white background and a column of running posts from the author. But what may stand out the most about the blog is the lack of writing on it. Malkin, who writes a weekly political column for the Creators syndicate, seems happy to use the blog as a way to stay on top of breaking news, calling attention to news that she wants noticed without writing extensively online. That's not to say there is a lack of viewpoint here. Malkin's arch and sardonic conservative voice is clearly heard, but it comes in short, quick bites.

In our inventory, the site's strength was its **branding**. It is all about Malkin, from the domain name to Malkin's picture looking over the page to each item, which is posted by her. This is the writer's online home. Michelle Malkin is the reason to go here, the brand and the appeal.

The site scored in the bottom tier in the other categories we measured. It offers users few chances to modify the site, our category called **customization**. There is an RSS feed, but no podcasts, no mobile version of the site and no way of altering the front page.

Malkin also scored low on **participation**. The site offered no way for users to interact beyond the ability to e-mail the author. Other than the picture of Malkin, the site was all text when we did our accounting, which led to a low **multimedia** score. There were no video or audio links and the page was 96% text.

And like other blogs its **depth** score was low because the site didn't package pieces together to give users context and breadth. The site also didn't update as much as others.

As for **revenue stream**, Malkin's site was also limited. There were only a few ads on the page (roughly five) and no for-fee content.

That said, the site isn't really about those categories or about generating revenue. It seems designed to give Malkin an online platform to talk about the things she wants and extend her brand online. Its content allows her to do that. For instance, in a March 6 entry about the Huffington Post's blocking users from saying cruel things about Vice President Cheney's blood clot, Malkin wrote "Huffington Post has disallowed comments on an article about VP Cheney's blood clot. The first step toward recovery..." In a March 5 post about the Walter Reed Medical Center scandal, Malkin posted a "Note to haters" in which she told people who questioned her critique "I know perfectly well that Walter Reed is not part of the VA system. Duh."

Michelle Malkin's Web site is ultimately a place for her fans and detractors to go to find out what's on her mind. On that score it is highly successful.

### **AOL News (www.aol.com )**

With its modular design that places everything in boxes and its range of sources AOL.com's news site seems focused on telling users what everyone else thinks is news. This is not an aggregator site that is focused on combing through sites to put together a kind of uber news page. It is rather a site that seems content to mine the wires, the big broadcasters and prominent print outlets for a snapshot of the days news viewed through different prisms. Most of the pages "top news" comes from the news wires but further down the page are boxes for AOL partners – the New York Times, USA Today, CNN, Wall Street Journal and CBS News – each with three headlines that take users to those pages. Video links work the same way on the page, listed by outlet.

This approach had pluses and minuses in our site inventory.

AOL News scored high in our **participation** category – in the first tier – for giving viewers several ways to interact with the site. There was a user blog, a page with stories generated by users and chances for users to comment on stories. Authors could also be emailed in some cases.

The site was also fairly **customizable** – ranking in the second tier in that category. Users could modify the front page and the site offered multiple RSS feeds and an advanced search option.

AOL News scored in the third tier on **multimedia**. While there are video links here, the site on its face is mostly text driven with more than 70% of the home page content consisting of narrative and narrative links. It also finished in the third tier on **depth**. While the site often linked stories together for packages that give readers a the broader context of issues, the site was hurt by not updating as much as others. And as one might expect from a site that simply gathers content from elsewhere on the Web, the site scored in the bottom tier on **branding**.

It doesn't have a strong revenue stream either, sitting in the third tier in that area with only about a half-dozen ads in the site.

In terms of content, the news on AOL may not be organized into a comprehensive page, but there is clearly a lot here. Between the wires, news outlets, blogs and "citizen media" links here, users can see the day's events through a lot of different lenses. And the combination of human editing (which the site clearly uses on its "Top Story" and the running headlines from the wires and other outlets on the rest of the site makes for a real mix of news. The site's design may

be a drawback as well. The site can feel like looking at a wall of front pages. All those top headlines from various outlets feels in some ways like the site is missing a page two.

### **Google News ([www.news.google.com](http://www.news.google.com) )**

If you could constantly comb through thousands of news stories to cobble together a page of top news links from outlets around the world, you would be creating the front page of Google News. No person can do that, of course, but Google's computer programs can. The result is a page that is broad, deep and somewhat serendipitous. Users never know exactly what they are going to get when they visit the site – maybe the lead piece is from the New York Times and maybe it is from China's Xinhua news service – but Google's algorithms ensure that many people are reading them. That determines what stories make it to the front page.

The stories also contain lots of links to other pieces on the same topics which is the why the site scored obscenely high in our **depth** category, not only in the first tier but far and away first overall. Stories were “packaged” with hundreds of other stories to give users more links on any one topic than they probably know what to do with – though often the stories are just the same wire copy repeated in many outlets. The site was also updated frequently.

Google's news page scored fairly high on **customizability** – in the second tier. Users can modify the page, choose from multiple RSS feeds and access a mobile version of the site. There are, however, no podcasts here.

In all other areas we measured, though, the site ranked in the last tier. Its **multimedia** score was hurt by the fact there is so much text on the front page. And opportunities for user **participation** are largely nonexistent. There are no user blogs, no ways for users to comment on stories and no polls to take part in. And, of course, the site's **branding** score was bound to be low considering everything on the site is from somewhere else.

There is essentially no **revenue stream** for the content on the page, with no ads and no fee content from Google.

The content here is from well-known outlets from across the globe and that can make for some interesting reading. On March 6 for example, the top story in the afternoon was about the just announced verdict in the Scooter Libby trial, though the account was from Prensa Latina. The second story was a New York Times piece about the Mega Millions lottery jackpot, which was at a record \$370 million. But other top pieces (running along the right side of the page) included a Business Week story about Michael Eisner's bid to buyout the baseball card maker Topps and San Jose Mercury News account of Virginia Commonwealth University defeating George Mason in men's college basketball. Users, of course, can ultimately shape the page as they want – choosing what kinds of stories they want to see on top. But visiting Google News randomly can be a lot like going by a virtual newsstand that is constantly updated. What one takes away depends on when one stops by and where one looks.

### **Yahoo News (<http://news.yahoo.com/> )**

At first glance the news page for Yahoo.com looks a lot like a dumping ground for the newswires, particularly the AP. The top stories are all wire, as are the pieces in the secondary “More Stories” area. But look a little closer and there is more going on here on this site. There is video from a number of sources, including CNN and ABC News. And further down the page there are tabs to look at headlines from a number of sources including NPR, USA Today, the Christian

Science Monitor, Congressional Quarterly, Business Week, Fashion Wire Daily and the Sporting News. Outlets specializing in specific topics are grouped under their topics headers – like Business, Entertainment, Travel and Sports. The site is a mix of approaches seen on other aggregator sites. The news here makes a comprehensive “newspaper” like page, but news is segregated by outlet.

In our site inventory, Yahoo’s news page didn’t really stand out in one category. It scored fairly well on **customization**, ranking in the second tier. Users could modify the page considerably and the site remembered the changes they made on subsequent visits. There were multiple RSS feeds and an advanced search option. But the site didn’t offer podcasts on its page or a mobile version.

It was also a second-tier site when it came to user **participation**. It offered a link to a page with user content, let users rate stories and offered most viewed and most emailed story lists. But there was no user blog, live discussions or polls.

Yahoo News scored lower on **branding**, in the third tier. It was hurt by the fact that it simply pulls material from other places, but the site’s human editors gave its score a lift. It also scored in third tier on **depth**, hurt by the limited number of stories it linked into packages. And it was in the bottom tier on **multimedia**. There are some video links here, but no audio and the page is dominated by text.

Its **revenue stream** also scored fairly low, in the third tier, with only eight ads on the page.

The strength of Yahoo News’s content is that it is always fresh. The site is put together by real people, not a computer program, and they apparently comb the news all day long looking to make updates. So at one point on March 7 the lead story was an AP account of an airliner that overshot a runway in Indonesia and a few minutes later it was a Reuters story about civil strife in Iraq. Users of the site, in other words, are not likely to miss the big stories of the day with human editors constantly updating the news. But if there is a drawback it is that those lead stories are wire stories – long on facts, but often done as the news breaks and short on context.

## Public Attitudes

Public Attitudes

*By the Project for Excellence in Journalism*

What is it about the Internet that Americans value? How much do they trust the Web, particularly as it includes more and more news from non-traditional news sources, such as blogs and other forms of citizen journalism? And what attitudes do young Americans in particular hold toward the Internet?

Three conclusions stood out this year:

- Americans value the Internet most often because of its convenience and because of the ease with which they can find what they want, when they want.

- And after several years of declining trust, a majority of Americans once again say the Internet is reliable and accurate.
- Finally, young people appear to be eager consumers of online news but are largely skeptical about the accuracy of blogs.

As we reported in previous years, convenience still reigns as the most appealing quality of the Web. According to research from the Pew Research Center for the People and the Press, nearly 4 in 10 (39%) Americans say convenience and accessibility are the reasons they most prefer the Web to other platforms for news. <sup>1</sup>

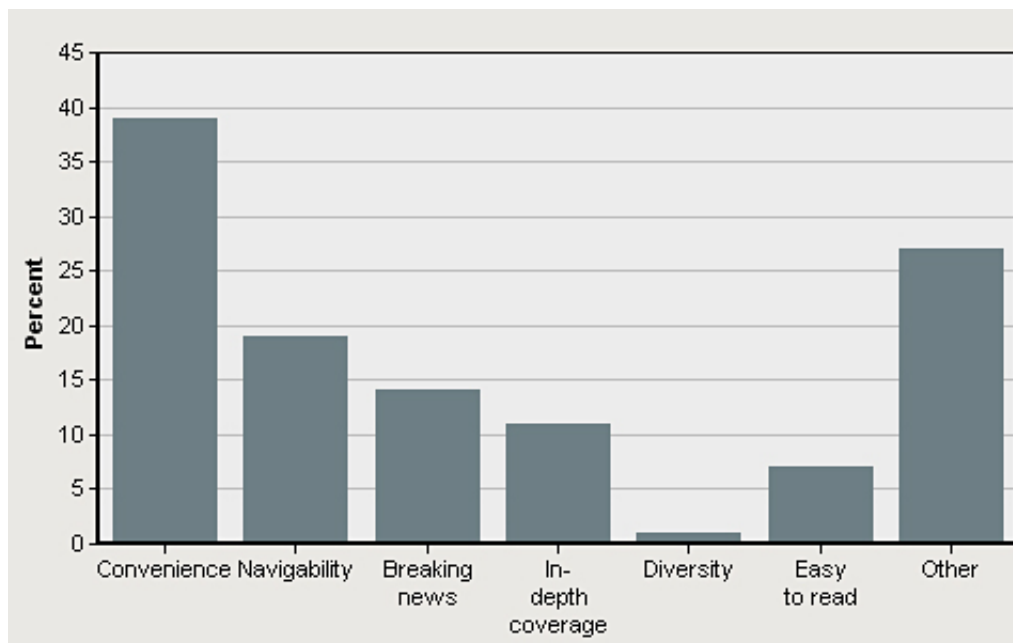
Convenience was also the No. 1 reason why Americans went online for news on the 2006 elections. According to the Pew Internet & American Life Project, 7 in 10 (71%) Americans cited convenience as a major reason for obtaining political news and information over the Internet. <sup>2</sup>

The second most-popular aspect of the Web is its navigability and the fact that it can be browsed and custom-tailored to one's particular interests. Roughly one in five (19%) reported that to be the case, Pew researchers found.

And the third most popular item in the survey was that the Web provided up-to-date, breaking news. Fourteen percent offered this as the most distinguishing quality of the Internet.

## Most Appealing Aspects of Internet News

Among regular online users



Design Your Own Chart

Source: The Pew Research Center for the People and the Press, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

Multiple responses accepted

## *Trust*

After a three-year slide, overall trust in the Internet appears to have inched up again, according to survey research from the USC Annenberg School's Center for the Digital Future. In 2006, more than half (55%) of Americans age 12 and older who go online considered the Internet "reliable and accurate." That is up from 49% in 2005, but still slightly below what it was back in 2001 (58%).<sup>3</sup>

Other survey data that asks about which media platforms are most accurate finds the internet trailing more traditional platforms. The 2006 survey, conducted by Lexis Nexis, a searchable, electronic archive of news media articles, asked Americans 25 to 64 to provide their top three choices for the most accurate, current information. Network and local television was mentioned most frequently (50%), followed by radio (42%), and newspapers (37%). Just a quarter (25%) volunteered "Internet sites of print and broadcast media," as one of the top three and only 6% named blogs or podcasts.<sup>4</sup>

Looking ahead, the lines between traditional media and citizen-generated content could become blurry. Though there are questions about how much of the citizen-generated kind currently exists, some Web sites are increasingly allowing photos and commentary from citizens to appear alongside content produced by professionally trained journalists. The BBC has done so for some time now. In December 2006, Reuters and Yahoo announced a plan to include photos and video shot by the public on their Web sites. "This is looking out and saying, 'What if everybody in the world were my stringers?'" said Chris Ahearn, president of the Reuters media group.<sup>5</sup>

How will those changes affect public trust in online media? Will the public show increasing levels of trust toward citizen-generated content if it is hosted on sites affiliated with traditional news companies, like Reuters? Or will the public continue to display some skepticism towards online media?

### **Young Americans and Their Attitudes Toward the Web**

Like the general population, younger Americans appear to show more trust in traditional media sources than they do in blogs, though they use a variety of sources.

According to survey research from the Knight Foundation, 66% of high school students in the U.S. get news from Google and Yahoo (which largely aggregate news articles from traditional media outlets), 45% from national TV Web sites, and 34% from local TV or newspaper sites. But 32% identified blogs as a news source, which is significantly higher than the 21% who said national newspaper sites.

But use and trust don't appear to go hand in hand. While blog readership may be as high as some other media platforms, very few young Americans find blogs trustworthy. While 45% of students say TV provides accurate news, followed by newspapers (23%), just 10% found blogs reliable.<sup>6</sup>



## Citizen Media

Citizen Media

### *By the Project for Excellence in Journalism*

James Carey, the esteemed Columbia University journalism professor who died in 2006, once wrote that journalism was essentially conversation among citizens. Communication was culture, he often said. It was creating a community “of conversationalists, of people who talk to one another, who resolve disputes with one another through talk,” he wrote in an essay titled “A Republic, If You Can Keep It.”<sup>1</sup>

In 2006, citizen journalism continued to grow as part of online journalism. The terms have changed, from “zines,” to personal Web sites, to blogs, but they all share a common character — enthusiasm for people themselves creating, sharing and participating in the news of the day.

Citizen journalism, in other words, is a rediscovery of the essential truth Carey articulated years before the Internet was invented.

Throughout the year the pattern of citizens becoming pro-active participants in their own journalism continued to gain momentum, becoming part of the political campaign, gaining economic muscle and even becoming something that the mainstream media embraced rather than something they saw as a threat. A larger number of newspapers, indeed, began to allow users to weigh in on particular stories and to upload their own photographs. A few even incorporated citizen blogs alongside those of staff reporters. And perhaps since overhead and production costs are relatively low for corporate media companies, citizen-generated content is increasingly becoming part of these sites' DNA.

Citizen journalism, in short, is becoming less something that is dismissed as the amateur hour before the professionals take the stage and more something that enriches the conversation.

In the midst of these developments, the earlier form of citizen voice — blogs — began to grow in ways that raised question about whether it was becoming less a part of the grass roots and more a part of the establishment. A group of celebrity bloggers, for example, have emerged, and some have even become familiar faces on TV.

### **Web 2.0**

For many industry analysts, 2006 was the year Web 2.0 made an impact on online media.

Web 2.0 is a broad term, first coined by Dale Dougherty and popularized by O'Reilly Media, a publisher of books and magazines mainly geared toward the technology community. It refers to any media that involve the interaction and participation of the consumer: uploading and disseminating text, audio, video and digital photographs over the Web. Well-known examples of Web 2.0 include Facebook, YouTube, Flickr, Wikipedia, and MySpace.

The number of Americans participating in Web 2.0 activities suggests it could soon become a major component of the online experience, according to survey research conducted by the Pew Internet & American Life Project.

### Web 2.0 Activities

<b>% of Internet Users Who Have Done This</b>	<b>Activity</b>	<b>Survey Date</b>
36	Uploaded photos online where others can see them	December 2006
32	Rated a product, service or person using an online rating system	December 2006
27	Shared files from your own computer with others online	June 2005
22	Shared something online that you created yourself, such as your own artwork, photos, stories or video	December 2006
22	Taken material found online —like songs, text, or images — and remixed it into your own artistic creation	December 2006
20	Created a profile online that others can see	December 2006
14	Created or worked on your own Web page	December 2006
14	Created or worked on Web pages or blogs for others, including friends, groups you belong to, or for work	December 2006
8	Created or worked on your own online journal or blog	December 2006

Source: Pew Internet & American Life Project, Riding the Waves of Web 2.0, October 5, 2006 and updated surveys

As they seek to increase ad revenue and attract more young readers, a number of online newspaper companies have picked up on the Web 2.0 phenomenon, creating their own MySpace-like social networking pages that will enable users to create their own communities, write their own news stories, and communicate with each other.

Many such sites are particularly focused on local events, or hyperlocal journalism as their practitioners describe it. At the News-Press, a Gannett newspaper in Fort Myers, Florida, for instance, the paper asked retired engineers and accountants in the community to evaluate documents and to evaluate the cost of connecting a new home to sewage lines. The citizen feedback was then used to help the reporters write articles on the question, leading to the resignation of a public official. The approach came to be known as “pro-am,” after a golf tournament that includes both professional golfers and amateur players. 2

Some newspaper sites are taking it a step further. In Columbia, Mo., for example, Mymissourian is a joint print-Web creation that allows readers to write their own local news stories. The stories are edited by students from the University of Missouri School of Journalism and then uploaded to the Web. Beginning in October 2006, the site’s staff became responsible for producing—in print—all the news coverage on Saturdays that had been published by the Missouriian, a daily newspaper, in order to subsidize its online finances. According to the editor, this move was “a reversal of the print-to-online model that newspapers have been following.” 3

At the same time, a number of grassroots sites have emerged from outside the tradition of mainstream media. Perhaps the best-known example is backfence.com, a collection of 13 Web sites from around the country, mainly concentrated in suburban Washington, D.C. Visitors to an individual backfence.com site can not only read and produce local news, but can also view advertisements and classifieds. There was some bad news for the site in January 2007, however, when it was reported that Backfence had laid off a number of employees. Its co-founder, Mark Potts, refused to disclose the exact number. 4

According to a study released in February by the University of Maryland’s J-Lab, such hyperlocal “citizen media” sites that rely on user-generated content are quickly proliferating. J-Lab has been able to identify 700 to 800 of them, the majority of which have been launched in the past two years.

The sites employ a wide variety of business and editorial models, but they appear to share a common enthusiasm for creating community conversations. Among the respondents to the J-Lab survey, 73% said they considered their sites a “success” and 82% planned to stick with their ventures indefinitely. Four out of five said their sites provided local information not found anywhere else, and three-quarters indicated that they helped build connections to the community. Slightly more than a quarter of those surveyed thought these operations increased voter turnout. 5

There are questions, however, about the economics of citizen media. The J-Lab report acknowledged that many of the outlets were “shoestring” operations hampered by a lack of human and financial resources. And even as it predicted that the medium was here to stay, the study also anticipated significant turnover and burnout among the operators.

When asked how much it cost to launch their “citizen media” sites, 43% of the survey respondents put the figure at less than \$1,000. In addition, 51% said they didn’t need to earn revenue to continue operating. Asked if their revenues exceeded operating costs, 42% said no and another 38% did not know. 6

Some of these operations are diversifying their revenue base and developing distinctive brands — such as the Rocky Mountain-based New West, which has created related businesses in advertising and publishing. But as the report

suggests, many of the sites at this point are essentially mom-and-pop operations.

Perhaps the key question is whether an economic model built almost exclusively around ad revenue will prove sustainable in the long run. According to some analysts who study citizen media sites, the sites urgently need to create multiple revenue streams, not just from advertising, especially in times when revenue and profits are down.

But increasingly, analysts believe consumers will come to demand the ability to interact with the news producers, or they will migrate elsewhere. Indeed, some industry analysts argue that online newspapers and other news sites need to offer more interactivity in order to survive. "What makes the Internet so attractive is consumers can communicate with consumers. And they can communicate with [the publication] in a way they feel comfortable with," said Gerard Broussard, senior partner and director of media analytics at GroupM Interaction, at the Media magazine Forecast 2007 conference.

## **Blogs**

For all the growth in interactivity, perhaps the purest form remains blogging, or personal Weblogs, the phenomenon in which someone creates a site and becomes an instant own publisher and writer. After seeming to stall or even lose some momentum in 2005, there was evidence that blogs regained momentum again in 2006. Whether a political season had something to do with that, or whether the gain was more widespread, is uncertain.

### *Blog Readership*

The most recent data suggest a significant increase in the number of people who read blogs. Survey results from the Pew Internet & American Life Project indicates that the percentage of online users who say they have ever read blogs rose in February 2006 to 39%, up markedly from 27% a year earlier. That puts the total number of Americans who now read blogs at approximately 57 million. <sup>7</sup>

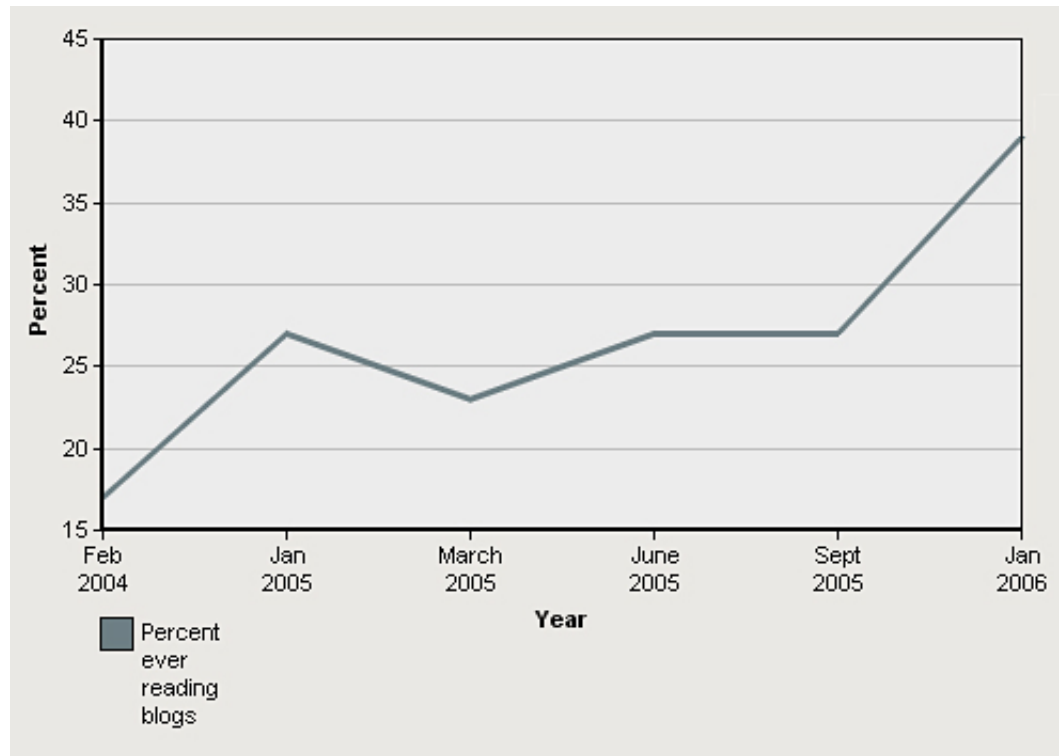
But to put that in perspective, a February 2006 Gallup survey found that reading blogs (20%) is far less popular than e-mail (87%), checking news and weather (72%), and shopping and travel (both at 52%), and is still behind some online activities that are generally considered to be fringe use: instant messaging (28%), auctions (23%), and videocasts and downloading music (22%). <sup>8</sup>

Of course, the rise of blogs has its roots in politics, when bloggers gave the 2004 Presidential contender Howard Dean early, albeit short-lived, momentum. Two years later, it appeared a higher number of Democrats read blogs than Republicans. According to data from Gallup, 15% of the population who said they are frequent blog readers identified themselves as Democrats, compared to just 6% who said they were Republican and 7% who considered themselves independent. <sup>9</sup>

What types of blogs are people reading? While the blogs that generate the most buzz are ones devoted to politics, many popular blogs focus on other topics. Research from Edelman, a public relations firm, found that of the top 100 blogs in the U.S., 34% cover technology, 26% are about culture, and 25% are devoted to politics. The study also found that just 3% were what it called "personal diaries." <sup>10</sup>

## Blog Readership

Percent of adult internet users, 2004-2006



Design Your Own Chart

Source: Pew Internet & American Life Project

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### *Blog Creators*

Blogs include everything from a personal diary about bird watching to an outlet that breaks news about current events to a promotional public relations tool on a car manufacturing site to a celebrity-filled gossip page. Some are the voice of just one person. Others serve more as forums open to any registered user to post opinions.

The number of bloggers, those who produce content as opposed to merely reading it, did not appear to grow in 2006. The most recent data from the Pew Internet & American Life Project suggest that just 8% of online users say they author their own blogs. 11

In previous years of the annual report, we reported that bloggers tend to be younger, wealthier, and more tech-savvy than the general online population. The most recent data suggest this is still largely true. For instance, the Pew

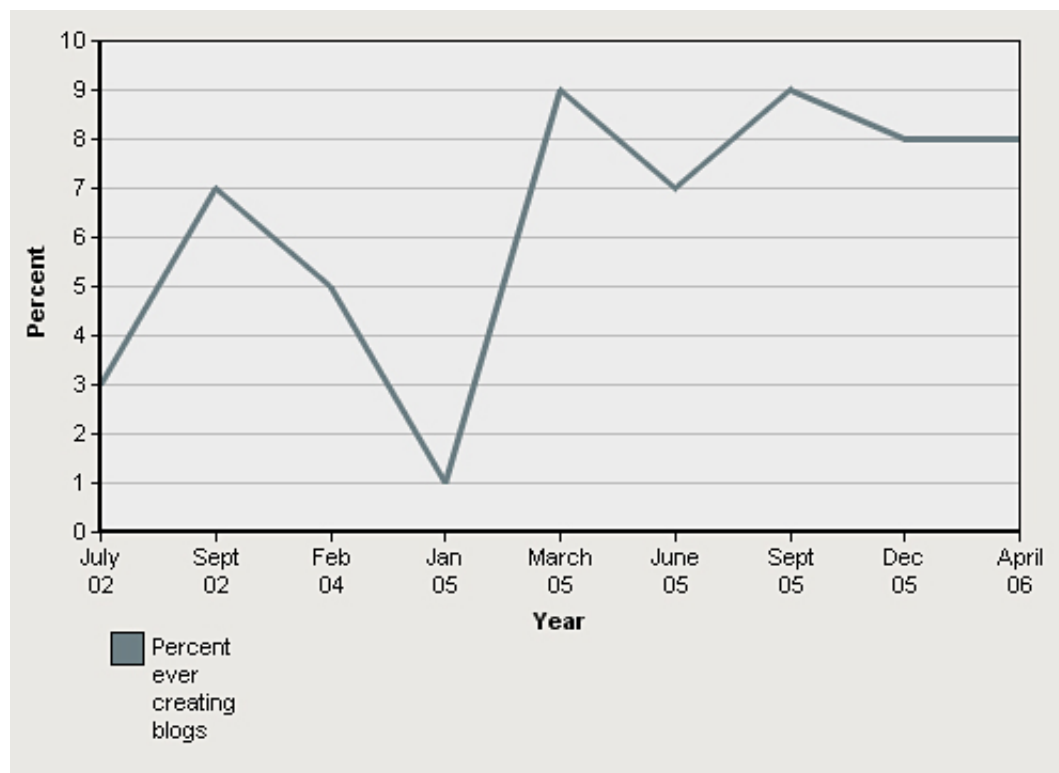
Internet & American Life Project reports that more than half of all bloggers are under 30. Moreover, bloggers are avid news consumers: 95% report reading news online, compared to 73% of the general online population, Pew Internet found.

We've also begun to understand more about the attitudes bloggers hold toward their work. Most bloggers, again according to Pew Internet, do not think of themselves as journalists. Over a third (37%) say their most popular topic is their life and experience (37%), more than twice number (11%) who named politics and news. 12

It was long the consensus that since the terrorist attacks of 9/11, the blogosphere was dominated by conservative voices. But a close examination of the 12 most popular political blogs, according to a June 2006 listing from Technorati, revealed that at least at the top, blog voices lean to the left. Seven can be considered liberal, four conservative, and one without a clear partisan nature.

## Growth of Bloggers

2002-2006, percent of adult internet users



Design Your Own Chart

Source: Pew Internet & American Life Project

## *Blogging Economics*

Except for a very small group, most bloggers make no money from their endeavors.

Just 8% of bloggers report generating any income from their Web sites, according to survey data from the Pew Internet & American Life Project. Among those bloggers who report making money, most say they do so by selling items on their sites (68%) or through advertising (56%). Smaller numbers receive donations from readers (29%) or secure subscriptions to premium content (19%). For now, anyway, that seems acceptable. Making money was the least-offered reason for blogging. 13

### Motives for Blogging

<b>Motive for blogging</b>	<b>Major Reason</b>	<b>Minor Reason</b>	<b>Not a Reason</b>
<b>To express yourself creatively</b>	52%	25	23
<b>To document your personal experiences or share item with others</b>	50%	26	24
<b>To stay in touch with friends and family</b>	37%	22	40
<b>To share practical knowledge or skills with others</b>	34%	30	35
<b>To motivate other people to action</b>	29%	32	38
<b>To entertain people</b>	28%	21	52
<b>To store resources or information that is important to you</b>	28%	21	52
<b>To influence the way other people think</b>	27%	24	49
<b>To network or meet new people</b>	16%	34	50
<b>To make money</b>	7%	8	85

Source: Pew Internet & American Life Project

Those bloggers who do earn some money have been hesitant to say publicly how much revenue the ads on their sites have generated. But the blogger ad market appears fairly small; one estimate puts it at \$50 million to \$100 million. But according to a research study conducted by Outsell Inc., which surveyed 1,200 advertisers in November 2005, blog advertising was expected to grow 43% in 2006. 14

A few years ago, many media critics offered varying degrees of skepticism toward the fanfare that surrounded the emergence of blogs. And a minority even questioned how long they would be around.

Heading into 2007, some of that skepticism — shared by much of the public as well —remains. How much can one trust the accuracy of news and information posted on blogs? How can blogs survive without a reliable revenue stream?

It may be a case of trying to fit a square peg in a round hole. Much of the talk a few years ago — that blogs would supplant traditional media — seems antiquated now. The relationship between blogs and traditional media, in the end, may be more complementary, even synergistic, as time moves on. Citizen journalism, and the interactivity it promises in Web 2.0, increasingly seems to offer the potential of enriching traditional journalism (by enriching citizens), not threatening it.

## Charts & Tables

Charts & Tables

### **AUDIENCE**

Percent of Internet Users Who Access News Online  
Percentage of Population Ever Going Online  
Primary Source of Election News

### **ECONOMICS**

Online Ad Revenue, 1997-2005  
Recipients of Online Advertising Dollars  
Online's Share of Select Newspaper Company Revenues, 2006-2007

### **OWNERSHIP**

Top Online News Sites (Nielsen)  
Top Online News Sites (comScore)  
Ownership of Most Popular News Sites

### **NEWS INVESTMENT**

Most Important Skills for Online Journalists



## **PUBLIC ATTITUDES**

Most Appealing Aspects of Internet News

## **CITIZEN MEDIA**

Blog Readership, 2004-2006

Growth of Bloggers

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Network TV – Intro

Intro

*By the Project for Excellence in Journalism*

It was the year people had been waiting for in network news.

Finally things were going to change in a medium where so much seemed so constant — the format, the style, and for the previous two decades the faces of the anchors. Even the erosion of the audience was steady, roughly a million fewer viewers of nightly news a year.

This year, 2006, was expected to be different. One network hoped to create a new format of two young anchors, one in the field and one on the set — a dashing young man and a beautiful young mother — an arrangement conceived in part for demographics and in part for moving the news online.

Another network said it planned to rethink the evening newscast, to bring arguably the biggest name in the business from the morning and to shake up the content and the audience of evening news.

The medium's long-time leader, meanwhile, seemed possibly vulnerable, losing its biggest star in the morning, and banking on continuity, not change, in the evening.

Two things seemed most likely to occur. With all the new attention, promotion and innovation, the audience for network news might suddenly begin to grow again. Or there might suddenly be more loss. When the past generation of respected anchors left their chairs, would the largely older audience decide they didn't like the new faces and new styles and drop away? Change could revive the networks. It could also hasten their decline.

It turned out, at least in 2006, that neither occurred. Network evening news would end the year losing audience at the same pace as it had for years.

The stunning wounding of ABC's Bob Woodruff in Iraq destroyed the plans at ABC, and the network turned to a respected veteran, Charles Gibson, to take over its newscast, something that audiences seemed to like. The experiments at CBS with Katie Couric, meanwhile, can't yet be judged, but the network's hope that after a few months she would have gained as many new viewers as she lost, and built from there, had not materialized when the year

ended. Critics and audiences alike seemed unmoved by CBS's changes to the evening news.

Morning news, after a shakeup in personnel, saw some modest losses, but nothing different from the year before.

None of this is to say news is not still enormously profitable and an important part of the networks' operations. Even the decline of television news magazines seems to have stabilized. The old model, in which each news magazine is a distinct brand rather than simply an advertisement for the news division overall, seems to be back in fashion.

But as the year ended, NBC made the biggest noise by coining something it called NBCU 2.0. Boiled down, what it meant was the company was scaling back on television. It said it would invest more online. So far, it seems to mean that the Internet was immune from the cutting.

## **Audience**

Audience

*By the Project for Excellence in Journalism*

In 2006, three trends stood out regarding the audience for network news:

- There was yet another decline in the total number of evening news viewers. While NBC's evening newscast lost viewers, ABC's audience size remained the same. At CBS, the audience for the evening newscast over all remained the same even though Katie Couric's debut in September produced a dramatic surge. By the end of the year the CBS Evening News audience had shrunk roughly 26% from that momentary peak.

In the race for the top spot in the evening, there were no changes in rankings, but ABC, with a new anchor and focus, may be closing the gap with NBC.

- After a year of departures and new faces in the anchor chair, morning news lost viewers, and its total audience size was at its smallest level of this decade.

## **Nightly Newscasts**

Despite new anchors, promotional campaigns and press attention, the audience for the evening network news programs continued to shrink in 2006.

The total evening network news audience now stands at around 26 million, down about a million from the year before. It has now dropped by about 1 million a year for the last 25 years.

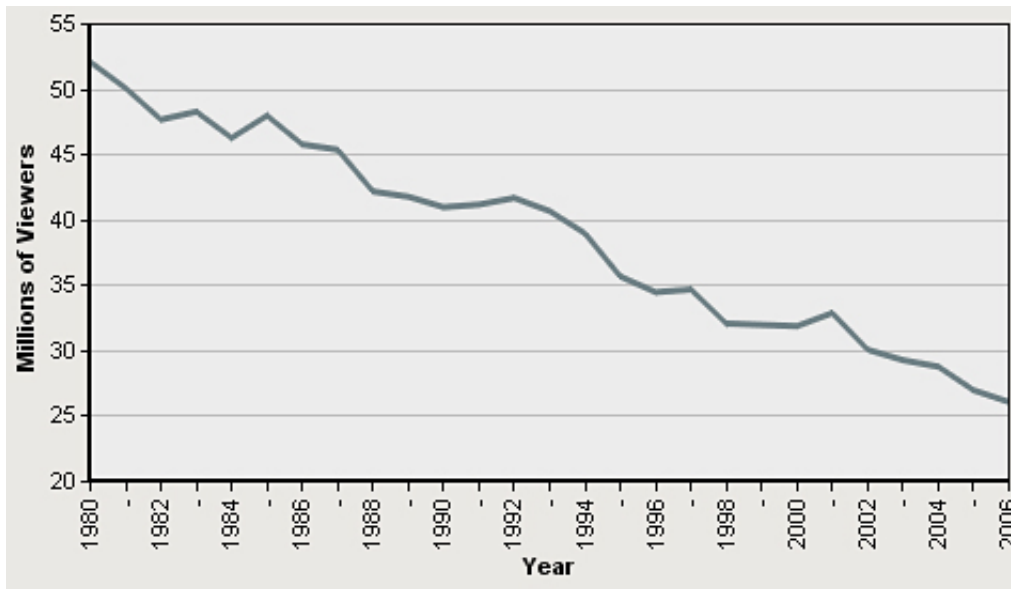
Ratings, which count the number of television sets in the U.S. tuned to a given program, declined almost 4% between November 2005 and November 2006, falling to 18.2, down from 18.9 in November 2005, according to data from Nielsen Media Research. <sup>1</sup> That is about the same pace as in recent years. <sup>2</sup>

Meanwhile, share — the percentage of just those sets in use at a given time that are tuned to a program — declined more, 8%, to 34 in November 2006, from 37 the same time in 2005. Now, only about a third of the TV sets in use at the dinner hour are tuned to the network news.

There may be some audiences left out of Nielsen's methodology, however. For example, ratings may fail to capture television sets in bars, restaurants, college dormitories, military barracks, nursing homes, prisons, and other institutions.

## Evening News Viewership, All Networks

November 1980 to November 2006



Design Your Own Chart

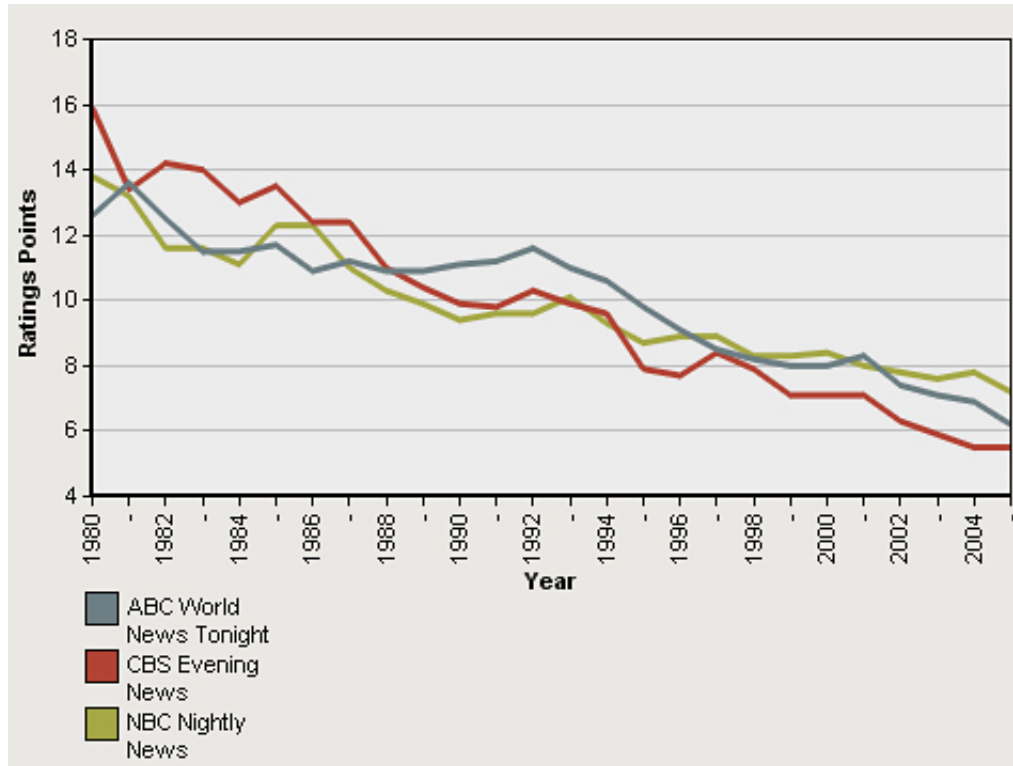
Source: Nielsen Media Research, used under license

\* Ratings taken for month of November.

Comparing the 2006 data with figures from 5, 25, and nearly 40 years earlier puts the trend in clear relief. In 1969, the three network newscasts had a combined 50 rating and an 85 share. In 1980, the year that CNN was launched, they had a 37 rating and a 75 share. <sup>3</sup> As of November 2006, ratings had fallen 64% since 1969, 51% since 1980, and 23% since 2000. Share, meanwhile, had fallen 60% since 1969, 55% since 1980, and 23% since 2000.

## Evening News Ratings

November 1980 to November 2006



Design Your Own Chart

Source: Nielsen Media Research, used under license

\* Ratings taken for month of November.

We have outlined the factors behind the decline in earlier editions of this report. Those factors including changing lifestyles, work schedules and commute times; competition from cable and the Internet; cutbacks in news budgets and personnel; and even some apparent general decline in interest in news. 4

Yet the data suggest there has been only a relatively small decline in TV watching itself, or even, cumulatively, watching news on TV, if one includes all the news available. Using 2006 survey data from the Pew Research Center for the People and the Press, the percentage of people who report watching television news has actually increased 2 points since 2000 (though down 4 points over all in the last 10 years). Furthermore, the amount of *time* people spend watching news (measured in minutes spent “yesterday,” as the survey phrases it) is *up* since the beginning of this century and down just 2 minutes a day over the last 10 years. 5

## Nightly News Audience Demographics

One well-noted trend in network television is that the audience for the evening newscast skews older than it does for other media.

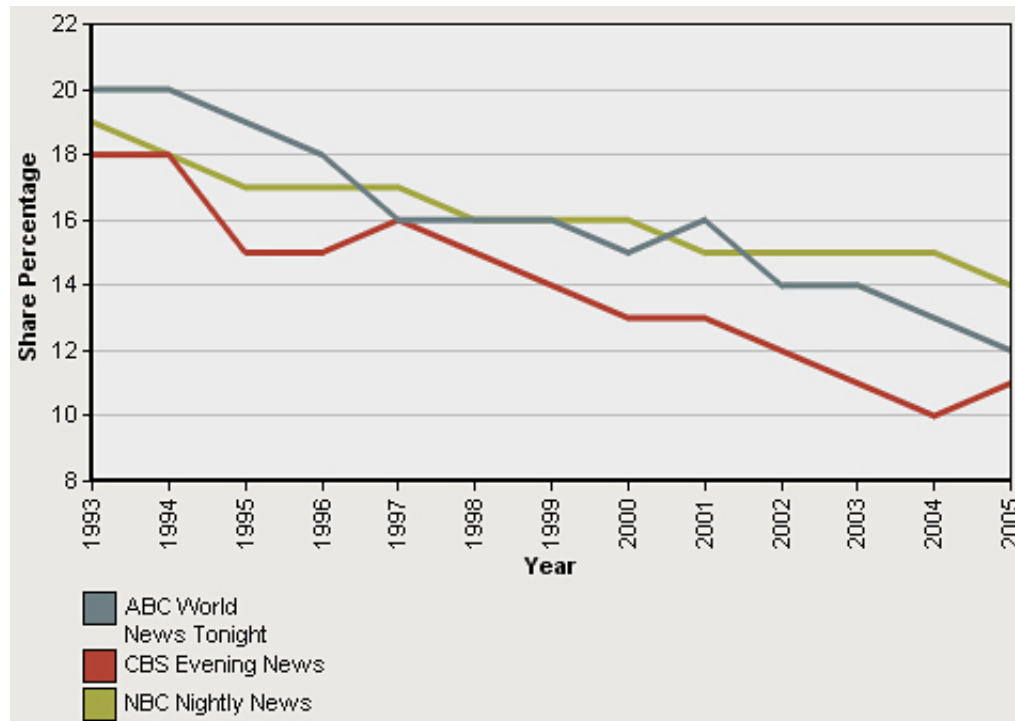
In 2006, the median age of nightly news viewers stayed at roughly 60 years, according to data provided to PEJ by MagnaGlobal USA. <sup>6</sup>

Those numbers suggest that the three broadcast networks have considerable work to do if they hope to bring the average age into the 25-to-54 range, the demographic group most prized by marketers. It is not clear whether that can happen on television, or to what extent younger viewers ever made up the nightly news audience.

One potential new component in this is whether the networks can get younger viewers to watch their news through other means — online, on podcasts, or downloaded to other devices on demand. Younger consumers are earlier adapters to these newer, more mobile technologies. <sup>7</sup>

### Median Age of Nightly News Viewers

2002, 2004, 2005, 2006



Design Your Own Chart

Source: MagnaGlobal USA

## The Race Among the Networks

Despite declining audiences, the race for the top slot in network evening news ratings remains intense, the subject of significant press coverage, and has significant financial implications. At stake are tens of millions of advertising dollars, and the changing line-up of anchors in 2006 suggested that some of those dollars might change hands. Charles Gibson replaced Elizabeth Vargas and Bob Woodruff at ABC in late May 2006. Katie Couric took over from the interim anchor Bob Schieffer at CBS in September 2006. NBC News continued to showcase Brian Williams, who was in his third year since Tom Brokaw left the anchor desk.

By the year's end the anchor changes not only failed to stanch the loss of audience, but they also did not affect the network news leadership board, at least not yet.

As of January 2007, NBC's Nightly News with Brian Williams was still on top. In November 2006, Nightly News had a rating of 6.5, a 12 share and an average viewing audience of around 9.5 million a night. Those figures represented a drop of 10% in ratings and a 14% decline in share from November 2005. That is a significant drop, the biggest at NBC since 1982.

The second-place newscast, ABC's World News, meanwhile, seemed to be closing the gap with NBC by keeping its ratings steady. Its November-to-November ratings were unchanged from 2005 to 2006, at 6.2. And its share stayed the same as well, at 12. (The number of viewers dropped 1%, and now stands at roughly 8.8 million a night.)

On Election night 2006 — always a hotly contested night among the networks — ABC managed to beat its competitors. Appearing a half-hour before the other networks and immediately following the popular Dancing With the Stars, ABC attracted 9.7 million viewers that night, compared to 7 million for NBC and 6.3 million for CBS, according to data from Nielsen Media Research. <sup>8</sup>

The most obvious factor that might explain ABC's new-found strength was its new anchor, Charles Gibson. Gibson arrived after 16 months of turmoil at ABC. First, Peter Jennings, the networks anchor for 22 years, lost a battle to cancer. Next, the newly appointed co-anchor Bob Woodruff was seriously injured by a bomb in Iraq, and the co-anchor Elizabeth Vargas, never slotted to front the program alone, left the anchor chair to spend more time with her new baby. As one news division staff member said, "Morale is starting to suffer...People are wondering 'When are we finally going to have a captain of the ship?'" <sup>9</sup>

In May, ABC News's president, David Westin, officially turned to Gibson, who had been the long-time popular co-anchor of ABC's morning news show, Good Morning America. At 63, he was a recognizable face for the network's viewers, his tenure on the morning program spanning nearly 20 of his 30 years at ABC. Among other things, he had filled in during Jennings's treatment for lung cancer. After the network's effort to signal change with Vargas and Woodruff, Gibson's move to the anchor chair spoke to continuity and familiarity, reassurance. That, after all that had happened, seemed to be a signal the network wanted to send internally and publicly. "Sometimes, the tortoise comes out OK," Gibson told the San Francisco Chronicle shortly after the announcement, alluding to the 30 years it took him

to ascend to the evening news anchor chair. 10

The most anticipated change, the most expensive salary, and the biggest story in network news of 2006 were at CBS: the arrival of Katie Couric as the new anchor of the CBS Evening News. Before Couric's debut, the veteran Schieffer, who let his corps of correspondents take the lead, had by early May come within 310,000 viewers of second-place ABC in the key 25-to-54 age range. 11 While CBS's management was busy planning the future, Schieffer's interim act had become the hot newscast in network TV, with noticeable momentum in the numbers and a growing confidence on the air. Schieffer, in other words, became a hard act to follow.

After a \$10 million promotional campaign and with a \$15 million annual salary, Couric took over as anchor on September 5, 2006. The Couric newscast had some new features, studied changes in look and manner, and a slightly softer feel.

And it was fast out of the gate. It opened with 13.6 million viewers — the largest audience for the network's newscast in eight years. And much of that audience surge, according to Variety, came at the expense of NBC News. 12

Through the fall, however, Couric's numbers quickly declined. For the full month of September, CBS Evening news averaged 8.1 million viewers a night. In October, the average was 7.3 million, according to data from Nielsen. 13

In November, the number rose to 7.8 million viewers (a rating of 5.5 and a 10 share). That meant that the audience for the CBS Evening News in November was virtually unchanged from November the year before (though share dropped by one point). 14

Yet Couric's audience by year end was still down by roughly 25% from when she began.

All this deserves a closer look. On the one hand, the press attention paid, the promotional money spent, and the effort by CBS to rethink the evening news, all might have occasioned a reason for more people to watch and keep watching the evening news. On the other side, history shows that no new anchor has ever been able to shake up the rankings in the first year. Reinforcing that, the popularity and success of the local shows that precede the evening news, the so-called lead-ins, are not a strong point for CBS and may not change much in the coming year. According to the network television analyst Andrew Tyndall, "Couric's arrival hasn't changed that formula. That's something that cannot be changed in a few months." 15

CBS has, however, tried to change the nature of Couric's program, to counter-program in a sense. Particularly early on, it offered a noticeably lighter mix of news than the other networks. In Couric's first week, according to content analysis by Tyndall, ABC offered 46 minutes of hard news against 44 for NBC and just 19 minutes at CBS. CBS News seemed to backing off this strategy by November, according to Tyndall's data. 16

Couric also is more the star of her program than are her competitors, doing more stories herself and taking up more air time, though there is an overall trend toward a more robust anchor presence. According to data from Tyndall, the amount of coverage devoted to non-reporter stories, such as commentary provided by the anchor, surged from 1,999 minutes on all three networks in 2004 to 2,493 minutes in 2006, an increase of almost 25%. 17



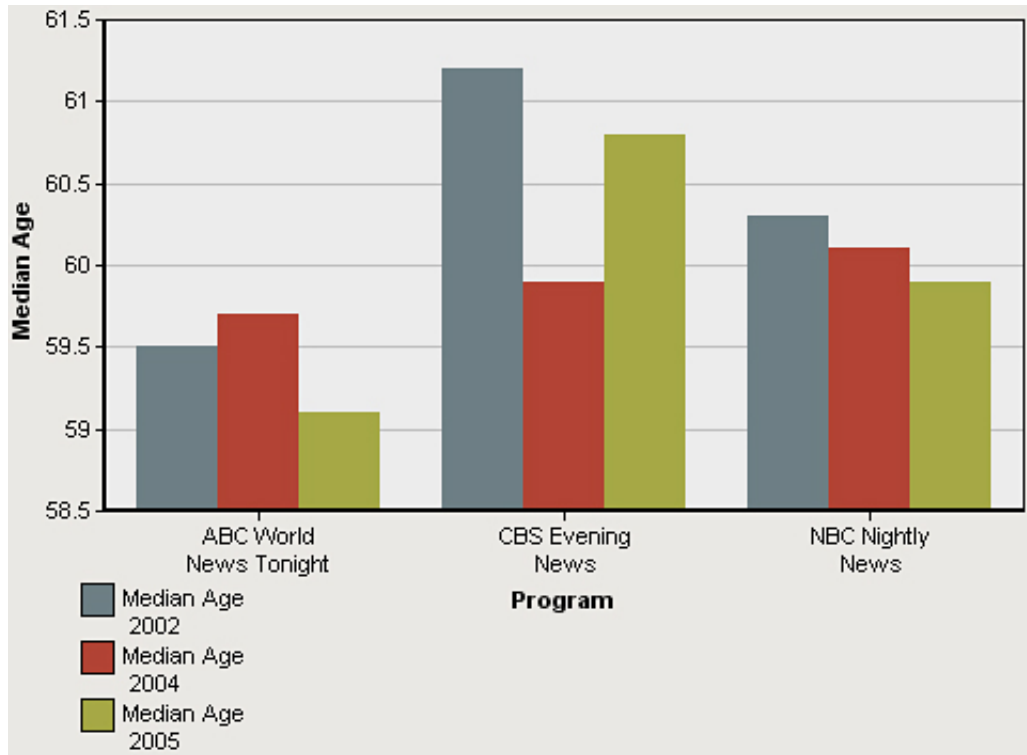
Publicly, CBS management says it is focused on Couric's impact in the long term. "People who want to judge this as a success or failure after eight or nine weeks, I think are missing the big picture," Sean McManus, CBS News president, said in November. "Our commitment to Katie is long-term. I have said this from Day 1: I am much more concerned about the ratings in November of 2007, 2008, 2009 than I am in 2006," he said.<sup>18</sup> Even in early March 2007, when CBS dumped Couric's executive producer, Rome Hartman, and hired Rick Kaplan, a producer with previous stints at ABC News, CNN and MSNBC, the network remained optimistic: "Everyone is foursquare behind Katie. I don't have the slightest doubts about Katie's talent," Kaplan told the New York Times.

Privately, CBS executives have told the news staff something a little different. In one meeting, news people were told that the network expected to lose a noticeable number of Schieffer viewers in the weeks after the new Couric show began, but at the same time to gain new viewers who would migrate from morning news to evening to watch Couric. Then, from that new base, in which about a quarter of the audience would be new, they would build.

The loss of loyal viewers has happened. The migration of new viewers has not.

Indeed, the program with the relatively stronger trend line is the one that is evoking the most traditional ethos and the oldest anchor, ABC's program and Gibson. In a way, Gibson has taken over the Schieffer chair, the most familiar, comforting, avuncular anchor, in the style of a Cronkite or Huntley-Brinkley.

## Evening News Viewership, by Network 1980-2006, November -November



Design Your Own Chart

Source: Nielsen Media Research, used under license

### PBS

In last year's edition of the annual report, we noted the relative stability of "The NewsHour with Jim Lehrer."

In 2006, however, the audience for "The NewsHour" declined.

According to data provided by the NewsHour research department, roughly 2.4 million people watched each night from October 2005 to September 2006 and the program averaged an approximate cumulative audience of 6.3 million people each week. <sup>19</sup> Both figures are down from previous years, when the program had around 3 million viewers a night and 8 million viewers a week. <sup>20</sup>

What could account for such a drop? According to John Fuller, senior director of research for PBS, two factors have contributed to the decline. First, there is "increased competition from proliferating cable networks." Second, Nielsen has made changes to how it measures its viewing audience by switching from analog meters to digital ones. That replacement, according to Fuller, has contributed to an "understatement" of the program's actual audience figures. <sup>21</sup>

It would, however, explain a marked drop in such a short time.

Other observers cite additional factors. The NewsHour has changed little in format over the years, some argue, and could change more.

### **Morning News**

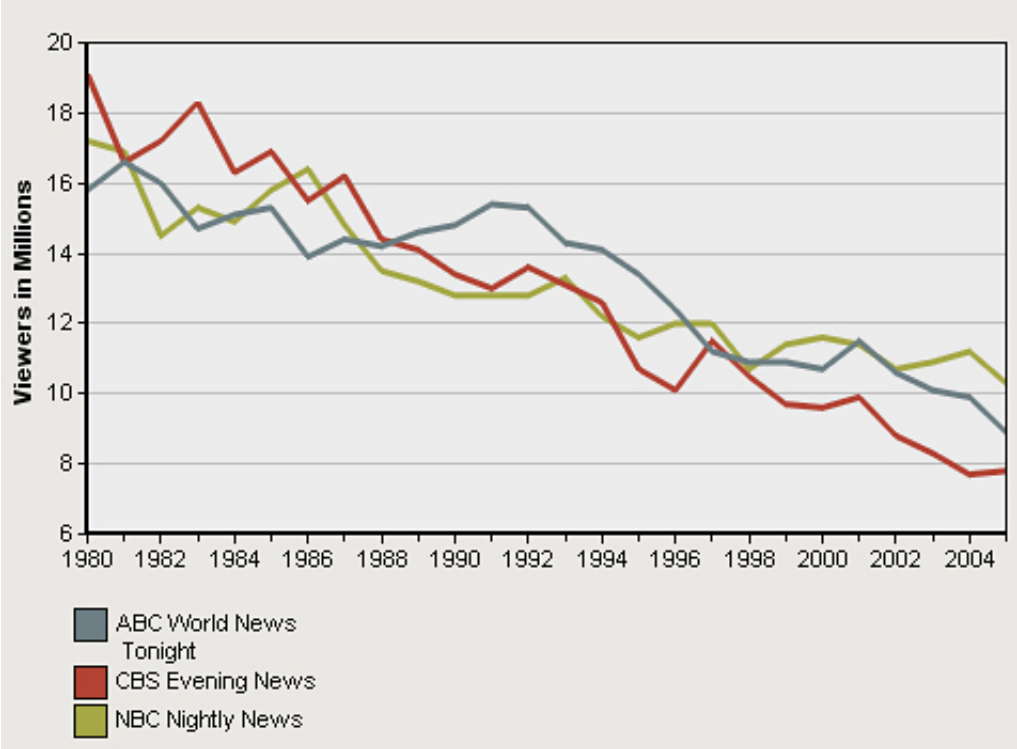
The year 2006 was also a turbulent one for network news morning shows. Two marquee anchors — Couric and Gibson — departed for the evening news. And the total viewership for the morning news shows dropped for the second consecutive year.

As of November 2006, total morning viewership stood at 13.6 million, down from 14.1 million the same month a year earlier, according to data from Nielsen Media Research. That was a 3.5% drop and put total viewership at its lowest point in this decade.

In 2006, some industry analysts had wondered whether ABC's Good Morning America might surpass NBC's Today Show after Couric, co-anchor of Today for 15 years and 10 consecutive years at the top, left for CBS Evening News. Unlike the more stable evening newscasts, changes in morning news anchors have in the past resulted in more immediate changes in audience figures. Viewers left en masse, for example, when Deborah Norville replaced Jane Pauley on the Today Show in 1990. Then the numbers again reversed when Couric was chosen as Norville's replacement one year later.

No such change happened in 2006. The "Today Show" lead held steady, remaining around 700,000 viewers ahead of Good Morning America, according to data from Nielsen Media Research.

Morning News Viewership, All Networks  
November 1993 to November 2006



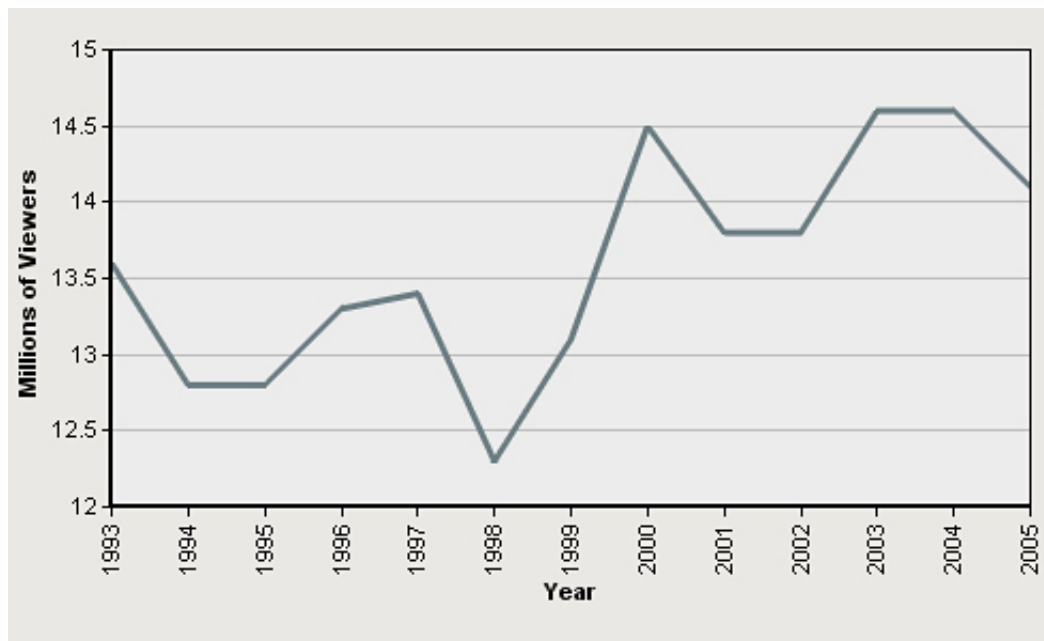
Design Your Own Chart

Source: Nielsen Media Research, used under license

\* Ratings taken for month of November.

## Morning News Viewership, by Network

November 1993 to November 2006



Design Your Own Chart

Source: Nielsen Media Research, used under license

\* Ratings taken for month of November.

In November 2006, the Today Show averaged 5.8 million viewers and remained the top morning news show. That was a 3 percent decline from the year before and the program's third consecutive year of declining viewership. But it still fared better than the other networks.

Good Morning America lost a greater portion of viewers over the year than the other networks. In November 2006, it averaged 5.1 million viewers each morning, down 4 percent from the same month in 2005.

The Early Show on CBS remained a distant third with an average of 2.7 million viewers each morning, Nielsen Data from November 2006 showed, a number virtually unchanged from a year earlier.

NBC's strategy for Couric's replacement may have helped maintain its position at the top. The network chose Meredith Vieira, a former CBS News correspondent as well as a former host of Who Wants to be a Millionaire? She had also been co-anchor on The View, a talk show mainly geared toward women, who make up 70% of the morning news audience. 22 NBC also extended co-anchor Matt Lauer's contract through 2011, for a reported \$13 million a year. 23

At ABC News, Charlie Gibson's departure from Good Morning America to anchor the evening newscast left the long-term star Diane Sawyer together with co-anchor Robin Roberts and a newcomer, Chris Cuomo, son of Mario Cuomo,

the former governor from New York. There was speculation in 2006 that Sawyer might leave the program, but it was unclear whether she planned to do so.

Good Morning America also suffered some other losses. In late 2005, its long-time weatherman, Tony Perkins, left the show to be the weather anchor in his native Washington, D.C. Then in June 2006, Ben Sherwood, the executive producer, resigned to care for his ailing mother. The program was criticized for dawdling on finding an adequate successor for Sherwood. <sup>24</sup>

CBS's Early Show remained committed to a four-anchor format. But in early December, Rene Syler announced she was leaving the show to write a book, and it was not immediately clear whether CBS brass would seek a replacement or rely on the remaining three anchors.

According to Broadcasting and Cable, the Early Show may not be receiving the full attention of the CBS News management, which admits it is more fully focused right now on the launch of the new Evening News with Katie Couric. <sup>25</sup> CBS was making some efforts, however, to link the two shows in viewers' minds. The program's theme song, for instance, which had previously been an instrumental version of a Sting recording, was retooled to sound almost exactly like the one used at the start of the evening newscast.

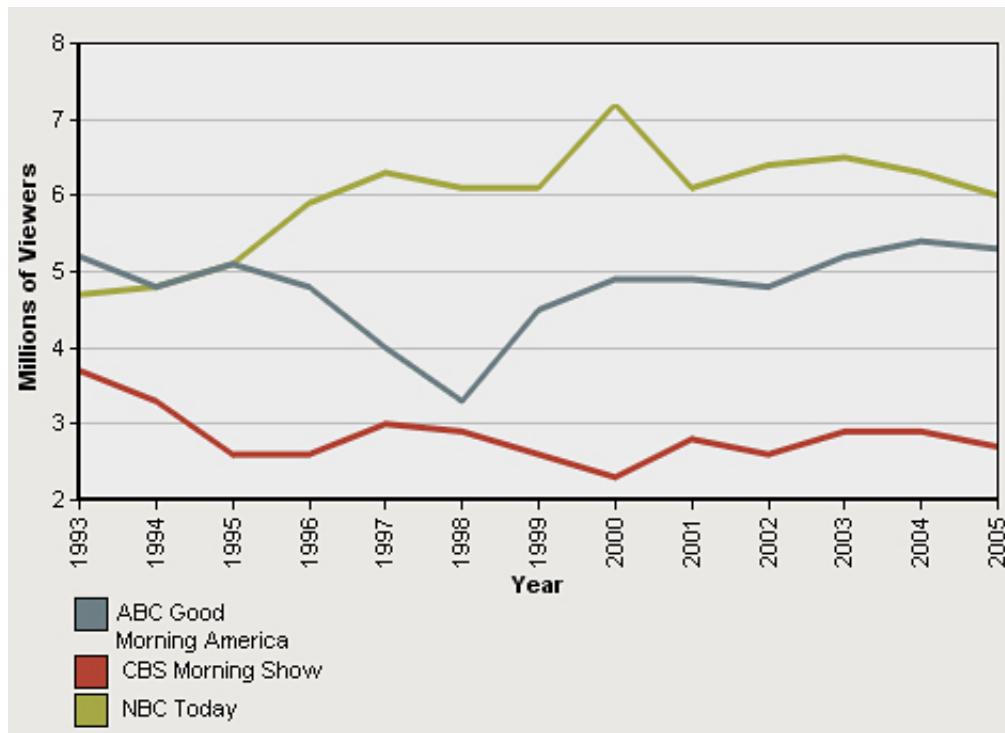
Is declining morning viewership a trend? In last year's edition of the report, after one year of decline, we were hesitant to say that. With all the turmoil of 2006 in the mornings, it may still be premature to make such a declaration, though more competition looms in the distance. Mornings are becoming an important daypart in cable, with the Fox News Channel's cable programs attracting an audience of roughly 700,000 viewers in the fourth quarter of 2006, according to Nielsen data. And Fox has now entered the broadcast morning competition. Fox's morning entry, the Morning Show With Mike and Juliet, will air on all the owned-and-operated Fox affiliates, according to media reports. <sup>26</sup> The show's anchors, Mike Jerrick and Juliet Huddy, were former co-hosts of the afternoon program Dayside, which is broadcast on Fox News.

In addition, longer commute times in the U.S. have people leaving their houses earlier. And the Internet, as well as early-morning local news, offers people a way to check weather, traffic, headlines and other news items that the morning shows once claimed as a franchise. Many news professionals view those developments as structural factors that may make the morning programs less vital than they once were.

Others argue that the soft feature content of the shows also may make them more vulnerable, particularly after the first half-hour. That debate is not a new one.

# Morning News Ratings

1993-2006, November to November



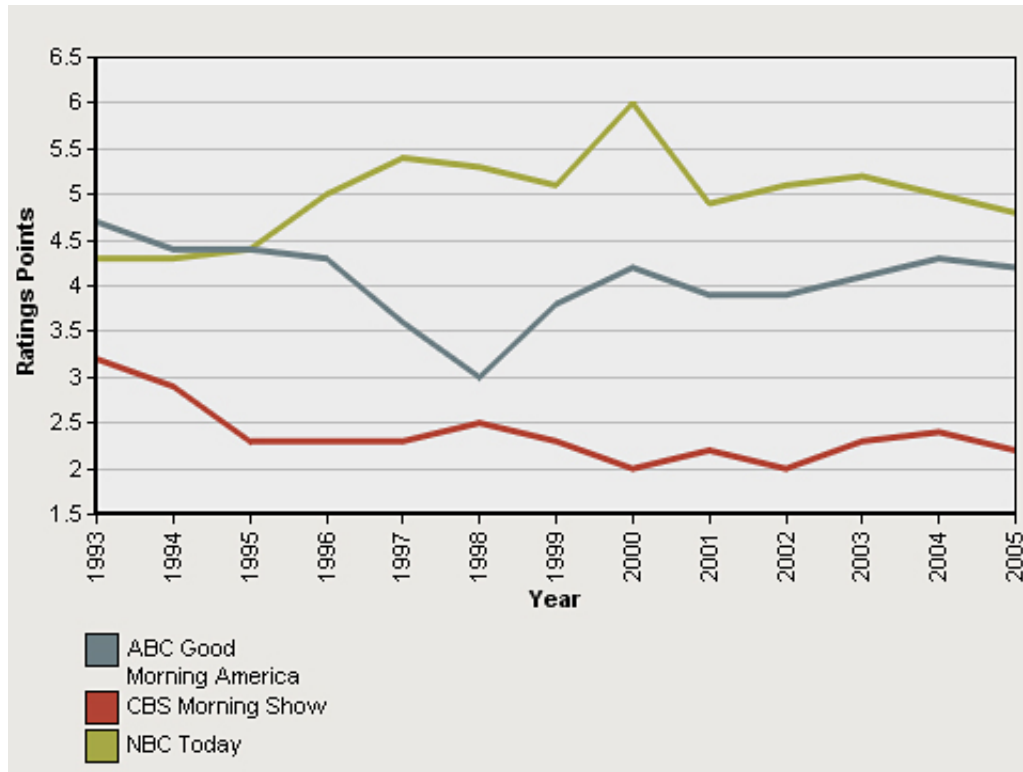
Design Your Own Chart

Source: Nielsen Media Research, used under license

\* Ratings taken for month of November.

## Morning News Share

1993-2006, November to November



Design Your Own Chart

Source: Nielsen Media Research, used under license

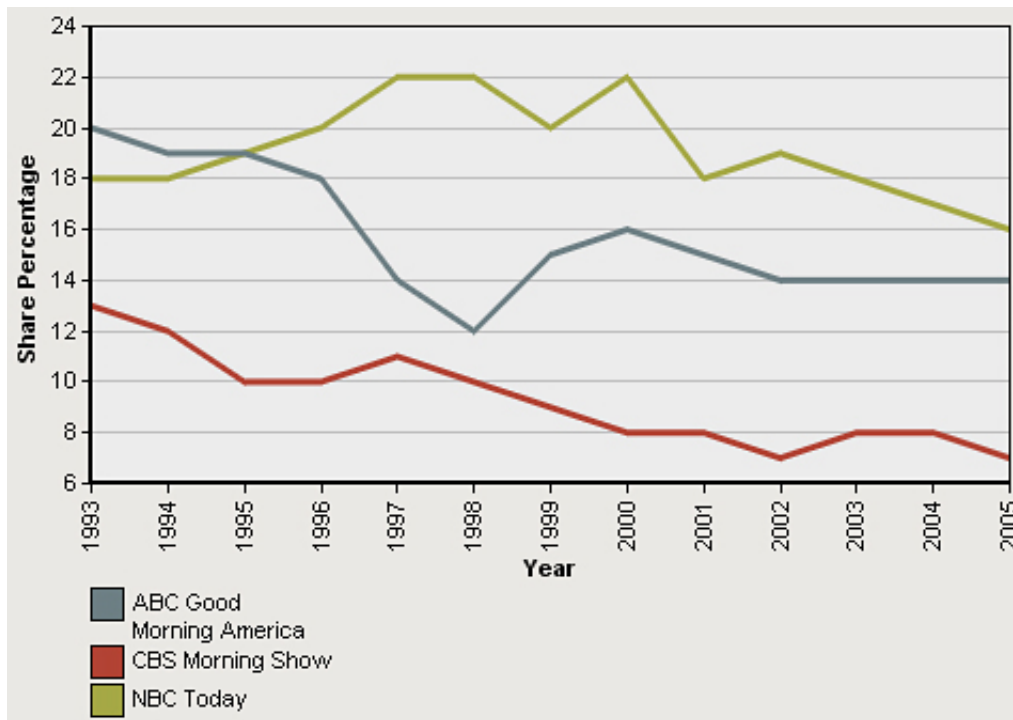
\* Ratings taken for month of November.

### Morning News Demographics

In previous years, the network morning shows, in their bid for ad-worthy viewers, had been more successful than their evening news counterparts at driving down the average age of their audiences. In 2006, however, the median age actually climbed a year, to 54. According to data from Magna Global USA, NBC's Today still enjoyed the youngest audience at 53.2, while ABC had the oldest, 54.7. CBS's Early Show, meanwhile, got a bit older in 2006, at just under 53.7.



## Median Age of Morning News Viewers 2003-2006



Design Your Own Chart

Source: MagnaGlobal USA

## The Sunday Shows

The Sunday morning network talk programs, almost completely political in topic, may not be watched very much by mass audiences, but they have a long tradition of making news and thus providing quotes for Monday morning newspaper, television, and Internet headlines. They also attract a wealthy, highly educated audience whose members are among the heaviest news consumers — and highly sought-after by advertisers.

According to Nielsen Media Research, NBC's Meet the Press with Tim Russert remained the most-watched Sunday talk show, a position it has held for nine straight years. In 2006, Meet the Press averaged roughly 3.8 million viewers, 33% more than second-place CBS's Face the Nation, with 2.8 million. ABC's This Week, which concludes the traditional roundtable format with clips from late-night comedy talk shows, averaged 2.5 million. In last place was Fox's News Sunday, with an average of 1.3 million in 2006.

# Economics

Economics

*By the Project for Excellence in Journalism*

Three key trends stand out in the economics of network news:

- After several years of sluggish or even declining ad revenues, all three evening newscasts showed signs of rebounding, at least in 2005, the latest year for which we have data.
- Figures for morning news shows continue to solidify their position as the cash engines of the networks news divisions, though the rate of growth appears to be much less than it once was.
- With news magazines, there doesn't seem to be much consistency, with some programs faring much better than others.

## Evening News Revenue

In the first three editions of this report, we discussed the difficulty of obtaining revenue and profit figures for network news divisions. They are small units inside large corporations, and there is no public reporting of their numbers. And even fewer Wall Street analysts track those units than once did. One way to assess the economic health of the news divisions is to examine the ad revenue data for individual programs. Even those numbers, however, must be viewed cautiously, for networks often bundle advertising dollars across different platforms. At NBC, for example, marketing dollars from one advertiser may be allocated to MSNBC, MSNBC.com, the morning newscast, a magazine show and the evening newscast. <sup>1</sup>

Indeed, the publicly available numbers raise several questions. In particular, the number totals and the ranks are probably not accurate. Every indication we have from industry insiders, for instance, is that NBC Nightly News is the ratings and profit leader. Yet in the data available from market research, that is not the case. It is best, probably, to consider the figures that are available as useful for the trends they indicate, not the totals they offer.

Those trends suggest that after a year of slow growth or in some cases none for the evening newscasts in 2004, ad revenues rebounded at all networks in 2005, the latest year with full data. Growth appeared strongest for ABC.

For 2005, figures from TNS Media Intelligence show that revenues for ABC's World News rose 11%, to \$168 million. That meant that World News's ad revenues had rebounded

every year since 2002 and were now, according to TNS, back to where they were at the beginning of the decade. So despite the small decline in audience (1 percent), revenues at ABC do not appear to be shrinking.

CBS Evening News, meanwhile, rose 9% over the year according to TNS data, to \$162 million in ad revenue. That figure was also a 14% increase from 2000.

NBC Nightly News, according to TNS, saw the smallest revenue gains in 2005, just 3%, to \$159 million. And the TNS data hint at a possible negative trend. They show NBC Evening News revenues down from where they were in 2000 by some 8%. It is simply impossible to know if that reflects an actual decline or a change in the way the network accounts for the numbers.

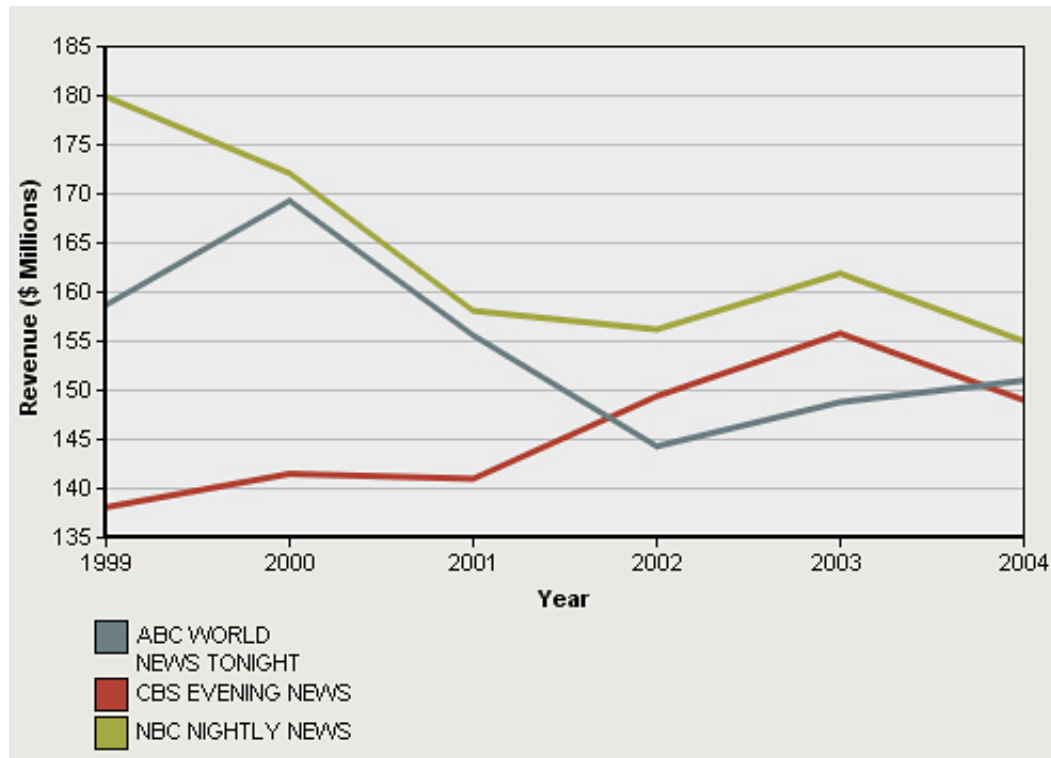
Privately, however, insiders tell PEJ that NBC is No. 1 in revenue and pre-tax earnings for its evening newscast. Being No. 1 in ratings typically translates into the ability to charge a premium for advertising on a program.

What about 2006? Preliminary data through mid-summer suggest more modest growth across the board. TNS estimates that CBS enjoyed a boost from rising ratings with Bob Schieffer, with revenues up 3% for the first nine months of the year. NBC Nightly News was flat. ABC World News was down slightly. 2

But all of those preliminary figures came before the arrival of new anchors.

## Evening News Revenue, by Network

1999-2005



Design Your Own Chart

Source: TNS Media Intelligence/CMR unpublished data, [www.tnsmi-cmr.com](http://www.tnsmi-cmr.com)

### The Prime-Time Component

As of late 2006, CBS and ABC were No. 1 and No. 2 in prime-time programming, with NBC third. For the 2006 fall season, CBS remained the most-watched network every week, and had four top 10 shows, according to rankings released in late November by Nielsen Media Research.

ABC, meanwhile, has had much success the last couple of years with entertainment programs such as *Lost*, *Desperate Housewives*, and *Grey's Anatomy*. And its celebrity reality show, *Dancing with the Stars*, provided the lead-in when ABC News was the most-watched network on election night.

At NBC, on the other hand, 2006 was another sobering year. Until 2004, it had held the top spot for 17 of the last 20 years, boosted by such shows as *Cheers*, *Seinfeld*, and

Friends. Since then, the network has fallen from first to fourth place and has struggled to find a hit to replace those programs. According to Broadcasting and Cable, NBC's primetime ratings for the audience of 18-to-49-year-olds fell 15% in consecutive seasons since Friends wrapped up in 2004. <sup>3</sup> And in October, it was reported that despite an increase of 6% in GE's profits, its overall performance was weakened by NBC, where profits declined 10% in the third quarter of 2006 compared to the same period in 2005.

### **Morning News Economics**

The morning news shows are still, for now, growing financially. In the latest full year for which there are data, 2005, all three programs saw growth in revenues, but for two of the networks, growth was much less than in earlier years.

At ABC and NBC, the morning news shows essentially bring in twice the ad revenue of the evening news, with half as much audience and a less serious diet of news. The basic reason is that they are on four times longer, turn over their audience several times during their two hours (three on NBC) and pack a lot of commercials and promotions into their shows. They also serve as a significant revenue stream to local stations and affiliates owned by the networks through the local news inserts of headlines and weather.

In 2005, the most recent year for which we have complete data, ABC's Good Morning America was up 12% over the previous year to \$591 million in ad revenue, according to data provided by TNS Media Intelligence.

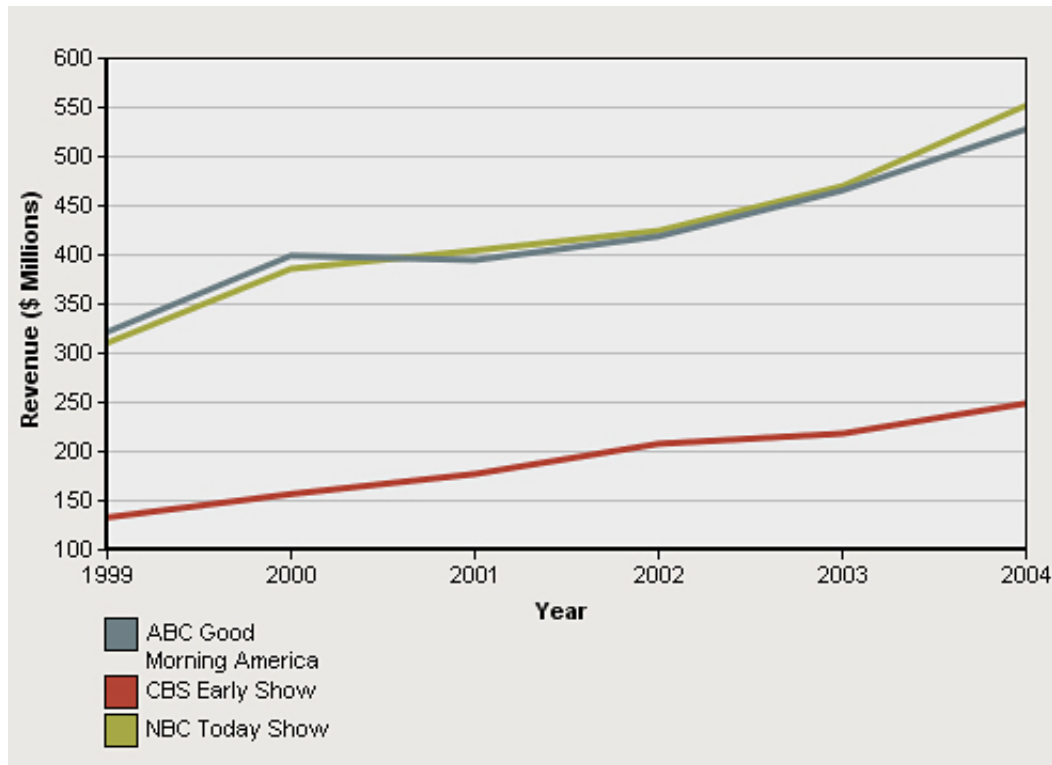
NBC's Today Show is an hour longer than its rivals and the ratings leader, but in 2005, before Katie Couric left, it showed signs of slowing down. Ad revenues grew, according to TNS data, by just 1% (TNS estimates to \$555 million). A year earlier, in 2004, ad revenues were up 18% year to year. Again, however, this number is almost certainly higher, given that Today is the ratings leader and is on for an additional hour in many markets.

TNS estimated ad revenue at CBS's Early Show to be up 6% (\$264 million in 2005). A year earlier, TNS estimated revenue had grown 14%. <sup>4</sup>

That trend of robust growth at ABC'S Good Morning America, with slowdowns at Today on NBC and the Early Show on CBS, appeared to be continuing in 2006, according to the TNS data. Through the first eight months of 2006, Good Morning was up 12% to \$426 million in ad revenue, Today revenues were estimated to be down 11% to \$341 million and CBS morning revenues were flat at \$182 million). But again, the figures should be evaluated cautiously because of bundling, and with anchor reshufflings occurring after figures for the eight months were collected by TNS Media Intelligence.

## Morning News Revenue, by Network

1999-2005



Design Your Own Chart

Source: TNS Media Intelligence/CMR unpublished data, [www.tnsmi-cmr.com](http://www.tnsmi-cmr.com)

## News Magazine Economics

The economic picture for prime time news magazines appeared to be improving as well. Here, too, it is impossible to view advertising revenue as an absolute measure given ad bundling and other strategies, but there are some signs that surviving programs have benefited from the thinning of the herd since the category boomed in the late 1990s.

NBC's "Dateline" is now the last of the magazine franchises producing two editions each week. Unfortunately, according to data from TNS, "Dateline's" other distinction is the continuing decline of its advertising revenues. Over calendar year 2004, it earned \$232.3 million in advertising revenue, down

from \$237 million in 2003, a 2% decline. But to keep things in perspective, that 2% is substantially less than the decline in the rest of NBC's primetime schedule.

CBS's "60 Minutes," in contrast, climbed 21% in 2004 to \$108 million in advertising revenue, from \$89.3 million in 2003. Last year, we noted that some insiders suggested that the decline in "60 Minutes's" 2003 advertising revenue and the apparent increase in the advertising revenues for "60 Minutes II" was caused by CBS's decision to alter the ad rates for both broadcasts 4 — in essence, boosting the new program at the expense of the flagship. That makes determining the size of "60 Minutes's" rebound murkier.

Data from TNS shows that "60 Minutes II" (which alternated between being 60 Minutes II and 60 Minutes Wednesday and even changed its broadcast night) had a 12% decline in advertising revenue, from \$70 million to just under \$62 million. And while "60 Minutes II" was cancelled in September of 2005, a projection based on data from TNS indicates that the advertising revenues assigned to the program would have continued to decline.

The CBS News program "48 Hours Mystery" appears to be another sign of the network's improving fortunes. The program's advertising revenue has climbed 41% compared to calendar year 2003, moving from \$55.7M to \$78.5M.

In calendar year 2004, meanwhile, ABC's "20/20" showed an ad revenue climb of 10%.

Three things make up a magazine show's ratings success, network officials say: program content, the lead-in show that precedes it, and the show's competition.

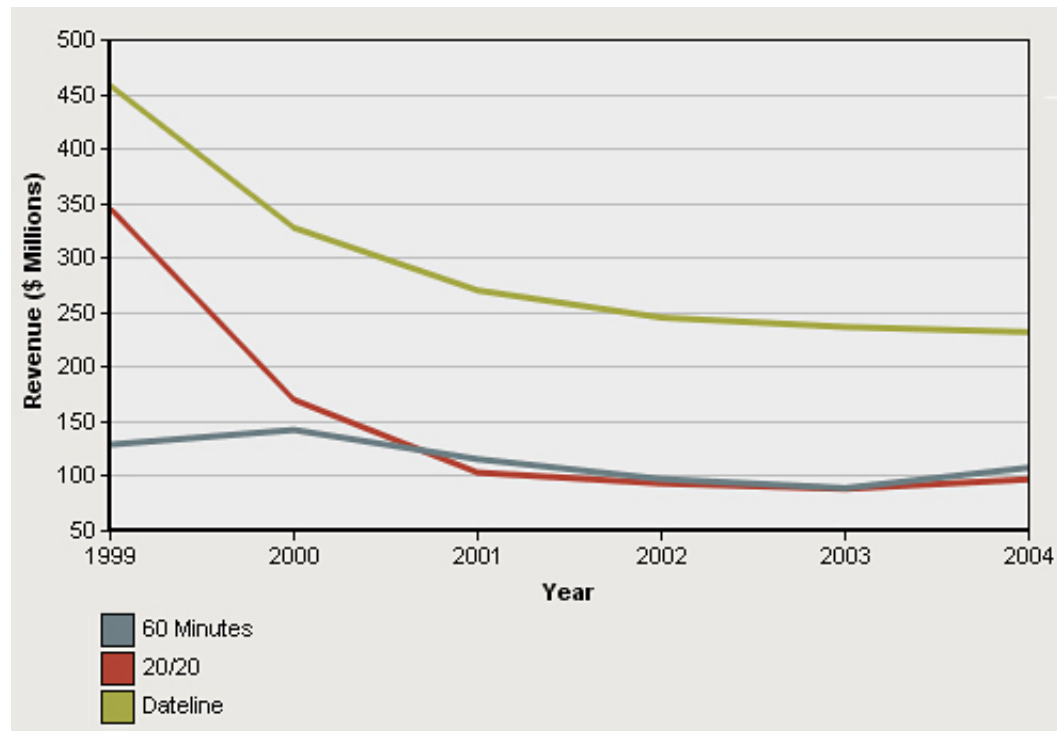
CBS's "48 Hours" has benefited here. NBC's "Dateline," especially on Friday nights, suffered because it was up against a big CBS hit, "Ghost Whisperer."

"Nightline," which had a revenue drop in 2003, regained some ground in

2004. Revenue increased from \$69.5 million in 2003 to \$75 million in 2004. Projecting to the end of 2005, it appeared that that figure would hold. (Most of the year, of course, was the older single-topic format for “Nightline.” The new program was launched in November.)

## News Magazine Revenue, Select Programs

1999-2004



Design Your Own Chart

Source: TNS Media Intelligence/CMR unpublished data,  
[www.tnsmi-cmr.com](http://www.tnsmi-cmr.com)

\* asterisk

### ***The Message of 'Nightline'***

The case of “Nightline” deserves a moment for its implications about the economics of television journalism today, both in the move of Ted Koppel



and a team of his producers to the cable channel Discovery and in their departure from ABC.

“If you want to do serious journalism in this country, this is the best place we could possibly find,” producer Tom Bettag was quoted as saying about Discovery.<sup>5</sup> Something significant is at play here.<sup>6</sup>

Cable has a very different economic model from broadcast TV. Broadcast is financed entirely by advertising. Cable TV adds subscription fees to the mix—fees paid by cable operators and fees paid by individual households. Channels like Discovery that carry advertising often make half their revenue from fees paid by cable operators who want to include the channel in their system packages. Premium cable channels such as HBO are funded entirely by “premium” subscriptions paid directly by viewers.

Thus, any program that can tip the scales to make a cable operator treat a cable channel as indispensable can have huge financial value. Consider the impact the “Daily Show” with Jon Stewart had in raising the profile of Comedy Central.

In other words, a program that changes viewer perception of a channel can have a value in cable far beyond whatever ratings it gets for its own episodes. It can influence the brand.

In this sense, Koppel and Bettag may be doing more than finding a place to keep doing some documentaries. They may be trying to pioneer a new value for serious journalism elsewhere on television than where it currently exists.

If they are right, documentaries about major issues of the day, once a major element of network news departments but for so long their disappearing feature, could bring an economic value to cable.

That would represent a major change and add to the opportunity that Koppel, Bettag and their colleagues are pioneering.

Interestingly, Koppel made it clear that he thought the appropriate venue for

this was not the traditional cable news channels (CNN, Fox News, MSNBC), which historically have not made a mark in documentaries. “I think there is a tendency on the part of some of the cable networks to be in a desperate race to be first with the obvious,” he said. 7

Just as interesting is the fact that Koppel ended up at a standard cable channel, not a premium one. On a premium channel, where there are no commercials, a single program may be enough to tip a nonsubscriber into becoming a subscriber. How many people watch “Curb Your Enthusiasm” or “Deadwood” on HBO because they first subscribed to get the “Sopranos”? Koppel’s decision suggests that documentaries could do more to help a channel’s negotiations with cable operators than as a marketing tool to attract individual viewers.

The other implications of the “Nightline” situation relate to the reasons ABC wanted to scrap the program’s format, which led to Koppel’s leaving.

ABC executives had said they wanted a program that would appeal to younger audiences, something hipper and faster-paced, and that if “Nightline” couldn’t do that, it might be replaced with an entertainment show. Implicitly, the network is arguing that every program in network TV is now viewed as its own profit center. Whatever can maximize revenues in a given time slot is the goal. That was the signal that Disney sent in 2002 when it courted but failed to lure the comedian David Letterman to replace “Nightline.” Disney executives made it plain that if Letterman could earn more money for the network in that time slot, he was preferred.

In other words, while there are economies of scale, the notion that the sum of a network is greater than its parts is now much diminished. It used to be that way, when the government viewed broadcasters as public trustees who had an obligation to present news even if it was a loss leader. In the era of deregulation, that is no longer a concern. Koppel himself made it clear that that was his understanding now. ABC had once allowed him to do four prime-time documentaries a year, just as it allowed its prime anchor, Peter Jennings, to do several. “They were indulging me,” Koppel told the Washington Post upon signing with Discovery. “They were indulging Peter.”

Tom Bettag then added, “And the days of indulging are just about over.” 8

Adding to that is the excessive concern at the networks, Koppel and Bettag argued, with luring younger viewers because of the Madison Avenue conviction that they are the most valuable audience. 9

Aside from what they say publicly, is this really how networks now operate? It is difficult to argue to the contrary. Adverse publicity might keep a network from changing its programming if it thought it would cast management negatively, be perceived as hurting credibility, or hurt the stock price. News accounts at the time quoted Letterman’s people as saying he did not want to be seen as the guy who killed “Nightline.” Would such negative publicity dissuade a network from killing a news program today?

That might be the case for only one particular program — the nightly newscast. A network might be loath to be the first to abandon airing that one even if it thought it could make more money producing something else in the same time slot. Given that all three networks run the evening news, the first one to kill the program would probably generate significant bad publicity and risk a public backlash. Decline or no, the combined evening news audience is still more than 25 million viewers.

But that might be the last exception now.

A second argument also floated above the “Nightline” case: Were Koppel and Bettag saying that network broadcasting in general was no longer a place where viewers could find serious long-form journalism at all — in any time slot?

That notion is probably an exaggeration.

Koppel himself never said that outright. The closest he came was in the New York Times, where the reporter Bill Carter noted: “Mr. Koppel said that no broadcast network would be interested in the kinds of programs he and his team wanted to make, which he said would occasionally take the form of one-hour documentary-style special followed by a two-hour town-meeting discussion. If he asked for three hours of prime time on ABC or even on a

cable news network like CNN, Mr. Koppel said, he would have no chance of success. 'That kind of programming simply doesn't fit anymore' on network television." 10

Certainly there isn't much in the way of long-form documentaries, examining significant topics or events of the day, on commercial broadcasting. What is wrong with the health care system? Are drug companies helping or hurting the situation? Are the new Medicare reforms working? Is the situation in Iraq getting better? What effect will the war have on the U.S. economy?

Commercial broadcast television news was once an occasional place for just that kind of broad stock-taking. It has not been for some time. Partisan documentary theatrical movies, on the other hand, are now more popular than ever.

But while such programming is diminishing, it is probably unfair to suggest that there are no serious longer pieces on the networks at all of the kind to which "Nightline" used to devote 20 minutes or so. As we noted in earlier content reports such work does occur on programs such as "60 Minutes," Sunday Morning and occasionally on certain topics by certain reporters on other prime-time magazines. It is shrinking. It seems too broad to say it is gone.

## Footnotes

1. The nightly news programs on all networks run for half an hour and (in general) air at the same time. That allows for easy side-by-side comparison, but it will soon change. ABC has changed the model by airing three live over-the-air broadcasts in different time zones and one live Web-based edition.

2. Consider the following. In Broadcasting & Cable magazine's 2006 annual revenue rankings, NBC's network revenue sits below both CBS and ABC. According to those rankings, NBC's 2005 network revenue dropped 23%, to \$3.9 billion, from \$5 billion in 2004. Both CBS and ABC, on the other hand, saw revenues rise, CBS's by 5 percent, from \$4.4 billion to \$4.7 billion in

2005 (CBS was also ranked the No. 1 network). ABC's revenue climbed 11 percent, from \$3.5 billion to \$3.9 billion.

A year earlier all three networks had seen revenue increases, NBC the biggest. Between 2003 and 2004, indeed, NBC enjoyed a 13.5% increase (climbing to \$5 billion in 2004, up from some \$4.5 billion the year before). Both CBS and ABC experienced revenue increases that year as well, but not nearly at the level of NBC. Several factors have most likely contributed to NBC's abrupt slide. First, the network's average prime-time viewership (9.1 million) is lower than either CBS (12.9 million) or ABC (10.3 million). Second, 2005 was not an Olympic year, so NBC was not able to capitalize on the cross-program draw the games offered in 2004 and will presumably offer the network in 2006. What remains to be seen is whether a rally for the network as a whole will benefit "Nightly News." (John M. Higgins, "CBS: In the Money," *Broadcasting & Cable*, January 8, 2006.)<sup>3</sup> To arrive at this estimate the total annual advertising revenue of a program was calculated by dividing that total by 12 months, then by an estimated 20 days per month, then by the number of hours a program ran, then by 60 minutes.

4. In the *State of the News Media 2005* editions, we noted that 60 Minutes' advertising revenue had dropped, from \$97.6 million in calendar year 2002 to \$89.3 million in 2003.

5. Gold, Matea, "Koppel will do in-depth shows for Discovery; Ex-Nightline anchor to focus on topics like international affairs, race, religion," *Los Angeles Times*, Jan. 5, 2006

6. Koppel also agreed to do commentaries for National Public Radio and for the *New York Times*, both outlets that probably reflect similar news values to those Nightline tried to uphold when Koppel hosted the program at ABC.

7. Ibid.

8. Kurtz, Howard, "Ted Koppel and Nightline Crew Turn Down HBO for Discovery Deal," *Washington Post*, Jan. 5, 2006

9. Ibid.

10. Bill Carter, "Ted Koppel and Crew to Join Discovery," *New York Times*, Jan. 5, 2006 .

## Ownership

Ownership

*By the Project for Excellence in Journalism*

In 2006, the corporations that owned the network broadcast groups seemed to be still adjusting to the challenge of the Internet, changes in consumer behavior and the shifting attitudes among advertisers about the value of television.

Following the split of Viacom into two entities in late 2005, CBS generated praise from shareholders and Wall Street, and even as broadcasting revenues weakened later in the year, the company's stock value increased 24% in 2006. <sup>1</sup>

At Disney, revenues and profits for the media networks group, which includes ABC, soared in 2006. But in the wake of poor performance in the motion picture industry, the company announced a major corporate restructuring in its studio division.

Finally, at GE, which owns NBC, the company's overall financial performance was strong. But poor revenue and profit figures in the broadcast division, which had been No. 1 for nearly 20 years, led to steep budget cuts in late October 2006 of \$750 million. <sup>2</sup> The company also eliminated hundreds of jobs, including many in the news division. And a new initiative was born at NBC, dubbed NBCU 2.0, a move that suggested more cheap-to-produce reality shows and less scripted programming.

### The Big Picture

CBS

In late 2005, Viacom, which owned CBS, split itself into two entities. One, which would retain the Viacom name, included the faster-growing cable networks that appealed to younger audiences, most notably MTV and Comedy Central. The other entity, CBS Corp., consisted largely of slower-growing holdings, including CBS television.

CBS Corp. employs over 32,000 people, includes two broadcast networks (CBS and CW), a cable channel (Showtime), a television production studio, 179 radio stations, publishing houses (including Simon & Schuster), and outdoor advertising (billboards). CBS Television is a major contributor to the company, accounting for 64% of its total revenue in 2005. <sup>3</sup>

Initially, many analysts expected Viacom, and not CBS Corp., to be the better-performing company. In the first half of

2006, though, it was CBS Corp., led by Les Moonves, that won praise from shareholders and Wall Street while Viacom struggled; it ultimately fired its long-time president and CEO, Tom Freston. But in the third quarter, CBS Corp. struggled as TV revenues weakened and radio took an even harder hit.

Looking at the first nine months of the year, revenues at the corporation were up just 1 percent over the same time a year before, with declines at radio offsetting growth in the publishing and outdoor divisions. Profits looked even worse, down 2 percent compared to the first nine months of 2005. Again, radio was particularly hard hit, with sales falling 7 percent in the first nine months of 2006, partly because of Howard Stern's exodus to Sirius Satellite Radio earlier in that year. 4

The following tables below break down the revenue and profits (in millions) for each division within CBS through the first nine months of 2006.

CBS Corp. Revenues, First Nine Months 2006 vs. First Nine Months 2005

	<b>2006</b>	<b>2005</b>	<b>Increase/Decrease</b>
<b>Television</b>	6,926.1	6,834.2	1%
<b>Radio</b>	1,461.7	1,571.3	-7%
<b>Outdoor</b>	1,522.8	1,421.9	7%
<b>Publishing</b>	554.5	526.6	5%
<b>Eliminated holding</b>	-27.8	-29.9	7%
<b>Total</b>	10,437.3	10,324.1	1%

*figures in millions*

CBS Corp. Profits, First Nine Months 2006 vs. First Nine Months 2005

	<b>2006</b>	<b>2005</b>	<b>Increase/Decrease</b>
<b>Television</b>	1289.1	1251.7	3%
<b>Radio</b>	583.9	687.6	-15%
<b>Outdoor</b>	240.9	164.1	47%
<b>Publishing</b>	32.2	32.1	—
<b>Total</b>	1,924.9	1,957	-2%

figures in millions

On Wall Street, CBS stock hovered in the mid- to high 20s in 2006 and finished strong, closing at 31 — an increase of 24% from the beginning of the year. 5

To bolster its economic performance, the company made a number of moves. In May 2006, it sold Paramount Parks for \$1.24 billion. 6 To focus on faster-growing markets, it sold 29 radio stations in November 2006. 7

It also has made a number of acquisitions, including CSTV Networks Inc., a cable network and online media company that focuses on college sports. Earlier in the year, it even flirted with acquiring Univision, the largest U.S. Spanish-language broadcaster, but the deal fell through, largely because of Federal Communications Commission ownership rules.

Heading into 2007, the broadcast division was hoping to receive a significant boost in ad revenue from the Super Bowl. According to CEO Les Moonves, ads for the Super Bowl were selling quickly and “north of \$2.5 million” for each 30-second spot. 8

More long-term at CBS, management may be betting its future on the unique media content that it produces. Moonves has said that “content is essential,” and he and CBS consider content so important, according to the New York Times reporter Bill Carter, that they are willing to demand that the cable industry pay a subscription fee for network programs; previously, their shows were retransmitted free over cable. “That’s my obligation,” Moonves told Carter. “To create multiple revenue streams, and this is the classic one. It would mean hundreds of millions of dollars of additional revenue.” 9

### *Disney*

The Walt Disney Company is a global entertainment giant that employs 133,000 people. 10 The company can be divided into four different business segments: media networks, parks and resorts, studio entertainment, and consumer products.

The Media Networks division not only includes ABC, but also ESPN and 72 radio stations, according to the company’s Web site. Disney also operates theme parks in Florida and California as well as Europe and Asia. Disney also produces motion pictures, and owns a number of well-known production studios, including Miramax, Touchstone, and as of May 2006, Pixar, an animation company founded by Apple’s CEO, Steve Jobs. That acquisition was widely considered an attempt to resuscitate Disney’s animation studio, which had been struggling for quite some time. Finally, the company publishes books, magazines and other consumer products sold in retail stores and online throughout the world.

In 2006, Disney was among the best-performing big media companies. Its latest full fiscal year began on October 1, 2005, and ended September 30, 2006. In that year, total revenues were up over 7% compared with 2005 and profits were up 33%. 11

Media holdings, which accounted for 43% of all revenues and 56% of all profits in fiscal year 2006, led the way.



Revenues were up 11% over the year before, and profit margins were slightly higher, at 12%. Theme parks and resorts also performed well, with revenues climbing 10%. 12

Disney's movie studios were the one division that saw revenues decline for the year. The performance prompted Disney to announce a major corporate restructuring in 2006, that included cutting 650 jobs, plans to make fewer movies, and the intention to return to more family-friendly films. 13

#### Disney Revenues, FY 2006 vs. FY 2005

	2006	2005	Increase/Decrease
<b>Media Networks</b>	14,638	13,207	11%
<b>Parks and Resorts</b>	9,925	9,023	10%
<b>Studio Entertainment</b>	7,529	7,587	-1%
<b>Consumer Products</b>	2,193	2,127	3%
<b>Total</b>	34,285	31,944	7%

*figures in millions*

#### Disney Profits, FY 2006 vs. FY 2005

	2006	2005	Increase/Decrease
<b>Media Networks</b>	3610	3209	12%
<b>Parks and Resorts</b>	1534	1178	30%
<b>Studio Entertainment</b>	729	207	252%
<b>Consumer Products</b>	618	543	14%
<b>Total</b>	6,491	5,137	26%

*figures in millions*

Disney's growth was rewarded on Wall Street; its stock price rose 42% during the calendar year 2006.

As 2006 ended Disney was poised to sign multiyear with the two largest cable operators, Comcast and Time Warner. Such a deal would continue to bring billions of dollars of content to cable viewers, a move largely seen as increasing the company's financial predictability. According to the Los Angeles Times, license fees for pay television accounted for half of Disney's overall profit in 2005. 14

## General Electric

General Electric, with headquarters in Connecticut, employs 316,000 people worldwide. <sup>15</sup> Its holdings can be divided into six major business segments: infrastructure, industrial, health care, NBC Universal, commercial finance, and GE Money, which was formerly known as GE Consumer Finance.

Largest of all in revenues and employees, GE is an even more diverse company than its network rivals, producing everything from airplane engines to MRI machines to reality shows. The television division accounts for barely a blip of the total revenues. According to its 2005 annual report, the company as a whole generated just about \$150 billion in 2005. <sup>16</sup> NBC Universal, which includes the company's television holdings, accounted just 10% of the company's total revenues. <sup>17</sup> News, or journalism, obviously, should be a smaller number still.

Over all, revenues for 2006 were up 10% over the year before, while earnings increased 25%. That growth, however, was not spread evenly across the various holdings. The bulk of it came in the health care, commercial finance, and infrastructure sectors, with profit margins increasing 18%, 17% and 16% respectively. <sup>18</sup> With such solid overall growth, GE's stock price increased 11% during the calendar year 2006.

NBC Universal, on the other hand, which includes broadcast and cable channels, experienced a 6 percent decline in profits during 2006. In fact, it was the only one of the six G.E. divisions in which profits declined.

That was likely a major factor in the October 2006 announcement of major changes at the network. They included \$750 million in cost-cutting with the loss of 700 jobs companywide, or roughly 2 percent of the total workforce. including a number in its news division. At the same time, NBC Universal announced it would be rethinking its primetime programming strategy.

GE Revenues, 2006 vs. 2005

	2006	2005	Increase/Decrease
<b>Infrastructure</b>	47,429	41,803	13
<b>Industrial</b>	33,494	32,631	3
<b>Healthcare</b>	16,562	15,153	9
<b>NBC Universal</b>	16,188	14,689	10
<b>Commerical Finance</b>	23,792	20,646	15
<b>GE Money</b>	21,759	19,416	12
<b>Total</b>	163,391	147,956	10

*figures in millions*

## GE Profits, 2006 vs. 2005

	2006	2005	Increase/Decrease
<b>Infrastructure</b>	9,040	7,769	16
<b>Industrial</b>	2,694	2,559	5
<b>Healthcare</b>	3,143	2,665	18
<b>NBC Universal</b>	2,919	3,092	-6
<b>Commerical Finance</b>	5,028	4,290	17
<b>GE Money</b>	3,507	3,050	15
<b>Total</b>	20,829	16,711	25

*figures in millions*

It has called the new strategy NBCU 2.0. In programming it calls for more reality shows and fewer dramas and sitcoms, which are considerably more expensive to produce. In an interview with Broadcasting & Cable, NBC's CEO, Jeff Zucker, said that the "network television business remains very vibrant, but we all have to get a grip on our escalating production and marketing costs." 19

As the Wall Street Journal reported, NBC has historically had a strong following among upscale, urban consumers who are generally among the most sought-after group by marketers. Whether that composition shifts with more of The Apprentice and less Studio 60 will be an important story to watch this year and next.

### **Down the Road**

Heading into the future, all three networks seem to understand the challenges that lie ahead, including competition

from cable, the Internet, and wireless media, though each is approaching them in a different way.

All three are certainly interested in making further gains into online and wireless media. Revenues and profits from digital operations are currently small, but are expected to grow rapidly over the next few years. At CBS, Les Moonves projected revenues from its online operations to grow 100% this year.<sup>20</sup> And according to Jessica Reif Cohen, a media analyst at Merrill Lynch, profits from online advertising and paid content could account for as much as 8% to 9% of total earning for Disney in just three to five years (they currently account for just over 1%).<sup>21</sup>

Some of the growth is expected to come from downloads, with the company collecting revenues from downloads and podcasts of hit episodes of *Desperate Housewives* and *Lost*, that sell for \$1.99 each on Apple's iTunes. And entire shows are increasingly becoming available on the network Web sites, eliminating the need for a distributor like Apple, which may bring more revenue to the networks as traffic to the Web sites continues to grow.

Obstacles do remain, however. Most notably there is the 800-lb gorilla, YouTube, which continues to collect the lion's share of online video viewers. Second, there are major concerns, shared by all major media companies, about potential copyright infringement. And third, there is the question of how the Internet will affect the audience for the networks' offline content, which still accounts for almost all existing ad revenue.

## News Investment

News Investment

*By the Project for Excellence in Journalism*

In television news divisions, most of the investment in 2006 seemed to be on non-news expenditures, such as marketing costs, set overhauling and converting studios to high-definition. At CBS, for instance, at least \$10 million was spent promoting the new evening news anchor, Katie Couric. There was very little evidence in 2006 that the networks were allocating more dollars for actual newsgathering operations. NBC, indeed, announced a reduction of roughly 5 percent of the network's news division as part of a management strategy to remedy the ongoing struggles of the broadcast segment.

The one content area that suggested growth was the Web. While it is hard to quantify the level of investment in the different network news Web sites, each site now appears to be offering particular online features. That has helped them distinguish themselves not only from other online news sites, but also from each other.

### Changes at NBC News

Perhaps the biggest announcement concerning news investment levels came from NBC. In late October, Zucker announced the network was restructuring its management plan branded NBCU 2.0, with its budget and job cuts. (For the financial background of NBC's restructuring plan, see the Ownership section). The result was as many as 300 fewer bodies in the NBC and MSNBC newsrooms to produce such shows as *Today*, *Nightly News* and *Meet the Press*, all perennial leaders in their respective dayparts, according to data from Nielsen.<sup>1</sup>

NBC said it expected to cut positions in the newsroom largely through attrition, buyouts and layoffs, with just a few on-air layoffs. Broadcasting & Cable reported that companywide, most cuts were expected to be in “backroom operations, especially jobs duplicated in several divisions, including satellite operations, graphics, and booking.”<sup>2</sup> In November, the first round of layoffs was announced, with at least 18 employees losing jobs, mostly at Dateline NBC, the New York Times reported.<sup>3</sup> Cuts at Today and Nightly News were more marginal, the Times said, and appeared to be mostly junior-level people.

Initially, industry analysts speculated that the lion’s share of the losses would come from MSNBC, the cable sibling. In October, for instance, Variety magazine reported that as MSNBC was merged into 30 Rock, “insiders expect consolidation of production staffs, meaning probably layoffs of bookers, cameramen and producers.”<sup>4</sup> But as of early December, no layoffs at the cable network had been officially announced.

There was also talk that the network might merge some of its existing domestic bureaus with its local stations to cut costs and improve efficiency. Industry analysts offered arguments both for and against trimming newsroom staffing levels. When a congressional page linked to the scandal involving the Florida Congressman Mark Foley was interviewed by the FBI, the network sent producers from Today, Nightly News, Dateline, and MSNBC, according to Variety’s Michael Learmonth, and that was considered an unnecessary overlapping.<sup>5</sup>

Others, however, contended that consolidating the staff would result in unwanted homogenization of the different news programs that are aired across the network. And still others worried about the quality of news coverage. “Of course it will affect the integrity of the news,” said Bill McLaughlin, a former correspondent for CBS and NBC. “NBC is already cut to the bone. The cuts will be painful. They will weaken NBC.”<sup>6</sup>

Such debate is hardly new. The networks have been steadily cutting back for two decades now. The debate rages precisely because there is merit to all three points of view.

The new age and new competition require change, and redundant operations are an obvious first place to look for savings. They will also lead to homogenization, and stretching people thinner also hurts quality. The biggest danger for NBC is probably in discounting any one of those concerns. They point to the degree to which the cuts are inevitable, and to the fact that they must be executed with care. They also, of course, point to a bigger dilemma. Calling all this NBCU 2.0 invokes the spirit of the digital age, where 2.0 means a new incarnation or upgrade. But for now it is not clear how much of what NBC is doing involves a digital push, or a redirecting of existing staff to digital operations, or just cutting. That will become clearer in 2007.

Not all the news coming out of NBC on newsroom investment in 2006 involved cuts, however. Since late November 2005, when Steve Capus became president of the news division, NBC has opened three new foreign bureaus, in Beirut, Bangkok and Beijing. Commenting on the decision to open the Beirut bureau in late May 2006, Capus said: “This is a real commitment of resources during an extremely important point in time, especially in that unique part of the world.”<sup>7</sup>

But insiders at NBC say the reality is more complicated. They tell PEJ privately that NBC has not increased the number of correspondents involved. Beirut will be home base for a correspondent already based in the Middle East.

Bangkok got NBC's Hong Kong correspondent, and Hong Kong no longer has one. Beijing, where there already was a bureau, will get its first resident correspondent, but Moscow has lost its sole correspondent.

Nonetheless, these insiders find it noteworthy that Asia will now have two resident correspondents.

### **Staffing and Workload**

When audiences began to drop sharply in the 1980s with the emergence of cable, network news divisions repeatedly cut staff when revenues and profits declined. With the rise of the Internet in the late 1990s, the trend toward fewer bodies and a heavier workload appears only to have continued.

To quantify these trends, Joe Foote at Arizona State University counted how many different correspondents appeared on the network news programs over 20 years. According to the data, the number fell by more than a third (34.8%) from its peak in 1985, dropping from 76.7 to 50 in 2002.

At the same time there were fewer correspondents on the air, the ones who were left appeared to be working more. Foote's research shows that in 1985, reporters appearing in evening newscasts performed an average of 31.4 stories a year. By 2002, that number had risen to 40.9, an increase of 30%. Foote ended his research in 2002, and similar data from the researcher Andrew Tyndall from 2002 on suggest that some of the cutting of on-air correspondents may have eased.

In 2006, there was also some indication that at least one network was starting to rely more heavily on its anchor to deliver the news. A study by Tyndall of Katie Couric's first six weeks on the air found that stories filed by correspondents accounted for 69% of all news, compared to 85% under her predecessor, Bob Schieffer.<sup>8</sup>

But the data on correspondents and airtime did nothing to account for what was happening to personnel behind the camera, a group that most people in network TV felt had suffered even larger cutbacks.

To try and assess this, PEJ examined the journalist staffing levels for the three networks, as they themselves reported them to the News Media Yellow Book, a quarterly publication the names of over 33,000 journalists at the leading news media organizations.<sup>9</sup> According to that examination network news staff, including the number of on-air journalists, fell at all three networks from 2002 to 2006. And indeed, the off-air reductions were greater.

The analysis included staffing for all newscasts — morning, evening, news magazines, Sunday talk shows, and all other news division positions — and divided them into three categories. The first group consisted of all network news staff listed (including executives, producers, editors, researchers, correspondents, reporters, and anchors). The second group was a subset of just the production (off-air) staff. The third group was made up of just the on-air journalists — correspondents, reporters, anchors, and contributors.

Over all, according to the count, total staff size has declined 10% since 2002, the year Joe Foote concluded his research. Meanwhile, the number of producers dropped 12%. The number of on-air journalists fell 7%.

Across the networks, there were interesting differences. They were similar when it came to the overall declines of all

staff or producers in particular. But when it came to on-air personnel, ABC had cut more, down 11% from 2002-2006. At CBS the decline was roughly half that, 6%, and NBC it was just 1%.

A word of caution about those figures: An inventory based on the self-reported Yellow Book personnel listings is hardly official. People who contribute to the network news programs may be housed in another department owned by the same parent company, as may be case with NBC's pooling resources with MSNBC. Also, personnel could be moved to other operations not listed in the book, including from TV to Web.

But the exercise has some value. The networks themselves do not release personnel data on a regular basis. And this analysis augments and updates the work of researchers like Foote and Tyndall who have counted on-air correspondents who appear in stories but cannot account for the many technicians, video tape editors, photo-journalists, producers and assistants who make up so much of television news.

### **Coverage from Abroad**

Another way to measure the level of newsroom investment is to evaluate how much coverage is devoted to events from abroad.

As we have outlined in previous reports, the number of overseas bureaus has been reduced by roughly half since the an all-time high in the 1980s, during the Cold War.

There is some debate about how much the number of bureaus influences the quality or even quantity of network television's international coverage. Some argue that technology has rendered some fully staffed bureaus unnecessary. Others counter that there is no substitute for living in the region to understand the context in which events unfold.

Does the decline in bureaus translate into a decline in foreign coverage? The Tyndall Report uses three different methods to track network coverage about events abroad. The first records the time each network devotes to stories filed by reporters with a foreign dateline. By that measure, network news in 2006 had just slightly more than half (54%) as many foreign stories as it did in the late 1980s — tracking almost exactly with the decline in the number of bureaus.

Tyndall's research shows that network foreign reportage reached a peak in 1989 — the end of the Cold War — and then declined until 2001. It began to rebound after September 11, but at levels only barely over half of what they were in the late 1980s.

Number of Minutes Devoted to Stories Filed by Reporters with a Foreign Dateline, 1988-2006

Year	Total	ABC	CBS	NBC
1988	3257	1158	1090	1013
1989	4032	1397	1454	1181
1990	3872	1414	1377	1081
1991	3766	1417	1132	1217
1992	2521	1037	736	749
1993	2352	1057	752	543
1994	2733	992	974	768
1995	1990	784	740	467
1996	1596	577	692	327
1997	1631	609	666	356
1998	1464	513	647	304
1999	1799	654	687	457
2000	1382	481	479	422
2001	1667	588	628	451
2002	2103	667	779	657
2003	2772	848	1007	917
2004	2424	711	890	823
2005	2358	718	894	746
2006	2191	654	837	700

Source: Andrew Tyndall

Tyndall also measures the amount of time devoted to stories that addressed the foreign policy of the U.S. filed either from the U.S. or overseas. By that measure, foreign-policy coverage has actually dropped since 2003 after the invasion of Iraq. It fell 41% in 2004 alone. Such coverage rose in 2006, but only marginally (4%). Yet even that number, an average of about 3 minutes per newscast per night, was still down 40% from 2003. <sup>10</sup>

The pattern of high coverage during followed quickly by a falling-off is not unusual. According to Tyndall's analysis, the amount of coverage of U.S. foreign policy was heavy in 1990 and 1991, during the Gulf War, but subsequently plunged in the mid-1990s. Coverage soared again in late 2001, and particularly in 2003 when the Iraq War began.

There are several explanations for the drop in coverage since 2003. The war has become a fact of daily life rather than a sudden news event. What's more, anecdotal evidence suggests that the lion's share of reporters had left Iraq by the fall of 2003, and that number has continued to fall in the years since. <sup>11</sup> There are also financial considerations in keeping a TV news crew in Iraq. <sup>12</sup> And reporting has become increasingly dangerous in there. As of early February 2007, the number of journalists killed in Iraq since the conflict began stood at 93. <sup>13</sup>



Number of Minutes Devoted to Stories on U.S. Foreign Policy, 1988-2006

Year	Total	ABC	CBS	NBC
1988	1987	597	713	674
1989	2081	661	740	680
1990	3453	1125	1196	1131
1991	3509	1158	1145	1205
1992	1706	612	509	585
1993	1811	590	637	584
1994	2017	698	692	629
1995	1826	617	642	567
1996	1109	343	446	320
1997	988	323	385	280
1998	1571	508	538	525
1999	1847	607	653	586
2000	1254	400	441	413
2001	2092	636	783	673
2002	2338	748	800	790
2003	4111	1400	1250	1461
2004	2424	711	890	823
2005	2358	718	894	746
2006	2452	753	822	877

Source: Andrew Tyndall

Finally, Tyndall tracks how much time is given to international stories in which American foreign policy is not the central focus. By that measure, coverage of international events has grown some. After falling from 2003 to 2004, it increased 17% in 2005, and then was up slightly in 2006 (1%). The bump last year, according to Tyndall, can largely be attributed to the conflict between Israel and Hezbollah in the summer.

Number of Minutes Devoted to All International Stories, 1988-2006

Year	Total	ABC	CBS	NBC
1988	3941	1410	1310	1221
1989	4828	1675	1660	1490
1990	4230	1575	1391	1265
1991	3939	1493	1183	1263
1992	2771	1156	788	827
1993	2843	1270	862	712
1994	3044	1182	1028	830
1995	2403	998	789	616
1996	2270	918	824	528
1997	2533	998	926	609
1998	2377	885	887	605
1999	2608	1021	892	695
2000	2127	856	740	531
2001	2458	925	861	671
2002	2937	1026	978	933
2003	2871	1019	902	949
2004	2592	951	780	861
2005	3030	1062	965	1004
2006	3059	1053	1051	955

Source: Andrew Tyndall

## **PBS**

For PBS, the nonprofit public broadcasting television operation, investment decisions are not on the amount of ad dollars or subscriber fees but on fund-raising and federal grants. Roughly 13% of its funding comes from the Corporation for Public Broadcasting (CPB) and other federal grants, but as the New York Times reported, Congress has “long pressured the company to be more entrepreneurial in finding additional sources of funding.” 14

But as David Sit, vice president of operations and technology at the NewsHour with Jim Lehrer, told PEJ, PBS does not always meet its fund-raising targets . Indeed, financial reports from the CPB show that overall revenues for public broadcasting increased less than 1% from fiscal year 2004 to fiscal year 2005, considerably less than the annual rate of inflation in the U.S. over that span. The data also show that funding from the CPB now accounts for a higher percentage of the overall budget than it has since 1995, outpacing other revenue streams, most notably private donations. 15

Nevertheless, the NewsHour is increasing its investment in a few key areas over the next year. First, it has earmarked \$600,000 over two years to produce more overseas coverage, Sit told PEJ in early December. In the past, international coverage had been sporadic. So far, the news program has sent correspondents to Iran and Turkey. At the same time as the commercial broadcasts and newspapers have reduced their overseas bureaus, the NewsHour, and National Public Radio, have been increasing their coverage from abroad.

“While most commercial news organizations, especially those in television, have responded to economic pressure by cutting back on their international reporting,” David Sit of NewsHour told PEJ in February 2007, “the NewsHour made

a concerted effort a year ago to seek separate foundation funding to send our correspondents to not only the world's hot spots, but also to places in the under-developed world that do not get the attention they merit.”

The NewsHour also augmented the size of its news staff in 2006. With the return of Judy Woodruff to the broadcast on February 5, the NewsHour now has five full-time senior correspondents. The others are Jeffrey Brown, Gwen Ifill, Ray Suarez and Margaret Warner, according to a spokesman from the NewsHour. <sup>16</sup> The news program also told PEJ it would increase the number of Web site staff people by a third, from 9 to 12. <sup>17</sup>

And finally, the NewsHour plans to be fully high-definition by the fall of 2007, as is the case with much of the commercial networks' news programming. A technology that was first introduced in the U.S. back in the early 1990s, high-definition television is broadcast digitally and generates a considerably higher resolution than older television formats.

## Digital

Digital

### *By the Project for Excellence in Journalism*

In theory the World Wide Web is network TV's chance for a radical shift in momentum.

Online, the legacy TV networks can potentially combine their newsgathering muscle, name recognition and brand loyalty to compete head-to-head with cable TV and other rivals without the limitations of a time slot. Suddenly, the vaunted networks can deliver news whenever it is happening or audiences want it — just like cable or anyone else.

The networks may even have advantages online. Their reliance on taped packages, in contrast to cable's emphasis on live programming, may give them a leg up in the latest trend, online video.

How well are the networks taking advantage of all that?

It is still difficult to evaluate the financial commitments. Actual dollar amounts are generally not made available to anyone outside a corporate accounting office. Neither are internal politics. The star power and the big salaries are still on the air, which may or may not reflect the importance placed on the Web.

What we can evaluate concretely is what is on the networks' sites. There, it is clear that the Web has grown in importance, with experimentation of all sorts at the top of the list. As Kevin Many, USA Today's technology columnist, wrote, “The more aggressive media execs are ready to fling anything and everything at the wall to see what sticks.”

What they fling, though, varies from site to site, according to what they choose to emphasize and build brand around. While the TV news shows on the three networks morning and evening are remarkably alike, their online identities are not so similar. To evaluate the variety of what the news Web sites offer citizens, the Project conducted a close site

study of 38 of them. We studied them first in September of 2006 and again in February of 2007. The overall findings across the 38 sites can be found in the **Digital Journalism chapter**, along with an interactive tool to help citizens evaluate their favorite news sites and a full description of the methodology. Here we discuss in detail the three sites tied to the Big Three broadcast networks and PBS' Online NewsHour.

### **CBS News (www.cbsnews.com)**

Over the past few years, CBS News has attracted the most buzz among the networks for its Web site. After hiring Larry Kramer, who founded MarketWatch.com, as head of CBS Digital in March 2005, it announced a ambitious plan in which a revamped Web site would “bypass” cable news by providing news to the consumer anytime, anywhere.

In 2005, the CBS News site was the first to allow users to build their own newscasts, and promised to put its entire archive of news video online. Its unique blog, Public Eye, gave readers a look at the inner workings of the editorial process that produced the evening newscast, a move that offered much-needed transparency after the CBS News's Memogate affair tarnished its credibility in late 2004.

Heading into 2007, what is going on? The changes have given way to more changes. Kramer was ousted in November of 2006 and replaced by Quincy Smith, a 35-year-old venture capitalist, who said he planned to be “much more proactive making acquisitions across the board,” according to an interview with MarketWatch. 1 Possible targets include social networking sites, the “hot” sites in 2006 and 2007.

Whether that emphasis will move resources away from the news site is unclear, but for now, CBSNews.com remains one of the Web's most diverse and robust news sites. In our measurements, indeed, it ranked along with only three others — the BBC, the Washington Post and a citizen media site called Global Voices, for its breadth and depth. In our loose grouping, it was one of our High Achievers.

Upon opening the homepage, it is clear there is a lot going on. There is a slide show with rotating stories, a lead story in the center of the page, a list of “Top Stories” next to that, and a large advertisement. Above all that are links to streaming “Live Video,” E-mail alerts, RSS feeds, Podcasts, and more.

All of this quickly gives users a sense of exactly how much is available and gives them access to it all quickly. With that comes a busier feel than at some other sites, perhaps a bit too busy for some.

In this analysis we studied six different categories that news sites might choose to emphasize: User **customization**, user **participation**, the use of **multimedia** forms, the name **brand**, **depth** of the content, and **revenue streams**. Each category was divided into four levels of emphasis from low to high.

Over all, CBSNews.com scored in the top tier in three out of five content categories, one of only two sites to do so of all 38 studied.

The Web site is highly **customizable** for the user and scored in the top tier in that category with advanced searching, multiple podcast options, mobile phone delivery and several different RSS feeds. The one option it does not give users is the ability to tailor the homepage to their own interests.

The site also scored in the top tier for its mix of **multimedia**. It offered nearly every kind of multimedia option we had on our checklist. Only about half the content on its homepage was narrative text, with the rest a mix of video, photos, audio, live discussion, polls, slide shows and interactive graphics.

The site was also one of only three studied to score at the high end when it came to the **depth** of the content. The site updates at least once every 20 minutes and makes significant use of the ability online to “package” news by offering myriad related stories under the lead headline — an average of 18 in our study.

Some of those stories have only tangential links to the stories they are tied to. For instance, on January 8, the site’s homepage listed the headline “Genocide Charges Against Saddam Dropped” in its “Top Stories” column. The story was bylined CBS/AP and though it was attached to a CBS News video, that video was about how Iraqis might react to a U.S. troop surge, rather than about the genocide charges against Hussein.

There is a lot of CBS video here, but the site is more than a collection of items from what it airs on its news programs. For example, 60 Minutes posts lengthy interview clips that don’t air on the Sunday night broadcast.

The network, however, has stopped short of others when it comes to showing the newscast online before it appears on TV. The site offers a live simulcast of the evening news broadcast, the first to do so. ABCNews.com, on the other hand, offers a 15-minute webcast starting at 3 p.m. CBSNews.com simply offers the potential “rundown,” or a list of stories being considered for the night’s broadcast, late in the afternoon.

In content, the CBS name still carries weight, but not to the degree of some other destinations, and CBSNews.com earned a high mid-range grade on the level of **brand** control it tried to exercise. Homepage content comes from either CBS News, sister outlets owned by the CBS Corp., or wire services. The wire service news, though, gets heavy use. The print stories on the site are largely wire or wire that has been edited by CBS (usually bylined “CBS/AP”). But perhaps because of the heavy reliance on wires, the site makes sure there are few print stories that stand alone.

The reliance on outside news, though, may grow over coming years; CBSNews.com has formed partnerships with two major content producers. First, the site joined forces with WebMD in August 2006, tapping into a growing, somewhat underrepresented market of medical news, where research shows there is considerable consumer demand. Then in October it announced a deal with Answers.com, which allows readers to get more background and information on words and phrases that are hyperlinked in news articles published on the site. But even unoriginal content is subject to staff editing, and most links inside the stories keep people inside the CBS News Web site.

The site fell at the low end of the spectrum when it came to **participation**, letting the user take part in the news, an area that news sites over all tended to underplay. Users can comment on most stories, but cannot do much beyond that. There is no way to rate the story, to e-mail the author, enter into a user-based blog or contribute original news stories. User choices are recognized through a list of the most-viewed stories of the hour, though the site does not track the most e-mailed or linked-to stories.

One noticeable aspect of the site is the large role the promotion of CBS entertainment programming plays. The homepage page features an entire column of links to clips from that night’s CBS primetime lineup. Katie Couric has a prominent spot on the page, just under the lead story and “Top Stories” column. A small mug shot of Couric sits next

to five video links from the CBS broadcast as well as a link to the Couric & Co. blog, where users can watch video and post comments.

Economically, CBSNews.com demands something from its users but not as much as others, scoring in the second tier on **revenue stream**. All content is free, even in the archives. Users can register if they choose, but don't have to. What they must do instead is make their way through a number of different ads — we found an average of 18 just on the home page, many of which were self-promotions.

Ultimately, there is a lot on CBSNews.com. It is an example of a site that sees the Web's potential as a multimedia news outlet, but also as a way to win viewers for CBS.

### **MSNBC & NBC News (www.msnbc.com)**

It appears that MSNBC.com, the de facto Web site for NBC News, more than survived the massive layoffs that NBC Universal announced in mid-October 2006. According to Charlie Tillinghast, the Web site's president and publisher, the site was expected to expand its staff by 25% in 2006 and could increase personnel by another 10% in 2007. <sup>2</sup>

The site has been among the three most popular online news destinations for several years now and had roughly 26 million unique visitors a month in 2006, according to data from Nielsen//Net Ratings. It appears to be attracting more young viewers than the NBC evening broadcast. Just 24% of the audience for NBC Nightly News with Brian Williams is under 34, compared with 54% of the Web audience. <sup>3</sup>

As Jeff Zucker, CEO of NBC Universal, put it, "This bodes well for the future." Indeed, building a younger audience — on any platform — is good news for all three evening newscasts, where the average age now hovers around 60.

What is it that makes the site so attractive to consumers? It is a hybrid, home for NBC and its cable sibling, and one that draws original content from a variety of sources. MSNBC.com's site profile is covered fully in the Cable section of the report. Below is a quick scorecard on the site from our inventory.

Over all, MSNBC.com falls in the mid-high tier for most categories. It scores highest in the weight it gives to its **brand** name and lowest in the **depth** of its content. In one key area, **multimedia**, where it scored in the second tier, the site is the least like the other two network news sites, because there is seemingly less video than its network rivals offer, at least on its home page. Rather, the site appears to be more text-driven, and more comparable to a traditional newspaper Web site.

This could be a function of the fact that MSNBC.com is based outside Seattle, on the Microsoft campus, and is staffed significantly by people from print. The site also is in partnership with the Washington Post and Newsweek, which creates an opportunity for longer, in-depth features that compete with the more typical selections of breaking news found on other network sites.

In November 2006, the site was the first among broadcast news outlets to offer complete video podcasts of two of its most popular newscasts, NBC Nightly News and Meet the Press. The free video podcasts were available directly from the site and on Apple's iTunes as well.

## ABC News ([www.abcnews.com](http://www.abcnews.com))

The Web site of ABC News was redesigned in late 2004.

A new site is expected later this year, perhaps as soon as spring.

But until it arrives, the Web identity of ABC News reflects the strategic thinking of the network for the last two years.

ABC's Web team paid particular attention to the most popular television Web sites, CNN.com and MSNBC.com, and sought to "broaden its online initiatives past the familiar narrowband Web," according to one of the key designers, Mike Davidson.

The designers built in more video, developed more wireless initiatives, and began offering RSS feeds. The site also launched ABCNewsNow, which it claimed was the globe's first 24-hour online video feed. 4

An analysis of ABCNews.com also suggests that the site places the greatest emphasis on using multiple forms of digital content, and at the same time, promoting the ABC brand. Indeed it stands out as the only site among the 38 studied to earn the highest scores on **multimedia** and **branding** but on nothing else.

The site puts less emphasis on the **depth** of its content, it was in the bottom tier in that category.

One of the most noticeable things about ABCNews.com is its layout. Its three-column format is set against a white background with one dominant photo — a slide-show image that cycles through five top stories — as well as a list of headlines. All of that lets the viewer know there is a lot available without seeming overwhelming.

The key to the site's information-rich-but-clean-to-the-eye look may be the simple color scheme. The site is basically black and white and blue all over, with small red callouts for "video" or "webcast." That's important on a site where the first screen offers 16 clickable news links and headlines.

Only half the content is narrative. A mix of six other media forms make up the rest of the content, putting it in the highest tier for its use of multimedia forms. Nearly a quarter of the content is in video form, including a 15-minute "World News Webcast," designed with a younger audience in mind. The webcast offers a lineup and format different from those on the traditional evening newscast and is first available to users live at 3 p.m. Eastern Time. The site also makes use of audio, podcasts, poll data, photos and more slide shows than any other site studied.

Executive producer Jon Banner said of the site: "What it has become is much more of a broadcast aimed at people who use the Web and who are much more Web-savvy than people who watch the broadcast. You still get a lot of things that are on the broadcast every evening, but they're done in a much more Web-friendly style." 5

To cater to the user, the site has also taken steps to make its news content more portable. All the network news sites now offer podcasts or "vodcasts," but ABC News vodcasts are consistently among those most frequently downloaded on Apple's iTunes. In September, for example, there were 5.2 million downloads of the "World News Webcast," Reuters reported. 6



On the homepage itself, though, there is less customization. There are no options for the user to adjust the layout, and the search is based only on simple key words. Over all, then, the site fell in the mid-to-high-tier ranking for **customization**.

What exactly is behind all those headlines on this site? As with the other networks, ABC placed heavy weight on the originality of and control over its content. Beyond the World News Tonight vodcast, the content relies more heavily on outside sources. The featured stories that appear in the center of the homepage slide show are always from ABCNews.com itself, in their print and video forms. But the print stories that appear under “Top Headlines” and “Hot Topics” are FROM AP or Reuters. In fact, that’s true of the vast majority of the print copy that appears on the site besides the pieces in the featured-stories box.

There are a few exceptions. Correspondent Brian Ross and his investigative team have space on the homepage — “Brian Ross Investigates” — with original content. And there is a section on the page about half-way down that features “Blogs and Opinion” with original content.

ABCNews.com has yet to make much use of the ability to link several news reports together and offer coverage of one event in multiple media forms. The lead story tended to have just one additional report listed as a link. And most stories themselves contain no embedded links offering additional information such as biographies of sources or original documents.

The user-generated content, in the form of narrative, photos or videos, has presented the site with some advantages and challenges.

In 2006, after first breaking the story on the so-called page scandal involving the Florida Congressman Mark Foley, a blog on the site received even more messages from pages providing “even more salacious messages,” according to Mark Glaser of PBS. <sup>7</sup> ABC, however, didn’t just post the material; it called Foley’s office and asked people there to verify the instant-message postings.

The site scored in the middle-to-low tier on user **participation**. Individuals can usually e-mail the author of a news report, but cannot post comments for others to see, or rate the story. But what stands out here is the site’s use of user-generated content. There is a clear place for users to submit stories, such as their own reports from breaking-news locales, some of which appear as a part of the homepage layout.

Finally, the ads on the site are largely self-promotional, which in part led to its sitting in the mid-to-low tier for **revenue streams**. The top banner ad is always related to ABC and/or Disney products, and ads for ABC news programs appear up and down the page. There are only two true outside ad spaces on the page, a small box under the topic navigation box and a long one over the page header. There is no registration process, though there is some premium content that users can pay for if they choose. All archived material remains free.

### **The Online NewsHour (<http://www.pbs.org/newshour>)**

The online home for the NewsHour is a lot like the program itself – it is focused on a few topics and doesn’t overwhelm the user with charts, graphs or information. A calm and deliberate site, the Online NewsHour uses a two-

or three-column format to offer stories from the previous night's program. Pieces are available in text, audio or video format. The name of this Web site sums it up fairly well. It's an online version of the program.

In our site inventory, the Online NewsHour scored highest, in the top tier, in **branding**. This content comes completely from the program. The site does not rely on the wires or other outlets for news and it is put together by a human editor, not a computer program.

The site also ranked fairly high on **customization**, in the second tier. There was no way for a user to modify the front page, but there were a large number of RSS feeds and podcasts available to customize content delivery. The site also achieved a second-tier ranking in **multimedia**. It was relatively light on content overall, and almost all of what was there had audio and video links attached.

The Online NewsHour sat in the bottom tier of all the sites we examined for user **participation** and **depth**. Other than through occasional email addresses alongside the reporter's byline, there was essentially no way for a user to interact with the site. And its depth score was hurt because it isn't updated often and doesn't offer embedded links in most stories.

As one might expect with a public TV site, the Online NewsHour doesn't have a strong **revenue stream**, but it was in the third tier – not the bottom one – with eight ads on its home page.

As for the site's content, it is largely repurposed NewsHour items, offered in multiple forms and with a few added features. Along with the audio and video links, there are links to past stories and external links to sites of interest. For instance the lead piece on January 9th was a transcript from the January 8th show, but it also included maps, lists of "key players" and a timeline among other things.

NewsHour is definitely not a site to visit if a user is looking for the latest news on a large variety of topics, but for focused coverage on a few – usually very current – topics, it offers a lot.

## Public Attitudes

### Public Attitudes

#### *By the Project for Excellence in Journalism*

Americans' attitudes toward network news present something of a paradox. Though viewership continues to decline, the public continues to show high levels of trust and goodwill, particularly toward the evening newscasts.

Research also shows that the evening-news viewers are heavier news consumers than cable and local-news viewers and tend to follow the news more closely than viewers of other sorts of TV news. Coupled with the relatively high levels of trust, those attributes may bode well for networks' aspirations of reaching more —and especially younger — Americans online and on wireless devices.

## Trust

In general, the network evening news broadcasts, along with the news magazine 60 Minutes, are among the most trusted news organizations. In 2006, they trailed only the local TV newscast, CNN and Fox as the most believable sources of news, according to a survey conducted by the Pew Research Center for the People and the Press. <sup>1</sup>

Furthermore, the evening newscasts scored even higher on a Pew believability scale than institutions that have been largely free of scandal or accusations of politically charged coverage, most notably the AP and C-Span. Even CBS News, which was accused of liberal bias in the wake of the Memogate fiasco, remains a relatively trusted news organization.

Not all the news is good. Believability for all media organizations continues to fall. “Since the mid-1980s, Americans have become increasingly skeptical of what they see, hear, and read in the media, and almost no major news outlet has escaped this trend,” Pew notes. <sup>2</sup>

Indeed, there has been a downward trend for all news organizations over the last 20 years and network news is no exception. According to survey research, the percentage of Americans who gave ABC News the highest believability rating fell eight percentage points in just the last six years. At CBS News, it fell seven percentage points and at NBC News, the decline was six percentage points. <sup>3</sup>

Despite those negative trends, Americans report being most interested in the type of news traditionally associated with the network newscasts, even surpassing weather, sports and entertainment programming. In a survey conducted in June 2006, the Pew Research Center for the People and the Press found that Americans were most interested in headlines, features, and current events, including coverage of the government (23%), followed by local and crime stories (20%), international news (15%) and then political and election news (12%). Trailing these subjects were the war in Iraq (10%), sports (7%), business and financial news (5%), and then entertainment and cultural programming (3 percent). <sup>4</sup>

Finally, for Katie Couric and CBS, there was both good and bad news. In September 2006, Couric was a considerably more recognizable figure than either NBC’s Brian Williams or ABC’s Charlie Gibson, according to Pew findings. Fully two thirds (66%) were able to offer an impression of Couric, compared to fewer than half who could do so for Gibson (49%) or Williams (47%). <sup>5</sup>

But views of her were considerably more mixed as well. When asked to describe each anchor, “good” was clearly the most frequently used word to describe Couric, though she received the lowest number who said “good,” (57%), with Gibson the highest (71%) and Williams in between (65%). <sup>6</sup>

And respondents, when they volunteered other terms to describe the anchors, were more likely to use words associated with personality and style with Couric than with the two male anchors. For instance, popular terms to characterize Couric, the first solo female anchor on network television, included “perky,” “cute,” “nice,” “energetic,” “bubbly,” and “fluffy.” Conversely, frequent descriptions of Gibson and Williams were “informed,” “informative,” “knowledgeable,” and “professional.” Furthermore, a much larger percentage of Americans labeled Couric “liberal” than the other anchors, Pew found. <sup>7</sup>

## News Magazines

By the Project for Excellence in Journalism

### Intro

Through most of the 1990s, prime-time news magazines were a mainstay of network programming and profit.

They gained force because they were cheaper to produce than entertainment programming — roughly half the cost of an hour of drama or sitcoms. <sup>1</sup> Hence a network could make money even with a relatively low-rated show.

In effect, networks used prime-time magazines to plug holes in their entertainment schedules, and tended to use more of them if they were having trouble finding successful entertainment shows. They also added value to a news division within the network budget.

The genre really took off in 1992 with NBC's *Dateline*, which introduced a different organizational concept to the programs. Instead of building the shows around the personalities and reporting styles of one or two anchors — the hallmark of *60 Minutes* or *20-20* on the rival networks — NBC (which had never before launched a successful magazine program) branded the show around the whole news division. Rather than relying on a particular staff to produce a once-a-week show, it tapped potentially anyone among its personnel. Any of NBC's biggest stars might appear — a rotating cast of reporters and sometimes even anchors. The watchwords internally were synergy and cost amortization. And "*Dateline*" was not restricted to once a week, but could air more often, five times a week at its peak.

Its success, for a time, redefined news magazines. Rival networks began to follow suit, putting magazines on multiple nights, sometimes with different hosts. Soon those produced hours peppered the schedule. ABC put its *20/20* and *Primetime* together and made them into a three-night-a-week production. And CBS even took the step of expanding its news magazine franchise, *60 Minutes*, into a twice-weekly show. For a time, its *48 Hours* magazine also aired twice a week. At the peak of the prime-time news magazine craze in 1997, 10 out of a possible 22 hours of prime-time network programming on the Big Three were filled with news magazines. <sup>2</sup>

While such programs are officially part of the news division, the content of the programs "in no way could be said to cover the news of the day." Instead, a 1997 study by the Project found that 55% of the content on the programs was about lifestyle and behavior, consumer news-you-can-use and celebrity entertainment. Only 8% of the stories concerned the combined areas of education, economics, foreign affairs, the military, national security, politics, government or social welfare. A separate audit of programs two years later by the journalist Marc Gunther found similar results.

But with the rise of reality programming, prime-time magazines lost their edge. A reality hit like *Survivor* and more recently *American Idol* could be even cheaper to produce and had the potential for a huge audience. What's more, news magazines tend to attract an older demographic — people not falling into the prized 18-to-34 age range. The audience for reality shows is younger, and if one of them hits big, the financial upside has proven far greater, even if more short-lived. <sup>3</sup>

Heading into 2007, there are six news magazines that broadcast for a total of 8.5 hours each week.

The remaining news magazines are quite diverse in nature and in their success.

The audiences range anywhere from 3.75 million to 16 million people each night, according to data from Nielsen Media Research. Moreover, audience data suggest that while some shows continue to lose viewers, others have held steady or even increased their viewership.

Similarly, the economics for the format can vary widely, depending, not surprisingly, on each program's audience trend, as well as the demographics of its viewers.

### *Audience*

When it comes to audience, the original, most successful and often the most serious of the magazines, 60 Minutes, remains the leader. The program, still a top-25 show each week and by far the most popular magazine show, attracted an average audience of 16 million in November 2006, up slightly from the year before, according to data from Nielsen Media Research. The show, which follows CBS's NFL programming in the fall, continues to produce much-talked-about segments. In 2006, that included an exclusive interview with the Iranian president that drew a large audience. In connection with the publication of Bob Woodward's "State of Denial," 60 Minutes scored a major scoop when the Washington Post journalist told the show's Mike Wallace that an attack on coalition troops occurred every 15 minutes, a finding previously kept secret by the White House. 4

For other shows, viewership is considerably smaller: an average of 8 million a night in November 2006 for 48 Hours Mystery, on CBS; 7 million for 20/20, on ABC; and 5.4 million for Dateline, on NBC. 5

One other network magazine program, the long-running ABC show Nightline, gained notice in 2006. Nightline has always been a program unto itself, in part because it airs outside prime time, in late night. In late November 2005 its long-time anchor, Ted Koppel, left ABC.

The program suffered significant criticism after Koppel, executive producer Tom Bettag and their senior producing team left, replaced by co-anchors Martin Bashir, Cynthia McFadden, and Terry Moran, and executive producer James Goldston. Following its debut, the Washington Post TV critic Tom Shales called the new Nightline "a shallow shadow of its former splendid self." 6

After that shaky start, the program found something of a new groove. Its content now appears to be more of a mix of serious and softer news, though it still contains a more hard-news-oriented component than most network magazines. There is evidence that the show is also drawing more young viewers and is now practically even in total viewers with CBS's Late Show with David Letterman. That in itself is ironic, given that before deciding to remake Nightline in its time slot, ABC had courted Letterman to replace Nightline back in 2002.

In November 2006, Nightline, with 3.75 million viewers, was up roughly 4 percent in total viewers and 9 percent in the 18-to-49 demographic compared to a year earlier, according to Nielsen data. 7 It was also a small increase over Nightline's audience in 2004, the last full year that Koppel led the news magazine. Furthermore, there was a 4 percent increase in audience size from when Koppel left Nightline in late November 2005. 8

It has been argued that non-news programming has undermined the late-'90s momentum of the news magazines. "This is really the golden era of dramas and reality shows, and I think those two things have squeezed out the news

magazines,” Jeff Zucker, CEO of NBC Universal Television Group, told the Los Angeles Times in May 2006. 9

Increasing competition for newsmagazines has forced many of them to retool. For example, 60 Minutes not only added Katie Couric to its roster of anchors, but CNN host Anderson Cooper, 39, whose sometime aggressively personalized reporting style made headlines during Hurricane Katrina. And 60 Minutes will need to find a permanent replacement for its long-time staff member Ed Bradley, who died of leukemia in November 2006. Another of its key anchors, Mike Wallace, is 88 years old, as is the commentator Andy Rooney. The correspondent Morley Safer is 75.

Pressure to survive has led to perhaps even more experimentation at Dateline. In the spring, the show ran a special, part of a series called “To Catch a Predator,” which drew controversy for potentially violating traditional journalism ethics. According to the Washington Post, the newsmagazine agreed to pay a watchdog group more than \$100,000 to help produce a special in which potential pedophiles were lured to a house in Ohio by undercover volunteers from the group. 10

Volunteers, posing as minors, would correspond with people on the Web and, in a few cases, agree to meet adults at a specified place and time. When the “suspect” showed up, Dateline cameras were there to film the scene. Some critics argued that the deal made it seem as if Dateline’s journalists were serving as law-enforcement agents rather than the neutral and objective reporters. “This would certainly have me holding my breath,” said Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press. 11 The controversial content generated a significant audience; an estimated 10.3 million viewers tuned in on May 10 for the special. That is roughly twice the average number of weekly Dateline viewers. For the 2006-2007 season, NBC ordered up at least six new predator specials.

If Predator signifies a trend of some kind, it may be a new kind of magazine program, something of a hybrid of reality programming and network magazine. Like a reality show, it involves staging events and watching real people play them out, combined with catching criminals, a kind of America’s Most Wanted element, under the auspices of a news division, with a manifest dose of voyeurism. If Predator continues to attract large audiences, it is not difficult to imagine more such staging of scenarios and use of hidden cameras.

## *Economics*

After being a boon to news divisions through most of the 1990's, the financial performance of the network magazine sector is now probably best described as uneven. There are clear winners, and there are those programs where victory is less clear.

In 2005, the latest year for which there are full data, some programs exhibited very strong growth in ad revenue while others showed a decline. In this section, we've also included projections based on preliminary data through the first eight months of 2006, though it should be noted that final numbers can fluctuate significantly from summer estimates.

For some time now, NBC's Dateline, now airing twice a week, has been the leader in ad revenue. But data from TNS Media Intelligence indicate that it continues to decline. In 2005, the program's ad revenues were down 2% (to \$227 million) from the previous year.

That drop of 2%, however, represents something of a leveling off for the troubled Dateline franchise. Earlier in the decade, as the network started cutting back on the number of nights Dateline aired, the program suffered big declines in its total ad revenues — 28% in 2000, 18% in 2001 and 9% in 2002. Now that the number of nights Dateline airs has stabilized at two a week, revenues are flat. The total through the first eight months of 2006 was \$105 million, with a year-end projection of roughly \$158 million, according to TNS Media Intelligence.

CBS's 60 Minutes continued to thrive in 2005. Ad revenues climbed 19%, to \$129 million, a year after an increase of 21%. That was a turnaround after three previous years of declines. Through the first eight months of 2006, ad revenues were \$64 million, which projects to \$96 million for the year. That would be a dramatic drop, but the final figures could certainly be different.

CBS's other news magazine, 48 Hours Mystery, did not fare as well in 2005 as 60 Minutes. After the program's ad revenue had climbed 41% in 2004, it fell 21% in 2005, to \$62 million. Still, the program has demonstrated a strong performance since it was launched in 2002, when ad revenues were just shy of \$14 million. And ad revenues through the first eight months suggested that 2006 could be a very strong year for 48 Hours Mystery. TNS reported \$55 million, which projects to \$82.5 million for the year.

Over at ABC, 20/20 appears to be rebounding, with 2005 revenues increasing 19% over 2004, to \$115 million). And data through the first eight months of 2006 suggest another strong year in 2006: TNS Media Intelligence put 20/20 ad revenue at \$81 million, which projects to \$122 million for the full 12 months. It should be noted, however, that the 2005 and 2006 totals are far below what it had been generating earlier in the decade.

## *Conclusion*

The decline of news magazines seems to have largely stabilized. The magazines are not vanishing, as some might have predicted. But some changes seem evident. Networks are no longer cloning the shows to use them as cash cows and patch holes in their schedules. The shows are also no longer multiple-night efforts to brand the news division. In many ways we have returned to the era in which each magazine had its own distinct identity, built more around its reporters and anchors and certain topics. Ironically, the most vulnerable now may be Dateline, the program that soared by moving away from that formula. It has become a generic nameplate, under which shows as diverse as a special interview by the Nightly News anchor, Brian Williams, might air, and so would Predator.

Instead, the new energy and experimentation inside the news divisions may be moving elsewhere, to the Web. That may well be where the financial future, and the future of a network's brand, will be played out.

## **Charts & Tables**

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Charts & Tables

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# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Cable TV – Intro

Intro

*By the Project for Excellence in Journalism*

Cable TV news is maturing. The medium that changed journalism at the end of the last century is no longer a new technology, with all the growth, experimentation, controversy and sense of zeitgeist that entails.

The audience for the main three cable news channels has not only stopped growing, in 2006 it began to decline. Even Fox News, though it still dominated the competition, saw its first drop, after six years of meteoric growth.

Financially, the sector remains robust. And 2006 was a particularly big year for Fox News. It began to sign new license fee agreements with cable carriers, successfully tripling its rates, which put it among the top five channels in price. With final numbers not yet in, analysts predicted that Fox News would surpass CNN in profitability. Analysts expected revenues and profits to grow at the other channels, too.

The inevitable question, one seen by other media over the years, is whether cable now has to manage profits as the audience base declines. The other question is how much cable will invest those rising profits in the Internet and mobile technology, which are not part of its legacy business of programming television.

The answer will depend on the owners, of course. There was no changing of the guard or major sale in 2006, but there were more subtle changes. MSNBC, with Microsoft no longer involved and NBC firmly in charge, carried out a restructuring program, a management shakeup, and a new push toward politics and opinion. At Fox News's parent, News Corp., Rupert Murdoch settled a simmering dispute over control, and reflected on 10 years of cable news success. CNN saw Ted Turner, already gone from operational involvement, formally leave its parent company's board.

The impact on the newsroom of all this is harder to divine, in part because the networks like it that way. Fox News is building, and expenses generally are rising — though not as much as profits — but it is less clear how much of the rise is going into reporters, producers and newsgathering muscle, and how much elsewhere. The clearest sense one has is that generally the cable news channels, including CNN Headline News, are moving more toward personalities, often opinionated ones, to win audiences. The most strident voices, such as Keith Olbermann and Glenn Beck, are among the biggest successes in winning viewers, as is CNN's new crusader, Lou Dobbs. How much those individual shows affect a channel's overall audience is harder to gauge. Their growth in 2006 was substantial, particularly among 25-to-54-year-olds, but those gains were not enough to stanch the overall declines.

The shifts toward even edgier opinion are also probably a response to another change. Cable is beginning to lose its claim as the primary destination for what was once its main appeal: news on demand. That is something the Internet can now provide more efficiently. As cable channels lose their monopoly over breaking news, they will likely continue to push their identities toward something else. That is also a reason that the cable channels are putting even more effort into their Web sites. And there, Fox News is trailing, not leading.

The public appears to be becoming more skeptical of cable. While trust remains high relative to other media sectors, it generally is declining. The audience is also fragmenting further by ideology, with MSNBC's audience the most liberal.

In short, with age, cable news is showing signs of beginning to suffer some of the same problems other media have. If Act I of cable was the immediacy of CNN, and Act II was the rise of Fox News, we may be embarking on new plot twist.

## News Investment

### News Investment

*By the Project for Excellence in Journalism*

As media platforms proliferate and evolve, cable news networks are faced with growing pressures to stay relevant, and have to go beyond just producing TV journalism. Not only must they improve their existing content, but like other media they must increasingly compete with other kinds of journalism, online, on mobile devices, with text, audio and more. Cable's great historic advantage, immediacy, is no longer the province of cable alone.

Against that background, these developments stood out in 2006:

- Fox News appears to be continuing to increase investment in its news operation at a higher rate than its competitors.
- CNN, along with its sister channel, CNN Headline News, after scaling back earlier in the decade, is increasing its investment, too, but more slowly. 1
- MSNBC, which has been cutting back on its operations for the previous two years, was projected to see expenses grow in 2006, but that was before the announcement by GE of its new NBC 2.0 program, which is tallying up major cutbacks throughout the news division.
- It is less clear how much of each channel's investment is going into reporters and producers — newsgathering boots on the ground — and how much is going elsewhere.
- The trend toward opinion journalism, one of the elements of Fox News's success, appears to be strengthening among its rivals. CNN, CNN Headline News and MSNBC all invested more heavily in promoting opinionated personalities.

## Investing Back and Preparing for the Future

There are two ways of analyzing a station's financial investment in the news product. The first is to look at *all* the money a company spends to operate a station. That amount, total expenses, includes salaries and capital expenditures on technology and machinery, as well as the specific costs attributed to different programs.

The second way of looking at expenses is to identify the part attributable to specific programs, termed programming expenses. That includes the costs of either buying material from others or producing it in-house. This second category deserves a closer look.

### *Programming Expenses*

Projections for 2006 indicate that the three main news channels will have spent up to two-thirds of their overall expenses on news programming. At MSNBC, programming was expected to make up 74% of all expenses. Fox News's share was 63%, while CNN was expected to invest about 54% of its expenses in programming. The numbers represent a slight growth for MSNBC and Fox News from the previous year and a decline for CNN. <sup>2</sup>

While CNN devotes the smallest percent of its total expenses to the newsroom, it is still at the top when it comes to sheer dollars. Its projected newsroom spending for 2006 was \$346 million, up from \$330 million in 2005 (a 5.7% increase). One reason the number is higher is it reflects both CNN and CNN Headline News.

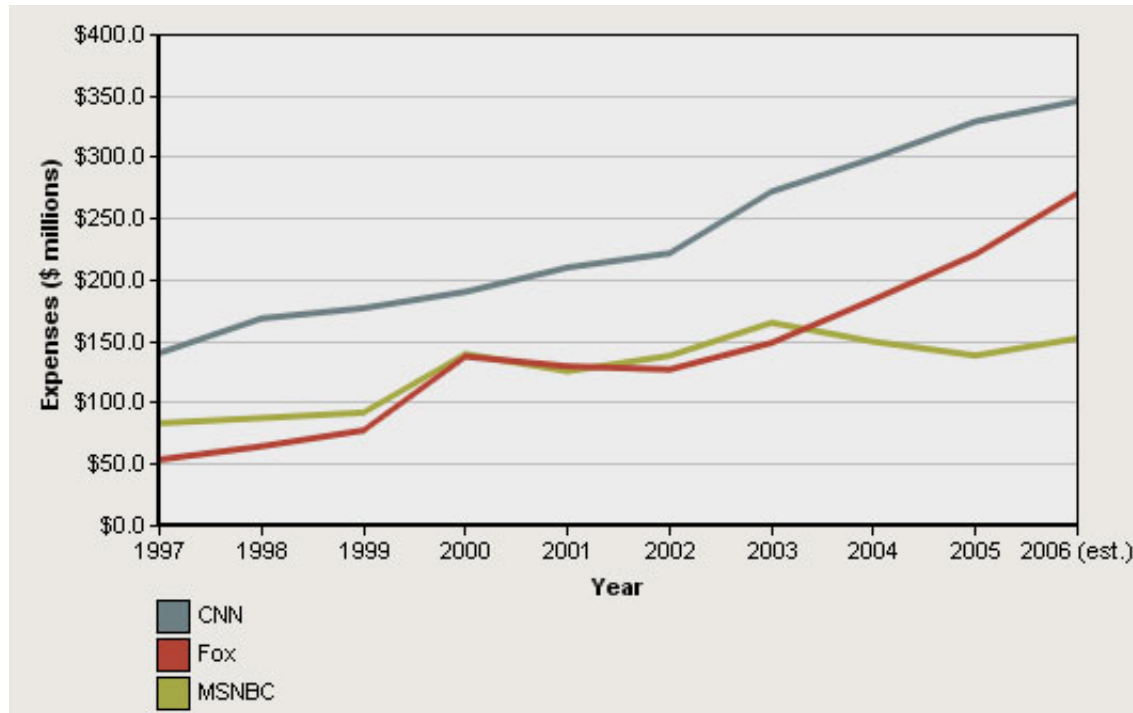
Fox News was expected to spend roughly \$75 million less than CNN in 2006 (\$271 million in programming expenses), but that represented almost a 23% rise from \$221 million in 2005, the biggest percentage growth among all the three competitors.

MSNBC, meanwhile, was projected to spend by far the least, \$153 million in 2006, a 10% rise from the previous year (\$139 million).

Those projections, however, were released by Kagan Research before the changes in ownership and restructuring at NBC Television (see Ownership). Actual figures might not reflect the optimistic projections. If media reports are to be believed, the shakeups in NBC News, CNBC and MSNBC newsgathering resources are bound to mean some cutbacks in programming costs.

## Cable News Programming Expenses

1997 – 2006, by Channel



Design Your Own Chart

Source: Kagan Research, LLC, a division of Jupiter-Kagan Inc.  
CNN figures include CNN Headline News

### *Total Expenses*

When other expenses are added in (such as salaries and capital expenditures on equipment and facilities), Fox News is expected to increase expenses nearly 17% (compared with the 23% increase in revenues). That is about the same growth in expenses the channel saw in 2005 (16%). In dollar terms, Fox News is expected to spend \$428 million in 2006, up from \$367 million in 2005.

CNN's total expenses were projected to increase almost 5%, to \$675 million, up from \$643 million the year before, on revenue growth of 8%. That means CNN will spend about 69% of its revenues to cover expenses, as opposed to 70% in 2005. The share it puts back is more than Fox News but much less than MSNBC.

MSNBC, meanwhile, seemed to be cutting costs in 2006. If the projections are correct, MSNBC would have cut expenses by 14% during the year on revenue growth of 7%. MSNBC has been cutting costs for the last three years, according to the data, but these cutbacks are significantly higher. The channel had cutbacks of 3% in 2005 and 5% in 2004.

Given its lower base, expenses eat up a considerably higher percentage of MSNBC's revenue. In 2006, MSNBC was expected to have spent a total of \$205 million, about three-fourths (76%) of its total revenue. 3

#### Cable News Expenses

2005 vs. 2006, in \$ millions

	2005 Projected	2005 actual (projection vs. actual)	2006 projected
CNN	574.3	643 (+68.7)	675.2
Fox News	366.6	366.6 (0)	428
MSNBC	234.6	238.8 (+4.2)	205.2

Source: Kagan Research, LLC, a division of JupiterKagan Inc.

How do those expenses play out on the ground in terms of newsroom sizes and operations? Are those elements growing, or is the money going into promotion, salaries for hosts, sets, and show costs? That is harder to know, and increasingly the news channels are not saying.

CNN is clearly the largest operation, with 11 domestic bureaus and 26 international ones. Those numbers reflect no change from a year earlier. But finding much more than that, for the moment, is difficult. The network did not provide its staffing numbers, but for the latest year for which we have data, 2004, it had roughly 4,000 employees (see our 2005 Annual Report).

Fox News appears to be building. The channel ended 2006 with 10 bureaus in the U.S. and 6 abroad, according to the Los Angeles Times reporter Matea Gold. 4 The number overseas doubled from the three it had at the end of 2005, in London, Paris and Jerusalem. Channel executives were also reported to be planning to build their international coverage by partnering with other international news organizations or broadening their pool of freelancers. 5 But getting a full scope of Fox's investment is also difficult. Like CNN, the channel did not offer staffing numbers, but for the latest year for which we have estimates, 2004, it had 1,250 employees in its news operation.

At MSNBC, the trend lines are probably not promising. With its parent company cutting back, and the network still struggling to build audience, it had begun cutting costs at least two years earlier. MSNBC relies on NBC News' bureaus domestically and worldwide. Those include 15 international bureaus and seven bureaus in the U.S. As of December 2006, it had a staff of 600 dedicated to the cable operation, according to its PR department. 6 But the news channel can also turn to NBC personnel for content.

#### **Changes on the Air and Behind the Scenes**

The declines in viewership, slowdown in growth of profits and growing competition from new media all represent challenges for cable news. One way the industry appears to be responding is by changing programming line-ups. All three channels fiddled with their programs and on-air faces in 2006. The impact of these changes, though, remains to be seen.

## *CNN*

In the search for a successful programming strategy to counter Fox News, CNN made numerous changes in 2006.

Those began first thing in the morning, a time slot where CNN lags behind both Fox News and the broadcast network morning shows. CNN's American Morning became an hour shorter starting in 2007 (6 a.m. to 9 a.m.) just a year after it had been expanded to four hours. That makes it the same length as Fox News's more popular "Fox & Friends." Trade magazines speculated that CNN may also hope to attract morning network TV viewers in the wake of all the changes in the broadcast morning shows with the departure of Charles Gibson and Katie Couric to evening news (see Network TV Audience).

In daytime — between 9 a.m. and 4 p.m. — CNN merged its two programs, CNN Live Today and Live From, into one long news block called CNN Newsroom. CNN's longtime anchor, Daryn Kagan, left the channel in September 2006. She was replaced by a new hire, Don Lemon, who began by hosting the afternoon leg of the show along with Kagan's former co-anchor Kyra Phillips, who remains. Lemon had been a local TV anchor in Chicago.

In prime time, CNN continued to promote its two tent poles, the star anchor Anderson Cooper's Anderson Cooper 360, which starts at 10 p.m., and Wolf Blitzer's The Situation Room, which runs from 4 p.m. to 8 p.m. Another prominent personality getting increasing attention is CNN's Lou Dobbs, who hosts his one hour show at 6 p.m. as a break in Blitzer's show. The rest of prime time is taken up by Paula Zahn Now (8 p.m.) and Larry King Live (9 p.m.)

Dobbs saw some notable ratings success in 2006 (see Audience). The surge came after Dobbs recast himself from a traditional financial journalist into an economic populist crusading on such issues as exportation of jobs and the decline of the middle class. The transformation has made Dobbs more an advocacy and opinion journalist in the mold of Fox News's Bill O'Reilly and MSNBC's Keith Olbermann. And just as their shows have been the only ones seeing growth when cable news over all is slowing down, Dobbs' numbers are also on the rise.

Dobbs, who has been with CNN since its inception (save for an interlude from 1999 to 2001) was an utterly conventional financial reporter who did features on different companies and interviews with corporate chieftains. His new show airs at 6 p.m. ET and begins CNN's evening programming. The hour-long show is split in two: The first half hour contains domestic and international news, while the second is dominated by "brands" or special segments on his pet issues. These segments, with names like "Broken Borders" or "Exporting America," are heavily promoted across CNN.<sup>7</sup>

### *CNN Headline News*

One of the biggest questions facing the CNN news channels — CNN U.S. and CNN Headline News — is how they can compete with the more opinion-filled prime-time competition and still hold on to their reputation as objective news sources.

For CNN, one strategy has been to make Headline News a more personality-driven talk and opinion TV channel in

prime time. Originally designed as a 24 hour “wheel” format, where headlines were simply repeated every half hour, the channel continued its efforts to create a more distinct identity for itself in 2006.

Ken Jautz, who is responsible for Headline News, told the New York Times that the channel was analogous to the op-ed page, with the main CNN providing the rest of the more objective news pages.

That, at least in prime time, represents a remarkable transformation for Headline News. The name itself in the evening is a holdover from another time, if not something of a misnomer. It is also, as noted in the Audience section, a sign of how headlines, or news on demand, is no longer a franchise cable commands alone.

The shift “from news to views” saw Headline News investing in some changes to its lineup and promoting a host of strong personalities. Chief among the channel’s star names are the prime-time talk-show hosts Glenn Beck and Nancy Grace, both controversial. <sup>8</sup>

Beck, a conservative talk-radio host, joined Headline News in May 2006 with his own prime-time show (Glenn Beck at 7 p.m. ET). Asserting that he is no journalist, Beck tends to take radical points of view and claims to say “what others are feeling but afraid to say.” <sup>9</sup>

Equally brash, if not more so, is the other Headline News star, Nancy Grace. The former lawyer, who began the Nancy Grace legal talk-show in 2005, is known for her personal and emotional involvement in the cases she airs. In 2006, Grace’s aggressiveness became even more controversial when one of her guests, Melinda Duckett, committed suicide after Grace treated her as a potential suspect in the Ducketts’ son’s disappearance. In November 2006, the woman’s family sued Grace. <sup>10</sup>

But prime time is not the only slot on which CNN Headline News executives are concentrating. Noticing the attention that the morning anchor Robin Meade was getting, they re-branded the program around her — calling it Robin & Company — in October 2005, making it more conversational and less straight news. One year later, the strategy seemed to have paid off with higher ratings and positive audience feedback.

As for its lineup changes, it eliminated its 4 p.m. to 6 p.m. newscast, citing a need to “bolster their editorial services elsewhere.” To fill the gap, the earlier newscasts were increased by an hour each. In prime time, it extended its star weeknight shows to the weekends. Those include Prime News with Erica Hill, Showbiz Tonight and Nancy Grace.

### *MSNBC*

The fate of MSNBC was the subject of much speculation throughout 2006. In October, NBC Television announced a major new initiative that implied that the channel would have to shift its current headquarters and combine its newsgathering resources with that of the sister concerns NBC News and CNBC. The changes to its staff weren’t clear yet, but the cuts at the NBC News division were an ominous sign for the newsgathering resources at MSNBC, which had already been cutting expenses for three years, (See Ownership and Network TV.)

Even before the NBC restructuring was announced in October 2006, MSNBC was making a significant number of programming changes.

In July 2006, soon after the resignation of its president and GM, Rick Kaplan, it cancelled the legal show he had approved, *Rita Cosby: Live and Direct* (only a few months after giving it a prime-time slot). MSNBC also saw the end of two other shows that Kaplan had approved, *Connected Coast to Coast* and *Weekends with Maury and Connie*. The latter was hosted by the NBC talk-show veteran Maury Povich and his wife, the former news anchor Connie Chung. Kaplan's only remaining creation is the *Tucker Carlson Show*, which was re-branded *Tucker* and re-scheduled to an late afternoon slot, but it has been a ratings disappointment. According to Nielsen data, Carlson's show saw a 19% drop in viewers in November 2006 compared to November 2005.

The star personalities on MSNBC instead have turned out to be Chris Matthews and Keith Olbermann.

Reminiscent of Fox News' opinion-laden prime time fare, Olbermann's opinionated, increasingly anti-administration 8 p.m. talk show, *Countdown with Keith Olbermann*, has become a surprise ratings success in recent months (see Audience). Indeed, in February 2007, MSNBC renewed his contract for four more years. <sup>11</sup>

Before he became a news talker, Olbermann was a sports broadcaster, notably with ESPN. His sharp commentary and writing as a co-anchor of *SportsCenter* became a trademark for the channel, and he continues to appear on ESPN Radio. <sup>12</sup> He joined MSNBC in 1997 to host *The Big Show*, which became *The White House in Crisis* during the Clinton-Lewinsky scandal in 1998, but quit a year later. He rejoined the channel in March 2003 with the current show. Launched to cover the Iraq War, it was originally called *Countdown: Iraq*, but is now a mix of the top headlines ("counted down" to reach a big story last, though in reality the top stories of the day come first) accompanied by his comments and a number of quick recurring segments such as "Oddball" or "Top 3 Newsmakers."

The show has been gaining viewers since August 2003, even though it competes at that hour with Fox News's *The O'Reilly Factor*, the most-watched cable news show. Indeed, one of the factors for Olbermann's success has been his on-air feud with O'Reilly. Openly critical of the Fox News host, Olbermann has frequently named him "the worst person in the world" (one the recurring segments of his show) that has consequently made Olbermann "a hero to liberals and anathema to conservatives." <sup>13</sup> More notably, it has led to both media coverage and higher ratings.

Olbermann is one of a growing number of cable news personalities bringing their opinions to news channels and succeeding. After years of ratings troubles, MSNBC couldn't be happier. According to Dan Abrams, "Keith Olbermann is the right person at the right time, and doing it the right way." <sup>14</sup>

### *Fox News*

One core of Fox News' success, and one CNN and MSNBC are beginning to emulate, is that it has created distinct programs, usually built around opinionated personalities. And furthermore, it has managed to do that at different points in the day.

That success begins in the morning. From 6 a.m. to 9 a.m. ET, the channel airs *Fox & Friends*, the highest-rated cable morning show. According to some trade magazines, the program is even poised to take on the network broadcast shows. <sup>15</sup> Built as a talk show with three hosts, the show's casual and conversational approach is peppered with hard-news updates, personal opinion and ideological edge. The show saw no changes in format, though one of its anchors, E.D. Hill, was replaced by Gretchen Carlson in September 2006.



In February 2007, the channel re-branded its 9 a.m. to 11 a.m. block American Newsroom, hosted by Bill Hemmer and Megyn Kelly. During the earlier programming changes in September 2006, Hemmer was made the anchor of a one-hour show at noon that used the Fox News Web site as a hook. "Fox Online" was a recap of the day's top news and picked up stories that are most popular on the Web site for discussion. The time slot is now taken up by its predecessor, Fox News Live, which was extended by an hour; it now runs from 11 a.m. to 1 p.m. and is anchored by E. D. Hill.

September was also when the anchor Martha MacCallum was promoted to be a host of her own show, The Live Desk with Martha MacCallum, from 1 p.m. to 2 p.m. The channel named Jane Skinner anchor of the weekday show Fox News Live, from 2 p.m. to 3 p.m., to replace MacCallum.

Another prominent change was the elimination of its Dayside program in September. The show's anchors, Mike Jerrick and Juliet Huddy, headed to a network morning program for Fox's broadcast stations (see Local TV Audience).<sup>16</sup>

### *The Fox Business Channel*

The biggest question about Fox News in 2007 is its business channel, though its existence is now more a question of when, not if.

In February 2007, Murdoch announced that the Fox Business Channel would launch by the fourth quarter of the year.

Getting enough subscribers for the new channel to make financial sense was one of the biggest obstacles to its launch. It managed to reach its goal of 30 million subscribers by the end of 2006, after securing "carriage" or becoming a part of the channel line-up on the Comcast, Time Warner and Charter cable systems and on the DirecTV satellite network.<sup>17</sup>

The first big sign of News Corp.'s investment in the new venture was its inclusion in Fox News's license-fee contract renegotiations in October 2006 (see Economics). While there was no official statement, trade reports early in the year said that Fox would ask for about 10 cents per subscriber per month for the business channel.<sup>18</sup> Eventually, however, Fox executives clarified that the business channel was not a factor in determining the rates for Fox News.

News Corp. has already invested in some staff for the business channel. According to Television Week, Neil Cavuto will oversee content and business news coverage.<sup>19</sup> Day-to-day operations will be handled by Kevin Magee, a former Fox radio syndication chief who is also in charge of the new syndicated morning TV show on the broadcast network. He was named executive vice president of the business channel in October 2006.

Joining them will be former CNBC correspondent Alexis Glick, who was made director of business news in September 2006. She is also expected to anchor on-air.

### **New York , New York**

One other change in cable newsrooms was a greater push toward New York City, the traditional home of national

television news. All three networks created a higher presence there in 2006. CNN beefed up its studio, Fox News bought marketing space on Times Square and MSNBC moved in with NBC News.

CNN, headquartered in Georgia, invested in a large studio at the Time Warner Center (its New York headquarters). The new studio is technologically advanced, and its centerpiece is a giant video wall displaying both video and graphics that first showed up during the broadcast of Anderson Cooper 360 in October 2006. It was promoted as a big-screen showcase for the latest video and informational graphics pouring into CNN from around the nation, the world and the Web, and was used heavily during the election coverage in November 2006.

All MSNBC operations are expected to be out of New Jersey sometime in 2007 as it begins sharing space with NBC News at its Rockefeller Center headquarters in Manhattan.

Most of Fox News's programs are aired from its New York headquarters (also the site for a massive 10th anniversary party in October 2006). The Fox Television group built on its presence in the city by signing a 10-year deal to air its programming on Times Square. The 1,400-square-foot television screen is an iconic marketing space, and the Fox group intends to use it to air Fox News content morning and evening, along with local news from the New York Fox station and sports programming. Its new business channel is also expected to be based in Manhattan.

[Click here to view footnotes for this section.](#)

## Audience

Audience

*By the Project for Excellence in Journalism*

The cable news landscape is changing in ways that are more subtle than in previous years, and that hints at differences not only in the purpose of cable news but also the channels people go to at different times in different ways.

For 2006, four trends stand out:

- The average audience of the three main cable news channels was declining.
- The drops at Fox News were the largest of all and marked the first time the cable news leader had begun to bleed viewers.
- But there were signs that the cumulative audience, or the number of different people in the course of a month who view cable news, was still growing. With average audience in decline, that would mean more people visited cable news occasionally but didn't stay as long.
- The growth in MSNBC and some individual programs on CNN Headline News seem to be

associated with the rise of even sharper opinions in prime time, and the declines at Fox News raise questions about whether its longtime evening lineup is losing some of its appeal.

- Relative to each other, the three cable news channels performed according to type. Fox News remained well ahead of the competition again. While CNN managed to attract the largest share of unique viewers and did better during big events, Fox News dominated in the number of eyeballs watching at any given moment. MSNBC, meanwhile, stayed in third place, though with new managers at the helm there was some improvement in its performance, compared to previous years

But with subscribers reaching a plateau, viewership among the three main channels is declining. And with more competition from the Web, PDA's, phones and more (see Digital) the trends of 2006 are only likely to continue.

### **The Three Types of News on Cable**

The journalism on the cable news channels, the analyst Andrew Tyndall suggests, serves three distinct sets of needs. <sup>1</sup>

The first is **News on Demand**, updating the latest headlines available at any time during the 24-hour news cycle.

The second is **Crisis Coverage**, wall-to-wall, comprehensive, on-the-scene, constantly updated journalism on a handful of essential stories that occur each year — Katrina, 9/11, the invasion of Iraq, the Clinton impeachment, or the undecided election.

The third is **Prime-time Personality, News & Opinion Programming**, the evening shows that include a mix of nightly-newscast-style headlines, opinionated commentary, newsmaker interviews, analysis and true-crime celebrity programming. These are the shows that Fox News and others have made into distinctive programs, not tied to breaking news, that people arrange their schedule to watch, so-called appointment viewing.

A close look at which cable audience numbers are declining, and at which times — dayparts, to use industry jargon — reveals the different patterns of how people are now beginning to use cable.

Common sense suggests that news on demand would be the kind of coverage most vulnerable to the rise of the Internet, PDAs and other technologies for instant headlines. Indeed the declines in 2006 in the most basic numbers — average audience — seem to confirm that.

But the audience data suggest something more. The audiences for prime-time news and opinion programming dropped even more than daytime, a sign that it's not just news on demand that is losing its appeal. Some prime-time opinion and personality programming on CNN and even more on Fox News may be losing sway.

The audience for crisis coverage — long cable's biggest draw in raw numbers — is harder to discern from 2006. The numbers were not strong compared with other years, but it may be that the crises of 2006 simply did not command

the kind of interest of previous ones.

And the problems at Fox News, new this year, appear to be across the board, hinting that the news channel may be facing its first significant signs of getting middle aged.

For all that, if a fourth channel, CNN Headline News, is thrown into the mix, the message becomes slightly more nuanced. Its audience grew substantially in 2005, putting it within arm's reach of MSNBC. But in 2006, despite the gains of one notable prime-time program, the news channel over all saw viewership decline.

### **Cable Audiences: Viewership Declines**

By the most basic measure, average audience each month, the viewership for the main three news channels collectively in 2006 was down in both dayparts. 2

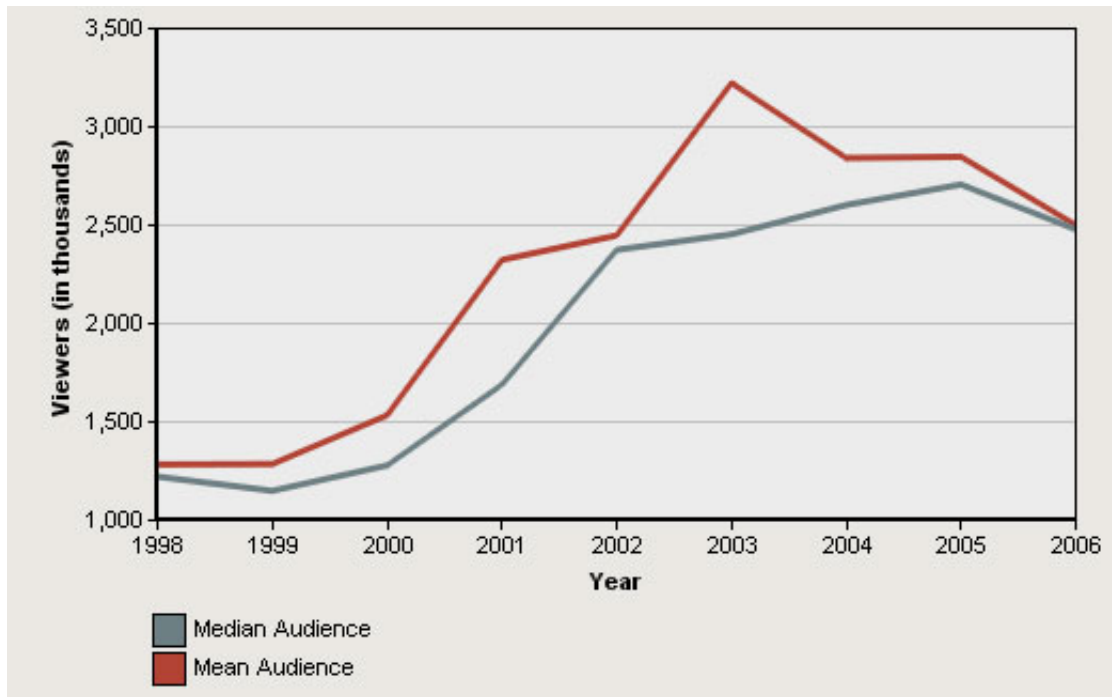
Cable news viewership can be measured in two different ways to arrive at an average monthly audience. The first is "median," which measures the most typical audience number each month. The industry tends to use a different measure, "mean," which creates a simple average from each day's total. We report both here, though we believe mean tends to exaggerate the effect of big stories and thus is less accurate than median (see sidebar on measuring the audience). By both measures, however, the numbers for the three main channels were not good.

Using median, the most typical audience, the prime-time audience for the three cable channels together suffered an 8% decline in 2006.

In viewers, that means 2.5 million people were watching cable news during prime time in 2006, down from 2.7 million in 2005. A year earlier, 2004, prime-time audience was up 4% from 2003.

While we had noted previously that the pace of audience growth in cable had fallen sharply since 2003, this was the first time in six years that there was an actual decline.

## Cable News Prime Time Audience 1998 – 2006, Channels Combined



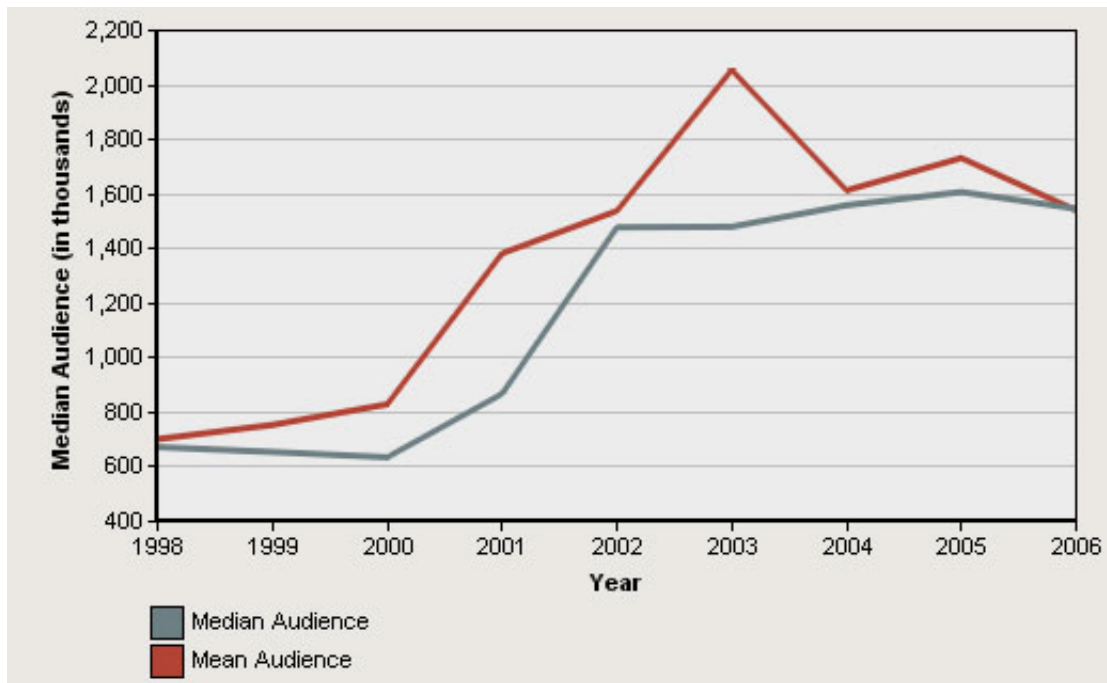
### Design Your Own Chart

Source: PEJ Analysis of Nielsen Media Research data, used under license

The trend in daytime viewership was similarly negative. Daytime median audience for all three channels fell 4% in 2006, to 1.5 million viewers, down from 1.6 million in 2005. A year earlier, daytime median audience had risen by 3%.

Calculating cable news viewership for 2006 based on the mean, as the cable channels do, paints an even bleaker picture

## Cable News Daytime Audience 1998 – 2006, Channels Combined



### Design Your Own Chart

Source: PEJ Analysis of Nielsen Media Research data, used under license

The mean prime-time audience for all three channels combined fell by 12%, to 2.50 million, down from 2.84 million the year before. A year earlier, prime audience was essentially flat, growing less than a percent.

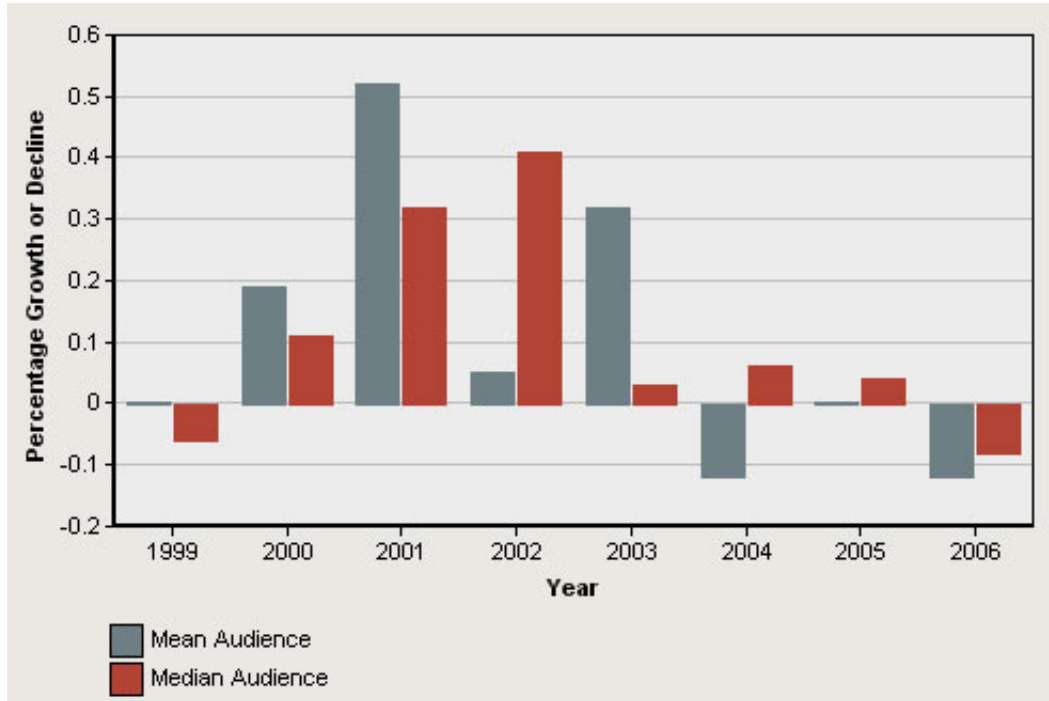
In daytime, the mean audience fell 11% in 2006, to 1.54 million, down from 1.73 million in 2005. A year earlier, the mean daytime audience had grown 7%.

Deeper probing into the different ways of calculating reveals still more clues about why the audience is down.

For instance, the fact that the declines in median audience were greater at night, when the opinion- and personality-driven programming are on, reinforce the idea that cable's problems go deeper than just people gravitating to other sources for breaking news.

And the greater drop in mean, the measurement more sensitive to audience spikes, supports the idea that the channels enjoyed less of a bounce in 2006 from crisis coverage than in years past.

## Cable News Prime Time Audience Growth 1998 – 2006, by Channel



Design Your Own Chart

Source: PEJ Analysis of Nielsen Media Research data, used under license

### 2006: Channel by Channel

The losses in viewership, however, were not consistent across the three main channels. Fox News, the only channel that was gaining in years past, began to lose audience, and did so at the steepest rate of all. MSNBC, in turn, began to gain.

#### *The Fox News Channel*

Fox News remains the cable leader, but for the first time since its launch, it saw losses in viewership year-to-year. What's more, the drop was consistent across the course of the year and across the dayparts, as well as being sharper than its competitors.

From January to December 2006, Fox News's median prime-time viewership fell by 14%. That was in sharp contrast to the year before, when it was the only cable news channel to see an increase (9%). The story was repeated in daytime, when its median viewership dropped 12% in 2006. A year earlier it had grown 5%.

If we look at the mean, things don't change for the better. Fox News saw almost equal declines in the two dayparts, 16% in prime time and 15% in daytime.

Indeed, comparing the number of viewers in 2006 to 2005, Fox News saw a decline in virtually every month, with the greatest gap in the latter half of the year (incidentally, when the big stories of 2006 took place).

#### Fox News Viewers

2006 vs. 2005

Month	Change in mean prime-time audience	Change in mean daytime audience
January	-7.6%	-3.7%
February	-5.2%	-7.1%
March	-9.6%	-13.6%
April	-4.3%	-7.4%
May	-6.2%	2.2%
June	-20.9%	-8.9%
July	-18.8%	-0.5%
August	-28.5%	5.4%
September	-21.6%	-56.8%
October	-23.8%	-16.7%
November	-16%	-15.2%
December	-17.9%	-17%

Source: Nielsen Media Research, used under license

If one accepts the notion that daytime is more a period for news on demand, and the evening more a time for personality and opinion programming, Fox News appears to be suffering equally in both kinds of news.

That raises several possibilities. Fox News could be losing viewers to other cable channels (some MSNBC and Headline News programs are growing). Or some of its viewers could be gravitating to other media. And in fact the declines in both dayparts suggest that the problem may be some of both.

Some analysts, such as Andrew Tyndall, also raise the question whether Fox News aligned itself too closely with Bush Administration and the Republican Party. If so, it could be suffering a backlash as the political winds change.

Or it may be in part an age problem; the Fox shows may have become familiar. The lineup in prime time has not changed appreciably in recent years. If that is the problem, then just as CNN began to do in the late 1990s, Fox News may find that it has reached a peak with its current programming and begin to re-imagine some of its shows (something CNN has continued to struggle with).

It also may be that its competitors, notably MSNBC and Headline News, have found ways to finally begin to chip away



at some of Fox News's audience.

Whatever the causes, if the declines continue, they may be compounded by something else: both CNN and MSNBC have more popular Web sites. That could draw even more breaking-news audiences away (see Digital). 3

For all this, of course, one should not lose sight of the fact that Fox News remains the dominant channel, both in terms of overall audience and individual shows.

In 2006, more than half the people watching cable news were watching Fox News (as they have since 2001).

The mean audience for Fox News in prime time was 1.4 million in 2006. That is more than triple the viewership of MSNBC (378,000) and almost double that of CNN (739,000). More than half (55%) of all viewers watching prime-time cable news in 2006 were tuned into Fox News.

During the day, 54% of the viewers watching the three main cable news channels were tuned to Fox, again about double CNN and more than triple MSNBC. Fox News averaged 824,000 viewers, against 472,000 for CNN and 244,000 for MSNBC.

By program, Fox News had nine of the top 10 shows, according to Nielsen rankings. 4 Only CNN's Larry King broke that monopoly at No. 7. The "O'Reilly Factor" was again the most-watched show on cable news, averaging 2 million viewers a night.

The Top 10 Cable News Shows  
December 2006

Show	Channel	Average Audience (in 000s)
The O'Reilly Factor	Fox News	2094
Hannity & Colmes	Fox News	1526
On the Record w/ Greta Van Susteran	Fox News	1322
The Fox Report w/ Shepard Smith	Fox News	1317
Special Report w/ Brit Hume	Fox News	1309
The O'Reilly Factor (repeat)	Fox News	1057
Larry King Live	CNN	1027
The Big Story w/ John Gibson	Fox News	979
Studio B w/ Shepard Smith	Fox News	920
Your World w/ Neil Cavuto	Fox News	880

Source: Nielsen Media Research figures at MediaBistro.com  
Note: average audience figures reflect all persons ages 2 and up (P2+)

At CNN, meanwhile, viewership declined as well in 2006. The median figures show a fall that was not as steep as in 2005. It saw a loss of 2% in prime-time median viewership from January to December 2006, far better than the 11% loss in 2005.

CNN's daytime median viewership was actually up 6% from the year before, in contrast to the decline at Fox News, and better than last year, when it lost 7% of its daytime viewers.

Looking at the numbers using mean, CNN executives have more cause for concern. The channel saw a drop of 12% in average prime-time viewership and about the same decline, 10%, in its average daytime audience.

Even with the drop in overall prime-time audience, some shows did see gains. "Lou Dobbs Tonight," for instance, grew 30% in the fourth quarter of 2006, while Anderson Cooper and Wolf Blitzer's shows saw 15% and 18% growth.<sup>5</sup> Those shows fared even better among viewers 25 to 54 years old, whom advertisers covet. Dobbs grew 57% in the 25-to-54 demographic in the fourth quarter of 2006 compared to same period in 2005. "The Situation Room with Wolf Blitzer" was up 50% and "Anderson Cooper 360" was up 24% in the same audience age range (See News Investment).<sup>6</sup>

### *MSNBC*

If Fox News's declines were one major change in the cable news landscape, the other big shift came at MSNBC, where viewership by any measure grew in both daytime and prime time in 2006.

The channel's prime-time median viewership figures rose 7% in 2006 compared with a loss of 2% the year before.

It performed equally well during the day. Daytime median viewership grew 7% in 2006, building on the 3% rise in daytime in 2005.

The metric the industry tends to use, mean, also showed growth at MSNBC. Its average prime-time audience was up by 3%. In daytime, there was 1% growth.

What factors are working in the channel's favor? Could MSNBC be benefiting from a change of guard or changes in programming, or was it simply a matter of having news to report?

One potential explanation is greater synergy with NBC News — many top-rung NBC anchors appeared on the channel for election coverage, with favorable results. Top executives say they plan to continue such sharing of talent.

Synergy is also expected to increase with the physical shift of the MSNBC operations to NBC News's New York headquarters from New Jersey (see News Investment). MSNBC executives also believe that the changing political climate in the country is helping the channel. Phil Griffin, an NBC News vice president, was quoted in Variety as saying, "The mood has changed and people are looking for a different kind of coverage."

One prime example of cashing in on the changing political climate is Keith Olbermann's show, "Countdown with Keith Olbermann" (8 p.m. ET). Olbermann's is one MSNBC program that has bucked the general trend and increased its key demographic audience in 2006. Compared with the same quarter a year earlier, Olbermann saw a 67% rise among viewers 25 to 54 in the fourth quarter of 2006 (also see News Investment) and a 60% rise in the overall audience. 7

The steady audience numbers also could help MSNBC's position on the company ladder as NBC Universal begins its re-structuring and digital initiative in 2007 (see Ownership). Yet all this needs to be kept in context. MSNBC still lags well behind its two chief rivals and is even challenged by CNN's second network, Headline News.

### *CNN Headline News*

In 2005, as we reported last year, CNN's sister channel, Headline News, began to emerge out of the cable news shadows and to rival MSNBC in viewership.

In 2006, some of its momentum seems to have waned. Despite the launch of an edgy prime-time conservative talk show that saw big gains, Headline News' overall prime-time and daytime viewership declined slightly. Its mean prime-time audience was 302,000 in 2006, down 2% from the year before. That left it further behind MSNBC's 378,000.

In daytime, the channel averaged 218,000 viewers, a much steeper decline, 11% compared with 2005. Here, it is still shy of MSNBC but closer, at 244,000.

The drop in daytime viewers, which was as bad as the drops at CNN or Fox News, may speak to the declining news-on-demand appeal of cable. Those are the hours when Headline News follows its traditional wheel format of headlines only every half hour.

### CNN Headline News Average Audience

Year	Prime time Viewers	Daytime Viewers
2006	302,000	218,000
2005	307,000	244,000

Source: Nielsen Media Research, used under license

In prime time, its decline was not as steep as its sister CNN (12%) or Fox News (16%). That is due at least in part to the success of some of the channel's opinionated prime-time shows, particularly among young audiences.

At the front of that group is Glenn Beck, a former conservative talk radio personality, who anchors from 7 p.m. to 8 p.m. daily. His show grew 119% overall in audience and more than tripled (up 165%) among 25-to-54-year-olds in the fourth quarter of 2006.

Beck is up against some of cable news' bigger shows (Fox News's "Fox Report" with Shepard Smith, MSNBC's "Hardball" with Chris Matthews and CNN's "Situation Room" with Wolf Blitzer). But their fourth quarter gains in audience were no more than 20%.<sup>8</sup> Beck stands out, in part, because he may be among the most pugnacious conservatives on cable TV, and ideological edge, particularly from the right, is a new identity for Headline News.

Beck's show is actually the second most popular Headline News show. In first place is the legal talk show "Nancy Grace" (8 p.m. ET). Grace, a lawyer, began making audience inroads when she went on the air in 2005.

Her performance in 2006 was more complicated. The show's overall audience declined 16% in the fourth quarter while its audience in the 25 to 54 demographic grew 8% (see News Investment).<sup>9</sup> That might have something to do with competition – MSNBC's Keith Olbermann airs at the same time and he's been seeing huge gains among both the 25-to-54-year-olds and over all audience. The drop also came, among other things, as Grace became embroiled in controversy when one of her guests committed suicide after a Grace interview.

Headline News is also attracting viewers in the morning. Its morning show "Robin & Company," hosted by Robin Meade, has seen a ratings surge, especially among the younger demographic. According to CNN, the show's ratings in October 2006 showed a 71% increase from the previous year among people 18 to 34. Further, "Robin & Company" gets about 90% of all viewer response to Headline News's daytime shows, most of which is positive.<sup>10</sup>

### **Cumulative Audience**

Another method cable networks use to measure their audience is "Cume," short for cumulative audience. The term refers to the number of different individual ("unique") viewers who watch a channel over a fixed period. Viewers are counted as part of a TV channel's Cume measurement if they tune in for six minutes or longer (they are typically calculated over the course of a month). Like average audience, Cume is measured by Nielsen Media Research.

CNN has historically led in terms of Cume and used the to leverage itself to advertisers — arguing that advertisers can reach a greater number of different consumers through its channel over time, even though its *average* audience lags significantly behind that of Fox News.

This year, CNN, which provides the Project with data on Cume, released figures only for the final month of the year. According to those numbers, at least, CNN continues its lead.

But the trend lines, again, are strongest for MSNBC. It grew about 27% in December 2006, year-to-year. CNN's sister channel, Headline News, was next, with a 24% growth in Cume audience.

Cable News Cumulative Audience Number of Unique Viewers (in 000's)		
Channel	December 2006	December 2005
CNN	71,797	59,949
Fox News	61,591	53,083
MSNBC	53,785	42,201
Headline News	57,185	46,020

Source: Nielsen Media Research, data provided by CNN

The Cume numbers also reveal something else. Cume was growing — at least in December. Indeed, all four channels had a higher cume in December 2006 than in 2005. This stands in stark contrast to the average audience trends.

If the December numbers are typical, they suggest that more people tune in to the cable channels now than a year ago, but are not staying as long. It may also say something about the nature of the major news events of 2006 in contrast with years past — the so-called crisis coverage component of cable journalism. That question deserves a closer look.

### **Crisis Coverage: The Big Stories of 2006**

What is happening with crisis coverage on cable?

As noted above, the steeper declines seen in mean audience (as distinct from median) suggest that the cable channels benefited less from crisis coverage in 2006 than in years past.

Over the last decade, the cable channels saw their growth stimulated by major crises. Viewers would come for the big events — often in huge numbers — and many of them would begin to watch the channels more afterwards. Are cable channels now also losing sway in this area? Or was 2006 somehow a slower news year than in years past?

One way to examine those questions is to take the big months of the year, when coverage spiked because of major news events, and compare these spikes to the ones registered during previous crises.

In 2006, the big stories were the summertime crisis in the Middle East in July and August and the mid-term elections in November. (The Middle East crisis overlapped with another major event, the foiled terrorist plot to bomb American planes in London.)

The Middle East crisis and the terrorist threats led to a surge in cable news viewers in August. CNN saw its August 2006 prime-time audience up 19% and its daytime audience up nearly 40% compared with August 2005. The month also saw it generate the largest number of total viewers in the year. MSNBC's prime-time audience grew just 4% (although daytime was up 36%) compared with August 2005. Fox News actually saw a 29% dip in prime-time viewership, while daytime viewers grew 5%.

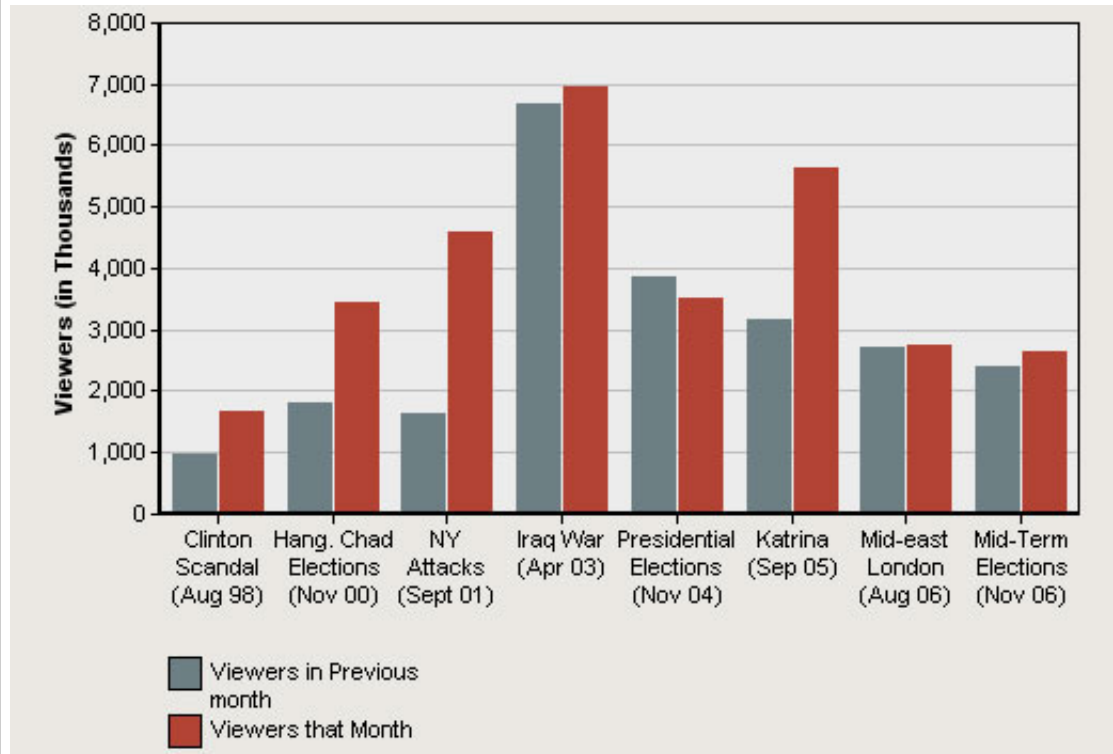
November, the month of the mid-term elections, saw no such spikes. There was little growth in viewership in the three channels over November the year before — growing only 10% over October 2006 in prime time, even though the

election occurred in the second week of the month and, given the dramatic results, carried on with coverage for weeks after that. In daytime, the channels actually lost about 1% of their viewers.

Compare that to the spikes registered in earlier years. In August 1998, when video of President Bill Clinton's deposition before a grand jury was released, cable news registered a 71% spike in both daytime and prime-time viewers from the previous month. The hanging-chad elections in November 2000 that ultimately brought George W. Bush to power had everyone riveted to the cable news channels — and registered 91% growth in prime-time viewers and 156% growth in daytime compared to the month before.

### Cable News Audience during Big Events

1998 – 2006, Channels Combined, Prime-time Viewers



### Design Your Own Chart

Source: Nielsen Media Research, used under license

Note: Figures reflect average viewers in respective months

What to make of the smaller spikes in 2006?

Of course it is impossible to conclusively compare different news events in different years. Some analysts, such as

Andrew Tyndall and the former CNN correspondent Charles Bierbauer, believe that the crises of 2006 were simply not as compelling, as news events, as those of other recent years. That is certainly possible, perhaps even likely. A mid-term election and a Mid-East crisis may not be news on the same magnitude for Americans as Katrina, the overthrow of Saddam Hussein or September 11.

Nonetheless, given the other declines in 2006 and the growing range of options Americans have for news, it is also possible that the spikes in cable viewership from major events may just become smaller. It's a question that deserves monitoring.

### **The Demographics of the Cable News Audience**

Who is watching Cable News? Over all, the typical cable news viewer is likely to be male and middle-aged (mean age of 48 years) with a college education.

There are some variations by channel. The average Fox News viewer is about 48 years old as well and earns a higher income, while the average CNN viewer is a year younger, and more likely to have a lower income. The MSNBC viewer is likely to be younger still, but with a better income than CNN. We provide a more complete profile of the cable news audience, and what the demographics might signify, in the Public Attitudes sub-chapter.

### **Footnotes**

1. Adding up viewers of all three networks in 2004 for both prime time and daytime gave us 5.35 million viewers. The same calculation in 2005 resulted in 5.50 million viewers (Nielsen Media Research data for January to December 2004 and January to December 2005).

2. Annual figures until August 2005 showed a .3% decline in daytime audience and 6% growth in prime time. In September, however, daytime audiences shot up by 12%, while prime time rose by 8%. By December 2005, the daytime average leveled out to 7%, while prime time fell to .2%. Thus, Katrina led to a sharp increase in averages for September, and when the story died down, the averages dipped back down. The dip was especially steep for prime time averages. (Source: Nielsen Media Research)

3. Between 2000 and 2004, Fox News extended its reach on cable systems by almost 40 million subscribers. CNN, which had reached its distribution potential (already carried on most cable systems), gained only 10 million more potential subscribers over those four years.

4. In 2004, CNN averaged 15 million more unique viewers per month than Fox News. Cume is based on mean average, not median, but the fact that CNN leads each month does suggest that its advantage here is not based just on big stories. (Source: Nielsen Media Research, data provided by CNN)

5. CNN posted steep viewer losses during the month of February 2005, slipping 21% in prime time and 16% in daytime. It even lost in the key 25-54 demographic to third-place MSNBC during the speech. That, however, could be accounted for by the fact that the audience watching the State of the Union address is heavily Republican and inclined toward Fox News. The pattern was repeated during the State of the Union Address in 2006 — Fox News had the

highest viewership among all the cable channels. See Michael Learmonth, “CNN Flops in February as Fox News Surges,” Daily Variety, March 2, 2005. Also see Michael Learmonth, “Fox Nets Record Aud for Prexy Speech: State of the Union address draws in 6.46 million viewers,” Daily Variety, February 1, 2006.

6. Fox News recorded 87 million unique visitors that month while MSNBC had 69 million. (Source: Nielsen Media Research, data provided by CNN)

7. Survey data about Katrina reinforce the Cume data. A Pew poll in September found that 31% of Americans said they were “getting most” of their “news about the disaster” from CNN, while 22% cited Fox, 9% MSNBC. CNN, then, alone commanded nearly the same percentage as all the three broadcast networks, ABC, CBS and NBC, combined (network news got 34% while local news got 19%). Pew Research Center for the People and the Press, “Two in three critical of Bush’s relief efforts,” Pew Research Center , September 8, 2005 . (Respondents could cite more than one news source) Online at: <http://people-press.org/reports/display.php3?ReportID=255>

8. Toni Fitzgerald, “CNN Headline News topples MSNBC,” Media Life Magazine, March 31, 2005.

9. This report separates the two CNN channels in audience analysis because Nielsen Media Research, which aggregates data on audience figures, provides figures for each channel individually.

10. Toni Fitzgerald, “CNN Headline News topples MSNBC,” Media Life Magazine, March 31, 2005.

11. “Desperate No More? Networks See a Rebound in Viewers,” The Wall Street Journal, May 25, 2005 . Wolzien has since left the investment firm Sanford C. Bernstein & Company Inc., to semi-retire and start a consulting practice, Wolzien LLC. John Eggerton, “Wolzien Exiting Sanford Bernstein”, Broadcasting & Cable, July 15, 2005 .

12. “Cable and VCR Households,” TV Basics: Online Brochure, Media Trends Track, Research Central, Television Bureau of Advertising (TVB) Web site.

13. Mike Tierney, “Fox now the big dog in cable news — and growing,” Atlanta Journal-Constitution, September 9, 2005 .

14. See 2005 Annual Report: Cable TV, Content Analysis (‘Differences among cable channels’).

15. Ibid.

16. See 2004 and 2005 Annual Reports.

## **Economics**

### Economics

*By the Project for Excellence in Journalism*

Though 2006 was a difficult year for cable news in terms of audience, it was a better one financially. The reason is



that the economics of cable news are not entirely tied to annual audience trends. They are connected to multi-year contracts cable channels have with cable systems that distribute their content. After Fox News renewed its contracts in 2006 and began to reap the benefits of a decade of growth, the economics of cable news are poised for some important changes.

Five major economic trends stand out for 2006:

- Fox News was expected to overtake CNN as the profit leader in cable for the first time, with only more growth projected for the future.
- The reason, in part, is that Fox News began to sign new contracts that tripled the license fees it received from cable providers. The new contracts, replacing the 10-year deals it signed when it launched in 1996, put the cable news channel into the highest levels of subscription fees for the first time.
- Meanwhile, the other cable channels also expected to see profits jump.
- For all Fox News's momentum, CNN, whose financial figures are combined with Headline News, still had the largest revenues.
- MSNBC, meanwhile, was projected to generate meaningful profits for the first time.

While the numbers are impressive — particularly Fox News's financial milestones — they do not come without questions. First, Fox News was expected to overtake CNN in profits in 2005 as well, but fell short, so the accuracy of projections remains a question. <sup>1</sup> The second is more long-term. With all channels losing audience in 2006, has the cable industry as a whole — beyond just news — begun a downward curve?

The number of cable households that are subscribers has barely increased in years, inching just 1% or so every year in the last five. <sup>2</sup> With no new audience, advertisers aren't paying what they used to. Cable networks are no longer able to get the significantly higher rates they are accustomed to, and ended up with only a 2% gain in the 2006 advertising "upfront" period. <sup>3</sup> In addition, the slowdown in advertising revenue and growth means each network or channel spends more on self-promotion to maintain its position. <sup>4</sup>

So far, the industry has stayed ahead of those downturns and convinced analysts it can weather the storm. According to projections for 2005-2010, basic cable (beyond just the news channels) will see a 78% growth in revenues despite the economies of scale and leveling-off of subscribers. <sup>5</sup> The cable news channels have been faring equally well in projections.

### **Profits**

By the bottom-line measure, profits, cable news is doing well indeed, and analysts see more of the same in the immediate future.

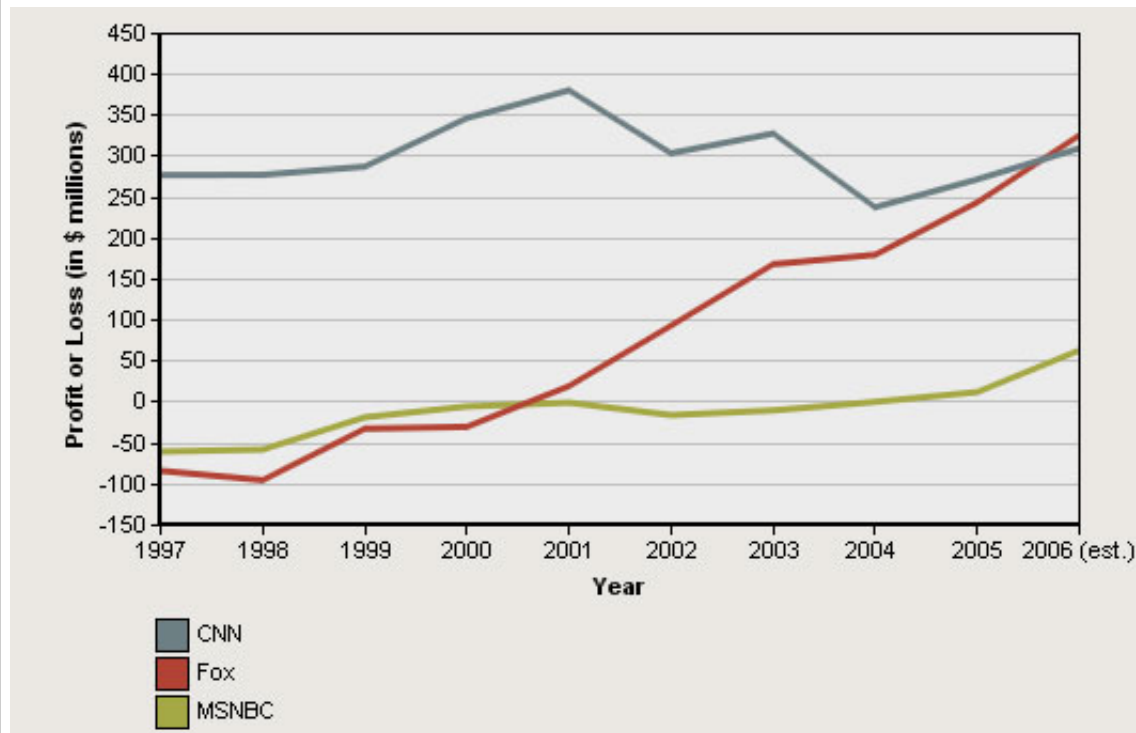
Kagan Research, the media research firm, projected that the four cable news channels would earn \$699 million in pre-tax profits in 2006. That would represent a jump of 32% from 2005, when they generated \$529 million.

Fox News was projected to become the most profitable channel, overtaking CNN for the first time. Kagan expected Fox News's operating profits to grow more than 30%, to \$326 million, from \$244 million in 2005.

CNN, whose figures include Headline News, was projected to see a growth of almost 14%, to \$310 million from \$272 million in 2005.

While MSNBC isn't anywhere near the level of the other two channels, its estimates continue to be optimistic. Kagan expected profits at MSNBC to rise to \$64 million in 2006 — a leap of almost 400% from the \$13 million it made the previous year, and a sign that the news channel will, at long last, become a contributor of some value to NBC television's bottom line. One caveat is that MSNBC has fallen short of projections before.

Cable News Profitability  
1997 – 2006, by Channel



Design Your Own Chart

Source: Kagan Research, LLC, a division of Jupiter Kagan Inc.

One significant trend that emerges from those numbers is that Fox News has been steadily narrowing the gap in profits with CNN every year, and at a much faster rate than analysts projected. In 2004, Fox News's profits had been projected to be \$97 million behind CNN's, and in 2005 some \$56 million behind. Actual figures show the gap was \$58 million in 2004 and \$28 million in 2005.

Thus, even if the gains in 2006 are more modest than projected, Fox News has achieved in ten years what it took CNN 25 years to accomplish.

It should be emphasized, again, that financial data for 2006 are estimated or projected, since actual annual figures for a calendar year come out six months later. Comparing actual 2005 figures against projections (in last year's Annual Report) shows how far off the mark projections can be.

Kagan Research's projections for profits are a case in point. Fox News made about \$4 million less than projected (\$244 million rather than \$248 million), a slight variation. MSNBC, in contrast, made only half of what analysts expected it to — \$13 million, not the projected \$27 million. CNN's actual earnings fell short by about \$30 million of what it was projected to make — a profit of \$272 million, not the projected \$304 million.

## **Revenues**

One reason for Fox News's strength is that in tandem with profits, revenues are also rising rapidly. According to the annual profiles released by Kagan in July 2006, Fox News's revenues were projected to grow 23.4%, nearly identical to the 23% of 2005. That is nearly triple the projected revenue growth at CNN. In dollars that would come to \$754 million, up from \$610 million in 2005.

CNN and Headline News, on the other hand, continue to bring in the highest revenues in cable news, but the growth in recent years has slowed to single digits. <sup>6</sup> Kagan's projections for CNN include both CNN and CNN Headline News because they are sold as a package to advertisers and distributors. They do not include the revenues CNN earns from its other operations, such as CNN Radio, CNN International or NewsSource, its subscription service that provides newsfeeds to local stations. <sup>7</sup>

The two channels were projected to bring in \$985 million in total revenue in 2006, a 7.6% increase over the previous year's \$915 million (a 9% increase over the year before that).

MSNBC, meanwhile, continued to lag well behind the other two channels in financial performance. Kagan Research projected MSNBC would take in \$269 million in revenues in 2006, a 7% jump over the previous year. (In 2005, incidentally, its revenues fell short of projections: \$251 million against a projection of \$261 million).

One can also get a sense of the accuracy of projections for revenues from the actual results of 2005.

Cable News Revenues  
2005 vs. 2006, in \$ millions

	2005 Projected	2005 actual (projection vs. actual)	2006 projected
CNN	878.2	915.2 (+37)	985.3
Fox News	614.8	610.8 (-4)	754
MSNBC	261.3	251.4 (-9.9)	268.8

Source: Kagan Research, LLC, a division of JupiterKagan Inc.

Seen against projections, CNN fared better than analysts expected. Fox News, on the other hand, falling short by about \$4 million, and MSNBC's were about \$10 million lower than projected.

### Revenue Streams

To understand all this, it is important to recognize how cable economics work. Unlike broadcast television, which depends entirely on advertising, cable news has two revenue sources of basically equal weight — subscriber fees, paid through the cable systems, and ad revenues. That is why cable companies can make substantial revenue and profit with much smaller audiences than broadcasters.

A breakdown of the two tells the story of where cable news' economics are headed.

#### *License Fee or Subscriber Revenues*

The less obvious revenue stream in cable, license fees, is the money paid by the cable systems to carry the channel. These are long-term deals negotiated in advance on a per-subscriber basis irrespective of how many subscribers actually end up watching the channel. If a cable company enlarges its audience, it can renegotiate those license fees upward when contracts come up for renewal.

The year 2006 marked the 10th anniversary of Fox News and the beginning of its process of renewing license-fee contracts. When the channel launched in 1996, many of the 10-year contracts it signed gave the channel 25 cents for each subscriber, roughly half what CNN makes.

All through 2005 and 2006, Fox News executives were quoted as saying they would like a revised rate of \$1 a subscriber — an unheard-of increase in fees in the industry. While analysts believed that such a hike was unrealistic, Fox News executives used the channel's Nielsen performance in arguing for it.

Their confidence has borne fruit. Fox News managed to triple its current fees in the first of its renewal deals, with Cablevision, currently the sixth-largest cable operator in the U.S. After much speculation in trade magazines, the two sides agreed on a rate "upwards of 75 cents per subscriber" in October 2006, according to *Broadcasting & Cable*.<sup>9</sup>

Their new contracts are five-year deals. Initial media reports said that Fox News was negotiating for cable systems to carry both the news channel and its proposed new business channel (see *News Investment*). There was also talk of retransmission fees for the Fox broadcast network. Eventually, however, trade magazines reported that the final deals did not include carrying the business channel or the retransmission fees.<sup>10</sup>

The new rate makes Fox News one of the top five most expensive cable networks in terms of license-fees. At the top is ESPN, which charges \$2.96 per subscriber per month, followed by TNT at 89 cents, Disney Channel at 79 cents, Fox News and then USA at 60 cents. CNN currently gets 44 cents. 11

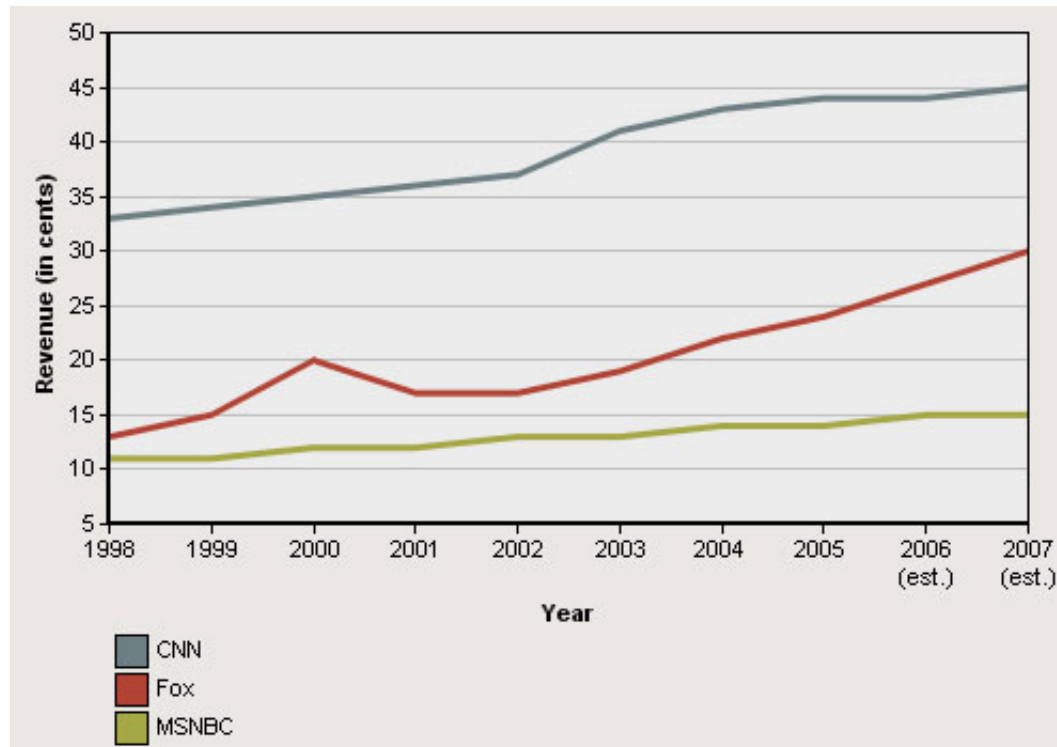
The Merrill Lynch analyst Jessica Reif Cohen, who had expected Fox News to get 50 cents a subscriber, estimated that the new rates could give Fox News \$2.4 billion in affiliate revenue between 2007 and 2010. This represented a jump of 23%, or \$450 million, more than the projections that were made before the deal. 12

Kagan Research, whose 2007 projections were released before the deal and don't take into account the renegotiations, estimated Fox News would earn 30 cents per subscriber in 2007 and earn subscriber revenues of \$330 million. But based on the new rates, there is bound to be a huge difference. 13

The October deal with Cablevision was followed by similar deals with DirecTV and National Cable Television Cooperative (NCTC). It also set the stage for future renewals, which promise to be just as fiercely negotiated. Fox News now has to deal with operators such as Time Warner Cable, Cox Communications and Comcast. Peter Chernin, President and COO of News Corp., was quoted in September 2006 as saying he expected "tough, tough, tough negotiations" with cable operators.

## Cable News Monthly Revenues Per Subscriber

1997 – 2006, by Channel



Design Your Own Chart

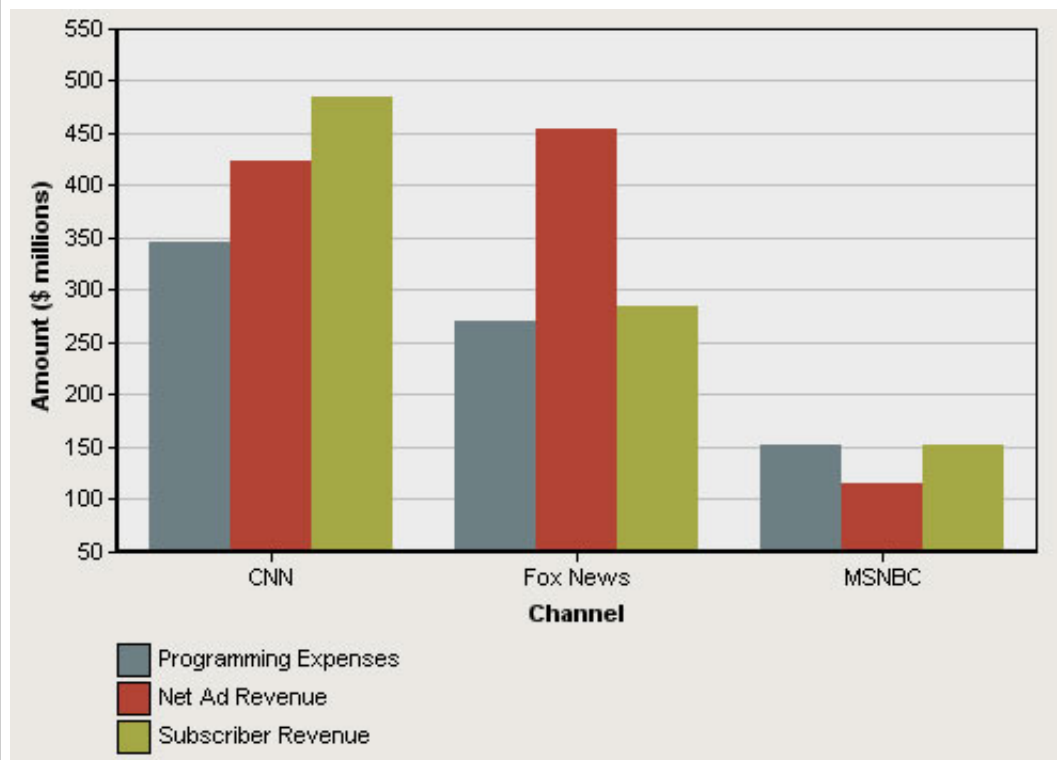
Source: Kagan Research, LLC, a division of Jupiter Kagan Inc.

Indeed, the Fox News deal, to some degree, highlights the love-hate relationship between cable operators and cable channels. Such negotiations over license fees and contracts have become increasingly combative. Operators argue that while news channels are ubiquitous in cable, they are actually watched by relatively few of the subscribers and that with their audiences now declining, Fox News doesn't warrant the kind of license fees it is asking for.

Another consequence of the deals is likely to be a re-enactment of the CNN vs. Fox News rivalry on the economic front. CNN, losing audience to Fox News the past six years, could face some stiff resistance from cable operators when their current deals expire, especially because the operators are resigning themselves to the huge increases they will have to pay Fox News.

## Cable News Revenues & Expenses

2006



Design Your Own Chart

Source: Kagan Research, LLC, a division of Jupiter Kagan Inc.

Kagan estimates CNN will take in \$515 million in subscriber revenues in 2007, at its current rate of 45 cents for each subscriber. That would be an increase of \$31 million over its projected 2006 revenues of \$484 million.

MSNBC suffers from both the lowest subscriber rate and the fewest subscribers. At a rate of 15 cents apiece, it is projected to earn \$162 million in 2007, up from the \$152 million it was expected to earn in 2006.

### *Advertising Revenues*

The second revenue stream for cable news, of course, is advertising. Advertising revenues in cable are based on whether the channel appeals to a higher-income target audience.

The appeal of cable news has always been that it attracts well-educated, relatively affluent viewers, an audience with purchasing power that advertisers want. This niche positioning largely determines advertising rates. And while their rates can't be as high as those of the broadcast networks because of smaller audience than broadcast networks, cable news channels compete well on rates with general-interest cable channels such as sports or entertainment, which boast much larger audiences.

So how did the channels fare in 2006? Fox News was expected to reach another fiscal milestone. If estimates prove accurate, it will have overtaken CNN for the first time in advertising revenue.

According to projections by Kagan Research, Fox News was expected to take in \$454 million in 2006 from advertising. That would top CNN's projected \$424 million (and far exceed MSNBC's \$114 million).

It would also represent a 31% growth over 2005, more than twice that of CNN (13%) and more than four times that of MSNBC (7%).

### Net Ad Revenue of Cable Channels 2000 – 2006, in \$ millions

	2000	2001	2002	2003	2004	2005 est.	2005 actual	2006 est.
CNN	412.8	445.9	359.8	399.2	317.4	334.9	375.9	423.5
Fox News	51.2	59.9	109.8	208.6	257	336.1	345.3	453.6
MSNBC	138.8	115.7	98.4	113.1	111	114.7	106.4	114.4

Source: Kagan Research, LLC, a division of JupiterKagan Inc.

Note: Net Ad Revenue refers to revenue generated after discounting the commission that goes to ad agencies.

There is however, at least one big caveat. Projections for 2005 indicated a similar leap for Fox News that never materialized. In that year, Fox News was expected to take in \$336 million, scraping past CNN's expected \$335 million. But actual results showed that CNN did better than expected and brought in \$376 million in 2005. Even though Fox News took in \$345 million, it remained almost \$31 million shy of CNN.

What's more, other analysts think Kagan's projections are overly optimistic for Fox News. According to a report by Jessica Reif Cohen of Merrill Lynch in September 2006, Fox News's ad revenue for 2006 was expected to be \$421 million and to increase at an average of just 4% a year in the next four years. 14

How is it that CNN can charge ad rates close to those of Fox News with a much smaller audience? The answer, as we have noted in earlier reports, is that Madison Avenue apparently continues to covet CNN's audience type.

CNN's historic lead in advertising revenue can be attributed to both familiarity and performance. It commands a substantial cumulative audience and remains the channel of choice for breaking news events, making it appealing for advertisers who want a guaranteed audience.

How long that might continue is an open question.

## Ownership

Ownership

*By the Project for Excellence in Journalism*

The basic ownership picture of Cable changed little in 2006. News Corp., the company managed and controlled financially by Rupert Murdoch, owns Fox News. General Electric, the corporate conglomerate that owns NBC and Vivendi Universal studios, owns MSNBC. CNN is a part of the Time Warner-AOL empire.

Below the surface, however, subtle changes tell a dynamic story. When it comes to management, MSNBC is the channel gearing up for the most change in 2007. After some top-level changes in 2006, it is likely to see shake-ups throughout the organization in 2007 as it moves facilities to New York near NBC News.

At Fox News, Rupert Murdoch celebrated the channel's 10th anniversary and strengthened his hold on the parent company, News Corp. At CNN, Ted Turner did the opposite — removing himself from the board of Time Warner and breaking his ties with the news channel he created.

### MSNBC

Cable's perennial third-placer finisher in 2006 saw three significant changes. With the departure of its co-owner, Microsoft, NBC and its parent General Electric (GE) gained more freedom to make changes. GE then announced a series of cuts and reshuffling throughout NBC and MSNBC, including closing down the news channel's New Jersey headquarters and moving operations to NBC's Rockefeller Center offices in Manhattan. And MSNBC put new personnel in charge of the news channel, which seems to have hit upon a new style and brand — politics and opinion.

All of that began at the end of 2005 when NBC Television took over sole charge of the channel after 10 years of joint ownership with Microsoft. It was described as a move to revitalize the channel and align it more closely to NBC News, according to NBC's president, Steve Capus.



That began to take shape in October 2006, when NBC Universal, the parent division of NBC television (which includes both MSNBC and NBC News) announced what it labeled “NBC 2.0” to assure future growth and to “exploit the opportunities of the changing media landscape.”

The initiative coincided with the release of GE’s third-quarter figures, where profits were lower than expected (6% increase) partly because of NBC Universal’s 10% drop in profits. That provided the context for what turned out to be cuts mostly at NBC Universal. According to the company, the reductions would be “shouldered by NBC U’s key profit center: news at its national broadcast and cable networks, and local owned-and-operated TV stations.”<sup>1</sup>

According to various media reports, the company planned to trim the news division budget through attrition, buyouts, layoffs and the elimination of duplicate newsgathering processes. The official press statement said management would be cutting about 700 jobs (5% of the total workforce) by 2007. But Capus said the cable channel would not be targeted for heavy cuts.

One change that was clear was closer integration through physical proximity. As part of the 2.0 initiative, NBC announced it would move MSNBC operations — 600 personnel — out of its Secaucus, N.J., headquarters and shift it to New York (with NBC News) and Englewood Cliffs, N.J. (with CNBC). NBC said its aim was to create one digital hub for news, and pool reporters from all the various news businesses.<sup>2</sup> It was also, however, one way to save money.

The changes followed a reshuffle in top management earlier in the year. In May 2006, Rick Kaplan, the veteran from ABC and CNN, stepped down as president and general manager of MSNBC less than three years after taking over the struggling channel. Media critics attributed Kaplan’s exit to his lack of programming success, especially with the shows he created (see News Investment). He was, however, credited with building morale within the channel after an era of program shuffling and newsroom turmoil under his predecessor, Erik Sorenson, and with creating a better relationship with NBC News.

Kaplan was succeeded by Phil Griffin, who was appointed President of MSNBC in June 2006. Griffin is a successful newsroom veteran at both NBC and MSNBC, where he was most recently senior vice president of prime-time programming. He also continues to oversee NBC’s morning “Today Show,” which he has led since 1995.

Griffin in turn named Dan Abrams, the channel’s legal-affairs reporter and anchor, as general manager, though Abrams remains a legal correspondent and will contribute to both NBC and MSNBC. His promotion was a surprise not just because he had no management experience, but because cable networks rarely put news anchors in their executive ranks. For one thing, TV anchors historically have more job security than general managers and vice presidents. Media speculation was that the appointment was a result of his familiarity with both the channel and with Steve Capus and Phil Griffin. All three have been involved with MSNBC from the early years. Abrams has been with MSNBC since 1997 and has been the anchor of “The Abrams Report” since 2001. Capus was executive producer of an MSNBC prime-time newscast in 1999 and in charge of daytime programming when the channel launched in 1996.

According to MSNBC, Abrams’s immediate goals were to build on the success of the channel’s two most popular shows, Keith Olbermann’s Countdown and Chris Matthews’s Hardball (see more in Audience).

By fall, it was clear that meant trying to brand MSNBC around politics, and with a lineup that was now heavily

influenced by opinion and talk in prime time (Tucker Carlson, Matthews, Olbermann, and Joe Scarborough are all political talk). With a pivotal mid-term election, the strategy seemed to work, especially in prime time (see Audience). The press began to write promisingly of the idea. As *Variety* put it, politics might help bring “cultural relevance to a channel that has long struggled to find its niche.”<sup>3</sup>

In part, the move suggests that Abrams and Griffin recognize the growing difficulty of building a news channel around breaking headlines, or what we have called news on demand. Creating a brand around a subject area, the way ESPN does around sports, or CNBC does around business, is a logical alternative. CNN may also have helped create the opportunity. Its changes, such as cancelling its *Inside Politics* program and to a lesser extent its cancellation of *Crossfire*, moved it more explicitly away from politics. CNN certainly devotes time to the subject, but its franchise is less defined. Fox News’s viewership in this area, in turn, is decidedly more conservative, potentially leaving another niche.

As 2007 began, the strategy still appeared to be working. In January, MSNBC drew in 525,000 viewers in prime time, an impressive increase of nearly 53% over its numbers for the same month last year (344,000). That was far better than the gains made by CNN (13%) or Fox News (9%).

### **News Corp. and the Fox News Channel**

Rupert Murdoch, Chairman of News Corp., had reason to toast Fox News and its chairman, Roger Ailes, during the 10th-anniversary celebrations of the channel in October, 2006. The Fox News channel continued to be a News Corp. star performer, not just in its category (cable networks) but among all the U.S. operations of the media conglomerate (see Audience and Economics).<sup>4</sup>

Fox News turned 10 on October 7, 2006. Proving forecasters and skeptics wrong, the network overtook CNN — the biggest name in cable news at the time — in audience within six years of its launch.

When Murdoch created the news network in 1996, he marketed it as an antidote to what he termed the left-wing news media. In an interview with the *Financial Times* in October 2006, Murdoch reflected on the channel’s beginnings and said Fox News had changed the political equation in country, because it “has given room to both sides, whereas only one side had it before.”<sup>5</sup> Murdoch hired Ailes, former president of CNBC and a former political strategist for the Republicans, to head the network. Ailes hasn’t just changed the style of TV news presentation, he has challenged existing TV news agendas.

Undoubtedly the force behind the channel, he brought with him not just a talent for marketing and political hard-sell, but knowledge of television and a no-nonsense style of leadership. He combined these with the belief, more hinted at than explicit in Fox News marketing, that American viewers would empathize with the idea that mainstream media were tilted to the left. His slogans, “Fair and balanced,” and “We Report, You Decide,” implied that those were not qualities available in other media.

Ailes also did something else. He succeeded (where CNN rarely did) in creating distinct programs that people would tune in to — so-called appointment programming in TV language. Bill O’Reilly’s program was distinct from Hannity and Colmes, which in turn was different from Brit Hume’s, and that in turn from Neil Cavuto’s. There were differences

in style and tone, and different anchors played, in a sense, different characters.

There was also a new look with graphics, sound, editing, pacing and more. The combination of a polished look, populist language and opinion-laden journalism has hit the target with many viewers.

Even a former president of MSNBC, Erik Sorenson, admits, “Fox News convinced millions... that Fox’s reporting was indeed fair and balanced, when compared with CNN and broadcast news.”

The channel took off in 2001, after the September 11 terrorist attacks and during the war in Afghanistan, when it took on an outspoken pro-American posture. Its position — which implied that the other news channels weren’t pro-American — created a strong and loyal viewer base.

The channel’s rise has also been tied to news-watching’s becoming partisan. According to the latest Pew survey on news consumption, Republicans are increasingly watching Fox News, while Democrats stick to CNN. <sup>6</sup>

Despite being the biggest cable news channel in the U.S. and part of one of the largest media conglomerates in the world, News Corp., Fox News has succeeded by playing off the impression that it is a lonely young upstart challenging the rest of the colossal, liberally biased media.

When asked directly, the network vigorously denies any charges of political or ideological bias. It has had to constantly defend its credibility as a straight news source. A recent example occurred in an October 2006 interview on Fox News Sunday with Bill Clinton — when he flared up and accused the host, Chris Wallace, of doing “a conservative hit job on me.”

Fox News executives say their channel succeeds — and gets attacked — only because it offers a different perspective. Roger Ailes was quoted in USA Today as saying that the liberals “hate (Fox News) for coming on the scene and... making the people look at both sides of issues.” <sup>7</sup> Shepard Smith, one of Fox News’ marquee news anchors, argues that critics need to recognize that the channel offers two kinds of shows. On one hand are the talk shows that reflect their hosts’ views, he says, but all the others, including the two news reports he anchors, are straight news reporting. Ailes concurred, arguing that Fox News’s critics “mash (opinion shows and the journalism) together and act as if Sean Hannity is doing the evening news, which is just nonsense.” <sup>8</sup>

This report is not an attempt to settle the issue of Fox News’s fairness and balance, but to assess its position in the marketplace at its 10-year mark. Whatever its critics might argue, there is no denying that Fox News has made newsrooms re-think their business, both in format and content. The success of Fox News’s talk shows has led to opinion journalism’s becoming almost staple fare in the TV news business; notable competitors with Fox being Keith Olbermann on MSNBC and Lou Dobbs on CNN. Olbermann’s recent ratings climb has coincided, indeed, with his on-air crusade against the Fox News talk-show host Bill O’Reilly.

The success of Fox News has also sparked off debates on whether objective news is even relevant in a time when ordinary Americans give vent to their opinions through the Internet and blogs.

But while his American news channel in 2006 gave him few worries, Murdoch had a close shave with his stake in the

parent News Corp. itself. For much of the year, Murdoch was locked in a battle with Liberty Media Group's chairman, John Malone, over the controlling interest in News Corp. The battle was finally settled in December when News Corp. reached an agreement with Liberty Media to ensure Murdoch's control of his company. 9

Liberty and News Corp. were equally stubborn negotiators, and, as analysts had predicted, they compromised. The final deal, which will come into effect later in 2007, stipulates that Liberty will acquire News Corp.'s 39% stake in DirecTV, three regional Fox sports networks and \$550 million in cash. 10 In return, Malone will retire his 19% voting stake in News Corp. by selling it back to the company. Malone's stake has roughly the same value as the DirecTV stake and other assets he gets from Murdoch, making the deal an even swap.

The final deal also raises the Murdoch family share in News Corp. to about 40%, making it the biggest voting stake in the company. 11 Murdoch and his two sons currently own about 30% of News Corp., giving them managing control of the company, and it is widely reported that Murdoch hopes to keep control within the family. 12 So it was no surprise he reacted strongly when that control was threatened.

The fact that News Corp.'s share price was up and earnings rose 19% in the fourth quarter of 2006 would undoubtedly have bolstered Murdoch's claim that he knew best how to run the company. 13 In addition, he had the public support of Prince Alwaleed bin Talal of Saudi Arabia, who owns a 5.7% stake in News Corp. The measure helped protect the Murdoch family's control of News Corp. until a deal was reached, and also helped them avoid a lengthy battle in court, where the dispute would have ended up if the deal was not agreed on in time.

Another, smaller footnote regarding Murdoch's activities in the U.S. was the setback his publishing company, Harper Collins, experienced in December 2006. It attempted to publish and market a book entitled "If I Did It" by the ex-football player O. J. Simpson, acquitted in 1995 of killing his wife. The plan was harshly criticized and the book had to be withdrawn.

"If I Did It" was heavily marketed before its scheduled launch, including promotion of an interview to be aired on Fox TV stations with Simpson himself on November 27 and November 29, 2006 — two of the final three nights of the November sweeps, when ratings are watched closely to set local advertising rates. The interview and the book faced immediate outrage, both among the public and in the media (including local Fox affiliate stations and Fox News's Bill O'Reilly). Murdoch had to personally step up to say the company had made a mistake and issue an apology.

### **Time Warner Company & CNN**

The year 2006 saw CNN's founder and Time Warner's most prominent personality, Ted Turner, break his final ties with the company.

In February 2006, Turner announced he would not be standing for re-election to Time Warner's board of directors at the annual meeting; he officially said goodbye in May 2006. He remains Time Warner's largest individual shareholder, with 33 million shares, but has been cutting back on his holdings.

Turner's decision to step away comes 11 years after he sold his cable company, Turner Broadcasting Networks, to Time Warner, and 26 years after he helped launch CNN. 14 His effective departure from operational involvement,

however, had come earlier, with the merger in 2000 of Time Warner and AOL. Now, his departure from even the board of Time Warner marks the formal end to a career at the Turner companies in which he stands as a pioneer in the latter half of the 20th century in televised American news, entertainment and sports.

Turner was the first to see the potential of cable as a viable alternative to the broadcast networks and to make the potential a reality both technically and economically. Leo Hindrey, former head of TCI cable, lauded him as a visionary. “Without CNN, the cable industry would never have evolved as it did. The rest of us were putting in wires. Ted gave us something to watch.”

He is credited with pioneering the use of satellites to distribute ad-supported cable channels nationwide, which had never been tried before. Turner was also responsible for introducing the dual revenue streams for cable: advertising revenues and, particular to cable, subscriber revenues from cable distributors (see Economics).

And while he may not have grasped the potential of the Internet, he did introduce television viewers to an on-demand media world when he launched the 24-hour news channel CNN, effectively weaning viewers away from the notion of fixed schedules for news.

Ted Turner had long played a prominent role in Time Warner’s decisions, but in recent years had complained that he was being sidelined. In a shakeup in 2000, just before Time Warner merged with AOL, the CEO at the time, Gerald Levin, had relieved Turner of most of his responsibilities.

He became increasingly vocal in his disagreements with Time Warner, and was even quoted as saying his decision to merge with the conglomerate was the “biggest mistake of my life.” His most recent decision follows his resignation as vice-chairman of Time Warner in 2003, a post he had held since the 1996 merger. 15

## Digital

### Digital

Cable news thrives on the big, breaking news story. It has gravitated over its quarter-century of audience growth to major crises — wars, disasters, political scandals, big tabloid crime cases. It is the more typical news day, one where events are mostly momentary, alarms prove false, and the news is incremental, that represents cable’s special challenge.

May 11, 2005, was one of those. Much of the news happened overnight and overseas as the nation slept. And the list of new and dramatic breaking news events occurring this day was limited.

There were still things happening — enough to fill the pages of the next day’s newspapers. Yet cable, with its “see it now” approach, would focus this day primarily on just three events.

One was a trial of a celebrity, closed to cameras. Another was a bond hearing in an Illinois double murder, also off camera, where the killer, as planned, would formally confess to killing his child and her friend. The third was a scare, which would last for only 15 minutes, over a small plane’s entering restricted airspace.

A close look at the coverage this day puts some of cable's tendencies in clear relief.

During much of the cable day, immediacy seems to be the criterion of significance above all others. That sometimes leads to an odd hyperbole in which anchors endeavor to create a sense of urgency about small things. In the hour before noon, the three channels on this day would air more than a dozen shots of an empty press room in Illinois and a doorway in front of the courthouse of the Michael Jackson child-molestation trial, where the former child actor Macaulay Culkin was expected to enter.

Another result of cable's weakness for the breaking story is the way cable journalists strain to make things seem compelling. Nine hours after the plane incident was over, CNN's Aaron Brown tried mightily to recreate a sense of panic that people felt when the White House and Capitol were evacuated for a few minutes around lunchtime. "When it was happening, nothing wasn't nothing," Brown intoned somberly. "It was very much something.... We didn't know

what it was."  [View CNN Video Clip \(Get Quicktime® Plug-in\)](#)

Some other findings include:

- Cable puts remarkably little emphasis on summing up or offering what would amount to a definitive account of the day's events, even on the programs that air in the evening.
- To get whatever depth or range of views or sources cable offers in its continuous coverage, viewers need to pretty much do just that — get the news here continuously.
- Cable audiences are more likely than those for other media to hear reporters' opinions about the news.
- The close examination of one day highlights the stark differences between the three channels in style and also to some extent in story emphasis. There are greater differences here than on broadcast network TV.

In past years, our content analysis revealed some stark findings about cable news. The medium is largely unscripted — it eschews taped, edited packages in favor of live interviews, and reporters talking off the cuff or from hasty notes. Pictures and words often don't match. The reporting contains fewer sources and viewpoints than elsewhere on TV. And rather than being up to date, much of the reporting is repetitive. Over two years of study we found that roughly 7 in 10 of the stories on cable repeat, but less than 1 in 10 contains any substantive new information. <sup>1</sup>

The more detailed Day in the Life study deepened this impression and found other traits. Reporting on cable is highly focused around either the personality of the program hosts or sending a camera and correspondent to an event and having them pass along what they are seeing at that moment. The effect, more so than in other media, is that the audience's role is passive. There is less effort here to tell how these stories involve the viewers, what to do about them, how they relate to their lives, or how viewers can do or learn more.

### *Cable's Lack of Summarization*

The viewers' role is passive except for one area — the extent to which it is up to the viewers to add up for themselves what the pieces on cable offer throughout the day. The diversity of sources and viewpoints on cable news is usually across two or three different stories rather than within one piece. Facts can vary from account to account. Sources in live interviews offer one view, and it may be a while before contrary or supplemental information is forthcoming. A viewer needs to see all the accounts to get any kind of depth of knowledge.

Take, for example, coverage of the D.C. plane scare. One cable story quoted the Capitol police chief. Another offered reactions of those involved in the evacuation. Still a third interviewed an Air Force colonel responsible for air defense in Washington . A fourth interviewed folks who knew the pilots. But those moments were spread across a multitude of stories over several hours and across the channels. To learn about all those different angles, viewers would need to catch most if not all of that coverage.

Yet they could have gotten virtually all of it by going online, where stories contained most of these elements in one piece, and users could access it whenever they wanted.

Why we found this trait in cable is hard to pin down but worth pondering. With so much time to fill, it is possible cable news managers are simply preoccupied with getting things on the air. Or that for the number of hours to fill, the reporters they have to draw on is too limited. The focus on the immediate may exacerbate the problem, making it virtually impossible to prepare. Whatever the causes, for much of the day, cable anchors function more like traffic cops than investigators.

### *Reporter Opinion*

The study also confirmed another earlier finding, that reporters on cable news are more likely to offer their own opinions about events than other media. Over all, 47% of cable stories on May 11 include reportorial opinion, compared with 14% in the media as a whole. (It was 20% on network evening TV and 48% on network morning). And for the biggest story of the day — the plane scare in Washington — that number jumped to 83%.<sup>2</sup>


Journalist Opinion in D.C. Plane Scare Coverage  
% of all stories

<b>Outlet</b>	<b>Stories w/ Opinion</b>
Cable	83%
National Newspapers	0%
Network Evening News	30%
National Web sites	0%

The opinion on May 11 came in various forms. On the morning programs it came from journalists trying to be informal. After a piece about global warming on CNN's "American Morning," for instance, the anchor Soledad O'Brien offered,

“So that videotape there, and really what’s happening on the glacier, is definitive proof that there’s global warming.” The correspondent Miles O’Brien takes her one further. “Yes, but it’s just one more little piece. There’s a big stack of evidence now . . . The real question is, what are we going to do about it? Are we going to stop using SUVs?”

On Fox News, during the same hour, the co-anchor E.D. Hill was defending the Bush administration from criticisms by the former Homeland Security chief, Tom Ridge, that the administration often raised the terror alert over his objections. “If you don’t raise it and something happens, everyone’s gonna get blamed for not raising it, if you do raise it then people say, nothing happened, why’d you do it?” she said in response to Ridge’s comments, reported in USA

Today that morning. “I don’t think there is any way to win on that one.”  View Fox News Video Clip (Get Quicktime® Plug-in)

Her co-anchor, Steve Doocy, made the case partisan. “And the other thing is how many times during the campaign did we hear Democrats say they are doing this for political reasons?” he asked. But Ridge, he said, “did not ever suggest they did anything like that.”

On other cable programs, opinion is a signal part of the program’s appeal. It is part of the core of “Imus in the Morning” on MSNBC. The views of Bill O’Reilly are similarly central to “The O’Reilly Factor” in prime time on Fox, as are the more liberal notions of Keith Olbermann on MSNBC.

### *The Range of News*

Despite all the time it has to fill, the range of topics on cable was also more limited than some might expect. The four hours of this day studied on each channel offered little more than what one would have gotten from a 30-minute network evening newscast, and markedly less than one could learn from any print or online venue.

Among the other events that would be covered online and in the next morning’s newspapers: The Army would decide not to file charges against officers implicated in the Abu Ghraib prison scandal; The Catholic Church would announce that it might cut priests’ pensions in different U.S. cities; There was a scandal brewing about evangelical proselytizing at the Air Force Academy. A new report found that bias crimes against Muslims in the U.S. were up 50% since 9/11.

Most of those stories were about trends, though, not breaking news which is what cable tends to focus most of its energy and time on. On May 11, that would include four main events: the plane scare, the murders in Zion, Ill., the surge in violence in Iraq and the Michael Jackson trial. Those made up a third of the time studied, and even that understates how much the plane scare dominated. The story did not break until mid-day, after two of the programs sampled had aired. Looking just at the afternoon coverage, it commanded even more of the air time. <sup>3</sup>



Percent of Newshole Devoted to Top Four Stories  
Percent of all Stories

Outlet	D.C. Plane	Zion Murders	Culkin Testimony	Iraq car bombs	Total to Top 4
Cable	13%	10	6	3	32
National Newspapers	4%	2	4	4	14
Network Evening News	18%	0	1	7	26
National Web sites (top stories)	14%	11	9	22	56

### Depth of Reporting

In a media environment saturated with news outlets that all offer the basic facts, a growing question among journalists is the degree to which stories explore angles that connect or make events more relevant to the audience.

Cable news, with its hours to fill and variety of programming, does little to fill any such need. For this study, we created an index of 10 different elements a story could contain that might add to a citizen's understanding. Did a story put the event in historical context? Did it suggest where the audience could learn more? Did it suggest what might happen next? 4

More than half (58%) of all major stories on cable news contained none or only one of those elements. The largest number, 36%, did not offer any, and another 21% offered just one. That was a worse rating than any other national news platform except for the 30-minute nightly newscasts, which have much less time and whose stories tend to be much shorter (though even these networks newscasts had a greater percent of stories with three or more index elements. In online stories, for instance, just 4% offered no elements. Three quarters of the stories online (72%) contained two or more.

Story Index Scores 5, by Medium  
Percent of all Stories

	0	1	2	3+
Cable	36%	21	21	21
Network Eve. News	41%	23	9	27
Network Morning News	29%	18	14	39
National Newspapers	0%	0	43	57
National Web sites	4%	17	28	51

Totals may not equal 100 due to rounding.

### The News of the Day in Cable (and Differences Among the Channels)

The more we study, the more the cable channels begin to look distinct from one another. On May 11, indeed, they differed more in what they covered than the broadcast networks did. On CNN, the plane scare was dominant. Fox focused more on the grisly murder case in Illinois. MSNBC was the most interested of the channels in Macaulay

Culkin's testimony at Michael Jackson's molestation trial, a story, interestingly, that its sister broadcast, the NBC Nightly News, didn't even mention.

### Morning News on Cable

The feel of morning news on cable is different from the networks. While the tone is similarly informal and chatty, absent are the softer lifestyle subjects such as cooking tips or tools for the garden. Instead, cable focuses on topics geared more toward people interested in politics and getting a jump on current events of the day. And that chatty weatherman mixing with folks in the street is nowhere to be found. Rather than offer emotional reactions to stories, the reporters and anchors are more prone to offer political views.

#### CNN

Viewers starting their day with CNN's "American Morning" got a quick dose of hard news. The program, from 7 to 8 a.m., led with a taped package on the situation in Iraq, a story that the network morning shows would skip, followed by a story that resembled the network offerings — a taped package on the Zion murders. The story would even feature the same source as the network stories, the local prosecutor Michael Waller.

Next, viewers got a discussion of an unexploded grenade found where President Bush had given a speech in the former Soviet republic of Georgia. The story would be a minor item in newspapers, yet was a staple of morning shows on cable and network. As it turned out, what CNN offered here was identical to what the networks did. Bill Hemmer, a CNN anchor (who later moved to Fox) interviewed a former Secret Service agent, Joseph Petro — the same person interviewed on two of the three broadcast networks that morning.

For its fourth piece, however, CNN offered something more distinctive, a segment on a Swiss study of global warming reported by the correspondent Miles O'Brien in the studio. It was one of the few items on any morning cable program that was not about breaking news.

Finally, CNN's grumpy Everyman, Jack Cafferty, appeared to pose his question of the day: whether United Airlines should be allowed to default on its pensions. That was the one segment that allowed viewers to get involved in the news. And Cafferty was quick to offer his own view. He had no doubt that executives of large corporations normally get a "huge golden parachute" and "you can bet they're not going to suffer, not like the employees will."

#### Cable Morning Shows: Lead Stories and Type of Coverage

Placement	CNN		Fox		MSNBC	
1st	Iraq	<i>Package</i>	Grenade	<i>Anchor talk</i>	Brief Headlines	<i>Newswrap</i>
2nd	Zion	<i>Package</i>	Zion	<i>Package</i>	Tim Russert	<i>Host talk</i>
3rd	Grenade	<i>Interview</i>	Brief Headlines	<i>Newswrap</i>	Renee Zellweger	<i>Host Talk</i>
4th	Global warming	<i>Staff int.</i>	Terror Alerts	<i>Anchor Talk</i>	Rolling Stones	<i>Host Talk</i>

## *Fox*

Over on Fox News's "Fox and Friends," viewers on May 11 got a program constructed quite differently. In the 7 a.m. hour there was just one on-scene report from a correspondent — a live report from the courthouse in Illinois, which broke to a packaged report, and one report (about the unexploded grenade) with the correspondent live from the Washington studio.

The bulk of the program involved the three anchors chatting or reading a teleprompter. With fewer reporters in the field than CNN, Fox relies more on the chemistry and banter of its hosts. At the same time, that may be one reason why its morning program seems more a distinct program than simply another part of the cable channel's day.

The story lineup was even more government focused than CNN's. There were multiple reports on the grenade near Bush in Georgia. There was a segment on a bill to require identification tags for illegal immigrants. The violence in Iraq was a brief "tell" story.

Another difference on Fox in the morning is that it has abandoned the more disinterested neutral voice of traditional broadcasting. It is a clearly American channel, with the U.S. government frequently referred to in the first person plural — "we" and "us." In Fox's lead story of the morning, the case of the grenade in Georgia, E.D. Hill, speaking not of herself or Fox News but of American officials, said, "Our people haven't been able to look at it. So they (Georgian officials) keep counseling us. We haven't been able to say it's a hand grenade. We don't know what it is exactly."

Viewers also got a sense of point of view in the choice of stories and in the way they were handled. That came through in a subject not found on CNN or MSNBC during the hour — an interview with Gary Aldrich, president of the Patrick Henry Center, a foundation to promote "individual liberty" and known for its conservative views. They discussed Steve Gardner, one of the Swift Boat Veterans who was critical of John Kerry in the 2004 Presidential election campaign. Steve Gardner, Aldrich said, was "the only Swift Boat veteran who served on the boat that John Kerry commanded. So he was in a unique position to observe John Kerry up close and personal." The Fox anchor Steve Doocy then added that Gardner was fired from his job after appearing in commercials. "We had him on our program. Right after he got on TV, and said all that stuff, he got fired." No other source offering a differing view was mentioned.

Fox fleshed out its morning coverage with a sports round-up from one of the hosts and a brief host discussion of the episode of "American Idol" coming up that night. The final segment was an interview between E.D. Hill and the executive director of the Center for Immigration Studies, a think tank that studies the effects on immigration on the U.S., over a new administration program to cover some health costs of illegal immigrants. The director, Mark Krikorian, was clearly critical of the administration.

## *MSNBC*

MSNBC's offering at this hour is not television per se at all, it's the radio program "Imus in the Morning," filmed. And it's all about opinions and views — those of the veteran DJ Don Imus.

The top of the hour offered a few news headlines read by Imus's sidekick Charles McCord — brief updates on Iraq,

the congressional spending bill, the Zion murders, and another multiple murder, in New Mexico .

Mostly, the program was about the mind of Imus, especially his likes and dislikes. He was disgusted, for instance, over the Rolling Stones announcing another tour — “they’ve got to stop flopping around on the stage like a chicken on crack....it looks like your crazy grandparents for talent night at the old folks home, doesn’t it?” And he loved NBC colleague Tim Russert, host of his sister channel’s Sunday talk program “Meet the Press.” The largest chunk of the hour was spent in a phone interview with Russert. He and Imus discussed Russert’s new book, “Big Russ and Me,” and then moved to Laura Bush’s popularity and how the NBC family supports each other. Imus was unabashed about selling — books, TV shows, movies, and his own mail-order products. On this day it was Russert’s book: “It’s a great book. Not really difficult . . . great idea for Father’s Day or Mother’s Day. I heartily recommend it.” He was also selling Russert, and closed with: “I want you to know: I love you and so does Charles.”

### **Mid-Day**

The 11-to-noon hour on cable — designated as the “Live” program on each channel — recapped the overnight news and was poised to bring breaking developments on two of the big stories of the day.

The murder suspect Jerry Hobbs was expected to appear for bond in Zion , Ill. , after which the prosecutor, Mike Waller, would hold a press conference. At the same time, Macaulay Culkin was expected to arrive at the courthouse in the Michael Jackson trial in California . Culkin’s testimony was not to take place for several more hours, but his arrival at the courthouse was treated as news itself.

On Fox in particular, the key line that hour was “expecting.” Unfortunately for its viewers the expected was long in coming. They were assured repeatedly that Fox “would be there live” and that “any moment now we’re expecting news” on the Hobbs bond hearing and on the arrival of Culkin at the Jackson courthouse.

Throughout the hour, the cameras returned seven times to show the empty courthouse pressroom where Waller would be appearing. The only action during the shots was sound guys adjusting a mike or two. Over and over, “Any moment now . . . could be getting some new details . . . Again, much more to come . . .” Fox filled the waiting time with such things as an interview with a forensic scientist. Unfortunately for those on the edge of their seats, the bond hearing was delayed and the press conference didn’t take place until the next hour.

The Jackson courthouse coverage was much the same. “As soon as it happens, we’re on it.” The “it,” however, was merely the arrival of one of the two celebrities at the courthouse. The image shown three times was the security checkpoint at the courthouse entrance, empty but for the guards milling around. At one point, someone walked through. It “might have been him [Culkin] just passing through,” the anchor speculated. We learned a little later it wasn’t. And still later we learned that Culkin would be led into the courthouse through a back entrance. A pool camera did catch a picture of Culkin’s back shortly after 11:30 a.m. Fox showed the image four times in the final 15 minutes of the hour.

#### Mid-Day Coverage of the Zion Murders

	<b>CNN</b>	<b>FOX</b>	<b>MSNBC</b>
# of empty podium shots	1	9	4
Sound from Mike Waller	1 tape	0	1 tape, 3 live

MSNBC's live hour with Randy Meier and Amy Robach also promised to bring viewers the "now" of the two stories, but the channel filled in the waiting time with a wider range of other news. As a consequence, MSNBC during the hour cut to the empty podium shot at the Illinois courthouse just four times and cut to the Jackson courthouse just twice. It "just missed" the pool shot of Culkin's arrival but did show it — just once — after the commercial break. MSNBC also added some humor to the mix — plugging its evening commentator Keith Olbermann's "Jackson Puppets," currently being auctioned on eBay. [View MSNBC Jackson Puppets Video Clip \(Get Quicktime® Plug-in\)](#)

The show opened with a fairly comprehensive taped package on the Zion murder case. There was no package on the Jackson trial, but there was live talk with the reporter on the scene and an interview with Susan Filan, MSNBC's legal analyst. As they tried to fill the time waiting for something to happen, the anchors and guests on MSNBC vamped with what might be described as fairly obvious speculation: "Is (Culkin) going to fall victim to the prosecution's sword or will he carry the day? If he carries the day, it's going to be devastating for the prosecution."

The main distinction of MSNBC during this hour was that it aired packages on a wider variety of topics than its rivals, some of them using NBC News personnel, though the topics were mostly the same ones we heard about on the morning network and cable channels. There was a taped piece on the grenade in Georgia and another on the United Airlines pension situation. The most distinctive piece was an exclusive report with the NBC correspondent Lisa Meyers on a Middle Eastern bank whose New York City branch was under criminal investigation.

#### Mid-Day Coverage of Culkin Testimony

	<b>CNN</b>	<b>FOX</b>	<b>MSNBC</b>
# of court house entrance shots	1	10	2

The anchor Daryn Kagan brought viewers the 11-to-noon news on CNN. Its range of coverage that hour was more in line with MSNBC's. In addition to the three big stories, CNN offered viewers Congressional news about spending and gang-warfare bills, as well as a report on the nomination of Under Secretary of State John Bolton to be ambassador to the U.N. It also covered some entertainment news — the coming premier of the last "Star Wars" movie, the inspiration behind the reality show "CSI" and an interview with the author of a new book on presidential getaways.

CNN led with the Zion story, a package with clips from prosecutor Waller and members of the community. Then, rather than turning to a live report from the courthouse immediately, Kagan announced, "Once that bond hearing for Jerry Hobbs ends, Chris [ Lawrence ] will have an update for us with a live report." What viewers got in the meantime was an interview with Dominic Cappello, author of "Ten Talks Parents Must Have with Their Children about Violence." For the rest of the hour, CNN did not return to the courthouse — so it had just one empty podium shot.

The Jackson trial got even less coverage: one brief live report from the courthouse and one return at the end of the hour for the clip of Culkin's entrance.

Just after noon, though, CNN's measured focus on live and breaking news gave way, with the brief evacuation of the White House and the Capitol as a result of the Cessna's entering restricted Washington airspace. Once the plane incident occurred, CNN viewers got the sense that no other events that day came even close in significance.

From noon through 6 p.m. — from "CNN Live" through "Inside Politics" at 3:30 through "Crossfire" at 4:30 through "Wolf Blitzer Reports" at 5:00, CNN veered from the plane scare for only a few minutes, once to brief on Culkin's testimony, and in the second half of "Inside Politics" to report on Congressional proceedings of the day. Then, after a brief departure from the story in the second half of the Lou Dobbs's business report, Anderson Cooper aired a special edition called "Security Watch: Defending the Skies." "NewsNight" was also focused almost solely on the story.

The only program on CNN from noon onward not to lead with and devote most or all its time to the plane scare was "Larry King Live." He had an exclusive interview with Condoleezza Rice, her first extended interview since taking office as secretary of state. But as the night went on, CNN was back to the plane scare.

## **Evening News**

### *CNN*

On CNN, the prime time evening newscast with Aaron Brown featured 10 different pieces on the Washington false alarm involving the Cessna. They included an opening piece by Brown that narrated events as they unfolded, pieces by CNN correspondents reliving those 15 minutes from their eyewitness vantage points on Capitol Hill and the White House, interviews with people from the airport where the flight originated, a close look at that type of plane and even a trip on a simulated patrol of a plane being hijacked — what could have happened if the event had not been the false alarm that it was.

For all the time devoted to the incident, however, and all the hours since it had happened, the reporting suffered from many of the tendencies we have identified elsewhere with cable news. There was a heavy reliance on government sources such as the White House spokesman Scott McClellan as well as on CNN's own correspondents as eyewitness sources. And the primary expert relied on throughout the coverage, the CNN "security analyst" Richard Falkenrath, a former deputy homeland security adviser, clearly identifies himself as a member of the extended homeland security family, whom he refers to as "we." "Now, that's not to say that we didn't make the right decision today to evacuate," he told Aaron Brown.

Though on the surface it might seem as if Brown's program amounted to an hour on the subject, the newscast did not have the feel of long-form or in-depth journalism. It was rather a series of short pieces, each with fairly limited reportage, as if the reporters who were on air all day were simply asked to file one more piece for the late show.

The few segments that tried to go beyond the basic play-by-play failed to go very far. A piece by Jeanne Meserve, for example, was introduced as a look at whether the new warning system for pilots could have prevented the incident. The segment never answered the question. Instead it mostly addressed the mechanics of the alarm. What's more,

viewers were told nothing about the sources used, two pilots and someone from the Air Force — their backgrounds, any connections they had or the level of their expertise.


#### Cable Evening News: Lead Stories and Type of Coverage

Placement	CNN		Fox		MSNBC	
1st	DC Plane	<i>Anchor Pkg</i>	DC Plane	<i>Pkg w/live talk</i>	DC Plane	<i>Anchor read</i>
2nd	DC Plane	<i>Pkg. w/ live talk</i>	Iraq	<i>Pkg</i>	DC Plane	<i>Staff int.</i>
3rd	DC Plane	<i>Pkg.</i>	North Korea	<i>Pkg w/ live talk</i>	DC Plane	<i>Expert int.</i>
4th	DC Plane –	<i>Pkg.</i>	Afghan riots	<i>Anchor read</i>	Grenade	<i>Anchor read</i>

#### Fox

As with Fox's morning show, "Special Report with Brit Hume" spoke largely to viewers interested in political events, but Hume's range of issues was actually wider. In addition to the plane scare and the Iraq bombings, viewers could also hear about North Korea's pursuit of nuclear weapons; voter fraud; the resignation of a church pastor over a politically motivated sermon, and a forthcoming vote in Canada. News of the Illinois double murders and the Jackson trial, which had dominated the mid-day, were absent.

The reports themselves were produced in a manner much closer to that of traditional broadcast news. As we found in last year's analysis of a month's worth of Hume programming, viewers heard from a variety of sources and correspondents.


The lead plane-scare story — a taped report from Brian Wilson — contained five different sources (though one was the correspondent Major Garrett, who was evacuated from the White House press room). The tone of the piece was more measured than the bulk of the CNN coverage, assuring viewers that all was well with the government. The first line from Hume let viewers know the scare was over: "The White House and the U.S. Capitol are back to normal tonight after a midday security scare. . ." The other piece on the plane story that hour, an interview with the NORAD spokesman Col. Keith Snyder, paints a calmer picture as well. Hume opens, "Well, as everyone knows, the threat turned out to be a little mosquito of an airplane that had no hostile intent and probably couldn't have done much damage even if it slammed into the Capitol. . ."  [View Hume Video Clip \(Get Quicktime® Plug-in\)](#)

The correspondent reports on Hume's program had a somewhat more balanced feel than other Fox programming — the plane-scare story suggested that the evacuation might have been disorganized, for instance — yet even on this program the reporter roundtable that made up the second half of the program as well as some other feature stories tipped toward a decidedly conservative viewpoint.

An item in Hume's "Political Grapevine," for instance, cited a new report from Milwaukee, WI that found hundreds of ineligible felons had voted in the last election, and then paired that finding with an unrelated study from Washington State showing that felons in that state had voted Democratic by 3-1.

Viewers of MSNBC's "Countdown with Keith Olbermann," the closest the network comes to a main evening newscast, heard about a greater number of news items that day than from any other program studied, much as was the case on MSNBC earlier in the day. Yet aside from the main stories of the day — the plane scare,

Iraq, Zion and Jackson — the items were mostly anchor reads of two or three sentences each by Olbermann, usually filtered through his own "take." In some ways "Countdown" is a hybrid of a news program and a talk show — it is Olbermann on the news.

"Spain has the annual running of the bulls at Pamplona. We now apparently have the annual running of the evacuees around the Capitol," he quipped to MSNBC's chief Washington correspondent, Norah O'Donnell.  [View Olbermann Video Clip \(Get Quicktime® Plug-in\)](#)

Olbermann was a little more sober-minded in the second segment, an interview about the plane scare with Roger Cressey, a former member of the National Security Council but now a "terrorism analyst" for MSNBC and NBC. Cressey, perhaps more than any other source quoted at length on cable this day, admired the administration's response. And that is the only viewpoint offered to the audience. Indeed, no one we encountered identified as a cable news analyst offered anything but praise for his former agency.

Olbermann: Break the day down into its critical components from your perspective, and give each of these components a letter grade, if you'd be so kind.

Cressey: Well, I think Secret Service and the Capitol Police, they'd get high marks because they did the notification quickly, people moved quickly. I think NORAD and the air defense infrastructure worked well. I also give high marks to the Customs police and others around. I give low marks to the pilot, of course."

Olbermann offers three separate pieces on the Culin testimony that day — a straight news account in a package by the NBC correspondent Karen Brown, a discussion with Jim Moret of "Inside Edition" about the defense's portrayal of Jackson as "a 10-year-old child star trapped in a 46-year-old man's body," and a sarcastic segment in which Olbermann is auctioning off a "Michael Jackson Puppet" on eBay. Some of the material on Olbermann's show has aired before. The segment on the Iraq bombings, for instance, is a replay of the report by Richard Engel from NBC Nightly News.

### **Cable Talk Shows**

The nightly personality talk programs on each of the cable channels are distinctly different from each other. On CNN, Larry King's long-interview format puts most of the focus on his guests rather than his own personality or viewpoints; Fox's O'Reilly show is mostly about O'Reilly; and MSNBC's "Hardball with Chris Matthews" is somewhere in between — the guests are more than furniture, but Matthews often is talking more than listening.

On the night of May 11, the topics varied as much as the styles. Larry King devoted the entire hour to his exclusive interview with Secretary of State Rice. While conversational, the discussion was the most serious of those on the talk programs.



O'Reilly offered his views on a gamut of items and with the hardest of edge of any of the talk-show hosts. On the immigration bill: "Well, that's true and dumb. Nobody thinks all illegals are here to commit crimes, but all illegals have something in common: they are illegal. Unfortunately, many in the press, and politics, and on the bench refuse to confront that." On the Jackson trial: "OK, why should I care?" On the murder case in Zion, he offered his own theory of the crime in an interview with Tom Rybarczyk of the Chicago Tribune, who "has been studying the life of Jerry Hobbs."

O'REILLY: Now my theory — and this is just a theory, but I'm going to throw it out there — it's based on, you know, information that we've been able to come up with — is that it wasn't going well with Hollabaugh. [ Laura Hobbs, one of the murdered children, was the daughter of Hobbs and Sheila Hollabaugh.] Hobbs and Hollabaugh, you know, he wanted more than she was able to deliver. And he got angry. And when he gets angry — and this is shown by your reporting — when he gets angry, he turns violent.

Now, what would you do to a mother you wanted to punish? What's the worst thing you could do to her?

RYBARCZYK: It sounds like a sound theory, but I don't know.

O'REILLY: I am not asking to you comment on. I'm just saying this is what — I'm an analyst. I'm able to put this stuff together. This is what we're learning. . . .

And O'Reilly's "most ridiculous item of the day"? The plane scare: "So anyway, there was a little plane, a little plane went into the air space. All the people were evacuated. It was just a little plane. And that was it."

MSNBC's "Hardball with Chris Matthews" gave audiences even more of the self-promotion within NBC established earlier in the day. Just as viewers of Imus began the day with a promotional interview on Tim Russert's book about his father, they could get more of it in the evening on Hardball. Matthews was even more gushing than Imus had been. "Most of the time when I have to read a book for the show, you know, I do a couple of chapters . . . [but here] I'm crying." And later, "Perfect book. You can get it now."

The rest of "Hardball" was devoted to coverage of a dinner that night honoring Nancy Reagan. The discussion, this one with another NBC correspondent, Andrea Mitchell, had the self-conscious feel of talk one might imagine hearing at a celebrity Washington cocktail party. Matthews asserted that Nancy Reagan "is going to be back in circulation after tonight. . . She is going to be around town . . coming to events. The grieving, I guess, is getting close to over. She'll be up in New York, I'm sure."

## Footnotes

1. In our 2004 study of five days of cable over 12 hours of programming, only 5% of stories were updates that contained new information. In our 2005 study, the number was 10%.
2. In a month of cable news studied in 2004, about 28% included reporter opinion (see 2005 Report), again more than in any other medium studied.

3. The only media that offered a greater percent of its newshole to those four stories was the national online Web sites, but all we studied here were the lead stories on the site (usually the top 4). Among those sites, CNN.com, in particular, tended to reflect the narrow focus of its cable channel. About six stories get substantial treatment. The rest of the news agenda is handled with AP wire copy. For newspapers, the content studied was the entire A section and the section-front stories of the metro and business.

4. The ten elements were presence of: background information, future implications, the impact of the story on citizens, a human face to the story, some separation of fact and conjecture, potential action someone could take as a citizen, potential action to take as a consumer, contact information for the journalist or news outlet, the underlying principles at play, where to go for additional information.

5. The index measured the presence of ten different elements that a story might contain. They were the presence of: background information, future implications, the impact of the story on citizens, a human face to the story, some separation of fact and conjecture, potential action someone could take as a citizen, potential action to take as a consumer, contact information for the journalist or news outlet, the underlying principles at play, where to go for additional information.

[Click here to view content data tables.](#)

## Public Attitude

Public Attitudes

*By the Project for Excellence in Journalism*

What do people think of cable news?

A look at the survey data of public attitudes and public use of the medium reveals signs of declining use, some declining trust, and in some ways less separation between the audiences of the three main cable channels than one might expect.

Overall, the number of people who say they regularly get their news from cable channels decreased in 2006, as it did at all the other news outlets. Just over a third, 34%, described themselves as regular viewers of cable news, a drop of 4 percentage points from 2004. <sup>1</sup>

### What Do They think?

Whether coincidentally or not, people have also become more skeptical of whether they can trust cable news.

Even CNN, which leads all other outlets in credibility, doesn't command the level of trust it did a decade ago. Its credibility ratings have been slipping steadily since 1993 (the channel was launched in 1981). In 1998, 42% of all

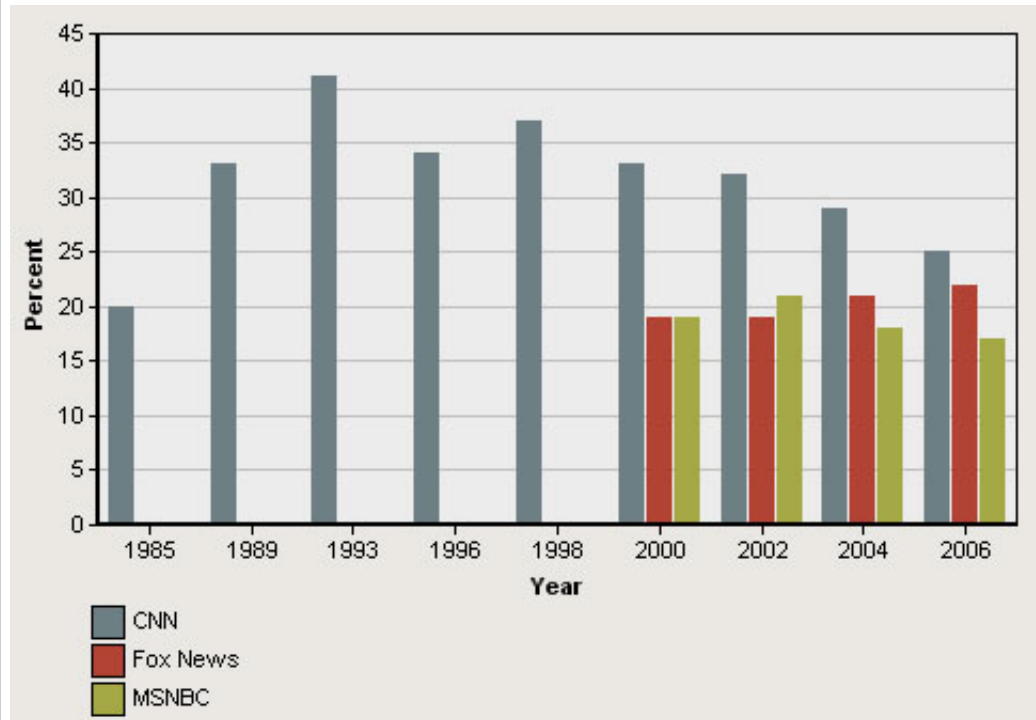
those surveyed said they “believed all or most” of what they saw on CNN, the primary metric Pew has used to measure credibility. In 2006, the figure was 28%.

Still, CNN remains the most trusted source among those surveyed, just slightly higher than the next most trusted sources — CBS’s “60 Minutes” (27%), C-SPAN (25%) and Fox News (25%).

Fox News, on the other hand, has a loyal audience whose belief in what they see on the channel remains unchanged. The number of people who believe all or most of what they see on the channel didn’t fall in 2006, making Fox News one of the few media outlets not to have suffered a decline. <sup>2</sup>

### Cable News Believability

1985 – 2006, by Channel



### Design Your Own Chart

Source: Pew Research Center for the People and the Press

Note: Fox News & MSNBC were launched in 1996 & only included in 2000 in the survey

A Reuters/BBC poll released in May 2006, found similar levels of credibility. CNN and Fox were tied when Americans were asked to name their most trusted specific news sources. Both generated a rating of 11% — modest figures, but higher than those of other media outlets. <sup>3</sup>

Those ratings for the two channels don't reflect, however, the partisan leanings of their viewers. In the Pew Survey responses, Republicans said they believed Fox News more, Democrats CNN.

Over time, however, Democrats have seen both news sources as less credible. In 2006, only about a third of Democrats (32%) gave CNN the highest marks for credibility, down from almost half (48%) just six years earlier. One in five (22%) believed most of what they saw on Fox, down from better than one in four (27%) in 2000.

Republicans, in contrast, have come to trust Fox more in the last six years, while growing more skeptical of CNN. Indeed, in 2006, Republicans were as trusting of Fox (32% believed most of what they heard, up from 26% in 2000) as Democrats were of CNN. And Republicans were just as skeptical of CNN as Democrats were of Fox (just 22% believed most of what the channel said, down from 33% in 2000).

In short, the newest data on public attitudes seem to put in clear relief the idea that Republicans gravitate to Fox and Democrats to CNN. Their impressions of the two channels are almost mirror images of each other.

### **Who Is Watching Cable News?**

Are those reverse images also reflected in the audience profiles of the news channels?

The biennial study on media consumption produced by the Pew Research Center for the People and the Press may also be the deepest source for understanding who the cable news viewer is. The survey probes the media habits of more than 3,000 people every two years.

Using its findings, the average news viewer emerges as just that — average. Regular viewers of cable news are neither richer nor better educated nor better informed than regular users of other news outlets. <sup>4</sup> The regular cable news viewer can be personified as a married, middle-aged man who has at least 14 years of education. He earns well, with a median income of \$62,000, and tends to live in the suburbs. He has a high degree of hard-news consumption, and that links to his moderately high knowledge of current affairs. He is fairly adaptive to technology (more likely than other news consumers to own a PDA, iPod or Tivo). Compared to viewers of other media, the cable news viewer earns more (local and network news viewers have a median income of \$45,000) and is also much more adaptive to technology. He is also younger than viewers of network news (who are nearly 53 years of age). The average cable viewer is 47.5, and there are only marginal differences by channel.

How does this reflect in his political leanings? He is more often than not a political independent and describes himself as having a moderate ideology.

Are there any differences between regular viewers of the three cable channels? The biggest difference is political ideology. After that, however, the differences may not be as great as some might imagine.

Using Pew's media consumption survey, we have compiled a profile of the average viewer of different media outlets and sectors.

The average viewer of Fox News identifies himself as conservative in ideology (although he classifies his party

affiliation as independent).

The average CNN viewer, in contrast, self-identifies as being a moderate, but also tends to be registered as independent.

The MSNBC viewer tends to be a Democrat, and describes himself as a political moderate.

Fox News viewers are the oldest at 48.7 years, followed by CNN (47.1) and MSNBC (46.5). Of the three, the CNN viewers have the lowest median income, \$45,000 a year. In contrast, both MSNBC and Fox News viewers make \$62,000.

One other difference between the viewers of the three channels is their news knowledge. In a fairly simple test, regular viewers of CNN were able to answer more current-affairs questions correctly than viewers of Fox News or MSNBC. <sup>5</sup> Out of the three questions on current affairs that were asked in the survey, CNN viewers got two correct. The Fox News and MSNBC viewers just got one correct. (The questions asked respondents to name which party had a majority in the House of Representatives, the current U.S. secretary of state, and the president of Russia). That puts CNN viewers on par with viewers of network news, but more knowledgeable than local-news viewers (who got just one question correct).

What does this audience profile portend? One possibility is that the audience is fracturing, with the most liberal audiences heading to MSNBC, a more moderate group at CNN and the more conservative at Fox. But that would probably be an oversimplification. The networks are also dividing by style and even somewhat by topic. MSNBC is moving to make politics a brand, with a large dose of opinion and personality. CNN has moved further away from talk on its main channel, but toward it on Headline News. And Fox is holding steady. And the audience declines across the board suggest that the three channels may be competing for each others' audiences in the months to come.

## **Alternative News**

Alternative News

### **An International Perspective**

Three new channels entered the fray of international 24-hour English-language news in 2006. BBC World News, backed by the well-established British broadcaster, expanded from three hours to full-time in the United States. The other two, Al Jazeera and France 24, were new channels making their global launch in English, with the U.S. just one piece of that bigger story.

All three, with their disparate reputations and infrastructure, faced a host of challenges.

First, audience trends suggest that the number of cable subscribers for the existing channels may have reached its peak in the U.S. The most established TV broadcasters are working hard to lure back viewers, and the three U.S. cable news channels saw their combined audiences decline.

Second, all three new international channels have limited exposure in the U.S. For American audiences to see them, the new channels have to negotiate “carriage” with cable operators so they can be aired. And cable distributors, who have a limited capacity for the number of channels they can carry, may not be eager to give up valuable space for niche international news channels. For their part, the U.S. cable news channels are all backed by influential U.S. media conglomerates and are also combined in package deals with other, more lucrative, entertainment and/or sports programming. The new foreign imports have no such advantages. So the international news channels, with their niche appeal, have had to make do with a small start in the U.S. television landscape. BBC World and France 24 are accessible in only one market each, while Al-Jazeera, which faces political as well as economic concerns, can be viewed only online. According to Chris Daly, a professor at Boston University, “it seems highly unlikely that there would ever be a mass market in the United States for journalism that originates in Britain or anywhere else.”<sup>1</sup>

Survey research supports that view. According to the latest Pew Research Center biennial survey of U.S. news consumption, fewer people are following international news closely (dropping 13 percentage points, from 52% in 2004 to 39% in 2006). In a separate question, more than half the respondents (58%) said they follow international news only when something important is happening.<sup>2</sup>

International Cable News Channels At a Glance			
Launch Date	BBC World June 1, 2006 (U.S. Launch)	Al Jazeera English November 15, 2006	France 24 December 7, 2006
Owner	BBC Worldwide (public broadcaster)	Emir of Qatar (privately owned)	France TV & TFI Joint Venture (public-private)
Based in	London (U.K.)	Doha (Qatar) + 3 broadcast centers: Kuala Lumpur (Malaysia), London, & Washington D.C.	Issy-les-Moulineaux (near Paris, France)
Infra-structure	50 bureaus worldwide; 250 foreign correspondents	20 bureaus worldwide; 800 total employees; 500+ journalists	180 journalists
Budget	<i>not available</i>	\$1 billion for launch	\$100 million (80 million euros)
Reach – households	2 million in the U.S.; 281 million worldwide	80 million homes worldwide	80 million homes worldwide
Reach – geographic	200 countries worldwide	<i>not available</i>	100 countries worldwide
Where in the U.S. can you see it?	New York City (Cablevision)	Internet Stream (Jump TV & VDC) and Houston (GlobeCast TV)	Washington D.C. (Comcast); UN Headquarters
Website	<a href="http://www.bbc.co.uk">www.bbc.co.uk</a>	<a href="http://english.aljazeera.net">english.aljazeera.net</a>	<a href="http://www.france24.com">www.france24.com</a>

Source: Multiple sources, please refer to section footnotes

## *BBC World*

The BBC Worldwide division of the British Broadcasting Corporation made its first foray into the realm of U.S. 24-hour cable news networks in April, 2006.

It signed a deal with Cablevision to distribute a 24-hour news channel called BBC World on its digital stream in the New York area (the largest Nielsen television market). The agreement helps the British news channel reach 2 million Cablevision subscribers in the New York metropolitan area. Before the Cablevision deal, BBC news was available only through 30-minute segments aired on PBS stations or on BBC America, BBC's channel for entertainment programming. BBC America (where the news airs in a three-hour block in the morning), which was launched in the U.S. in 1998, is distributed by Discovery Networks (see more in our 2006 Report.)

The 24-hours news channel went on the air in June 2006. A month later, it also began to air World News Today, a one-hour breakfast program (7 a.m. ET) aimed specifically at the American audience, though it is broadcast from BBC's London headquarters. Anchored by George Alagiah, it competes directly with the American network morning news shows. 3

While its American audience is minuscule compared with the number of households reached by its U.S. rivals (see Audience), BBC World News executives see it as a good start and hope to sign on more cable systems in 2007. As media critics report, they hope to attract educated, affluent American professionals and through them, coveted advertising dollars. 4

In the promotion campaign of the launch, BBC World executives stressed their content as an alternative to Fox News and CNN. Targeting the hard-news consumer, their strategy hinged on BBC's content and experience in telling "both sides of the story." It hopes to convince American viewers that it will be unbiased, objective and a better alternative than the existing choices.

Globally, the BBC is probably the leading television and radio brand of all and is counting on that fame to overcome the obstacles it is facing in its entry into the U.S. television market.

In contrast, the two other international news channels, Al Jazeera and France 24, entered the international news scene for the first time. For them, the U.S. is just one of the many markets in which they have to compete and make a place for themselves.

## *Al-Jazeera English*

After multiple delays, the English-language sibling of the controversial Arab Al-Jazeera Network (formerly known as Al-Jazeera International) launched on November 15, 2006. Unlike its sister network, which focuses only on the Middle East for an Arabic-speaking audience, Al-Jazeera English is aimed at the larger English-speaking audience around the world.

Unlike BBC World, Al-Jazeera is privately owned and comes with the strong financial backing of the oil-rich Emir of Qatar, Sheik Hamad bin Khalifa al-Thani. He is reported to have spent \$1 billion on the channel launch already.

Not that it doesn't come well equipped. The channel employs more than 500 journalists, including a number of veteran Europeans and Americans, 5 working in about 20 bureaus across Latin America, Asia, Africa and the Middle East. 6 In addition, the channel gets support from the Arabic Al-Jazeera network, with which it will share resources such as news crews and footage. 7

Al-Jazeera English is the first English-language news channel to be based in the Middle East, in Doha, Qatar. Newscasts will come from four locations — Doha; Kuala Lumpur, Malaysia; London, and Washington D.C.

The channel launched with 12 hours of programming, but expanded to 24 hours by early 2007. Apart from news updates from its four broadcast centers, it has business and sports programs as well as news analysis and talk-shows (for example, the Riz Khan Show).

It is carried on cable and satellite systems in Asia, the Middle East, Europe, and Africa. For American viewers, however, the channel is barely accessible, even though Washington is one of its key broadcast centers.

Despite talks that went on for more than a year, no American cable distributor had agreed to sign a deal with the channel by the end of 2006. At launch, it could be accessed only on four little-known platforms – VDC and Jump TV (where the channel is streamed over the Internet), GlobeCast, a niche satellite network, and Fision, a new fiber-optic network based only in Houston that itself launched in December, 2006. 8

The reluctance stems essentially from of the reputation the Arabic Al-Jazeera. Branded by the Bush Administration as anti-American, it is also one of the most aggressive news operations in the Middle East, and, at point or another, has been banned in many Middle Eastern states. It has even been accused of having ties to the Al-Qaeda (see PEJ's Al-Jazeera Timeline and Interview in August 2006). Media watchdog organizations, such as the very conservative Accuracy in Media (AIM) and the more respected Middle East Media Research Institute (MEMRI) are critical of its coverage and what they consider its dubious connections. They believe the same kind of reporting will carry through on the English Channel.

But that has not deterred the channel, or its executives. Nigel Parsons, managing director, says viewers of the English version should not expect to see the Al-Jazeera that the Arab world watches daily. 9 Whether it will be able to convince U.S. television distributors (and advertisers) is another question.



## France 24

The French, too, added their voice to the international media scene in 2006.

Their 24 hour news channel “France 24” went on air in December 2006. A joint venture between the public broadcaster France Televisions and TF1, France’s biggest commercial network, the channel airs simultaneously in French and English from its headquarters near Paris. In addition to its own 180 journalists, it will draw on TF1 and France Televisions’ correspondents. <sup>10</sup>

As with Al Jazeera English, the U.S. is just a small part of the channel’s reach. It is broadcast across the world on cable and satellite networks in Europe, Africa, the Middle East and the Washington area in the United States. At launch the channel came into about 80 million homes in about 100 countries.

Like BBC World and Al-Jazeera, though, France 24 finds most of those 80 million homes outside the U.S. So far, it can be seen only in the U.N. headquarters in New York and in the Washington area. In the capital, it airs on the Comcast cable system’s digital stream with the help of the MHz network, a D.C.-based television network that promotes international programming and helps it get cable, satellite and Internet exposure in the U.S. <sup>11</sup> In addition, the “Best of France 24” was featured on its national program stream, which is carried on PBS stations, GlobeCast TV (which also carries Al-Jazeera) and DirecTV starting in January 2007. <sup>12</sup>

President Jacques Chirac is said to be the force behind making France 24 a reality. In 2003, a report by the French Parliament argued for the creation of the channel to counter and “balance (Anglo-American) Imperialism.” <sup>13</sup> According to its mission statement, France 24 aims to “convey the values of France throughout the world.” As Alain de Pouzilhac, who heads the new channel, says, “this channel has to discover international news with French eyes, as CNN (does)... with American eyes.” <sup>14</sup>

While some critics question the channel’s credibility given its government support, which includes \$112 million in subsidies, channel executives insist that it is editorially independent and nonpartisan. Pouzilhac says the channel will demonstrate that as it gears up to cover the French elections in April 2007. He also hopes to attract viewers by covering areas that are generally under-reported — developments in Africa, for example, where many countries are former French colonies.

Plans include a Web site and further expansion by 2009. According to media reports, channel executives say it will earn about \$9 million in revenues by 2008, and expect advertising revenues of \$4 million in 2007. However, as the same media reports indicate, this still leaves France 24 about \$100 million in debt. <sup>15</sup>

All three channels, then, have ambitious plans to add their perspective to international news coverage. And all are optimistic that in time there will be enough viewers for what they have to offer in the U.S. as well.

## Current TV

One channel that seems to have succeeded in capturing an American audience is Current TV. Launched on August 1, 2005 by the entrepreneur Joel Hyatt and the former vice president and Democratic presidential nominee Al Gore, the channel has been making waves. <sup>16</sup> Its viewership is growing, it is making a profit and it is expanding both online and internationally.

Boasting of the first national network programming created by, for and with 18 to 34 year olds, 17 Current TV's selling proposition is a participatory model that claims to give its "citizen journalists" the kind of power that used to be enjoyed only by the mainstream media.

The channel is also distinguished by its "short-form" programming. Programs consist of a series of short segments, each called a *pod*. They are 15 seconds to 5 minutes long and cover a range of issues aimed at young adults. Some are professionally produced, others are "viewer-created content" (VC2). Within three months of launch, VC2 made up 30% of all programming. 18

While it is not strictly a news channel, one of its key regular pods is "Google Current," which runs at the top and bottom of each hour. The pod displays the most popular Google news searches in the past hour. It is about three minutes long and has an anchor going through the top stories. In addition to this regular pod, many of the VC2 pods deal with events in the news and current affairs.

One of the mantras of the network is that there are no editors who decide what the "news" on those segments is. As the channel puts it, "news isn't what the network thinks you should know, but what the world is searching to learn." 19

The channel is carried in most U.S. cities through agreements with Comcast, Time Warner Digital (where it can be seen on the digital tier), DirecTV and a host of cable companies. When it launched, it was available only in Los Angeles and New York, and those two markets gave it an initial audience of 20 million households. 20 Projections for 2006 put the number at about 30 million. While that is considerable compared with other international news channels, it is still too small to be counted by Nielsen; the general threshold of success for aspiring cable or satellite channels is about 40 million homes.

Even with a limited number of on-air subscribers, and only about a year in existence, analysts estimate Current TV to be making a profit. In August 2006, the Kagan Research analyst Derek Baine predicted that the channel would turn a profit of \$3 million on estimated revenue of \$47 million in 2006. 21

The success is also attracting advertisers. Baine estimated that Current TV earned advertising revenue of about \$10 million in 2006, and that it would go up to \$19 million in 2007. Indeed, advertising on the channel is also in "short-form." Each pod is accompanied by one isolated "creative brand message" (i.e., an ad) up to 60 seconds in length. In addition, there's a longer ad spot, up to three minutes long, every hour. The channel has even experimented with viewer-created advertising. 22

Current expanded its online presence in September 2006 in a joint venture with Yahoo Inc. They launched four Web-based broadband channels (some content will be aired on the TV channel). Each channel, supported by advertising, deals with a specific subject area— "buzz" or popular Yahoo search subjects, "traveler," "action" on action sports and "driver" dealing with automotive topics.

Current TV is even going international. In October 2006, the channel signed a deal with British Sky Broadcasting (BSkyB) to start a version of the viewer-created digital-video news format for the United Kingdom and Ireland. 23

The buzz around the channel is largely connected to its potential rather than to its performance right now, especially

given the changing media landscape and growing appetite for viewer-created content. According to the New York Times, it has lived up to its billing as a network that gives its audience a voice in the programming. 24

And based on response from its competition, the concept has appeal. In November 2005, MTV announced it would start pursuing viewer-created content and purchased the Internet hub “iFilms.” 25 More Recently, NBC has created a channel on YouTube to promote its programming, and CNN began CNN Exchange, a Web site dedicated to viewer-created content.

### **News as Comedy, or Comedy as News**

For some years now, Americans have increasingly been getting daily news headlines and analysis from an unlikely source — Comedy Central. The network, owned by Viacom, currently has two of the most popular political news and satirical programs in America — the Daily Show with Jon Stewart and the Colbert Report.

The Daily Show, launched in 1996, airs Monday to Thursday at 11 p.m. (ET). Its format is a mixture. The first half resembles a regular newscast with headlines and features (accompanied by satirical graphics and commentary), while the second half is more like a talk show, with a one-on-one guest interview.

The show launched with the former ESPN commentator Craig Kilborn as the host. In 1999, he resigned to start a late-night comedy-variety show on CBS and was replaced by Jon Stewart (who negotiated his name into the show’s title a year later). It is under Stewart’s tenure that the show has become a big success.

In 2006, the Daily Show averaged 1.6 million viewers (up 12% from 2005), Comedy Central reports. 26 The year also saw ratings jump 12% — the show’s best performance in the last 10 years, according to the channel. Survey data collected by the Pew Research Center also indicates a surge in popularity. According to its biennial news consumption survey, viewership doubled from 2004 to 2006 (from 3% to 6% of respondents). 27

The program also has a strong following online, where it is available in short video segments soon after the actual broadcast. According to Comedy Central executives, the Daily Show was the most popular section on the network’s Web site in 2006, drawing 2.8 million viewers a month. 28

The show is not just attracting viewers, but impressing media critics as well. Since 1999, the show has won 5 Emmy awards and two Peabody awards; all credited to Stewart, former executive producer Ben Karlin and the head writer, David Javerbaum. 29

Building on the show’s success, Comedy Central introduced a spin-off, the Colbert Report, in October 2005. 30 It also runs four days a week for half an hour, at 11:30 p.m. ET — directly after the Daily Show (and promoted at the end of it every night).

Anchored by Stephen Colbert, previously one of the Daily Show’s popular correspondents, the Colbert Report is more a satire of the talk-show culture, particularly of the O’Reilly Factor, with Colbert playing a self-important know-it-all correspondent. 31

Helped by a large lead-in audience, the Colbert Report has also proved a hit, and has helped Comedy Central stretch its audience later into the night. It generated 1.2 million total viewers in 2006. <sup>32</sup> That was 60% more than the program that aired in that time slot in 2005, a talk show called Too Late with Adam Corrolla.

Online, the Colbert Report also ranked just behind the Daily Show with a total of 2.5 million viewers. According to Comedy Central, site views for the fourth quarter of 2006 grew 165% over the same quarter in 2005 (when the show launched). <sup>33</sup>

Even with such success, the Comedy Central shows still trail late-night programming on broadcast TV. As of December 2006, the late-night network shows had double or more the audience of the Daily Show. According to the trade magazine Media Life, NBC's The Tonight Show with Jay Leno leads the pack of late-night network shows, with an average of 6.2 million viewers in December 2006. It is followed by CBS's Late Show with David Letterman (4.2 million viewers) and then by ABC's hard-news Nightline (3.2 million). <sup>34</sup>

But Doug Herzog, President of Comedy Central, believes that era is over. He was quoted in the Los Angeles Times in 2005 as saying of the network shows that "those traditional formats are growing tired, and younger viewers are growing tired of them." <sup>35</sup> There is some evidence that men 18 to 34 years old are moving from late-night broadcast shows to cable. <sup>36</sup>

Media and advertising executives have noticed the channel's success as well, attributing it to both effective counter-programming and to the shows' ability to get away with more daring content (they are free from the FCC content restrictions) at that hour. <sup>37</sup>

Whether or not they can overtake network audiences, the success of both the Daily Show and the Colbert Report is undeniable. So much so, indeed, that Fox News is planning a satirical news show of its own. With one season confirmed in March, the show is planned to be a weekly, shown Sunday nights, with a "decidedly non-liberal bent," unlike the Comedy Central shows. <sup>38</sup>

## Charts & Tables

Charts & Tables

### **AUDIENCE**

Cable News Audience During Big Events

Cable News Daytime Audience: Mean and Median

Cable News Daytime Median Audience

Cable News Prime Time Audience Growth

Cable News Prime Time Audience: Mean and Median

Cable News Prime Time Median Audience

Cable News Prime Time Median Audience Growth

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Cable News Revenue and Expenses, 2006

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Cable News Profitability

Cable News Monthly Revenue per Subscriber

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## **PUBLIC ATTITUDES**

Cable News Believability

Cable News Believability by Political Leaning

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Local TV – Intro

Intro

*By the Project for Excellence in Journalism*

Local TV news, long America's most popular information medium, is hardly proving immune to the revolution changing journalism.

In 2006, audiences appeared to be dropping for newscasts across all time periods during the day — even mornings, which had been growing. That dampened the hopes raised in earlier years that the hemorrhage in viewers had stabilized.

Stations have responded by adding more programs and changing when they air. Some have experimented with putting the news on later in the evening, abandoning the late afternoon. Others have launched shows in mid-morning, after the networks have gone off the air. The number of news hours each day, according to industry data, is at record highs.

Still other stations are continuing to broadcast news for multiple stations from a single newsroom, an effort that saves money but raises questions about localism and stretching people thin.

Elsewhere, however, there are signs that another challenge to newsrooms may have eased — cutting newsroom budgets. The budget-tightening seen in earlier years — which news directors worried only accelerated audience declines — was not as evident as before.

The local TV news business remains robust financially, but a fundamental concern looms. If audiences are dropping, and there are limits to how much more news programming can be added, there comes a point where financial growth becomes difficult.

In 2006, the political advertising wars provided a boost, one that TV owners and analysts expect to grow even more important as the 2008 presidential campaign approaches.

There are signs that the local TV news industry is at long last beginning to take the Web more seriously. It has been among the last of the traditional media to do so. We have found in past years that some Web sites were more advertorial than news in their content. That, finally, may be changing.

But the pressures on stations to build Web sites, add content to them, and transform production to high definition, all tax budgets — and much of that, insiders say, is coming out of news.

Is the public noticing any change? The answer seems to be a qualified yes. Audiences appreciate that local TV news is largely opinion-free and fact-heavy. But more people are worried about advertiser influence and video press releases passing as news. And by large numbers Americans think most local TV news is all the same. If TV stations are innovating or improving their journalism, most viewers say they haven't noticed it.

## Audience

Audience

*By the Project for Excellence in Journalism*

Though it remains America's most popular choice, local TV news's core broadcast audience is now decreasing sharply.

That may not distinguish the medium from other traditional news platforms. But in recent years we had seen some signals that the loss of audience might have stopped. The new data suggest that the hope, at least for 2006, evaporated. Even morning news, the medium's growth area, lost viewership.

For this report, to analyze audience we examined ratings and share data from four different sweeps months — February, May, July and November, the periods stations use to set their rates for advertising. <sup>1</sup> In previous years, we relied on only one sweeps period, a key one in May.

What we found was downward trends in every time of day, in every time of the year.

The key metrics for audience in television are ratings (the number of households watching a program at a given time among all households in the market) and share (the number of households watching a particular program among those households that have their TV sets on). Ratings give you a number for a program's average audience. Share tells you the percentage of TV viewers at that moment who are watching that program. We found that both were dropping throughout the year and throughout the day. <sup>2</sup>

Local News: Declines in Ratings  
Sweeps, 2006 vs. 2005

Sweep Month	Evening News	Late News	Morning News
February	-7.7%	-13.9%	-6.3%
May	-9.1%	-5.9%	-6.7%
July	0%	-3.6%	-8.3%
November	-2.8%	-6.3%	-6.7%

Source: Nielsen Media Research, used under license

Note: Numbers include ABC, CBS, Fox and NBC Affiliates

Local News: Declines in Share  
Sweeps, 2006 vs. 2005

Sweep Month	Evening News	Late News	Morning News
February	0%	-13.3%	-5.3%
May	-7.1%	-6.7%	-10.5%
July	-14.3%	-16.7%	-16.7%
November	-7.1%	-20%	-11.1%

Source: Nielsen Media Research, used under license  
Note: Numbers include ABC, CBS, Fox and NBC Affiliates

**Early Evening News**

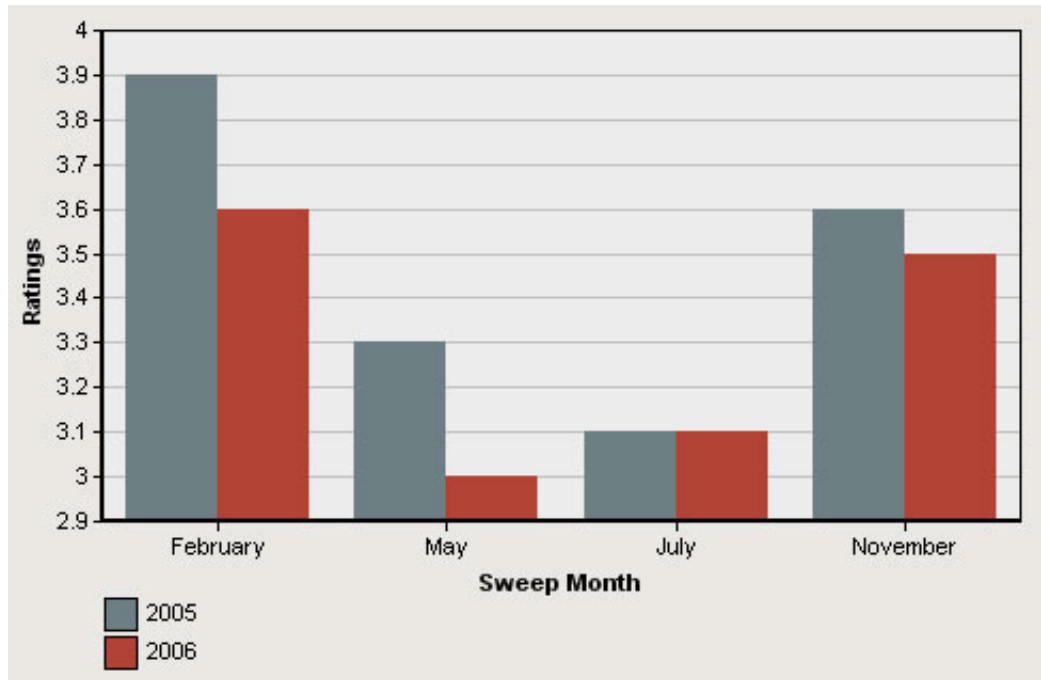
Early evening news, the traditional dinner-time newscasts, saw a loss in ratings and share in every sweeps month. Those programs, indeed, seem to be bearing the brunt of changes in consumer lifestyles and viewing habits — people getting home too late to catch the news or not tuning in to the news even when they are at home.

Year to year, ratings fell for almost for every sweep month in 2006, especially earlier in the year. The number was down 8% in February, down 9% in May, flat in July and down 3% in November.



## Average Early Evening News Ratings

### Comparing Performance Year-to-Year in Sweep Months



Design Your Own Chart

Source: Nielsen Media Research used under license

Note: Numbers include ABC, CBS, FOX and NBC affiliates

Share fell by even steeper rates, save for February sweeps (when it was unchanged), dropping 14% in July and 7% in May and November. That means that the problem is not simply people turning off the TV. People are choosing to watch other things. In past years, when other stations were adding news, such a decline might have meant that people were going to those places for news. There was less evidence in 2006, however, of new stations entering the field.

The problems are severe enough that some stations are even doing away with their earlier newscasts, shifting them to start later. For the Gannett group, that proved to be a successful strategy. In Miami, its ABC affiliate WPLG-TV shifted its 5 p.m. newscast to 6 p.m. and replaced it at 5 p.m. with more popular programming (Dr. Phil). The ratings for the time slot improved, and the stronger lead-in helped ratings for the new 6 p.m. newscast as well. What's more, the change was accomplished with no loss of news programming. Two of Gannett's other stations, in Cleveland and Atlanta, made similar switches. <sup>3</sup>

### Late News

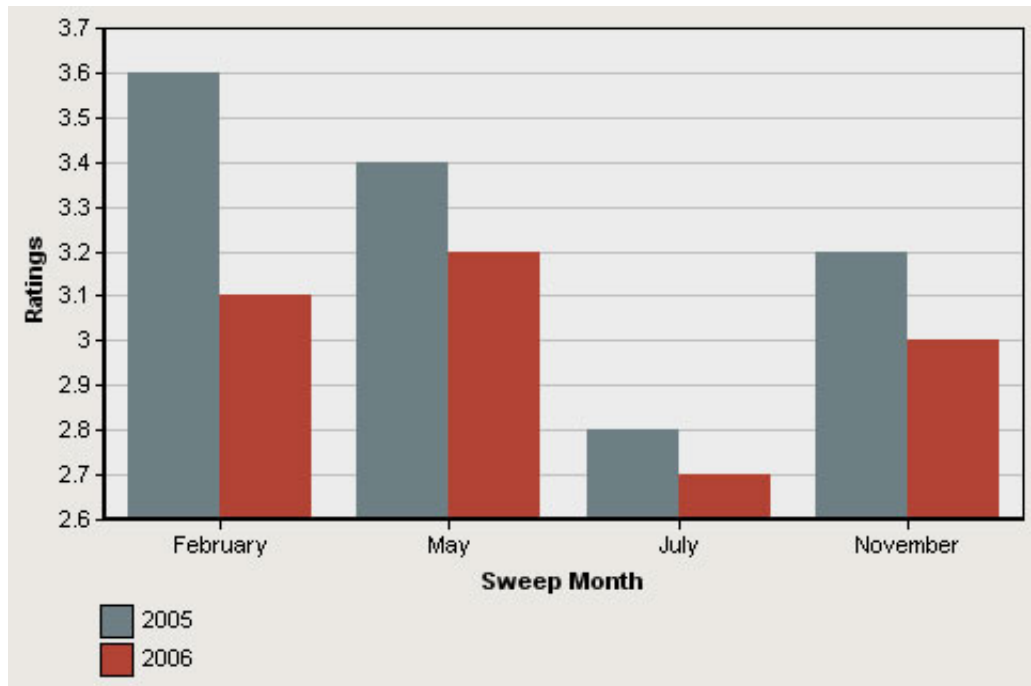
If early news was suffering enough to make programmers begin to re-evaluate their newscasts, late news, the period after prime time, had even more trouble. According to analysts, people are up earlier, home later or in bed earlier —

boding poorly for the late-night newscasts.

Ratings were down in 2006 from the year before in every sweeps period. They fell a striking 14% in February, then 6% in May, 4% in July and 6% again in November.

## Average Late News Ratings

### Comparing Performance Year-to-Year in Sweep Months



Design Your Own Chart

Source: Nielsen Media Research used under license

Note: Numbers Include ABC, CBS, FOX and NBC affiliates

And the story was even darker for share, suggesting that more people are choosing to watch something other than news.

Not only was every sweeps month down from a year earlier in share in late-night, but most months fell by double-digit percentages. November 2006 was down 20% from a year earlier, July 17%, May 7% and February 13%.

One newscast that seemed particularly hard hit was the 11 p.m. one, which airs on both the East and West Coasts (Mountain and Central late news starts at 10 p.m.). Examples of the slump could be found in some of the biggest television markets. In New York, two of the three main local stations, WABC and WNBC, saw their 11 p.m. news

ratings drop 12%; the ratings of the third station, WCBS, rose less than one point. In Washington, D.C., all three local stations (WRC, WJLA and WUSA) saw late-night newscast ratings drop more than 10% in the 2006 November sweeps compared to the year before. 4 Similar reports came from Philadelphia and from one Central time zone market, Chicago. 5

Like the experiments in the evening news slot, several news directors seem to think late-night viewers might be found an hour earlier instead. Fox Television has been running its late-night newscast at 10 p.m. for years. Now some affiliates of the newly created CW Network (a merger of Warner Bros. and UPN) are offering it some competition. The CW network, like Fox, stops prime-time programming at 10 p.m.

In top markets like Chicago and Boston as well as smaller ones like Richmond, Va., and Yakima, Wash., local stations introduced or made plans for 10 p.m. newscasts, even despite stiff competition. General manager Peter Maroney of Richmond's WTVR, a CBS affiliate, is partnering with the CW affiliate WUPV, providing the latter with resources for a 10 p.m. newscast planned for March 2007. He believes that "a lot of people want to get their news at that hour." 6

In Chicago, Fox-owned WFLD was planning a 10 p.m. newscast in March 2007 — going up against three other local newscasts and two Spanish-language newscasts. 7

The story is similar in Boston, where in December 2006 the NBC affiliate WHDH-TV began producing a 10 p.m. newscast to air on the CW affiliate WLVI-TV. Both stations are owned by the Sunbeam television group. The 10 p.m. program on WLVI, an earlier edition of WHDH's 11 p.m. newscast, will challenge the existing Fox newscast that is the time slot's market leader. 8 Those are examples of a single newsroom's producing newscasts for more than one station, a trend that the researcher Bob Papper of Ball State University in Indiana estimates is occurring at 150 stations nationwide (see News Investment).

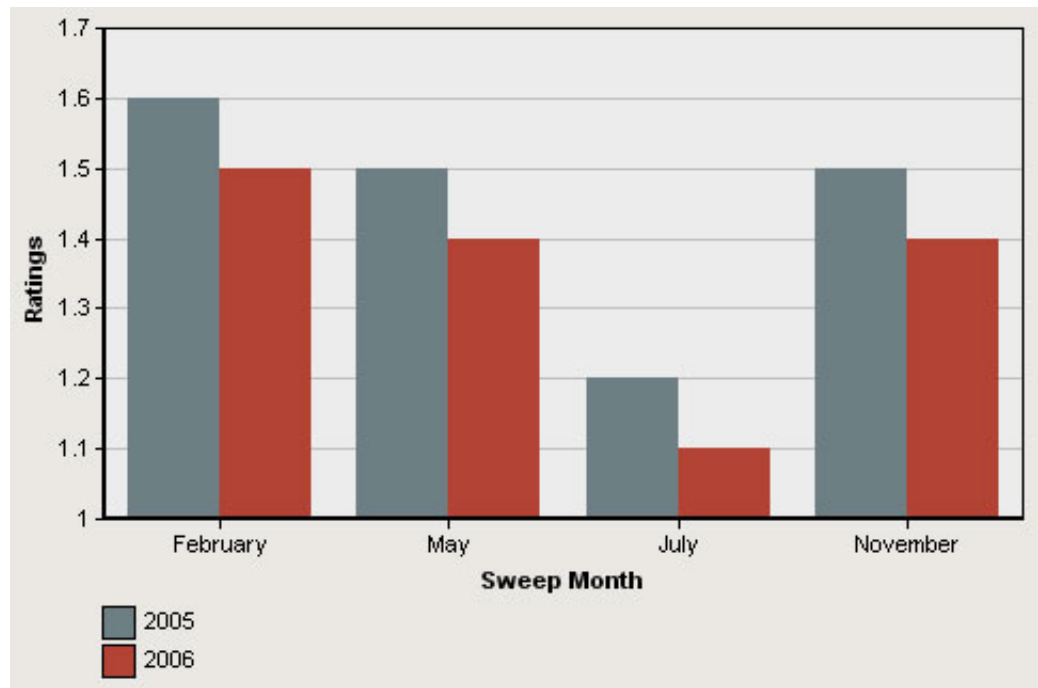
### **Local News in the Morning**

Perhaps the starkest finding in the data concerns mornings. The time slot before the network news programs come on at 7 a.m. has been one of the bright spots for local news. While small compared to the evenings, audiences had been growing. The broader data set from 2006 suggests that that growth too, has ended, at least for now.

Ratings year-to-year fell 6% in February, 7% in May, 8% in July and 7% again in November.

## Average Morning News Ratings

### Comparing Performance Year-to-Year in Sweep Months



#### Design Your Own Chart

Source: Nielsen Media Research used under license  
Note: Numbers include ABC, CBS, FOX and NBC affiliates

Share didn't fare any better in the morning. It dropped a substantial 17% in July and saw double-digit declines in May and November as well — approximately 11% in both months. February, the remaining sweep month, also saw share dip, by 5%.

Here again, local stations seem to be experimenting with their timing. Some stations are starting local newscasts later in the morning (at the other end of the strong network morning shows). In Philadelphia, for example, the Fox affiliate WTFX added an 11 a.m. newscast in October 2006. The market also has two 10 a.m. newscasts, run by competing stations. <sup>9</sup>

The move to produce newscasts on more than one station can have a double edge. On one level, it represents stations trying to deal with the pressure on audience and revenue by creating more content. Yet that in turn tends to spread news staffs thinner. Producing more news does not always translate into producing better-quality news.

#### Measuring Audiences

Another problem for local TV in 2006 was the growing complexity of actually counting the television audience. The year saw Nielsen Media Research, the standard-bearer of TV audience measurement in the U.S., embark on some its

most ambitious initiatives. Announcing its plan to remake television ratings to keep pace with media consumption — for network, cable and local TV — Nielsen launched what it calls the “Anytime Anywhere Media Measurement” or “A2/M2” initiative in June 2006.

The announcement had three significant components. First, the company said it would begin tracking viewership of TV commercials. Second, it introduced plans to fuse TV and Internet viewership. And third, it announced plans to eliminate the traditional paper diaries in local TV markets within five years.

**Data on viewership of commercials:** Nielsen Media Research plans to release numbers in May, 2007 that will show how many people actually sit through commercials on TV. That new yardstick could very possibly alter the economics of the TV marketplace, affecting how much advertisers will pay to air ads.

The release of such data was delayed twice in 2006 (from November 18 to December 11, and then to May 2007) because not everyone in the TV business is happy about the change.

The major broadcast networks and advertising agencies have signed on, but most major cable networks are giving it a pass.

When Nielsen Media first introduced the idea of measuring ad viewership in early 2006, the broadcast networks were the first to welcome it — mainly to show their advertisers that they would support the idea of better data on who is watching commercials. Then, however, the picture got more complicated. In the 2006 upfronts (the weeks when TV stations and advertisers decide advertising rates) broadcasters did not fare as well as they expected.

Nielsen began offering three streams of ratings data in April 2006<sup>10</sup>, but advertisers and broadcasters immediately disagreed on which one they would like to use. The ad agencies succeeded in setting ad rates based only the stream they preferred — the number of “live viewers” (which tends to have the lowest number of viewers). The agencies argued that they should not have to pay for viewers who watch commercials *after* they are broadcast. These “live” rates were lower than what the broadcasters expected, and now the broadcast networks do not want a similar parsing out of data when the commercial ratings are released.

In a meeting with clients in December 2006, Nielsen announced a compromise plan: It would make available all the data needed for customers to create their own commercial ratings for any minute of viewing and any interval of digital-video-recorder (DVR) playback. The hope was to satisfy both advertisers and programmers (the broadcast and cable networks) who could then tailor the ratings according to their preference. It would also give them the option to include DVR playback at any interval up to seven days.<sup>11</sup>

According to trade reports, broadcasters are eager to make commercial ratings the standard for the TV marketplace and were said to be pushing Nielsen to have the new measurement ready to roll before the May 2007 upfront (which is more critical for national programs and advertisers than for local advertising rates). In January 2007, however, Nielsen announced that the data would be released on May 31, i.e., not until after the upfront presentations.<sup>12</sup>

The new system was proving an even harder sell to the cable networks. Among those who refused to take part in the first ad-ratings test were ESPN, NBC Universal, Turner Broadcasting, Discovery, Fox Entertainment, Lifetime, A & E

and MTV.

Their outright rejection was tied to the fact that the difference between the audience for a show and the audience for commercials tends to be larger on cable than on broadcast TV. Cable is susceptible to the drop-off because it tends to carry many more commercials and for longer periods than the average broadcaster.

The cable advocates argued that Nielsen Media's methodology for calculating the ratings was flawed. They called for the new process to be audited and accredited by the Media Ratings Council (MRC), and for it to pass a "practicality and usability" test.

One problem the cable people have is that Nielsen Media's commercial minute cannot distinguish between national spots and local spots. If the commercial minute measured contains a local or regional ad, viewership will be low, and that might skew the data. They worry that advertisers might not pay them the rates they deserve because of deflated viewership numbers when a local commercial is on-air. Also, the minute might overlap between two programs, and that could skew viewership.

The research company has been trying to address all those concerns. According to Nielsen Media press releases, it is working on weeding out local ads from national ads using special codes, and emphasizes that the data it releases this year should not be relied upon for negotiating ad rates. It has also agreed to an audit and is offering the first batch of "evaluation data" for free to participating clients.

Analysts believe that despite all the back and forth, measuring the viewership of commercials is here to stay, and that those new ratings could take over the program ratings as the currency for advertising rates.

**New Technology Plans:** Part two of the June announcement was Nielsen Media's effort to use the same audience pool to collect data on both Internet and TV use. This effort, which involves two sister companies, is proceeding according to plan.

The two audience research firms that combined their tools are Nielsen Media Research and the Internet /Web traffic-measurement company Nielsen/NetRatings. They are autonomous, but each is part of the larger Dutch media conglomerate, The Nielsen Company (better known as VNU before January 2007). 13

The data fusion plan aims to remake the ratings system so that both units can combine their expertise and capture TV watching on multiple media — including out of home, on the Internet and on mobile devices such as iPods and cell phones. By the second half of 2007, Nielsen Media plans not just to fuse the TV and Internet panel data, but to have meters on both TV's and PC's so that "broadcast, cable and online viewing habits can be tracked precisely."

In December 2006, it introduced its "Video on Demand" (VOD) measurement system, which can compare the performance of a program when it airs on the traditional outlet (broadcast or cable) to its performance on-demand. That could prove to be a boost for video-on-demand advertising support. 14

A month earlier, the company had announced the launch of a "National TV/Internet Fusion Database." It means a single, integrated sample that can measure TV and online use (and their relationship) simultaneously. Though the

data set is still cumbersome, with the two separate datasets measured separately and then merged into one, Nielsen Media is working on a single-sample Internet/TV panel. 15

As part of the release of that database, Nielsen Media provided findings from the data fusion trials in April 2006. Though the findings were limited (and conducted in-house), Nielsen Media used them to indicate “the wealth of analyses that are possible with the database.” 16 Nielsen also announced that its first attempt at out-of-home viewing would begin in January 2007. That is when it began measuring TV viewing by college students — following the younger members of its national sample to their college dorms. 17

**No More Paper:** Another change to Nielsen Media Research’s measurement system is its plan to eliminate handwritten diaries and extend its people meters.

Handwritten diaries are still the only source of viewership in the smallest TV markets, and continue to be used in the larger markets as well to get viewer demographic information. Those paper diaries, in which viewers voluntarily write down every program they watch, are obviously fallible, and broadcasters have long been calling for a better system. Nielsen Media’s aim is to remove them altogether and replace them with some sort of electronic measurement. Whether the company’s five-year timeline for the switchover is realistic is another matter; the shift to electronic measurement requires effort and money, and that requires much negotiation with advertisers and television networks in the affected markets.

The largest markets, meanwhile, received the more advanced Local People Meters (LPMs) as promised. The meters are electronic boxes that measure not just what is being watched, but who is watching it. By July 2006, they were operational in the top 10 television markets in the U.S. — Boston, New York, Los Angeles, Chicago, San Francisco, Philadelphia, Washington D.C., Detroit, Dallas-Fort Worth and Atlanta. 18

The mid-sized markets, which make up the largest share of the local-station universe (210 markets) continued to be measured by either the original electronic meters, the handwritten diaries just mentioned, or a mix of the two.

Type of Market	Method Used	Number of Markets Covered	Percent of TV Households Covered
Local People Meter Markets	Local People Meters measure total viewership and viewer demographics daily	10	30%
Combined Meter/Diary Markets	Electronic meters measure total viewership daily; Handwritten diaries track viewer demographics four times a year	46	40%
Diary Markets	Handwritten diaries track total viewership and viewer demographics four times a year	154	30%

Source: Nielsen Media Research Web site; Broadcasting & Cable, April 17, 2006

As it plans to eliminate paper diaries from the smallest markets, Nielsen Media will extend the reach of the Local People Meter into the next eight biggest markets. In October 2006, it announced that it would roll out the meters in Houston, Tampa-St. Petersburg, and Seattle-Tacoma by October 2007. In 2008, it plans to introduce the device first in Phoenix, then in Minneapolis-St. Paul and Cleveland (by August) and then in Miami and Denver by October.

Those people meters were the subject of much controversy when they were launched in 2004. Some of the biggest TV groups, including News Corp. and Tribune, strongly questioned their accuracy and even accused them of having an ethnically skewed sample. By 2006, however, the opposition gave way to a general acceptance of the Local People Meters as the trading currency for the markets they're deployed in.

One of the biggest reasons for that shift was Nielsen Media's détente with News Corp. In October 2006, the two announced an agreement whereby News Corp. signed on to use the audience rating service for eight years. According to the agreement, Nielsen Media will invest \$50 million to improve the response rate of young and minority viewers and in turn, provide measuring services to 49 News Corp. TV entities.<sup>19</sup> That is a big change from a few years ago, when News Corp. was highly critical of Nielsen Media's methods and even funded a pressure group, 'Don't Count Us Out', to block the Local People Meters. The group's activities eased by the end of 2005 and ceased altogether in 2006.

The cessation of hostilities can be tied to two main developments. One, the creation of the CW network, led to huge shifts in local TV affiliations (see last year's ownership section). Fox lost many of its UPN affiliates, which were largely the source of the allegations of ethnic skewing. Second, and probably more critically, Fox programs have been performing quite well in the people-meter markets.

In developing its new measurements, Nielsen Media Research decided not to partner with Arbitron, the largest U.S. radio ratings company, to create a central local-market-ratings service for both radio and television. In March 2006, it announced that it would work on its "own strategy to provide more accurate and complete measurement of TV ratings."

Back in 2000, Nielsen Media Research and Arbitron had signed an agreement giving Nielsen Media an option to form a joint venture for the commercial deployment of Arbitron's Portable People Meter (PPM) — which can encode and log any type of audio — including its potential use for measuring TV ratings.

Arbitron first tested the portable meter in Houston in September 2005. The results were similar to the ratings trends seen in Nielsen Media's Local People Meter markets with one major exception: ratings were higher with the Arbitron device, in part because it could track out-of-home viewing. Those developments were welcomed by the industry, which also saw them as a way to temper Nielsen Media's monopoly on the TV ratings market.<sup>20</sup>



Not surprisingly, though, Nielsen Media eventually decided not to add weight to the rival system. <sup>21</sup> As Nielsen Media prepares to measure the viewing habits of the new media consumer, it also seems to realize that it cannot diminish the value of its core product — its national sample of television households, which forms the basis of its new initiatives as well.

## **Economics**

Economics

*By the Project for Excellence in Journalism*

The local TV business remained healthy in 2006 but there may be the beginnings of concern as audiences continue to drop across the board.

Industry analysts predict that by the time the final numbers are in for 2006, double-digit growth in revenues will emerge. While they have been wrong before—their projections proved overly optimistic in 2005—if they hold true, it would mark a significant turnaround.

One reason for the optimism is the country's political climate. The high number of close political campaigns for the House and Senate in 2006 translated into record political ad blitzes, exceeding all expectations.

As for the newsroom, it remains local TV's key performer. In the latest survey, more than half the news directors reported their newsrooms were making a profit in 2005, much higher than those surveyed a year before. There was also an increase in the amount of revenue the newsroom contributes to the station.

### **Total Revenue**

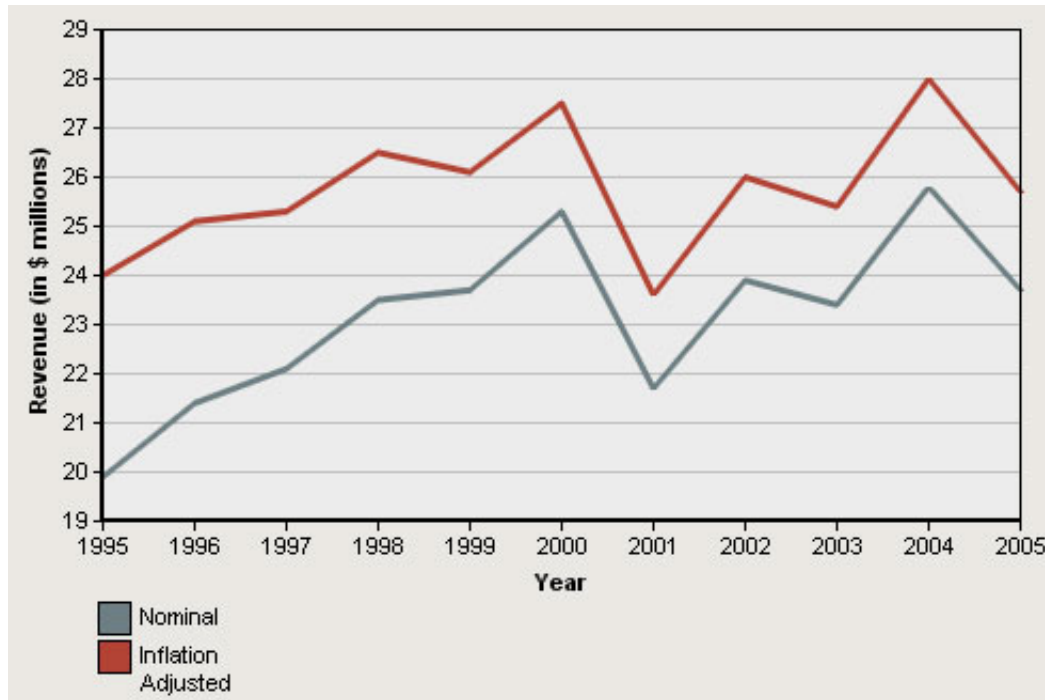
All that good news follows what turned out to be worse-than-expected final numbers for 2005. For that year, the latest for which the industry has complete data, total revenues for local TV stations were lackluster, to be charitable.

Average station revenues in 2005 fell by 8%, according to an analysis of BIA Financial data of 726 local TV stations. <sup>1</sup> The drop was worse than the industry had become accustomed to. Historically, the average revenue for local news stations has remained pretty steady. The two years that stand out recently are 2000 and 2004 — both of which were presidential election and Olympic years.

In dollars, the declines meant the average TV station took in total revenue for 2005 of \$23.7 million. That followed unusually high revenues of \$25.8 million in 2004, which in turn was a 10.5% increase over 2003.

## Average Station Revenue

1995 – 2005, Average Across All Stations That Produce News



Design Your Own Chart

Source: BIA Media Access Pro, July 2006  
Inflation adjustment is based on 2002 dollars

Those average dollar figures can be somewhat deceiving, of course. The average station is a fictional entity created for the purpose of statistical comparison. The industry in reality is dominated by the biggest cities. Indeed, the top 25 markets consistently account for more than 60% of the total, according to the BIA. Those larger stations make far more than the average.

### Advertising Revenues

For 2006, analysts expect better things once all the numbers are in.

Most TV revenues still come from advertising, and the industry analysts believe that in 2006 those began to grow again, markedly. 2

Veronis Suhler Stevenson, an investment firm that analyzes media companies, projected that total advertising revenue for local TV stations would rise almost 10% in 2006 (to \$27 billion, up from \$24.6 billion in 2005). 3

## TV Station Advertising Revenues

2003 – 2006, All Figures in Billions of Dollars

Year	National Spot	Local Spot	Total
2006 (est.)	\$12.1	\$14.9	\$27
2005	10.5	14.1	24.6
2004	11.4	14.5	25.9
2003	9.9	13.5	23.4

Source: Veronis Suhler Stevenson, 2006-2010 Industry Forecast, Pg. 244

Projections by the other major market research source for the industry, the Television Bureau of Advertising (TVB) were similarly positive. In December, its analysis of TNS Media Intelligence/CMR's estimates for the top 100 markets indicated that local broadcast TV's ad revenues were up 10% for the third quarter of the year compared to the same quarter in 2005. That matches Veronis Suhler's estimated increase for the entire year. All the top advertisers increased their spending, with government and organizations leading the way. 4

The year 2007 is expected to be more moderate, but not as flat as previous non-election years have been. The Television Bureau projects total TV advertising revenues to rise about 3%. Veronis Suhler projects that revenues will drop, but somewhat less than in 2005 — 4%, as opposed to 5%.

### Actual Ad Revenues in 2005

The projections, however, are just that — projections. And, as we've seen in past years, things often turn out differently.

Consider the last year for which actual figures are available: the political off-year of 2005. Projections called for ad revenues to increase. It didn't happen.

After reaching about \$26 billion in 2004, actual total advertising revenues fell about 5%, to \$24.6 billion. Both national and local advertising performed worse than expected. 5 (That is almost equal, by the way, to the 8% drop in *total* station revenues — another sign that advertising is still the dominant source of TV revenue.)

National spot advertising spending dropped to \$10.5 billion from the \$11.4 billion in revenues in 2004. Local spot advertising made about \$14 billion, marginally less than the \$14.5 billion in 2004. 6

### Local Advertising: Political Windfall

One significant component of local TV advertising is political ads. They often make the difference between a good year and a great year for a local station.

Indeed, political advertising has gradually become the nearly exclusive domain of local stations. As campaigns are increasingly able to target where undecided and swing voters lived, down to their congressional districts and voter precincts, they have learned to match their targets to TV markets and to buy their ads just in those key areas.

In 2006, political advertising proved the odd-even-year adage even truer by bringing in better-than-expected revenues.

For the 2006 mid-term campaign, analysts predict that spending may match, and perhaps top, the record set in 2004 for political ad dollars. In November 2006, TNS Media Intelligence estimates that about \$2 billion would be spent on the 2006 mid-terms. <sup>7</sup> That was even more than the \$1.6 billion that the research firm had predicted a few months earlier (the second figure seconded by the trade publication Ad Age). The Television Bureau had put its forecast at \$1.4 billion in September 2006. <sup>8</sup>

The \$2 billion mark, if estimates prove accurate, would mean that political advertising accounted for 7% of local TV ad revenue in 2006, a record number. <sup>9</sup>

A similar pattern was seen in the last election year, 2004 . Election ad spending then, estimated at \$1.61 billion, accounted for 6.1% of all station revenue, based on estimates of political ad spending and total revenue (See 2005 Annual Report ).

The amount should be kept in perspective. Altogether, political revenue (including congressional, gubernatorial, and local races) is still a small — though increasing — portion of total local TV station revenue.

#### Political Ad Revenues 2000 – 2006

Year	Local TV Political Ad Revenue	Total Local TV Revenue	Political as a Percentage of Total Revenue
2006 (est.)	\$2 billion	\$27 billion	7.4%
2005	\$1.6 billion	\$26.1 billion	6.1%
2004	\$69.8 million	\$24 billion	2.9%
2003	\$60.5 million	\$25.8 billion	2.3%

Source: Broadcasting & Cable, 2006; Veronis Suhler Stevenson Industry Forecasts; TV Bureau of Advertising, 2000 & 2002; Morgan Stanley Estimate, 2004

What about the future?

The Television Bureau of Advertising (TVB) projects that in 2008 total spot advertising will grow 10% over 2007, driven largely by political advertising.

Even 2007, which would typically see some decline in ad spending, “will not decrease dramatically,” according to the BIA Financial analyst Mark Fratrik, as candidates try to establish their presence in early-primary and swing states like Ohio, New Hampshire and South Carolina. <sup>10</sup>

Who spends all this money? Senate campaigns, such as those in Ohio, Pennsylvania and Maryland, accounted for

about 14% of the total \$44 million as of September 2006. The rest was mostly spent on House races and on governors' races. Some states stand out. According to a TNS release in September 2006, \$160 million had been spent on TV ads in California alone, and that total was expected to triple once final figures were in. Other states with large spending include Virginia, Michigan, and Florida.

Political ad dollars, though, carry with them some caution.

If, in the future, both traditional and political advertisers begin to reduce spending on local broadcast TV, it is bound to have an adverse impact on the industry. To gain a more regular revenue stream, analysts suggest, the industry should look to new avenues like demanding retransmission consent money from cable or taking advantage of trends like delivering content to cell phones.

### *Local Cable Advertising*

In the last decade or so, local advertisers have also had another option for their ads — local cable news channels (see 24-Hour News). Those outlets are attracting advertisers with their lower rates, an ability to reach similar markets and the added advantage that many regional cable systems can carry the same advertisement to different markets at once.

According to Veronis Suhler Stevenson, local cable advertising grew at an annual compound rate of 8.2% from 2000 to 2005. For 2005-2010, it is projected to grow at a rate of 13%. By comparison, local spot ad revenue for local broadcast stations grew only 0.8% from 2000 to 2005, and is expected have an annual compound rate of growth of 2.5% until 2009.

Thus, while not huge, local cable is becoming a relatively larger competitor for local TV news ad dollars.

Growth of Local Spot vs. Local Cable Advertising  
2002 – 2008, Percentage Growth

Year	Local Spot	Local Cable
2008 (est.)	6.3%	14.5%
2006 (est.)	5.8	14.2
2004	7.3	13.3
2002	7	2.3

Source: Veronis Suhler Stevenson, 2006-2010 Industry Forecast

### **Newsroom Economics**

How much does the newsroom contribute to a station's revenue? According to a survey of news directors, a pretty substantial amount, and growing. The latest Radio-Television News Directors Association (RTNDA) and Ball State University survey, released in October 2006, indicated that the revenue made from news increased in 2005 compared

with the previous year. 11

According to the news directors surveyed, 44.9% of TV station revenue came from the news department in 2005. That is an increase of two percentage points from 42.8% in 2004. What's more, the increase was felt across markets and affiliations. 12

Percentage of TV Station Revenue Produced by News  
2002-2005, All Stations

Year	Average Percentage
2005	44.9%
2004	42.8%
2003	46.1%
2002	39.7%

Source: RTNDA/Ball State Universitys

Note: Based on survey responses of news directors

How well were newsrooms doing on their own? When asked whether their newscasts were making a profit, news directors were much more positive than a year earlier, and more in line with 2002 and 2003.

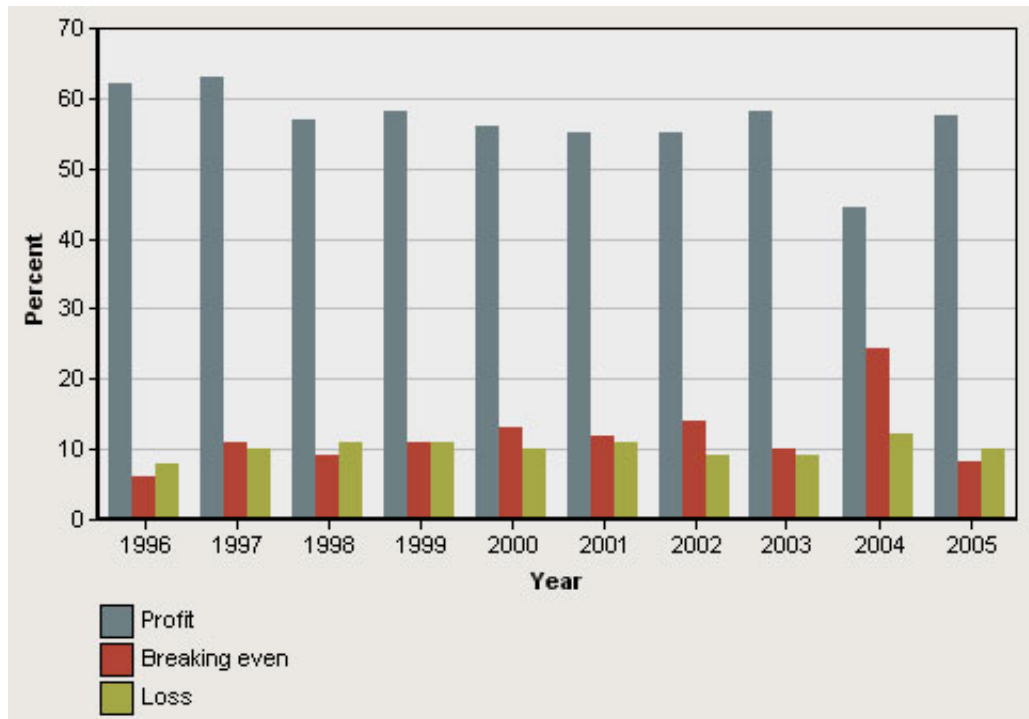
More than half, 57.4%, said they made profits in 2005. Only 10% said they had shown a loss, while 8% said they had broken even. 13

That was a big improvement over 2004, when only 44.5% of the news directors reported that they earned a profit. That was down almost 14 percentage points from the 58.4% of the year before. 14

News professionals say those numbers need to be taken with some caution. It is not clear how much news directors know about their station's finances; some industry experts say not that much. But the trends over time outline some interesting patterns.

## Local TV News Profitability

All Stations, 1996 – 2005



Design Your Own Chart

Source: RTNDA/Ball State University Surveys  
Based on survey responses of news directors

The biggest switch was in those reporting profit versus breaking even. In 2004, nearly a quarter of all respondents reported breaking even. That was higher than in any other year for which we have data. In 2005, the number saying they broke even fell back to 8.1%.

The differences in profitability between the network affiliates are also striking, but not as great as a year earlier. More news directors affiliated with Fox reported profits (65.2% of them), than with any other group. On the other end were CBS affiliates, with 58.9% reporting profits. ABC affiliates fell in the middle at 61.4%, but also saw the biggest jump from 2004, when only 44% reported profits.

Fox-affiliated stations were the best performers in 2005 (see also Cable TV Audience). For the past three years, about two-thirds of all news directors affiliated with Fox have said they have been making a profit. And even more significantly, in 2005 none of them said they were showing a loss. <sup>15</sup>

A number of the Fox affiliates were in the news in 2006 for adding new newscasts or adding to existing ones, at various parts of the day. There were press reports of additional newscasts in cities like Chicago, where a 10 p.m. newscast is planned for release in 2007; Philadelphia, where an 11 a.m. newscast began and an evening newscast is

planned; and Boston, also preparing to launch a 10 p.m. newscast and planning a morning one for 2007 (see Audience). 16

## **Ownership**

Ownership

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*By the Project for Excellence in Journalism*

The ownership picture for local TV news began to change in 2006, after years of holding fairly steady.

And if the FCC goes forward with plans to deregulate the industry — plans stalled in recent years — that landscape may change even more significantly.

### **A Season of Sales**

There are more than 700 local television news stations across the country owned by more than one hundred different companies.

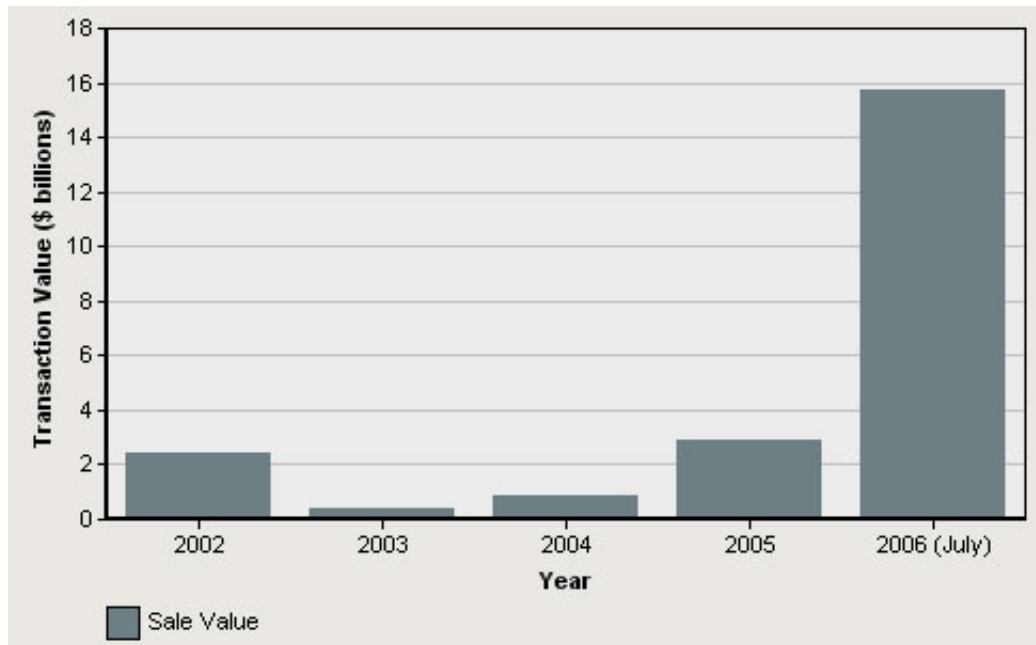
And in 2006, local television stations changed hands at a level of transaction activity that hasn't been seen since the late 1990's and early 2000's.

According to a BIA Financial Network report released in July 2006, a total of 88 television stations had been sold in the first six months of 2006, generating a transaction value of \$15.7 billion. In 2005, the same period saw the sale of just 21 stations at a value of \$244 million (the total year saw transactions worth \$2.86 billion.)



## Transaction Value of TV Station Sales

2002 – 2006



Design Your Own Chart

Source: Broadcasting & Cable, April 24 2006; BIA Press Release, July 20 2006

Most of the 2006 transactions took place from May through July in the smaller markets and among smaller companies. Companies like Pegasus Communications, Daystar Television Group, Equity Communications, among many others, sold and bought TV stations in smaller markets like McAllen, Tex., Portland, Maine, and Tulsa, Okla. 1 And in April a larger player, Media General, bought four stations from NBC for \$600 million.

One company that was in the news for its sale of news stations was Emmis Communications. The company went forward in 2006 with plans, discussed in last year's report, to bow out of the TV business completely to concentrate on its radio holdings. It will sell the last of its TV stations (New Orleans) in 2007 . It sold its first nine in 2005 for \$481 million over their book value. SJL communications, the LIN Television group and the Grey Television group snatched up the Emmis stations to become even larger groups.

Though official totals have not come in yet, the second half of 2006 was active as well, and saw some bigger media companies enter the sales fray. In August, for example, Raycom Media sold 12 of its stations in nine markets to the Barrington Broadcast group (this came after acquiring 15 stations from the Liberty Group in the summer of 2005).

As a part of a much larger ownership story in 2006, the Tribune Company was contemplating selling its broadcast holdings in its plan to overhaul itself (also see Newspaper Ownership). It owns 23 TV stations in the bigger markets, including three in the top three markets: KTLA in Los Angeles, WGN in Chicago and WPIX in New York. In November 2006, the Los Angeles Times reported that the company had begun offering those three stations to potential buyers. 2

The plan to sell the Los Angeles and New York stations was probably spurred by the fact that the broadcast licenses were set to expire (in December for the Los Angeles station and June, 2007 for New York).<sup>3</sup> If the stations were not sold by the expiration dates, Tribune would be in violation of the FCC's cross-ownership rule. The rules, which Tribune has lobbied against, prohibit ownership of both a newspaper and a television station in the same market. It owns the Los Angeles Times and Newsday in New York (more below on the FCC regulations).

Also in late November 2006, Clear Channel Communications announced that it was being sold to an investment group led by the private equity funds Bain Capital and Thomas H. Lee Partners. Better known as the largest radio company in the U.S., Clear Channel also owns 51 local television stations. As its radio revenues and stock prices fell in recent years, analysts expected Clear Channel to sell all its television stations to reduce debts (also see Radio Chapter).<sup>4</sup>

In January 2007, the New York Times Company confirmed the sale of its Broadcast Media Group — all nine of its TV stations — to a private equity firm for \$575 million.<sup>5</sup> The deal, which is expected to close in the first half of the year after meeting regulatory approval, exceeded analysts' projections.<sup>6</sup> According to Barron's Weekly, the private equity firm that bought the stations paid about \$150 million more than was expected.<sup>7</sup> When the company first announced its decision to sell the television unit, in September of 2006, analysts were upbeat about the sale, viewing it as a smart move that would allow the company to focus on its other assets. And they said it gave other TV groups a chance to create duopolies in those markets. The television unit accounted for just 4% of total revenues, and according to a spokesman for the Times Company, the sale would allow the company to focus more on its print newspaper and digital properties.

Why all the sale activity in 2006? And what does it suggest about the health of the industry?

The sales of stations left analysts feeling good about the local television market as a whole. Many see the sales as smart business decisions. Selling the stations was one way for companies to trim their low-performing assets and focus on the cost-effective ones. Companies like Tribune and Clear Channel are a case in point. For the buyers, on the other hand, adding the stations was seen as a means to improve revenue, cash flow (profits) and the overall value of the buying groups. Some of the acquisitions added digital capabilities (such as digital weather broadcasts). Having local TV stations with those capabilities could give companies an edge in the emerging media market.

The rising level of transactions was also considered an indicator of the overall health of the business. The sales, like those of the New York Times' stations, showed that private equity firms are quite interested in TV stations. That, in turn, helped boost television station stocks on Wall Street. Indeed, media reports indicate that the stock market seems to have a lot of faith in broadcast television, especially in those stations operating in the mid-sized markets. Investors apparently believe such stations will prove to be more durable than newspapers, thanks in part to the popularity of local news broadcasts. Further, the markets they operate in aren't that threatened by the Internet, which is more of a worry for stations in the biggest markets.<sup>8</sup>

### **The Local TV Landscape: Networks Dominate**

More than 90% of the TV stations in the U.S. are affiliates of one of the four biggest television networks — ABC, CBS,

Fox Television and NBC (collectively known as the Big Four).<sup>9</sup> That is, they carry national news and programming produced by those networks.

According to the BIA database, NBC and Fox have the largest share of affiliates among the Big Four — neck-to-neck with about 30% each of all network affiliates. CBS comes in third with a 26% share and ABC is fourth with 9% .

#### Number of Network Affiliates with News Directors

2005

Television Network	Number of Affiliate Stations
NBC	248
Fox Television	241
CBS	194
ABC	65

Source: BIA Media Access Pro, July 2006

A total of 748 local news stations were affiliated with one of the four groups in 2005. That reflects a 10% growth in network affiliates in the seven years, up from the 680 stations in 1999.

NBC and Fox have seen the largest increase in affiliated stations, adding 31 and 16, respectively, between 1999 and 2005. CBS is not far behind at 14. ABC has the smallest presence in the local-market scene with just 65 affiliates, and as of 2005 had added only 7 stations since 1999.

#### *Network Owned and Operated Stations*

The networks themselves *own* only a handful of local television stations — known as their ‘owned and operated’ (O&O) stations, though usually they are the biggest stations in the biggest markets. That reach would likely have grown even more had the FCC succeeded in plans earlier in the decade to ease ownership caps. And in 2007, the FCC is looking again at doing so.

The owned and operated local stations produce a sizable share of the networks’ profit, and those stations’ revenues often exceed what the networks generate from their own programming.

Among the Big Four networks, CBS Television owns the most stations, 39. The Fox Television group now follows with 35. NBC is next with 14, and ABC owns and operates 10.<sup>10</sup>

The CBS Corporation has one or more stations in 9 of the top 10 markets in the country. The 35 stations owned and operated by Fox itself (News Corp.) also include a station or more in 9 of the top 10 markets (reaching approximately 45% of the country). NBC reaches 7 of the top 10 markets with its O&O’s, about 34% of the viewers in the country, including those who watch its Spanish-language Telemundo stations. ABC stations can be found in 6 of the top 10 markets.

### *Fox Network: Expanding locally*

News Corp.'s presence in the local TV marketplace began two decades ago, in 1986. Originally, its national and international news content came from CNN. But Rupert Murdoch began to change things in 1992, when he decided to make Fox newscasts look different from the competition. Roger Ailes, who heads the cable channel as well as the local television group, announced in 2006 that they would no longer buy external news feeds. The decision worried a number of local-station news directors, given the limited nature of Fox News's overseas coverage.<sup>11</sup> They may not have to worry for long. In media interviews in October 2006, Murdoch and Ailes said they were working on building international coverage and on improving the synergy between their local and cable news operations.

Indeed, many of the local Fox newscasts are borrowing the stylistic elements that have made the Fox News cable channel a success — high-end graphics, sets and a 'down to earth' commentary style. The editorial content, though, according to Ailes, is under their own control. As he told the *Financial Times*, "we look at talent... and we look at graphics and marketing... but editorially these stations operate independently."<sup>12</sup>

After a substantial amount of talk about it in 2005, Fox in 2006 still did not launch its own national evening newscast. Instead, it devoted its energies to creating an even stronger morning news presence.

In January 2007, it launched a live national morning show to compete with the other networks' offerings. The hour-long "Morning Show with Mike and Juliet" runs a mix of news and entertainment from 9 a.m. to 10 a.m. The hosts are Mike Jerrick and Juliet Huddy.<sup>13</sup> The two were anchoring the (cable) Fox News Channel's popular daytime show "Day Side" till September 2006. The new show is meant for all the Fox owned and operated stations, though it wasn't decided whether it would also air on the Fox affiliates. The show is expected to be more entertainment and lifestyle focused, rather than hard news, and targeted at a female audience.

### **The Top Local TV Companies by Revenue**

The four commercial networks, ABC, CBS, Fox and NBC are not only among the biggest owners by number of stations and audience reach. They also dominate the industry based on revenue. That dominance continued in 2006.

The creation of the CBS Corporation in 2006, through a splitting up of the former parent company, Viacom, made it the second-biggest local-TV group in terms of revenue after Murdoch's News Corp (see Network TV Ownership). It overtook NBC, which dropped to third place. ABC/Disney overtook Tribune to come in fourth.

Tribune's drop to fifth place could be attributed to its relinquishing its share in the new CW network, which was created by CBS and Time Warner (Time Warner, incidentally, is ranked 50 in the BIA list of top parent companies).

The CW network is now all entertainment programming. It is expected that any news on those stations would initially come from existing partner news departments, such as those that were running news on the former UPN and WB stations that make up CW. Perhaps, if the network does well, it could build its own news departments or add stations that air news in the coming years.

## Top Parent Companies by Revenue

2005

Rank	Name of Company
1	News Corporation
2	CBS Corporation
3	NBC/GE
4	ABC/Disney
5	Tribune Company
6	Gannet Co. Inc.
7	Hearst-Argyle TV Inc.
8	Belo Corp.
9	Broadcasting Media Partners Inc. (parent of Univision)
10	Cox Enterprises Inc.
11	Sinclair Broadcast Group Inc.
12	Raycom Media Inc.
13	LIN Television Corporation
14	Media General Inc.
15	Washington Post Company
16	EW Scripps Company
17	Gray Television Inc.
18	Meredith Corp.
19	Clear Channel Communications
20	Young Broadcasting Inc.

Source: BIA Media Access Pro, September 2006

### **The FCC Regulations**

One big concern facing all television stations is the longstanding question of what kind of federal regulations will be applied to media ownership. The Federal Communications Commission (FCC), the body in charge of laying down the rules, has had no success in arriving at a consensus on critical questions such as putting a cap on how many media properties a company can own or newspaper-television cross-ownership. 14

The ownership rules were last revised in 2003 and then rejected by a federal court in 2004 (see previous reports). In June 2006, the FCC finally voted to revisit the controversial topic.

The first stage of that endeavor comprises six public hearings, beginning in California in October 2006. The second was held in Tennessee in December. As of December, no final schedule for the remaining four had been established, but the FCC expected the hearings — to be held throughout the country — to be over by March 2007. The questions that most critics raise are whether the public debates will have any impact and how effective new regulations will be in a changing media industry.

The latest proceedings also take place in a very different media environment from the last time the FCC was reviewing ownership rules.

In 2003, big groups like CBS, Clear Channel and News Corp. were clamoring for more properties and for relaxing the cap on the number of stations a company can own in one area. Others, like the Tribune Company, were concerned about FCC regulations on newspaper-television cross-ownership.

Heading into 2007, the situation is vastly different. For one thing, Congress passed a law in 2004 that forbids any network to own a group of stations that reaches more than 39% of the national television audience. That is lower than the 45% limit set in 2003, but more than the original cap of 35% set in 1996 under the Clinton administration — leading public interest groups to argue that the proposed limits lead to a stifling of local voices.

With the question of limits in national reach off the table, the biggest media companies like CBS and Disney have less at stake and in fact are sitting out the public debates. Indeed, the Walt Disney Company said in October 2006 that it was not seeking any relaxation of the broadcast ownership rules.

But some big questions still remain. One is the status of newspaper-television cross-ownership. Currently prohibited, it refers to the “common ownership of a full-service broadcast station and a daily newspaper when the broadcast station’s area of coverage (or ‘contour’ as it is known in the industry) encompasses the newspaper’s city of publication.”<sup>15</sup> The other is the capping of local radio and television ownership. While the original rule prohibited it, currently a company can own at least one television and one radio station in a market. In larger markets, “a single entity may own additional radio stations depending on the number of other independently owned media outlets in the market.”<sup>16</sup>

Most broadcasters and newspaper publishers are lobbying to ease or end restrictions on cross-ownership; they say it has to be the future of the news business. It allows newsgathering costs to be spread across platforms, and delivers multiple revenue streams in turn. Their argument is also tied to a rapidly changing media consumption market, and to the diversity of opinions available to the consumer with the rise of the Internet and other digital platforms.

The Fox Television group, for one, argued that the FCC rules are “archaic and counterproductive” and that viewers have a “plethora of viewpoints available today.” The Tribune Company, which has benefited from its waiver of cross-ownership restrictions for its newspapers and TV stations in New York and Los Angeles, also wants the rules overturned. The company says the rules prevent the public from getting high-quality programming, and contend that the growth of alternative news weeklies, Web sites and blogs ensures a diversity of news sources. Some may also think that their stations would be worth more if local newspapers were potential buyers.

The arguments against relaxing media ownership regulations are put forth by some powerful consumer unions and

other interest groups. They say that consolidation in any form inevitably leads to a lack of diversity of opinion. For them, cross-ownership limits the choices for the consumer, inhibits localism and gives too much media power to one entity.

Professional and workers guilds of the communication industry (the Screen Actors Guild and American Federation of TV and Radio Artists among others) would like the FCC to keep in mind the independent voice, and want a quarter of all prime-time programming to come from independent producers. The Children's Media Policy Coalition suggested that the FCC limit local broadcasters to a single license per market, so that there is enough original programming for children. Other interest groups like the National Association of Black Owned Broadcasters are worried about what impact the rules might have on station ownership by minorities.

As a footnote to the localism debate, the Sinclair Broadcast group took two controversial steps in 2006. First, it eliminated all of its newscasts on its WB (now Fox Television's My Network TV) stations.<sup>17</sup> In addition, its main news operation in Baltimore, News Central, ceased producing live newscasts and began focusing on supplying taped news packages to the other Sinclair stations (acting like a network to its affiliates). Many of the remaining Sinclair stations will continue to 'outsource' their news. In Las Vegas, Pittsburgh and Raleigh, for example, stations are all sharing newscasts to lower costs and reap ad-sales benefits. Those stations are contracting their network affiliates to produce their news.<sup>18</sup>

According to Sinclair executives, the main reason for the changes was economic. By canceling the newscasts, and reformatting News Central, Sinclair will save millions of dollars.

Critics argue that using such a centralized news arrangement defeats the point of local TV news. As the TV-news consultant Valerie Hyman is quoted saying, "Too much of the news came from a place where none of the viewers live. It was like dumbing down a newspaper."<sup>19</sup>

Whatever the timeline, the question of media ownership promises to remain contentious.

## News Investment

News Investment

*By the Project for Excellence in Journalism*

The evidence takes some assembling, and there are contradictions, but signs have emerged of some change in the attitude that has led to the thinning-out of local TV newsrooms in recent years — a trend that has bedeviled the industry and, many news directors believe, accelerated the decline in audience.

For the latest years for which there is data, staffing appears to be up, and budgets appear not to be pressed.

There are also signals that independent stations may be getting away from news, leaving it to the networks and their affiliates, which could concentrate the audience to a few newsrooms.

It would be wrong to overstate the case. The number of hours of news produced is also at a record high. And there is more pressure than ever to produce news for the Web, as well.

Still, taken together, the evidence points to a growing sense that for the stations that do news, it increasingly will be the franchise that will define their stations.

### **Amount of News on Local TV**

What is the average amount of news being aired on local TV? On any weekday in 2005, local stations aired 3.8 hours of news. That was up from 3.6 hours reported in 2004 and represented a record high. <sup>1</sup> Those are the results from the latest annual survey conducted for the Radio-Television News Directors Association (RTNDA) by Bob Papper of Ball State University. <sup>2</sup>

The amount of news a station produces is a difficult matter to weigh. While more news content means more journalism, it can also stretch news operations thin, give journalists less time to work on stories, and lead to more drive-by coverage of stories that are easy to get but less informative than more difficult enterprise reporting.

Many stations seemed, for now, to feel they had reached their limit. The survey reveals that more than half the news directors surveyed (55.9%) had no plans to change the amount of news on their stations.

But the growth in news content is hardly over. More than a third of news directors, 36.3%, said their stations were planning to *add* to the amount of news that was already airing on their station. <sup>3</sup> Hardly any — just 1.4% — said they planned to scale back.

And the evidence suggests they will go forward with their plans. Looking at 2005, expectations, if anything, were more cautious than the reality turned out to be. <sup>4</sup> In 2005, 36% of all news directors said they had increased the amount of news on their station. Yet only about a quarter (24.9%) had planned, in 2004, to make those increases.

Similarly, three-fourths of news directors surveyed in 2006 reported running the same amount of news in 2005 — mirroring the percent that a year earlier planned on producing the same amount. <sup>5</sup> But more significantly, a greater number increased the amount of news and fewer reduced it than had been planning to. Only 1.8% of news directors reported reducing the amount, but 8.8% had planned on doing so.

There are also significant differences in who is adding news.

Viewers will find much more news on network-affiliated stations, which averaged 4 hours of news each weekday in 2005. The nonaffiliated stations averaged just 1.8 hours of news on a weekday — a big change from 2004, when the average for such stations was 3.5 hours.

For now, the numbers suggest that the era of every station trying to get into the news business may have eased off, and that news may be increasingly a province of network affiliation (and Spanish-language stations, which are seeing growth and success in their newscasts). A half-dozen years ago, as stations began to see audiences shrink, some were predicting a shakeout in news, with only one or two stations in each market staying in the news business in a



significant way. For a while the opposite happened. The current shift may be a natural response to the declining ratings and share numbers of recent years. In time, it could be a significant change — a shakeout in news after all.

The other trend, in the counter direction, is for network affiliates to produce *more* newscasts for independent stations from a central newsroom. That is what is occurring (as noted in Audience) in markets like Boston where the NBC affiliate WHDH-TV is producing a newscast for the CW affiliate (WLVI-TV) in the same market. Both stations are owned by the same group, Sunbeam Television Corp.

Indeed, the RTNDA surveys show that a fair number of news directors report providing their news content to another TV station. In 2005, 21% of news directors reported doing so. That is slightly lower than the year before (23%), but higher than 2003 (18%). The survey's author, Bob Papper, estimates that more than 150 newsrooms are now producing news for multiple stations, a significant trend in the industry. According to the survey, stations are more likely to provide news to other stations if they are in a larger market and if they have a large staff.

In one sense, the practice represents stations giving consumers what they want — the choice of news when and where they want it. It also, no doubt, saves stations money to amortize the costs of their newsrooms and create more revenue opportunities. But the pressures on news people and newsrooms as they have to produce more newscasts are unmistakable.

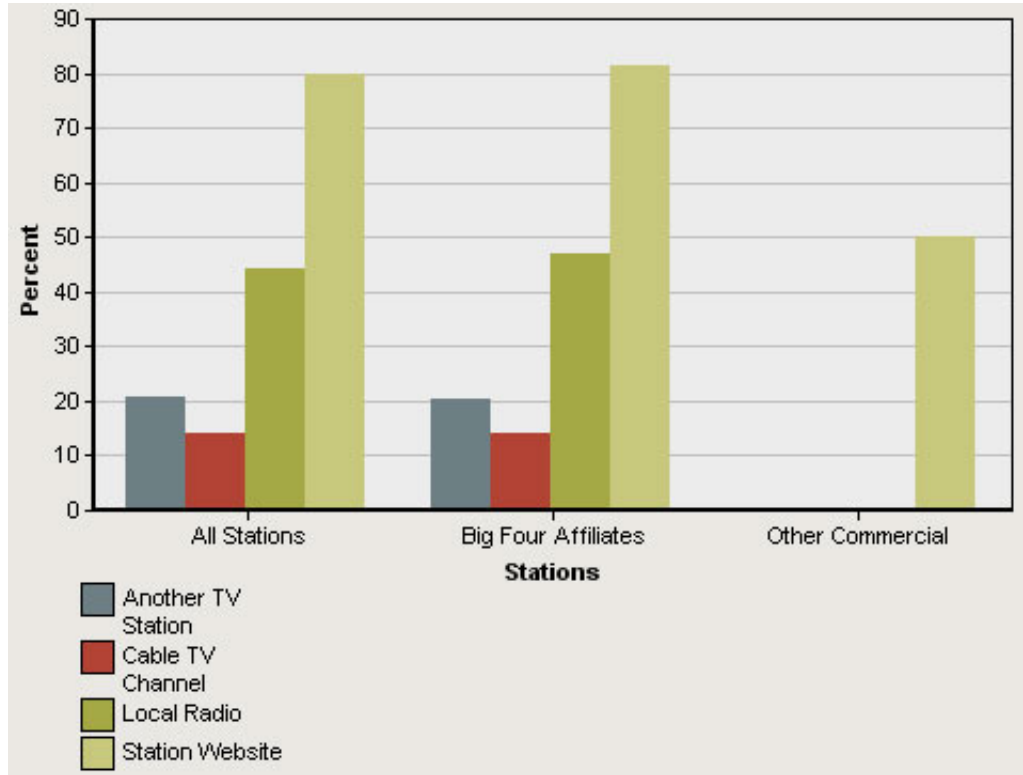
### **News for Other Platforms**

In addition to producing news for other stations, news directors have a host of other platforms they must think about as well. Those include the station's own Web site, other Web sites, cable TV channels or local radio (for more on the ways local TV is moving beyond the television screen, see Digital).

Of all the platforms, the station's Web site commands the lion's share. In the RTNDA Survey released in October 2006, 80% of all news directors surveyed said they provided content to the station Web site. That figure has risen every year (it was 70% in 2004 and 66% the year before).

## Other Outlets for Local TV News Content by Affiliation

2005



Design Your Own Chart

Source: 2006 RTNDA/Ball State University Survey  
Based on survey responses of news directors

Local radio stations are the other big outlet for content — 44% of all news directors share their content with radio stations (roughly the same level as the past two years). Radio is followed, respectively, by other television stations and cable TV channels.

### TV News Budgets

One of the major issues in local TV news in recent years has been the trend toward stations producing more news without increasing their staff to do it. That stretching of resources translated into a thinning of the product. Stations did fewer reporter packages and less original reporting and enterprise, relying more on second-hand material. (See Annual Report 2004 and 2005). What is happening now, according to the latest data?

Stations seem to have realized that their product was suffering, and for the latest year available, 2005, don't report any reduction in their news budgets.

That year, news directors either increased their budgets (46%) or kept them the same (35%). Only about 1 in 10

(12%) said that they had cut their budgets.

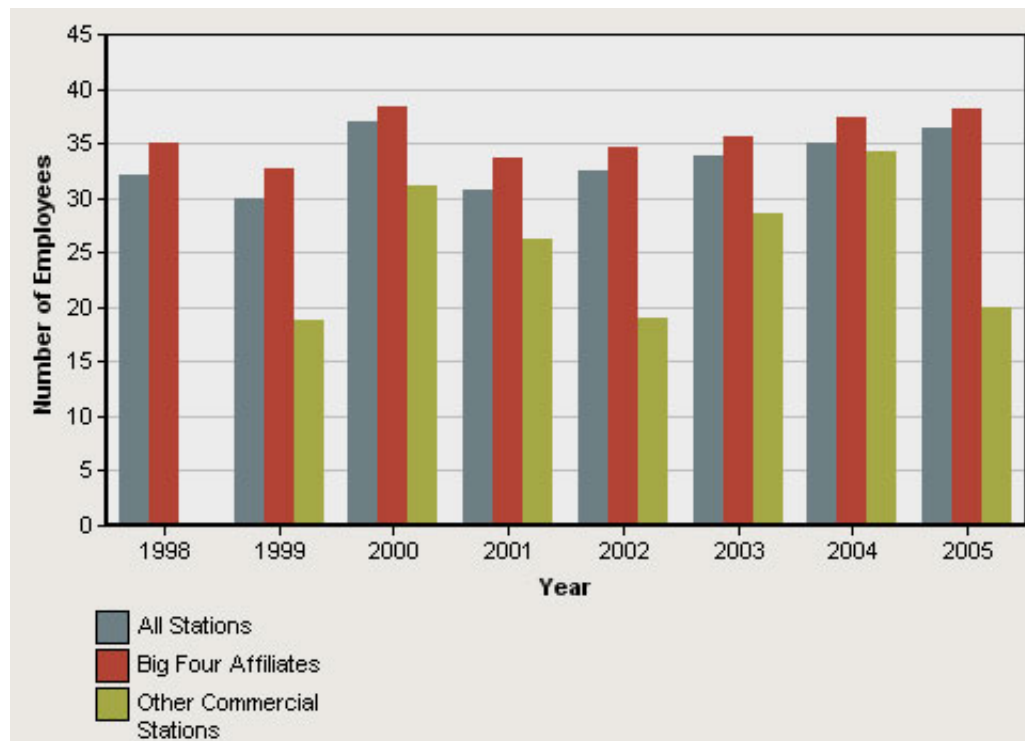
Network affiliates invested much more in news than the other commercial stations (just as they were also producing more news). Only about 1 in 10 (11.4%) of network-affiliated news directors reported cutting their budgets in 2005. Most of them (47.6%) instead had increased the budgets. About a third (34.6%) kept to the same level as the previous year.

### Staff Size

As an indicator of quality, the number of people in newsrooms is often even more telling than money. Over all, average newsroom staff size increased in 2005. On average 36.4 people were employed in the participating newsrooms, the second-highest level of full-time staff since the survey began in 1993. It also represents a fourth consecutive year of growth in average full-time staff, and the second-highest staffing level since Papper began his research.

### Local TV Newsroom Staff Levels

#### 1998-2005, Average Number of Full Time Employees



Design Your Own Chart

Source: RTNDA/Ball State University Surveys  
Based on survey responses of news directors

If we add in part-time staff, the total average staff size (41 people) is the highest recorded in the RTNDA survey. Indeed, 2005 saw an increase in part-time staff across all stations, unlike the decline in 2004. 6

The growth wasn't very even, however. While the number increased among affiliated stations, it plummeted at other commercial stations.

In 2005, the average newsroom staff size at an affiliated station was 38 people (up from 37 in 2004). Unlike previous years, staffing at affiliate stations was stronger than predicted in 2005. More than a third of news directors reported increasing their staff (39%) versus 24% that had planned to do so when asked a year earlier. Only 13% reported reducing their staff size.

At other commercial stations, the figure was 20 — down from 34 in 2004.

That drop in staff levels might be a reflection on non-affiliates eliminating newscasts or contracting other local stations to provide news for them. The arrangement in Boston, where Sunbeam Television added a newscast on its CW affiliate WLVI using the resources of its NBC affiliate WHDH, is one example. It consolidated operations so that one studio was used for all news programming. The new 10 p.m. newscast on the CW affiliate, an early version of WHDH's 11 p.m. program, was produced at a fraction of the typical cost and by adding fewer than usual employees. 7

And if the news directors stuck to their plans, the disparity between the affiliates and others would continue in 2006.

Of the news directors surveyed at the network affiliates, more than half (56%) planned to keep their staff size the same and one third (34%) hoped to hire more people. Less than 1 in 10 planned to cut staff or didn't respond to the question. 8

#### Changes in Staff Size: Big 4 Affiliates 2005

Staff Size Changes	Increase	Same	Decrease
In 2003	34%	51%	14.9%
Expected in 2004	31.6	57.7	3.8
In 2004	33.2	41.2	18.5
Expected in 2005	23.5	53.5	8.9
In 2005	38.6	48.2	13.3
Expected in 2006	34.4	56	3.2

Source: RTNDA/Ball State University Surveys

Note: Based on survey responses of news directors

The responses were very different from news directors at the other commercial stations. A full 75% did not plan on any changes to their staffs. Of the rest, an equal amount planned to reduce or increase staff size (12.5% each)

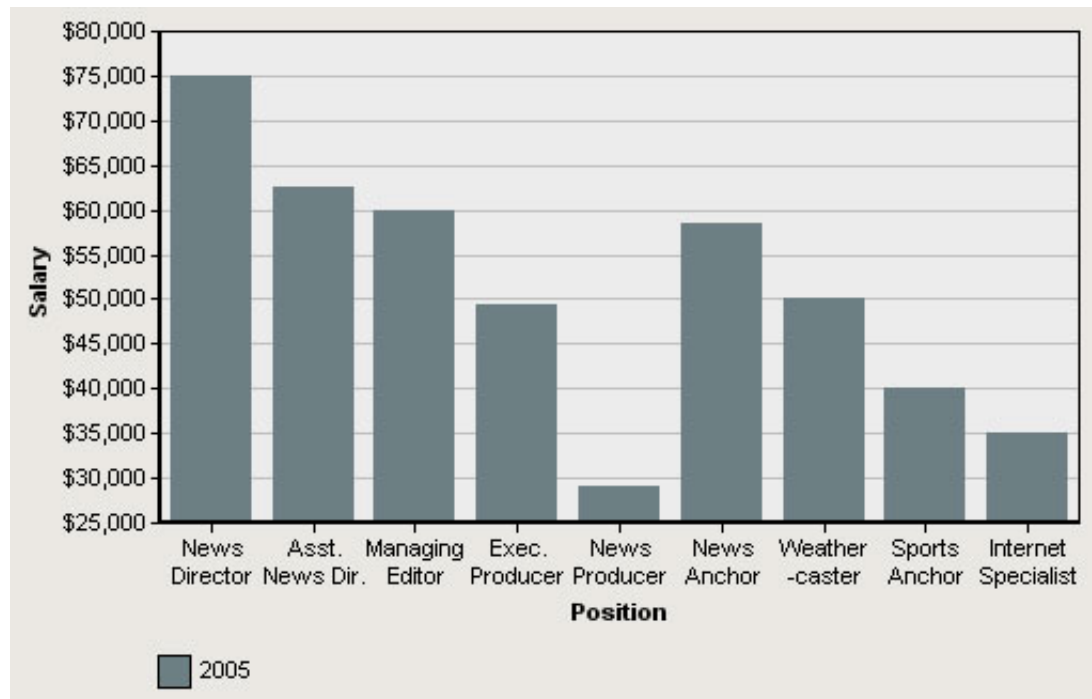
## Salaries

One interesting wrinkle to newsroom resources was that increases appear for the moment to be more in bodies than in salaries. Even though the size of the newsroom increased, and news directors invested in more news on the air, TV news salaries barely changed in 2005. They increased just two-tenths of a percent, according to the RTNDA/BSU Salary Survey (June 2006). Things weren't helped by inflation rates, which were 3.4% for the year. That meant real wages in TV news fell by 3.2%.

News directors themselves, however, continued to fare much better than their newsrooms. Using the RTNDA data to compare median salaries, the average on-air positions (news anchors, weathercasters and sports anchors) have seen an increase of about 33% in salaries over the past 10 years (1995 to 2005). The increase among all management positions was just slightly more at about 37%. Compared to those two groups, however, news directors have seen an increase of 56% over the past 10 years (1995 to 2005).

## Salary Comparisons Over Time

### 2005, Median Salaries, TV News



Design Your Own Chart

Source: 2006 RTNDA/Ball State University Survey

Based on survey responses of news directors

In other findings, an average new hire with no full-time experience would earn about \$21,400. Tape editors were at the low end of the totem pole. They would join at the lowest average salary, \$20,500.

### **Women in the Local Newsroom**

In what was said to be a sign that women were finally getting their due in the newsroom, Katie Couric became the first solo female broadcast anchor in September 2006, for CBS (see Network TV Audience).

But that 'breakthrough' holds only for national network news. In local news, women have for long been the face of the newsroom. According to the RTNDA, women accounted for more than half of all anchor positions in 2005 — 57%. Even a decade ago, in 1996, 54% of anchors were women. 9 Indeed, the most recent survey of news directors in July 2006, commissioned for the RTNDA, does show that virtually all newsrooms now employ women (97%) and that they made up 40% of the TV news workforce as of 2005. 10

Women are also increasing their ranks behind the scenes. There are now more women executive producers, reporters, news producers and writers. Indeed, in 2005, the number of women TV news directors heading their own newsrooms rose by 25%, reversing a two-year drop. And, according to Bob Papper, their salaries are at par with their male (news director) colleagues.

Such women, though, are generally found in smaller newsrooms (with staffs of up to 10 people). The biggest newsrooms have the lowest incidence of women news directors.

Further, the percentage of women in the total television workforce over time has remained essentially stagnant. According to RTNDA data, the share of women in the TV newsroom has fluctuated by less than two percentage points between 1999 and 2005. They make up less than half — 40% — of the newsroom staff.

#### Women in the Newsroom

1999-2005, As a Percentage of Total Workforce in All Television News

Year	Percent of Women
1999	40%
2000	39.7
2001	38.6
2002	39.3
2003	39.1
2004	39.3
2005	40

Source: RTNDA/Ball State University Annual Surveys on Women and Minorities

Nonetheless, women journalists are increasing their ranks. According to surveys conducted by Profs. David Weaver and G. Cleveland Wilhoit for their book “The American Journalist in the 21st Century,” which were conducted over three decades, women made up 33% of all journalists in 2002, up from 20% in 1971, the year of their first survey. 11

The journalistic trend reflects the broader trend of an increasing number of women in the general labor force. In 2006, approximately 60% of women were in the labor force, a significant increase over the 41% of 1970. 12

## Digital

Digital

*By the Project for Excellence in Journalism*

When it came to moving online, local TV news has historically looked tardy and vulnerable. But that may be changing.

Over the last year initiatives by local TV news stations were less about convergence with newspapers and more about offerings through newer technologies. Local TV content can now be accessed as podcasts, on cell phones, on outdoor screens and streamed over the Internet.

One of the biggest growth areas has been in local stations’ Web sites. All the Big Four networks have worked on their local station sites, and the results have been encouraging.

The CBS Television group, for example, has overhauled its local Web sites over the past year, increasing the amount of available video streams fourfold. That has resulted in a huge increase in online ad revenues. 1

The Fox Television group rolled out re-designed local Web sites in January 2007. The network undertook a yearlong project to centralize the sites — they have a similar look and centralized technical operations, and all are seen as stand-alone businesses for the group. They offer local information and community forums, in addition to local news. 2

A survey released by Ball State University’s Bob Papper for the RTNDA in May 2006 suggests that a Web-based component is now a norm for local TV stations, though what it consists of may vary greatly from site to site.

According to the survey almost all news directors say their local TV stations now have Web sites, and 98% of those sites include local news (showing that local news continues to be a critical component of local television on any platform).

On average, about three people in the newsroom staff are dedicated solely to working on the Web site, up from about one person the previous year. And news directors find they are increasingly dividing staff time between the two entities — on an average, they said 34.4% of their newsroom staff helps with the Web site, up from 32.5% the year before.

Stations that have a large Web staff (according to the survey, ABC affiliates had larger Web staffs than other affiliates)

tend also to have their news directors in charge of the sites. The percentage of news directors who say they are in charge of content on their Web sites has increased from 15.6% in 2004 to 20.3% in 2005.

What are the effects of a local Web presence?

One effect, various data suggest, is some positive impact on the bottom line.

### *Revenues*

According to RTNDA the survey, the percentage of news directors who said their local TV Web sites were making a profit rose from 15% in 2004 to 24% in 2005 — and if you look at profits by market size, every single market group went up as well.

What's more, news directors reporting a loss and those who reported breaking even fell from the previous year. (But it's also worth noting that half the news directors surveyed were not sure how well their station Web sites were doing.)

### Local Television Web sites 2005

	Making Profit	Breaking Even	Showing a Loss	Don't Know
All Television	24%	12.2%	13%	50.8%
Markets 1-25	35.9	5.1	12.8	46.2
Markets 26-50	30	8	6	56
Markets 51-100	24.6	15.4	13.8	46.2
Markets 101-150	17.4	11.6	21.7	49.3
Markets 151+	15.4	20.5	5.1	59

Source: Bob Papper, "TV Web sites Helping the Bottom Line," RTNDA Communicator, May 2006

Note: Based on survey responses of news directors

Another research group, Borrell Associates Inc., which measures local online advertising, found that local TV broadcasters lead the way when it comes to online ad revenues — the figure is projected to be \$7.7 billion in 2007. <sup>3</sup>

But as broadcast television groups expand their digital properties, the question of revenue sharing and the relationship with their local affiliates is something to consider.

In September 2006, ABC cut a deal with its affiliates to stream some prime-time shows, including ABC News videos, on local Web sites. The local affiliates will be able to carry clips from ABC's World News and Good Morning America on their station Web sites, and eventually even add local content. In exchange, the affiliates will promote the ABC streams both on the air and on their respective Web sites.



That was a compromise reached by the two sides in response to an earlier decision by ABC to stream its content free on its Web site the day after its initial broadcast. Affiliate stations weren't happy – if viewers could watch ABC programming without having to tune into their local stations, they worried about the impact the move would have on their revenues. They argued that since they help publicize the programming, they should get some share of the revenue that it generates on other platforms.

Fox Television also faced similar concerns when it wanted to move into new media; it eventually made an agreement in April 2006 to share earnings with its local affiliates. Their deal allows affiliates to get an (not made public) portion of additional revenues made from reruns on other platforms, for up to a year after they air the program. 4

CBS has come up with another novel digital arrangement. In October 2006, it hooked up with Yahoo Inc. to make local news content from its 16 stations that run local news available to stream on the Yahoo Web site. While exact financial details were not available, Yahoo is expected to share in the revenue from advertising the video clips. 5

Such revenue-sharing agreements seem to be the future for big television groups as they try out new delivery platforms without diminishing their television viewership or straining ties with their local affiliates.

### *Audience*

How about audience? To what degree are they using these sites, and is there an impact on television viewership? One survey suggests that consumers are getting more local news on the Internet, but at least so far, are not using it to replace local TV newscasts. A study released in July 2006, conducted by the market research firm Crawford Johnson & Northcott, found that 75% of Internet users watch a local newscast at least twice a week. More than half said they tried to watch it daily. 6

The relationship was reciprocal: 68% of the consumers surveyed said they followed up on local newscasts by going to the station Web site. The study also found that TV stations had an edge over print in driving consumers to their sites.

News executives at all those stations have also seen that giving viewers local news when they want it helps build brand loyalty — and that translates into ratings. Their hypothesis is that when consumers switch on their TV they will turn to the same station they were going to online — and it seems to be a valid theory. According to Bill Fee, general manager of WCPO-TV in Cincinnati, Ohio, “We’ve been doing it for 10 years, and our ratings have gone up, not down. If you give consumers the choice... it gives you the chance to grow.”

Web sites can apparently help local TV stations not just by providing local news on demand, but by generating a sense of personal interaction. General manager Robert Klinge of WHAS-TV in Louisville, Kentucky says stations look to their Web sites to build on relationships with their viewers. That can be done through membership options, e-mail alerts and viewer comment/feedback sections, among other things. Fox-owned KDFW-TV in Dallas-Ft. Worth, Texas, not only has staff blogs that viewers can comment on, but also hosts blogs for its viewers in a community section on its Web site. 7

As a part of the report this year, the Project analyzed 38 different news Web sites —everything from online-only sites to blogs to sites rooted in traditional media like newspapers and cable—in September 2006 and in February 2007.

That included two from local TV news, KING5.com, in Seattle, and CBS11tv.com, the local CBS affiliate in Dallas-Forth Worth (please see the broader discussion of the Typology breakdown).

### **KING 5 (www.king5.com)**

The Web site of Seattle's Belo-owned local television station, KING 5, stands apart from the average local-TV Web site. Its content, unlike many other local TV sites, is highly local. There is weather, a link to a free classified section, a box, updated roughly every hour, that spotlights developing local stories or other advisories, followed by three top stories that are presented as a package with headline, brief story synopsis, picture and at least one video clip.

But that layout is not a must. KING5.com earned its highest marks for being **customizable**. A button at the top of the page, "Customize KING5.com" allows users to "choose your news," by constructing an individual news page with headlines they choose from KING5.com as well as other sites. The site also allows users to do advanced searches to find what they want on the site. And if you'd rather not come to the site, it will come to you via RSS, Podcast or even your mobile phone (a feature available on only on a handful of sites examined).

A major site redesign at the start of 2007 gave even more weight to the user. In October 2006, there was no way for the user to add their own voice—no way to comment or rate a story or even access a "most emailed" list. By February 2007, visitors who become "members" (something they are prompted to do after a few clicks on the site) are encouraged to contribute to the site's content. One of the headers along the top of the page along with "news," "weather" and "sports" is a link called "interact," and invites users to contribute photographs, engage in forums to discuss news, politics, sports and the outdoors, comment on King 5 blog entries, and contribute to the local calendar of events. With no way to directly email station staff, have a live discussion, rate a story, or see a list of the most emailed or linked to repots, there is still some room to grow. Overall, it falls in the mid-low level here for **participation**. But this is a site that is focusing more than many others on users.

The redesigned KING 5 site also increased its use of **multimedia** forms for its content, putting it in the mid-high category here. Just over half of the content on the homepage is text-based. The rest features video news clips, slide shows and interactive graphics like a two-way calendar of local events.

KING 5 does not place nearly as much emphasis as some other sites on its own **branded** material or content control. It fell in the high mid-range of sites studied. There is a place, called "Investigators, designated to its news team's original reporting" But these reports, primarily local in focus, appear only periodically: on January 30, 2007, the top 10 stories listed on the Investigator page were dated January 23, 2007 back to November 21, 2006. Over all, the primary source of content, for both video and narrative stories, is the Associated Press. KING 5 reporters have bylines for about half of the local news content, with the AP and other contributing sources (such as KGW.com) filling in the rest.

The site scored at the low mid level for **depth**. That, given the paucity of this characteristic in the sites studied, still ranks it better than many others. The site updates its content every hour, but again it is primarily with wire copy that does not offer many links either inside or along-side the story to provide readers with additional information.

Finally, for now anyway, visitors can use the site with little demanded of them. Registration is optional (though encouraged), all content is free including the archives and there are on an average of just five ads on the page.

## **CBS11tv (www.cbs11tv.com)**

The Web site of the local CBS affiliate in Dallas-Forth Worth also stood out among local TV sites for the its web offerings. CBS11tv.com placed highest emphasis on customization and on offering content in different media forms. It also scored in the mid high range for economics, or the level of developing revenue streams.

The site earned lower marks for the depth of its offering and for giving users a chance to participate in the content.

The homepage's upper banner features local weather, traffic and a search tool, which is unusual, because most sites feature a banner advertisement in that prime homepage property. Below the banner, the Web site usually calls attention to its lead story with a large headline and picture, often packaged with a video or another multimedia component. Following the lead story are 10 links to other top stories, a featured slide show, most popular videos, and a poll of some sort. The right- and left-hand columns of the homepage feature categories of information (such as "local news," "politics," and "health"), more videos, local services like yellow pages, stock quotes and more.

The site scored in the mid-high range in **multimedia**. The bulk of the content is a mix of narrative, still photos and videos (roughly 90%) with some use of slide shows, polls and interactive graphics. And, while just a small portion of the content comes in these last three forms, the fact that the site uses them at all increases its rank here.

The site has chosen a mix of -options for users to **customize** the content, ultimately scoring it in the mid-high level. The home page comes as is, but with an advanced search option for archived stories. And, it has leapt over podcasts (not offering them at all) and gone directly to an option for mobile delivery.

One thing it seems to have almost no interest in at the moment is offering **participation** options to the user. There are no user forums, comments or polls. There is no way to email the correspondent of a report, nor are there lists of the most viewed or emailed stories. There is a section at the bottom of the site that asks readers, "Got an Idea for a Story?" The link, however, only prompts an e-mail window.

The site also does less than others, to promote its own **brand**. A slightly obscured category in the left-hand column is a link called "The Investigators," which sends a user to CBS11 original reporting, special reports and consumer news. The work of three reporters is highlighted here, along with a picture. Outside of the Investigators section, much of the content on the site comes from the Associated Press. That is true even for some local news stories, though to a lesser extent than for national and international stories.

One of the more unusual content destinations on the site is a section called "Inspiring People," which presents a gallery of videos about acts of kindness and heroism. The site also offers three lifestyle sections ("beauty & style," "family," and "new baby") aimed at niche audiences, primarily girls and young women.

Most content on the site is free, though users do need to pay for material that is more than a month old. Their biggest hope for **revenue**, though, seems to come in the advertising realm. We found an average of 15 ads on the homepage, the bulk of which were not tied to any kind of self-promotion.

## Local TV Election News: Finding an Online Niche

Elections proved to be not just a cash cow for local TV (see Economics) but also a chance for it to make the most of online platforms.

Many of the biggest television groups, such as NBC and CBS, made concentrated efforts to beef up their local sites with election coverage — something they were only experimenting with in previous elections.

And their efforts seemed well rewarded. According to Internet Broadcasting, which manages many of the broadcast network Web sites, local TV station Web sites drew viewers in record numbers on Election Day, November 7, 2006.

The firm released traffic data for 79 TV station Web sites the day after the elections, and claimed that a record 3.5 million unique visitors turned to local sites to view election results. That is a huge spike in the amount of traffic those sites usually get — increases ranging from 50% to 150%.<sup>8</sup>

One of the ways that stations used their Web sites was to offer live video streams of candidate speeches, many in their entirety, which would have been much too long for any half-hour on-air broadcast. As Lane Beauchamp, managing editor of the CBS TV Stations Digital Media Group, put it, the “nearly limitless inventory of the Web” made it possible to carry nearly all speeches online.

Many of the sites also offered other voter information, such as guides to all local and state races — sometimes running into thousands of candidates — and to local ballot measures.

Some CBS stations also streamed exclusive content on their Web sites, or “webcasts.” CBS-owned KCNC-TV in Denver offered a webcast for four hours on Election Day, in the afternoon (before its evening newscast on TV). In Boston, CBS-owned WBZ TV had post-election analysis and debate on its Web site. After the station’s on-air coverage ended, viewers were urged to go the Web site, where the lead anchor and political analysts carried on their analysis.

As Steve Schwaid, vice president of news and programming for the NBC-owned Television Stations Group, put it, “Online is truly becoming a world of its own.” And there was a series of innovative measures to make the Web site election coverage stand out on its own.

In Pennsylvania, the NBC affiliate WGAL-TV, apart from posting text and video of its on-air stories, had a number of informative features. An “ad-watch” feature used evidence to debunk claims made by candidates and let viewers come to their own conclusions. The site’s most popular offering turned out to be a “how to” feature that taught voters about the new electronic voting machines. That video feature alone was streamed more than 10,000 times in the three days leading up to the elections.<sup>9</sup> Hearst-Argyle’s staff used their local-station Web sites to solicit voter questions for their on-air debates and analysis. WRC-TV, the NBC owned and operated station in Washington D.C., tried to get viewers to interact with the site. The editors put up a “video box,” which let users upload their own videos and comments about the election.

The growth in traffic to local Web sites is ample proof for local TV stations that the Web, if used creatively, can be an important tool to for retaining audience. What is not so clear is the extent to which the sites can offer a much-desired additional revenue stream

## Public Attitudes

Public Attitudes

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*By the Project for Excellence in Journalism*

Local TV news was the subject of many public surveys in 2006. And despite the problems with ratings, it came out looking relatively strong in all them.

### Most Popular News Destination

Local TV remains by the far the most popular choice to get news. That was true irrespective of age and income.

The Radio & Television News Directors Foundation (RTNDF) survey on the “Future of the News,” released in October 2006, found that 65.5% of the public gets news from Local TV. That was far ahead of the next most popular choices, the local newspaper and network TV news (both approximately 28%).

Most Popular News Destinations

2006

News Source	Percentage of People
Local TV News	65.5%
Local Newspaper	28.4%
National Network TV News	28.3%
Local Radio News Programs	14.7%
Internet	11.2%
National Newspaper	3.8%
Someplace Else	1.3%

Source: RTNDF Survey of the Future of the News, October 2006

Note: Percentage of respondents citing the news source as their major source of news

People say, among other things, that local TV news does not mix opinion or talking heads with news. When asked to rank all the different news media depending on whether they thought it was “definitely news,” local evening TV newscasts came out on top again (a rank of 4.4 on a scale of 1 to 5, where 5 meant that the program was definitely news). The score was comparable to that of network news, the cable news channels and local radio newscasts. 1

Earlier in the year, the Pew Research Center for the People & the Press biennial news consumption survey, which looks at local TV news consumption going back more than a decade, also found local TV is the most regularly watched news source among all the television news media. At 54%, more people regularly watch Local TV than Cable

TV news (34%), network TV nightly news (28%) or network TV morning news (23%).

Why is local news more popular than other sources of news? Part of the answer may lie in the topic areas that people go looking for when they want news. News about the weather tops the interest scale in the RTNDF survey, scoring 4.2 out of 5, and that is one area that local news is tailored for. Other topic areas people care about are features about the community they live in and stories about crime — both local TV specialties. Those two categories scored 3.5 and 3.4 out of 5 on the interest scale that asked them how much they really cared about the subject area.

The Pew survey also found, as we saw in ratings, a slow decline in viewership over time. In 2006, the 54% of people who said they watch local TV news reflected a drop from 59% in 2004, and a sharp decrease from the initial survey, in 1993, when 77% of those surveyed were regularly watching local TV news.

### **Questions on Credibility**

And in what could be bad news for the local news marketing efforts, most of the public can't tell the difference between their local newscasts. Most also haven't noticed the tactics stations have used to entice them or changes in staff or coverage in the newscasts they watch the most. 2

Indeed, more than 60% of those surveyed said TV newscasts look pretty much the same. Only about 11% noticed any changes to staff or coverage, and 75% said they had noticed no new efforts made by their stations "to get their attention."

The public is also concerned about the impact of advertisers and business on their TV newscasts. Instances of sponsored segments posing as genuine news stories have recently been the subject of much discussion (see sidebar), and that seems to be reflected in the survey responses as well.

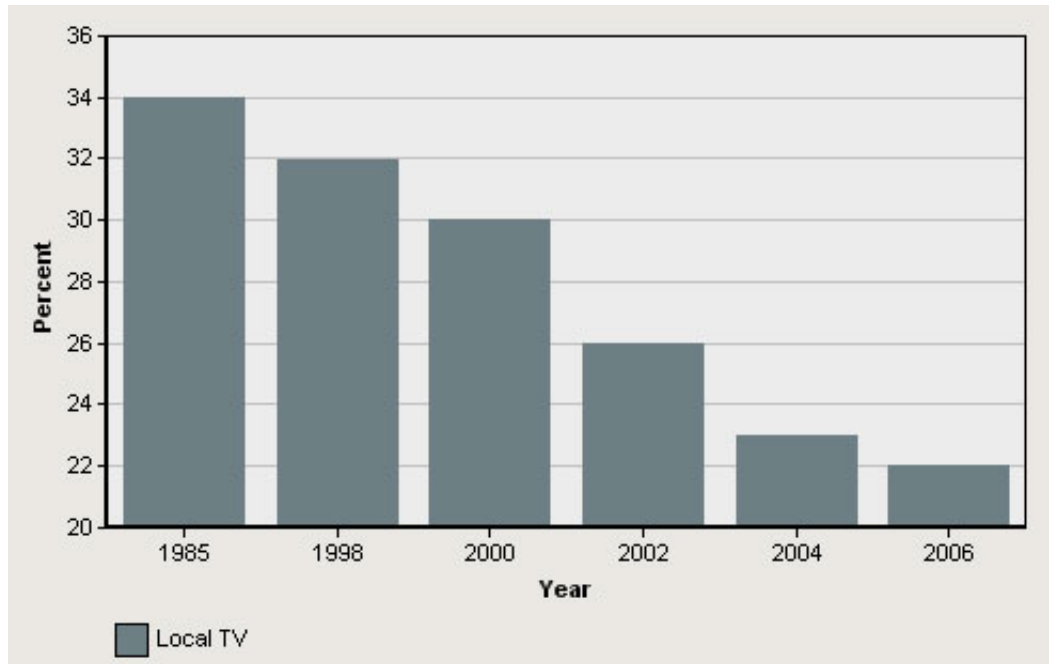
Nearly half (48%) of the people surveyed said that it would make "a big difference" to them if they thought that advertisers were playing a role in deciding what people see in their TV newscasts. Close to three-quarters (72%) said that they would be "less likely to watch" stations where there was product placement. (As a caveat, only 21% actually recalled seeing a sponsored segment on TV news).

Such attitudes are reflected in the credibility of local news outlets as well. Most Americans are increasingly skeptical about what they hear on TV news.

The number of people who said they believe most or all of what they hear on their local newscast has gone down from 34% in 1998 to 23% in 2006.

## Believability of Local TV News

Percent of public rating Local TV news as highly believable, 1985 to 2006



### Design Your Own Chart

Source: Pew Research Center for the People and the Press biennial consumption survey, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006.  
Survey question: "How would you rate the believability of [item] on [a] scale of 4 to 1?"

While local news used to stand apart from the other news sources, it now commands about the same level of credibility (23%) as the other broadcast and cable-news media sources.

And while people do believe what they hear on the news, what is possibly more worrying is that the share of those who are skeptical (believe almost nothing) has been rising steadily. In 2006, about 10% of respondents believed nothing on local TV news, up from 9% in 2004 and 7% in 2002.

### Who is Watching Local TV News?

If one looks deeper into who is watching local news, it seems to offer something to everyone.

The average local TV news consumer, according to the Pew Research Center's biennial survey 3, is middle-aged, with a mean age of 48 years. That does not mean that only the middle-aged like local news. Indeed, according to the RTNDF survey 4, it seems to be quite popular with young people; 18-to-24-year-olds were most likely to say Local TV was their source of news (74.5%) compared to other age groups (who ranged from 62% to 67%). And women, more than men, named it as their main source for news.

The same survey reflected an inverse relationship between education and local news consumption. Local TV popularity declined among people with higher education. Among those who did not finish high school, 71% cited local TV as their major source of news. The figure was 41% for those with post-graduate degrees. According to the Pew Research Center, the regular consumer of local news has a median education of 14 years.

Both the Pew and RTNDF surveys also show that local-news consumers are middle-income. According to Pew, regular viewers of local news earn a median income of \$45,000. The RTNDF survey corroborates that to an extent. It found that people of all income groups watch local news, but that those with incomes of \$30,000 and under were the most likely (74%) to say it was their major source for news.

Regular local news viewers are less likely to consume a substantial amount of news. They report an average of 83 minutes of news on a given day — less than any network news viewer (93 minutes) or even cable news viewers (90 minutes).<sup>5</sup>

Ideologically speaking, regular viewers of local TV news tend to self-identify themselves as moderates (as do regular viewers of any television channel other than Fox News). When asked about their political affiliation and political ideology, local news consumers mostly called themselves independents.

Most of them aren't very technologically savvy. Less than half (40%) own an iPod or Personal Digital Assistant (PDA) or Digital Video Recorder (DVR). That is still more than regular viewers of network news (only 38% owned those new technological devices), but behind cable news viewers (49%).

## Charts & Tables

### Charts & Tables

#### **AUDIENCE**

- Average Early Evening News Ratings
- Average Early Evening News Share
- Average Late News Ratings
- Average Late News Share
- Average Morning News Ratings
- Average Morning News Share
- Decline in Ratings in All Three Dayparts
- Decline in Share in All Three Dayparts

#### **ECONOMICS**

- Average Station Revenue
- Average Station Revenue by Market Size
- Average Station Revenue Growth



Average Station Revenue Growth by Market Size  
Average TV Station Revenue Produced by News  
Local TV News Profitability  
Local TV News Profitability by Market Size  
Local TV News Profitability by Network Affiliation  
TV Revenue from Political Ads

## **OWNERSHIP**

Average Station Revenue of Top Companies  
Number of Stations Held by Top Companies  
Top 10 Local TV Stations  
Total Parent Revenue of Top Companies  
Total Value of TV Station Acquisitions  
Transaction Value of TV Station Sales

## **NEWS INVESTMENT**

Local TV News Budgets by Market Size  
Local TV News Budgets by Network Affiliation  
Local TV News Hours per Day  
Local TV News Hours per Day by Market Size  
Local TV Newsroom Staff Levels  
Local TV Newsroom Staff Levels by Market Size  
Other Outlets for Local TV News Content by Affiliation  
Other Outlets for Local TV News Content by Market Size  
Salary Comparisons Over Time  
Women in the Newsroom

## **PUBLIC ATTITUDES**

Believability of Local TV News  
Believability of Various News Media

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Magazines – Intro

### Intro

After a decade of speculation that technology might render the news weekly obsolete, the field heading into 2007 seems at long last on the cusp of genuine change – especially among the biggest titles.

The problems are clear enough. The Big Three traditional news weeklies were beset in 2006 by stagnant ad pages, the continuing rise of new print competitors, and trouble maintaining the circulation numbers promised to advertisers. All of that reflects the larger underlying dilemma, the challenge of producing weekly journalism in a 24-hour news culture. The only surprise may be why it has taken so long for things to give.

Time, the giant of the news weeklies, took the lead in promising change. It announced a new publication date and a new way of measuring audience that it hoped might soon combine print and online. It redesigned its Web site to de-emphasize the print magazine. It also hinted, more cryptically, at a new editorial approach, one that is more interpretive. Then it slashed more of its staff.

Newsweek, Time's traditional rival in chief, seems to be waiting and watching, ready to zig or zag after (it hopes) learning from Time's mistakes or successes. That, too, involves risk. Is Newsweek being smart, or is it just out of ideas? If Time is on the right path, Newsweek may be left behind. If Time is making a brash but ill-conceived bet, Newsweek may be well positioned letting others do the experimenting.

U.S. News & World Report, the smallest of the Big Three, seems content to play its own game and not focus on what the others are doing. It was the first of the big weeklies to announce a new structure focused more on the Web, doing so in 2005. Heading into 2007, however, the planned changes are not clearly evident on the site. And in recent years the magazine's content has shifted to more policy-focused topics, part of a long-term effort to draw a distinction between itself and the other two. Still, it seems likely to follow the lead of either of its rivals that scores a big success.

The verdict may not come in the next year. But change on a more fundamental scale at the Big Three appears to be starting.

In the meantime, rivals like *The Week*, *The Economist* and the *New Yorker*, all with distinct approaches unlike those of Time and Newsweek, are winning readers the old fashioned way — in print.

As for the opinion magazines, like *The Nation* and *National Review*, they have a new parade to watch, one that may

alter their fortunes. Their circulations can rise and fall according to which party is in power, and they are seeing a power shift in Washington and political parties in transition.

## Audience

### Audience

The audience picture for news magazines varies markedly.

The magazines we refer to as the nontraditional titles — The Economist, the New Yorker and The Week — are seeing their circulations grow, in some cases rapidly, and some are aiming to increase print circulation even more.

Yet the most conventional titles — Time, Newsweek and U.S. News and World Report — continue to struggle to hold on to readers and may be moving away from print in trying different strategies to win audience.

As a result, some publications may try to move to a new way to measure audience and sell ads, one that looks at readership rather than circulation, with the goal of trying to combine print readership and Web visits.

Even such a new mode, however, is not all good news for the stalwart titles. The readership surveys they hope will boost their audience numbers also reveal that those audiences, while wealthier than the overall population, are also older. Meanwhile, their less traditional challengers in the field are reaching an audience that is young and even wealthier.

### **Time It Is a-Changin'... but How Much?**

The shifting approaches to news magazines' audiences were most dramatically signaled in the moves by the biggest, Time. It announced three major steps in 2006, all of which are expected to play out in the coming year.

First, Time announced that it was deliberately cutting the number of subscribers it promises to deliver to advertisers (its so-called rate base) by 750,000<sup>1</sup>, while also raising its newsstand price. (Newsweek, the other big player, later raised its cover price to \$4.95 as well, but has not as yet cut its rate base)

Then Time announced a new delivery day, Friday, replacing its longstanding newsstand day of Monday. That change coincided with a shift in content toward review and analysis of the week's news rather than trying to break stories. That task, Time said, would be left to its Web site. (The announcements followed on U.S. News's pledge in 2005 to focus more on Web content.) Time also said the move to Friday might help it add advertisements aimed at weekend shoppers.

Potentially the most far-reaching change, however, came in the new way Time said it wants to measure audience. The magazine wants to move away from *circulation* completely as a metric and turn instead to overall *readership*. To measure that, it intends to use online surveys from the firm Mediamark, a demographic research company.

Focusing on the readership numbers rather than circulation would create a radically different image of the reach of

Time — as well as Newsweek and U.S. News. Time's 4 million 2 in print circulation yields about 22 million readers 3 according to MRI data. (Newsweek's 3.1 in circulation 4, meanwhile, nets 19 million readers 5 and U.S. News's 2 million 6 gives it 11 million readers 7). Those reader numbers would presumably be adjusted upward if Web readers were added to the mix, though how much is not clear. Time says the move is "the first step toward our ultimate goal of measuring the combined audience of our multi-media brand." But at the start, the readership numbers generated from the survey will be based on print-only readership. Advertisers, meanwhile, can choose between Time's reduced subscriber number or that print readership figure.

If the shift to measuring the magazine's combined audience is successful, and, soon, Time begins to sell ads based on its combined print and online audience it will move Time toward being less a magazine than that new thing in media, "a multi-platform content provider," — one with an audience that is potentially much larger than anything measured in traditional circulation figures. If advertisers accept the changes and show an interest in buying cross-platform ads, other magazines may follow suit and turn their attention to focusing more heavily on the Web. But those remain big ifs.

While the changes at Time are dramatic — they were in the early stages as 2007 began — and could potentially change the business structure of the news magazine field. But some kind of large-scale moves were not a complete surprise. They represent a considered response to a major structural challenge.

The Big Three traditional news weeklies have been struggling for years to maintain circulation. While they welcomed even small bumps in audience, there was a law of diminishing returns. The magazines were paying to keep those numbers up through promotions and discounts. Some subscriptions have even come through third parties who offer deep discounts and capture a big part of the actual fees from the subscribers.

For the big weeklies, that was acceptable, if sometimes painful, because it meant big circulation numbers that allowed them to keep ad rates high. But as the Internet posed greater challenges, the cost of maintaining circulation rose. And the value of a big print circulation also has to be weighed against the costs of printing and mailing the issues of the magazines, both of which have risen.

### **Numbers Dip Again for the Biggest Titles**

In 2006, Time and Newsweek were both slightly up in audited circulation — the first small bump each had seen in a few years — but essentially flat. U.S. News also saw a small bump, its second consecutive, but was still below its numbers from 2003. 8

In general, all these magazines have seen flat circulation for the past several years. And experts note that the figures would likely be declining if the weeklies did not fight hard to keep the figures up by offering subscribers big discounts.

At the close of 2006, Time's circulation was 4.066 million, up from 4.026 million in 2005.<sup>9</sup> That's a small increase, less than 1%, and even with the bump there were problems for the magazine. First, Time was only 66,000 ahead of the 4 million in circulation it promises its advertisers. That suggests a struggle to stay above that critical line, and is a likely factor in the reduction in the rate base. Second, the 2006 circulation number, while an increase over 2004 and 2005, was lower than any other figure we had seen for Time between 1988 and 2003.<sup>10</sup>

The audience news for Newsweek appears to be on a similar path. Again, the increase was very small, to 3.118 million in 2006 from 3.117 million the year before, also less than 1%.<sup>11</sup> But that total, was the second lowest circulation number recorded for the magazine in the time for which we have data – 2005 was the lowest. The figure places Newsweek just 18,000 in circulation above its rate base of 3.1 million and may lead the magazine to consider cutting its base somewhat, if not as dramatically as Time.

And while U.S. News circulation was up for the second straight year in 2006, the moves were very small and the figures don't seem to bode any better for long-term trends. The publication continued to bump along at right about the 2 million mark. Its 2.036 million for 2006 was an increase of 2,000 over 2005, less than 1%.<sup>12</sup> Since 2000, U.S. News

has hovered right around its rate base of 2 million — staying between 2.086 million and 2.022 million. One question is, were Newsweek to cut its base, would U.S. News follow in order to save on its cost of maintaining that circulation?

The future for both magazines may rest with Time, the leader now not just in audience but in the way it wants Madison Avenue to think about audience. If Time is successful in its move toward using readership — including Web readership — as its base for ad rates, that could amount to a revolution, one that others, it seems, including the newspaper industry, would likely try to follow.

It is also possible, ironically, that U.S. News or other publications may be best situated to capitalize on the proposed new measurement. Time is in the midst of figuring out exactly what its more Web-based approach will look like. Newsweek, for the time being anyway, is primarily relying on its connection to MSNBC for its Web traffic. But U.S. News already had a jump on trying to focus on the Web, announcing its intent in 2005. And its heavy “news you can use” content, full of information on colleges, graduate programs, hospitals, etc., already has something of a database feel on parts of its site.

Users of U.S. News’s site have to pay for those premiums, but they could be used to drive traffic and Web ads. The broader online-and-print readership measurement model also opens the door for some other publication — one that may not be burdened with the costs of a print structure — to enter the field.

### **The Audiences for the Other News Titles**

The shifts proposed by Time stand in marked contrast to the story of the nontraditional new weeklies. Magazines like The Economist, the New Yorker and The Week are not only seeing growth in the circulation of their print products, they are actively aiming for more.

Some are aggressively seeking to expand, such as The Economist, and some are growing more “organically,” as The Week’s editor, Bill Falk, puts it. And some of them are doing it while charging more for their publications than the big weeklies.

Whatever their approach, they offer evidence that, first, print is not yet dead, and second, that hard circulation numbers can still be desirable. “Even in the dawning Web era,” Falk wrote to PEJ in an e-mail, “there is a role for a print magazine that is edited for the way busy people live today.”

Consider the differences in the circulation of these titles over the past five years. In 2000, Time, Newsweek and U.S. News had a combined circulation of about 9.3 million. By contrast, The Economist and the New Yorker in 2000 had a combined circulation of about 1.2 million. <sup>13</sup> That was a ratio of about 8 to 1.

For 2006, the three traditional weeklies, after Time’s cuts, will show a combined print circulation of about 8.4 million. <sup>14</sup> The Economist, the New Yorker and The Week will be more than 2.1 million <sup>15</sup> over all. That is a ratio of less than 4 to 1. Looked at that way, in six years the alternative news weeklies will have cut the print dominance of the Big Three almost by half.

The fastest-growing of the alternatives is *The Week*, the publication owned by the British company Dennis Publishing that edits news accounts from other organizations into short capsules for readers. From 2005 to 2006, *The Week* added over 75,000 in circulation, climbing to 443,952 from 366,758 — an increase of 21%.<sup>16</sup> And the magazine's rate base has been bumped up to 400,000 in 2006, a rise of 100,000 over its 2005 base. That kind of increase allows the magazine to increase what it's charging for ads. The numbers are even more impressive when one considers that it was launched in 2001.

The news magazine world's other British import, *The Economist*, also had another good year, climbing over the half-million mark in U.S. circulation for the first time in its history. As of December 2006, it had a circulation of 639,205, a gain of roughly 70,000, or 12%, from 569,366 in 2005.<sup>17</sup> That growth, moreover, follows a long-term trend. *The Economist* has seen its U.S. audience grow in each of the 17 years for which we have data — a feat unmatched by any of the other titles we follow. And it has made known its desire to reach 1 million, in large part because as an English-language magazine, it considers the U.S. a critical market.

The New Yorker similarly continued its upward trajectory in 2006. The title, which broke the million mark in 2005, rose to 1.067 million in 2006 from 1.051 the year before — an increase of over 16,000, or about 1.5%.<sup>18</sup> That figure is an all-time high.

As we have noted in recent years, the New Yorker has become “newsier” as it has grown, an approach that, among other things, may have helped draw a different crop of readers to its pages. But with its focus on long pieces, the arts, poetry and New York and Washington, the New Yorker is also a magazine for elites. How high can an elite circulation climb?

Jet magazine, aimed at African Americans, saw a down 2006. Circulation dropped to 901,594, down from 948,694 in 2005 — a decrease of about 47,000, or about 5%.<sup>19</sup> That 2006 figure, however, was still above 2004 – 2002 circulation numbers — and just above its rate base of 900,000.

After a few years of deliberately trimming circulation, The Atlantic, the only monthly we measure, is sitting right at the cusp of 400,000. Its 2006 circulation of 404,688 was just slightly up from the title’s 2005 number of 403,636 – an increase of less than 1%.<sup>20</sup>

It’s not yet clear how far The Atlantic intends to cut circulation, but the number it promised advertisers may provide a hint. As of April 2005, the rate base was only 355,000.<sup>21</sup> That means there is still room for further cuts. The strategy is intriguing, considering the jumps at other highbrow titles like the New Yorker and The Economist. Bradley has stated in the past that his goal is to shrink the magazine’s circulation and aim for a more exclusive niche.

Behind all the changing fortunes, the differentiation of “traditional” from “nontraditional” news magazines may be getting less and less salient. If Time indeed is moving more toward commentary, the New Yorker has moved more toward breaking news.

In turn the three traditional news weeklies, so long noted for their similarities, in time may be more notable for their differences.

### **Who Are the Readers?**

News magazine readers continue to represent something of an elite audience. They are wealthier than the U.S. population at large, according to reader surveys by Mediamark Research. In 1997 (the first year The Atlantic joined the Mediamark survey) the average household income of news magazine readers was \$50,807, compared to \$39,035 for the general population, a spread of 30% and more than \$11,000. By 2005 news magazine readers’ average household income was \$67,000, compared to \$51,466 for the general population, still a 30% gap but a difference in dollars of more than \$15,000.<sup>22 23</sup>

Along with that pattern, which advertisers might consider good news, news magazines also do not skew quite as old as many other media. Over all, news magazine audiences are consistently about two years older than the U.S. population. From 1997 to 2005, the median age of the news weekly readers in the survey went from 44.1 to 46.3.<sup>24</sup> The median U.S. adult population in that time went from 41.8 years old to 44.<sup>25</sup> Most other news sectors have average audiences ages of over 50. For network news, the average is roughly 60.



Readership data also suggest that there may be some market for younger audiences here.

For the first time since we have kept track, Mediamark has added *The Economist* to its survey, and the results are surprising. *The Economist* has the youngest audience of any of the news magazines we examine — at 40.1 years old it's even younger than *Jet's* 41.4 — and it is the richest audience as well, with a household income of \$96,257 that easily outstrips *The Atlantic's* \$83,984. <sup>26</sup>

The bad news is that both of those titles have small readerships (as distinct from circulation) compared to the biggest news magazines. *The Economist*, for example, has about 1.7 million readers, but *Time* has more than 22 million and *Newsweek* more than 19 million. <sup>27</sup> That suggests that if there is a young news audience out there, it may be a small one, and it may be going off in its own direction away from the more mass-audience titles. It also may further explain why *Time* wants to push readership, if the number of different people who see each copy of the magazine — the so-called pass-along rate — is so high.

*The Economist's* demographic numbers, nonetheless, represent a departure from the structure of the Mediamark survey numbers in the past. Generally it was the older titles that had wealthier readers, with the oldest, *The Atlantic* — average age over 50, average income over \$80,000 — as case in point. <sup>28</sup>

Those addition of the *Economist's* readers to the survey on the one hand raise the median household income of news magazines readers to \$70,409 for 2006— more than \$28,000 above the median U.S. household income, according to Mediamark. That figure would be by the far the largest difference we have measured. *The Economist* readers would also put the median age of news magazine readers at 45.6 years old, putting it closer to the national median of 44.3 years than it has been since 2003. <sup>29</sup>

Those numbers might only serve to show how little such overall averages mean. Two magazines sit below the national age median — Jet with a median average age of 41.4 and The Economist with a median of 40.1. All the other news titles we measure are above it. (Incidentally, The Week, which isn't yet included in the Mediamark survey, has a subscriber median income of \$93,000 and an average age of 48. Again, though, those figures are for subscribers, not for readers — reader numbers include a much broader base of people and generally skew younger and less wealthy.) 30

## **Conclusion**

There are a many lingering questions about the future of news magazine audiences going into 2007. Will Time's Web strategy and new delivery day have an impact on its audience? And, perhaps more importantly, how will advertisers react to Time's audience-tallying approach? Will the smaller nontraditional magazines pay any heed to Time's moves? Right now these titles are seeing growth and seem more than happy to stick with traditional audience measures and hard-copy publications. Will one approach win out? Is it in fact an either/or proposition?

The answers may not emerge in the next year. But they hold promise in time of reshaping the news magazine field.

## Economics

### Economics

After a hard 2005 for ad pages, many in the news magazine business were hoping for a rebound in 2006. It didn't happen.

For most of the magazines we examine, 2006 was a year with marginal gains in pages of 2% or less. The exceptions were the New Yorker, which stood out for having a particularly bad year, and National Journal, which had an unusually good one. 1

Ad pages over all declined ever so slightly — a tenth of a percent — among the 250 publications that list with the Publisher's Information Bureau. Early in the year there was some hope that improvement on Wall Street might translate to the industry, but by the year's end the hope had vanished. 2

Some analysts also suggest that the industry is becoming less tied to economic cycles than to the changing media landscape. According to the Veronis Suhler Stevenson Communications Industry Forecast, the slowing in ad revenues for magazines as a whole that started in 2005 will continue as people and advertisers divert their attention to other media. 3

With continued declines expected in both ad revenues and circulation, Time magazine will offer advertisers the opportunity to figure ad rates by counting overall readers, not just subscribers, and cut its ad rates. But the test for all the titles may be how well they handle moving to the Web, something magazines have been slow at doing. (See Digital.)

### *The News Titles*

The news magazines largely follow the advertising trends of the industry overall, with few exceptions.

One of those exceptions was the New Yorker. Even as it picked up readers, its ad pages dipped by nearly 13% in 2006 — and that followed a 3% drop in 2005. Even dollars, which usually at least appear to be up because of the way magazines design their rate cards to show steady increases, were down 5.2%. 4

There are a few possible reasons for the declines. The magazine's highly successful publisher, David Carey, stayed within the Conde Nast empire, but changed publications — moving over to aid the launch of the company's new business magazine Portfolio. And in an age of specialization and niche advertising — especially with the Web — the more generalized content of the New Yorker may not be as appealing to advertisers. If so, the magazine may be in for some tough times.

It should be noted that while this report cites ad dollars, those numbers are not as reliable a measure of financial success as pages. Total dollars are figured by multiplying pages by rates on each title's ad card, and the cards are notoriously inaccurate. Experts in the industry say ad revenues in reality are often about half what the magazines report them to be. Thus despite figures showing healthy increases year-in and year-out, some titles are not profitable.

At the other end of the spectrum was National Journal, the boutique policy journal published by David Bradley. It saw a 13% increase in ad pages in 2006. (It should be noted that the publication has less than half the ad page of the other, larger titles we track, including the New Yorker.) Total dollars were up even more, 18.9%. Part of the success may be linked to the 2006 election. The mid-term vote generated huge media and voter attention down the stretch as people realized that it could end up being exceptionally meaningful. <sup>5</sup>

Elsewhere, the biggest titles — Time, Newsweek and U.S. News — saw essentially flat trajectory in ad pages. Time's pages were up .8%, while Newsweek's were up a scant .1%. U.S. News rose slightly more, 1.9%. <sup>6</sup>

But again, after 2005 when all three the titles were down — Time and Newsweek by double digits — it was hard for the titles to feel good about 2006. In total dollars, regarded as the less meaningful measure, all the titles at least reported more respectable numbers. Time's dollars were up 4.7%, Newsweek's 2.2%, and U.S. News's 4%. <sup>7</sup>

Among the other titles we watch, The Economist posted minimal gains in pages — up 1.1% — but a much larger increase 16.7% in reported ad dollars. How to explain the big jump? One possibility is that the magazine has been adding subscribers at a good clip in recent years (see Audience) and at some point those new readers turn into higher ad rates. <sup>8</sup>

The same might be said for The Week, which actually caps the number of ad pages in every issue to keep its content/ad ratio constant. It added only four pages in 2006 — a .7% increase — but reported a 34% increase in ad revenues. Again the growth in ad revenue is attributed to the magazine's growing subscriber base. <sup>9</sup>

The Atlantic Monthly and Jet were both largely flat in pages — the former down 1% and the latter up 1% — but the Atlantic reported an increase of 16.6% in revenue on its drop. That figure seems high for a publication losing readers, though perhaps the richer demographic it's reaching (see Audience) helps boost profits. Jet, meanwhile, reported a more restrained ad dollar increase of 3.8%. <sup>10</sup>

That's one year's data. But looking at ad dollars, and particularly pages, over time shows how things have soured for the Big Three titles since the late 1990s.

Even with the slight improvement over last year, Time's ad pages are down in the territory they occupied in the early 1990s. Newsweek's are down to where they were in 2001, of the year of 9/11. The numbers for U.S. News look slightly better, but only because the magazine has had such a bad run lately — from 1988 to 2000 it had more ad pages every year than it did in 2006.

And the numbers for the other news titles aren't very good either. From 1988 to 2002, The Economist had more ad pages every year than it did in 2006. The New Yorker's 1,937 ad pages are the lowest total we have seen in all the years we have on record back to 1988. <sup>11</sup>

Despite an occasional good year here or there, the trend for the news titles is not a sunny one. The numbers have looked especially gloomy as broadband Internet use has taken off. In November 2003, some 35% of online users were getting online through some high-speed connection. By the beginning of 2006, it was 61%. The economic outlook for magazines is not clear, but it looks as if it could be uncomfortable even for some of the biggest, oldest titles. <sup>12</sup>

That was, in part, what was behind Time's announcement in late 2006 that it was looking to change the way it measure its audience, cut its ads rates 19% and bump up its cover price. 13

### *The Changing Picture of Magazine Economics*

If Time wants to measure its audience by readership rather circulation, how would that work? The magazine plans to work with Mediamark Research's new Issue Specific Accumulation study, which surveys 2,500 adults each week online and asks them whether they have read specific issues of magazines. It will only measure the print versions of them for now, though Time says it sees this as the beginning of measuring its total online and print audience. The approach is an Internet version of the way Mediamark does its annual reader survey with data on specific issues of the titles. The goal is to give the magazines and their advertisers a better idea about which cover issues attract readers, with data that are solid enough to replace circulation figures.

The news that Time was raising its cover price is significant as well (particularly if the increase bleeds over into subscription prices) because it will increase the share of Time's revenues that come directly from readers. Some skeptics wonder whether the move is mostly a gimmick — an attempt by Time to lure readers with deeper discounts on subscriptions. Time, however, says the cover price increase comes as it is making a concerted effort to cut discount subscriptions from its rolls. It has trimmed its rate base by 750,000 subscribers (see Audience) many of which it says were brought in through third-party discount subscription sellers. The move also gained extra weight when Newsweek raised its cover price to match Time's. Time's cover price increase (combined with the rate-base cut) suggests that it may be moving toward to the British model of magazine funding — readers pay a premium price, so circulations are smaller but ultimately from more loyal and generally wealthier readers.

Time may also be turning to a two-tier revenue strategy, that is, selling different news products. The magazine will be charging more for its hard-copy product, but at the same time editors say they plan to rely more heavily on Time.com for breaking news. Currently, at least, Time.com is a free site, which receives revenues only through advertising, and online ads are known to be worth a small fraction of print ones. The result could be two different products that essentially tap separate revenue streams. There will be the shrinking print side, increasingly a weekend summary of the news for which readers will have to pay more than they once did. And a growing free online side, which will offer more in the way of breaking news and generate only ad revenue.

Right now Time.com is extremely light on advertising, a situation that could change as the site is leaned on more heavily for readership.

If there is a danger in such an approach it may be the potential for diluting a weekly's brand. Will the Web's ad-only revenue stream generate enough money to make up for the losses the magazine will experience with its rate-base cut? Will one side, say print, be forced to subsidize the other and for how long?

Those are some serious questions that will be answered in the next few years. Time's experiment — an experiment not by a small title, but the industry leader — is important.

## A Look at the Ads in the News Titles

One method of learning about the economics of a magazine is to examine where the advertising comes from. That offers some reflection, among other things, of the diversity of a magazine's economic base, its vulnerability to change, and some sense of how Madison Avenue views the publication.

A look at ads in some of the news titles in 2005 and 2006 shows some major differences.

The biggest change may be the decline of auto ads — not exactly a surprise. But if 2005 was a down year for such ads, 2006 was dreadful. The Publisher's Information Bureau found that auto ad pages were down 14% in 2006 in all magazines. <sup>14</sup>

The good news for the news magazines, at least partly good news, is that other advertisers, it seems, have filled the gaps — particularly banks and other financial companies and computer and other technology companies. Why might that be only partly good news? Because finding out what magazines charge for ads is difficult, and if the decline in auto ads has reduced competition for magazine ad space, the magazines might be selling those pages at reduced rates.

What follows is a look at the ads in three different kinds of news magazine: Time (America's first news weekly), The Economist (the growing foreign import that focuses on recapping the week's events) and the New Yorker (the longstanding literary weekly that has developed a news bent). For each we compared issues from the week of September 25 in 2006—the week that corresponds with our digital content analysis (see Digital). <sup>15</sup>

The two biggest ad buyers in Time were computer and electronics companies (14 pages of ads) and banks and financial companies (12 1/3 pages). Both those totals were more than double the tallies from 2005. But car ads fell by about half, to 5 pages in 2006 — including one from German sportscar manufacturer Porsche—from 9 pages in 2005. There was also a big package of ads in the back of the 2006 issue marking "Life Insurance Awareness Month" — 7 pages from a non-profit life insurance group and 8 pages from various insurers. Other big advertisers were drugs and pharmaceuticals (11 pages), clothes and fashion (4 pages) and books and media (4-plus pages). The magazine had a whopping 87-plus pages of ads in the 110-page issue.

The Economist also leaned heavily on banks and finance for ads in 2006, carrying 13 pages compared with 7 pages of such ads in the 2005. There were differences from Time, though, in the ads. While many of Time's ads were for things like credit card companies, many of The Economist's financial ads were more far-flung—for Credit Suisse and for the Qatar Financial Centre.

The other big ad drivers in the magazine are also a departure from what one finds in most U.S. news magazines — classified ads (14 1/2 pages) for positions like representative of the Ford Foundation in Vietnam and for the Australian Secret Service. And there are 12 1/2 pages of ads for educational courses leading to MBAs and other degrees in various locales around the world. That's not to say there were no similarities with Time, however. Both magazines ran the same ad for the food giant ADM and Microsoft's Windows mobile. There were 66-plus pages of ads in the 114-page issue of the Economist.

The September 25 issue of the New Yorker in 2006 was interesting because it was not a normal issue, but one devoted especially to “style.” And in a down year for ad pages for the magazine, a perusal of the issue’s pages shows the advantages of putting a specific focus on an issue. There are more than 39 pages of clothing and fashion ads here, far and away the largest ad buyer for the issue.

The next-highest advertising group, hotels and travel, has only 13 pages. And most of the fashion ads look less like ads than photo shoots — whether they are elegantly lit black and white or perfectly selected hues of green or grey. The focus on “style” might also explain why that issue of the New Yorker was the exception where car ads were concerned. It had more than 11 pages of car ads, more than twice as many as we saw in the 2005 issue. Some were not the usual advertisers, though; ads for Jaguar, Mercedes and Saab were all focused on design. The other big ad buyer was hotels and travel, which again featured upper-crust hotels like Renaissance, which had a four-page pull out, and Preferred. It was an up ad week for the New Yorker, with roughly 90 pages of ads out of 158 total pages.

## Conclusion

The year 2007 could prove pivotal to the magazine industry and news magazines specifically. After a series of down years, there is no projected upturn on the horizon, and falling subscriber bases may be leading advertisers to look elsewhere to spend their dollars. The biggest news weeklies — and the New Yorker, which had a very hard year — may be the most vulnerable. They have broad audiences and do not offer advertisers the specific targeted niches they are increasingly interested in, and that they can reach on the Web.

Time’s experiment, using readers rather than subscribers to set ad rates, may prove an important step. It would allow the titles to further integrate their Web sites with their hard copies and perhaps make the magazines more appealing to advertisers. But the outlook for that experiment remains unclear.

## Ownership

### Ownership

There was no change in rankings of the top 10 magazine companies in 2005 (the latest year for which data is available), but there was movement within them. Titles are being sold and bought. New launches are being prepared. And much of the new landscape’s look is being determined again by the industry leader, Time Warner, which is selling off some of its magazine holdings and slashing staff at others.

Meanwhile, where the online world is concerned, things are moving slowly in a few different directions. The move to the Web was always likely to be more complicated for news magazines, a medium that was never focused around timeliness the way others, like TV or even newspapers, were. Thus far, they’ve adapted unevenly.

Though **Time Warner** is still the largest of the large owners, the gap is rapidly closing as the company prunes properties. Time Warner saw its total magazine revenue fall to \$4 billion in 2005 billion from \$4.8 billion the previous year— a drop of 17%. In part it was due to a miscalculation in 2004 of what segment of the company’s revenue came from magazines — the book division was mistakenly included by Ad Age, which collects and calculates the data. 1 2

Meanwhile, **Advance Publications**, which owns Conde Nast, has become a much bigger No. 2, with net revenues climbing to \$3.4 billion from \$2.4 billion, an increase of 42%. It is now closing in on Time Warner, in part because it is buying properties and expanding its Web presence. 3

The No. 3 company, **Hearst**, had a quieter year with no big acquisitions or sales. Still, revenues for the company were up about 16% from previous year, climbing to \$2.1 billion from \$1.8 billion. 4

Those three companies' combined revenues dwarf the rest of the top 10 companies combined. But the top two appear to be charting different courses.

Time Inc. spent some of last year fighting off a bid by the investor Carl Icahn to break up the company, and while it remains largely intact, its plan to sell off 18 titles suggests it wants to become smaller and more focused. The publications for sale were targeted niche brands that stand apart from such broader titles as People, Time and Sports Illustrated. Niche publications remain good magazine business, but are not the direction, apparently, in which Time Warner wants to go. And the titles the company is holding on to are cutting staff. In short, this does not look like a company looking to grow, at the moment anyway.



Advance, meanwhile, is still looking to add titles. In July, the company, which owns Wired magazine, bought Wired.com, its online home. For eight years the two platforms for Wired have actually been held by different companies. Advance also is preparing to launch a new high-profile business magazine, Portfolio, in May. That one is a highly anticipated gamble. Advance brought in some big names to join the effort, including David Carey from the New Yorker as publisher and Joanne Lipman from the Wall Street Journal as editor.

### **News Magazine Owners**

Aside from Time, the other news magazines owners did not make any major changes in 2005. As we enter 2007 they are likely waiting to see what happens with Time's readership gambit. If that falls flat, the magazine and the company may have suffered from the effort.

The **Washington Post Company**, which owns Newsweek, is having magazine troubles. For the latest year for which there are data, 2005, magazine revenues fell to \$345 million, a decline of almost 6% from \$366 million in 2004. Newsweek is the primary cause for the rough times. For the Post Company's limited magazine holdings, a bad year at Newsweek means a bad year for the magazine portfolio. And that is likely to be truer in 2007, because in December 2006 the company sold its technology titles, including Government Computer News, Washington Technology, Government Leader and Defense Systems. Over all, the drop in magazine revenue pushed the Post Company from being the nation's 15 th largest magazine company to being the 16th. <sup>5</sup>

But the Post Company has diversified holdings and is expanding in other media. In 2006 it purchased AM and FM radio stations in Washington on which it simulcasts news/talk programming. The stations, like all terrestrial radio, are local, but on the air they aggressively promote the fact that they have global reach over the Internet.

The Post Company is now just ahead of No. 17 **Dennis Publishing**, which owns The Week and climbed two spots from No. 19. Dennis, which also owns the "lad" titles Maxim and Stuff, saw its revenues climb to \$341 million from \$316 in 2004, an increase of about 8%. Dennis was helped in particular by the explosive growth of The Week, which saw another good 2005 as its audited circulation (see Audience), ad revenues and subscriber revenue (see Economics) grew. The company has no set target audience number for The Week, according to the magazine's editor, but sees it growing fairly steadily for the next few years. That could push Dennis even higher in the size rankings. <sup>6</sup>

**Zuckerman Media Properties**, owner of U.S. News and World Report, made no moves of note, but saw its revenues increase to \$246 million from \$236 million in 2004, an increase of 4.2%. <sup>7</sup>

### **Online and the Future**

Other than Time, which is owned by Time Warner, none of the news magazines we examine are owned by companies that fall within the 10 largest media companies in the U.S. Looking at revenue derived only from magazines and not from other properties, only Time and the New Yorker, owned by Advance, are in the 10 largest magazine companies and therefore part of larger corporate Web strategies.

Those two companies, however, are taking different approaches the Web.

In 2006 Advance launched a Web portal, Brides.com, that combines three of its print magazines into one site. Advance is particularly eager to make its sites into Web destinations. Besides Brides.com, it is interested in the Web portal model for food (with Epicurious.com), travel (with Concierge.com) and fashion (with Style.com). The New Yorker Web site, however, exists outside that strategy. It is treated as a separate holding from the rest of the company's titles online.

Time Warner, meanwhile, appears more interested in building its Web identity around its various titles — Time, People, Real Simple and Cooking Light — rather than interest areas. All titles have their own Web identities. Even In Style has its own home, with no obvious homepage links the title it was spun off from, People. Time also took a step toward raising the profile of Time.com by renovating and relaunching the site. In the first issue of the new Friday-released print version of the magazine, the new editor, Richard Stengel, told readers in a letter, "The new publication date reflects the way the Internet is affecting pretty much everything about the news business. Today our print magazine and TIME.com are complementary halves of the TIME brand." 8

As Advance and Time Warner build their Web presences, it will be interesting to see whether one strategy emerges as better than another, or if both succeed.

Elsewhere, news magazine owners are proceeding ad hoc, as they have in the past, with much depending on who is overseeing the site or how the editor or publisher feels about investing in the Web. In a time of tight budgets and staff cuts, such an approach means Web sites might more easily become an afterthought. At the same time, those sites are freer of the restrictions that can grow from big corporate Web strategies — restricted to a certain look or certain features because of owners' demands. The sites can be focused around what their owners believe each individual publication needs.

The pluses and minuses of such an ownership situation can be seen on Newsweek.com. The site does not look like others owned by its corporate parent, the Washington Post Company, and that makes a certain amount of sense: Newsweek is a different kind of publication from the Washington Post or Slate.

Newsweek.com has had some successes, winning some best of the Web Awards from the magazine industry site minonline.com for its online coverage. And the site may soon be adding more features. Mark Whitaker, Editor of Newsweek from 1998 until September 2006, has moved over to Washingtonpost.Newsweek Interactive, where he will oversee new projects for the digital division.

But Newsweek.com is in some ways poorer for that independence. While washingtonpost.com, for instance, has done much to add to the Post's franchise in recent years — adding video and interactive features— the site for Newsweek without question thinner. It has no video reports (just segments featuring editors) and a lot more white space (see Digital). Meanwhile, Slate looks much more finished, with several podcasts and a lot of new material daily.

What will the Post Company do with the sites? That decision may well be part of Whitaker's mission. The company is beginning to cross-promote them — a step further than last year — but Newsweek.com is still tethered tightly to msnbc.com.

The Week has seen exceptional audience growth, but its Web presence has so far been something of an afterthought. That may be starting to change. In 2007 The Week plans to do a daily version online of what it does every week in print, a daily summary of accounts from other outlets. But the magazine's owner, Dennis Publishing, has done little with its other Web sites thus far beyond offering an encyclopedic backlog of photos of the women it has featured in its pages — some of which it seems to mark as Web-only.

Proof that one doesn't need a big owner to have Web focus and strategy comes from The Economist. While the Economist Group is clearly pursuing a print growth strategy, the Web site, economist.com, is not an afterthought. There is a wealth of free statistical data, notably including country profiles from the magazine's "Intelligence Unit" that look at various nations' economic data, political structures and histories as well as forecasts of where they are headed. And last fall the site added new features including daily stories and updates, an economics blog where readers write, and more podcasts, including a five-minute summary of that week's print Economist.

## News Investment

### News Investment

The magazine industry's financial woes and the effect they've had on staffing are hardly breaking news. The end of 2005 and the beginning of 2006 were marked by staff cuts at well-known titles like U.S. News & World Report, Business Week and Time (see 2006 Report).

The latter months of 2006 had none of the big staff-cut announcements from a year earlier, but smaller hits kept on coming, as when Business Week cut another dozen positions. <sup>1</sup>

With the arrival of 2007, however, came a bigger blow. On January 18, Time Inc. announced it was going to cut 289 people from the staff of its top magazines — 172 from the editorial side and 117 from business side. <sup>2</sup>

The cuts announced were to hit Time magazine particularly hard. It was to lose about 50 people in all, a mix of editorial and business jobs. It would close its bureaus in Los Angeles, Chicago and Atlanta and cut four correspondents from its Washington bureau. (The magazine said it would keep three "laptop" correspondents in L.A. who would work directly with editors in New York.) The latest cuts added to Time Inc.'s two rounds of reductions at the end of 2005 and beginning of 2006. <sup>3</sup>

Other notable Time Inc. properties were to be hit as well — Sports Illustrated was to lose 30 staff members and People 37 editorial employees — but the cuts at Time had a special significance, coinciding with the magazine's attempt to redefine itself. <sup>4</sup>

According to a company statement, the cuts, made as part of the new "multi-platform publisher," are "focused on increasing efficiencies and allowing for closer collaboration between our digital and print businesses." <sup>5</sup>

What do the cuts mean about the direction of the new Time? It will almost certainly rely less on its own reporting, since it has fewer people in the field. And the closing of bureaus in Chicago and Atlanta (often viewed as the capitals of the Midwest and South) probably means regional coverage will take a hit. Correspondents in such regional bureaus

usually exist to be a magazine's eyes and ears there. One also wonders if the magazine's voice will grow more coastal as New York and Washington, always a big part of its coverage, hold a larger percentage of its staff.

Tallying up the staff boxes at Time and Newsweek, as we do annually in this report, it's clear that even the 12 months before the latest cuts were hard. Staffing and bureaus for both magazines were at new lows since we began keeping track of them. Both witnessed the steepest one-year declines in staff on record.

There is little question that cuts in staff and bureaus have an impact on a news organization's ability to gather, understand and analyze the news. They also make it hard to break news — to do enterprise.

The cuts may mean the two magazines titles will focus more on recapping the news and then interpreting it. The Week, which has growing circulation and ad revenues, puts out a weekly publication effectively without reporters. It employs a group of editors who scrutinize the week's news and consolidate coverage from various outlets into a single account that tries to not only say what happened but to give a favor of how different outlets covered developments.

That kind of approach at Time and Newsweek, of course, would involve dramatic alterations in format and mission.

Time says it is going to alter its content, and in its print form switch to being less of a breaking-news vehicle and more of a reflective and analytical one. But the magazine has also announced it is going to rely on its Web Site more for providing breaking news.

Such a move, unless it simply involved running wire copy or repurposing stories from other parts of the Time/Warner empire (like CNN.com), might easily require a bigger staff, not a smaller one. (And though it is early and changes are still under way at Time, the Time.com part of the magazine's staff box actually shrank in 2006 to 7 people from 13 in 2005.)<sup>6</sup>

The proposed changes mean Time's staff box in particular bears watching in the next few years. One question, particularly after the most recent round of cuts, is whether the proposed redefinition of mission at Time is an elegant way of dressing up cost-cutting.

### **Staffing at Time and Newsweek**

An examination as of October suggests that 2006 was a tight year in the newsrooms of Time and Newsweek. According to the totals offered by the magazines' own staff figures, Time had a head count of about 226. Newsweek was at about 165.<sup>7</sup>

Those numbers equal staffing drops between 2005 and 2006 of roughly 38 people at Time and 20 at Newsweek, or 14% and 11% respectively. Those drops, which came long before the January cuts, are steep. For comparison, consider the years from 1983 to 1993. In that 10-year period Newsweek reduced staff by a total of 77 and Time by only 18. As of October 2006, Newsweek's staff was less than half what it was in 1983. 8

On what positions did the axe fall? It is always difficult to tell precisely with a magazine staff box. Titles are not always what they seem — “reporters,” for example, are often actually researchers. But tallying up the numbers in the Time box, some figures stand out. The number of reporters (writer-reporters, senior reporters and regular reporters) dropped to 26 from 29. And as we've noted, the number of people working only for Time.com fell to 7 from 13. 9

Newsweek's cuts included four jobs in its art department — photographers and layout people — from 35 people from 39; among senior editors, reduced by three; and editorial assistants, reduced by four. 10

### **Correspondents and Bureaus**

Both Time and Newsweek cut the number of their bureaus in 2006 along with the number of people working in them. Again it is unclear whether those moves were part of larger efforts to change their missions or simply ways to save money. Whatever the reason, the net impact was few reporters on the ground.

Time's bureaus dropped to 20 in 2006 from 25 at the end of 2005 — and, of course, will drop even more next year. The magazine closed its offices in Islamabad, Pakistan; Kuala Lumpur, Malaysia; Seoul, and Toronto. Time also closed its New York bureau, though the effect of that closing is probably relatively small since the magazine's headquarters are in New York. 11

Newsweek cut three bureaus, going from 20 at the end of 2005 to 17 in 2006. Its bureau casualties abroad included offices in Brussels, the home of the European Union, and Cape Town. Within the United States, the magazine also combined its Chicago and Detroit bureaus into a “Midwest” bureau, though it's not clear exactly what the meaning of the move is; the staff box continued to show a reporter in each city. 12

And those cuts weren't just a reshuffling of personnel — pulling back reporters from their far-flung perches and placing them closer to home. They resulted in less overall staff. Time reduced its bureau correspondent staff to 48 from 52 the previous year. Newsweek's bureau staff was cut to 42 from 49 in 2005. 13

Such reductions are important because they go to one of the principle strengths of the weeklies, a big, spread-out newsgathering operation. The bureaus, and the correspondents who staff them, give the magazines listening posts that let them offer comprehensive coverage of the world. When news broke in a remote location, the weeklies would have reporters nearby who had been paying attention to the news from the region and had a feel for the scene. As the outposts and their staffing are reduced, those abilities diminish.

Considering the steady stream of cuts in bureaus and bureau staffing, the question is whether what remains will be enough to cover a complicated world where news from distant outposts has taken on an increasing importance.

### **Contributors**

Newsweek's list of "Contributing Editors" changed little in the past year, declining to 17 names from 18 the year before. The changes in Time's "Contributors" list were bigger in terms of size — the list grew to 31 from 24 — and in type. <sup>14</sup>

In the past Time's contributors list has been a way to highlight particular writers, a collection of distinguished personalities largely known in journalism for their work at other outlets —Michael Kinsley, for example, or the New Republic's editor, Peter Beinart, or CNN's Dr. Sanjay Gupta. But Time's list in 2006 was notable for the nature of the additions, mostly staff members cut from the other places in the staff box. Some of the new contributor additions: former Senior Foreign Correspondent Johanna McGeary, former Jerusalem Bureau Chief Matt Rees and former Senior Writers Daniel Kadlec and Michelle Orecklin.

That has long been more of the approach of Newsweek, which has several people on its "Contributing Editors" list who were once full staff members, including Eleanor Clift and Ken Woodward.

That use of the contributors lists may continue to grow as the staffs of the weeklies are cut. Often moves into the contributors list are part of the layoff negotiation that goes on between management and staff. Moving personnel from staff to contributor leaves the titles more flexible. It still gives the magazines access to the people they once had without paying them benefits or big salaries. It is a likely way of the future as the publications face tight economic times.

## Summary

Staff reductions seem to go beyond a trend for the big weeklies. If January's cuts at Time are any indication, such reductions have become a way of life in the past few years and seem likely to remain one in the immediate future. The magazine's staff boxes grew fat in the good economic years as they moved more and more resources and operations inside their headquarters. But increasingly in their desire to be nimble and cut costs they seem to be adopting a larger trend in American industry as a whole — outsourcing.

Bureau offices are being closed and staffs trimmed as the ability to track news online grows. That doesn't, however, mean foreign coverage is going to become something done from a computer terminal or strictly by personnel who "parachute" into hot news areas. Stringers, who have always been put to use by the news weeklies when news breaks, are likely to get more work, and former staff people will be called upon in a fee-for-service way to offer expertise.

Where does all that leave the weeklies in the future where staffing is concerned? Leaner and meaner, but ultimately with a product that is less under their control. Smaller bureau staffs and fewer foreign offices mean scoops will inevitably be less common. But that may fit with the weeklies' new role in the media landscape, particularly with Time's new approach to coverage, which may be more in line with that of The Economist: part week in review, part opinionated analysis. The one thing that isn't clear is what it will mean to the Web operations of those publications, which increasingly will be the platform charged with breaking news.

## Digital

### Digital

News magazines have had a difficult time figuring how they fit into the world of the digital media. Their long lead times and more reflective style of writing don't jibe well with the Web's continuous nature. And on the whole magazines have lagged behind other media in integrating the Web into their larger plans.

Some events in 2006 suggest that now may be changing, at least at some publications.

Several magazines increased their daily online output, began creating content specifically for the Web, and gave users more multi-media features.

The changes are also reflected in online finances. Ad spending on the "e-media" side of magazines was expected to grow by more than 34% in 2006 to over \$400 million. That's an impressive jump, but it still makes up only 1.7% of total ad spending on consumer magazines. <sup>1</sup>

And then there was Time, the news genre leader, and its stated goal to begin to count audience as a combination of print and Web together. The magazine announced it would be relying on its Web site to handle breaking news. It instituted a major Web redesign that de-emphasized the print publication. It put its top editor in charge of the

magazine and its Web site as well — uniting the two sides of editorial. (And all of that followed a 2005 announcement by U.S. News that it would increasingly be transitioning itself to the Web.)

The question is what those moves will amount to. Some observers cite them as positive and necessary by a medium slow to the party. Yet other critics believe the talk may just be a way to dress up cuts in staff, and recent reductions may lend credence to that thinking.

But there's also little question the publications hope to generate more clicks and dollars from the Web. The success of Time's plans to calculate its ad base on readership (ultimately including Web readership) may dictate how the rest of the field approaches the challenge.

To assess how far news magazines have traveled on the Web entering 2007, PEJ examined some of the top newsweekly sites and did a site-by-site accounting of the features and advertising on three: time.com, economist.com and theweekmagazine.com. They were part of a larger inventory of 38 different news sites on various types from across the Web. (See **Digital Journalism chapter** for the full analysis along with an interactive tool to help citizens evaluate their favorite news sites and a full description of the methodology.)

We measured sites using six different criteria: The **customization** options the sites offered, their use of **multi-media**, the possibilities they offered for **interactivity**, the **branding** of the content (that is how much was from the outlets as opposed to outside sources), the **depth** of information available and how the site was doing **economically** in terms of drawing advertising. On each of these measures each site was placed into one of four categories ranging from a top group that offered a lot to the last group which offered the least amount.

The three sites were widely different in most regards — how they handled podcasts, if they had them at all, whether they charged for content and where they got that content from. In short, there is no dominant approach to news-magazine Web sites. And that may be the case indefinitely if those three titles are any indication, since they seem to be differentiating themselves increasingly in their print content. But as of now these sites, sometimes going in a few directions at once, are serving as test kitchens for their parent titles.

### **Time (www.time.com)**

At the start of 2007, Time revamped and relaunched its Web site. It added new features, limited its color palette and cleaned up a site that was fairly cluttered. The new site is more organized and simpler without being sparse. It looks and feels more like the online home of a new Web outlet than it did before and less an online parking space for the magazine.

Still, some of what we found on the site in October still held true in January. For instance, the first thing a visitor is likely to notice is that Time is not alone here. Signs of its partnership with CNN — another news outlet owned by Time/Warner — appear in the header. But there is more brand differentiation now than before. In the earlier incarnation, the site offered “The Latest Headlines from CNN.” That has been replaced by “Latest Headlines,” which lists 10 news items from a variety of sources, CNN among them.

The new Time.com is also an environment more distinct than before from the print magazine. The image of the



current week's magazine cover, for instance, is pushed further down on the page, rather than appearing in the top right hand corner.

One thing the old and new sites have very much in common, however, is that everything here is still free.

Visually, the new Time.com uses a cleaner three-column format as opposed to the four-column approach it used to have. And while the old site had pictures scattered all over it, the new one features only a changing slide-show picture, with an ad on the right side and a row of three photos in the section below. The layout is modular.

The old cluttered Time.com was not without its advantages. It was one of the more **customizable** Web sites, finishing in the top tier in part because it offered several different RSS feeds, podcasts and a mobile version of itself. It also finished in the top tier for **branding**, using human editors to make decisions about layout (rather than computer programs) and using bylines on staff copy. The site also relied heavily on its staff for lead stories – more than 75% of its lead pieces carried staff bylines.

It scored lower, in the third tier, in **depth**. Its score was hurt by offering fewer updates than other sites (something true of most magazine sites) and not using embedded links to take readers further into a subject

Time put even less emphasis on **multi media** (it finished in the bottom tier). This is a text based Web site. It also earned the lowest marks for user **participation**. It offered users little in the way of communicating or reacting, not even the opportunity to send emails to authors.

Time also does not have a significant number of **revenue streams** on the site at this point. It did not have many ads – eight – and it did not charge for any content.

The new Time.com seems to place less emphasis on allowing users to customize it — it certainly highlights customization less—and is more focused on presenting users with a clean, uncluttered first view of the page. It still has multiple RSS feeds and podcasts, and a link to get a mobile version of the site, but those links are at the bottom.

On the other hand, blogs have multiplied. Andrew Sullivan's Daily Dish is still here (though Sullivan announced that his blog was moving to Atlantic.com), and it has been augmented with blogs about Washington (Swampland), The Middle East and entertainment (Tuned In). The site also added a column called "The Ag," which stands for aggregator, which talks about what's news in other media.

Interestingly, the redesign actually left the site with fewer ads. There were a total of four in September, placing it in the bottom 10 of the sites we looked at. But there were only two in January and they were coordinated for the same product — Bentley College. That approach, also taken by Economist.com, makes the ads feel more like an integrated part of the page and less noisy.

The strength of Time.com is its willingness to reach beyond its own pages for content. There is a lot here. The 10 stories in the "Latest Headlines" box are usually wire copy, but they do at least offer users a link to major breaking news. And such fare as Andrew Sullivan's blog not only brings more outside content to the page, its teaser text can definitely bring a different flavor, as it did on December 9, 2006: "If the Democrats have the balls to restore our

constitutional order I may have to stop being an independent for awhile.” Not exactly journalism in the tradition of Henry Luce.

Perhaps most interesting, the new Time.com does not make a point of offering content from the magazine. The daily stories from Time’s staff, on the page’s top left, are often shorter than magazine stories and feature either a different tone or some exclusive tidbit, and Time.com clearly differentiates between them and the stories on the rest of the site. And articles from the actual magazine are hidden down the page under the image of that week’s cover. Users have to click the image to get to those pieces.

It all amounts to a step toward a Web environment that is more than the magazine, with plenty of short items and Web-only content. That is what Time promised in the summer of 2006 when it said it was going to turn to the Web more and more, particularly on breaking news.

### **The Economist (www.economist.com)**

The brand. The brand. The brand. If there is one thing that Economist.com accomplishes, it is clearly and successfully pushing the Economist brand online. Lest anyone wonder, the site is anchored in the top left corner by the signature white lettering in a red box — in this case spelling Economist.com — with a picture of the current magazine’s cover prominently beneath.

Like the magazine, the site is clean, well-organized and text-heavy. It is also, like its print sibling not heavy with pictures or graphics (there were six on a representative homepage, and four of them were quite small). Even the site’s ads, (often for petroleum companies or large blue-chip corporations) are designed without a lot of colors or jumpy graphics. <sup>2</sup>

There is a lot of free content here, but most of the stories from the print edition are accessible only to subscribers — those who get the magazine delivered or pay a fee to access premium online content.

At the time we did an accounting of Economist.com it was in the second tier in terms of **customization**, receiving points for having a multiple-component search and several RSS feeds. It was also in the second tier on **multi-media**, due to the photos on the page several and podcast options.

Its weakest scores came in **interactivity** and **depth**, where it was in the bottom tier. A user-based blog (one where the Web editor picks a topic of the day and users are invited to sound off on it) was essentially the only way for users to participate on the site, hurting its interactivity score. And the site’s twice daily updating – as a magazine site it seems less interested in being up-to-the-minute – cost it points in out depth raking.

The site was in the top tier for the number of revenue streams it tapped. It was boosted by a significant number of advertising combined with the content available for a fee helped its economic score.

But it was brand that stood out. The content here all comes from the staff of the magazine. This is not a place to go to keep up with what’s on the wire. Nor is there content from other publications in The Economist Group, which includes Roll Call and European Voice.

Nonetheless, Economist.com does keep a steady flow of content coming by magazine standards. The top story is new every day, as are the items in Today's Views — which includes a staff column and a Correspondents Diary (both unbylined) and Debate, a blog devoted to an interesting topic elsewhere on the Web. That is the closest economist.com gets to outside sources for news. The online pieces are short — in most cases, it appears, a bit shorter than the tightly written pieces that appear in the magazine — but they attempt the same kind of news blended with analysis for which the magazine is known.

One of the best features may be the staggering amount of data accessible here. Beyond the news and analysis pieces there are entire separate sections like the site's Cities Guide, with information about happenings in 27 cities around the world, from Atlanta to Zurich. And there are the country briefings, which look at economic and political news from countries around the world. They include recent stories from the magazine on each country and an economic forecast, a fact sheet and information on the political structure of each.

For The Economist, which prides itself on giving readers data and raw facts along with its analysis, it is yet another way to extend the brand.

### **The Week ([www.theweekmagazine.com](http://www.theweekmagazine.com))**

The online home for The Week, [www.theweekmagazine.com](http://www.theweekmagazine.com), can best be described as exactly that — a place for the online versions of the content that appears in the print title. It is a sparse environment, and appears by and large to be an afterthought.

Its narrow, three-column format is evocative of a magazine page and fills only about half the screen. Only the wider middle column holds real content, which is labeled “In the Magazine...” and features a large photo. The narrow left column is saved for navigation. The current week's cover image is displayed prominently in the narrow right-hand column (it links to a page where users can subscribe to the print version) and is followed down the page by ads. Users coming to the site are greeted by only three images and three story links on their first screen.

All told, there are 24 links directly to stories on the page, an extremely low number among the sites we examined.

There is no place for breaking news and no attempt at posting daily staff-written content.

In fairness, The Week's format, which involves giving a weekly summary of news accounts from around the nation and world, may not really be suited to the Web. First, publishing more often online goes against The Week's *raison d'être*: the premise that people are overloaded with information and need a simple, short synopsis of events that they can carry with them. Second, if one wants a quick look at what's going on in the world from several sources while online, online aggregators already offer many such services.

But that limited approach is ending. The magazine has announced it will soon launch a new Web site that will do on a daily basis what the title does every week — condense news from around the nation and world.

Looking at the rankings in our site inventory, The Week was not a big winner in much of anything. It scored well in one category, **branding**, where it was in the top tier because editors choose what content goes on the page and all of it is

generated in-house – though it must be noted the content consists of summarize stories from other outlets.

In all other categories, the site was in the bottom tier. There were, in essence, no opportunities for **customization**.<sup>3</sup> The page's only **multi-media** only components were the photos it ran. There were none of the **participation** options (user blogs, author email addresses, live chats) we looked for on the site. The site was not updated during the day (in fact only once a week, at the time of our inventory) which hurt its **depth** score. And the site had few ads – only six – and no fee content which placed it near the bottom in **revenue streams**.

While many people look at The Week as the print version of a Web aggregator, its Web presence pays little or no heed to the capabilities of the Internet or the on-line world's 24-hour news cycle. It is the new-media home of a very old-media approach.

### **The Others:**

*Newsweek* — Like Time.com, its well-known competitor, Newsweek.com shares its Web space with another news organization — MSNBC — and like Time the site gives its partner high billing. Alongside the red “Daily Edition Newsweek” banner running over the page sits a smaller, blue MSNBC box on the left. The site itself is clean, dominated by a white background and black text with red highlights, which helps make its four-column format seem less crowded.

There is a link for users to get a mobile version of the site, multiple RSS feeds and a podcast of Newsweek on Air, the radio show long produced by the magazine. And there are two ads that, as on Time.com, are for the same product.

But unlike Time.com's variety, there is only Newsweek content here, and the magazine seems to be churning it out at a pretty good clip. The top story, which sits on the upper left of the page with a large photo, is generally a Web-only piece written for that day. And while there is some material from the actual magazine here, most of the pieces are written specially for the Web and marked with “Web only” on the top. The site also does the magazine's well-known up-and-down-arrow Conventional Wisdom watch feature every day, abbreviated here as The Daily CW.

One possibly surprising thing about the site is how blogs, a favorite Web addition lately, are hidden well down the page and subtly displayed. Instead, the magazine's current cover is emphasized, as are a lot of offers to subscribe running up and down the site. Over all, the site looks and feels like something of a bridge between the online and print world.

*U.S. News & World Report* — The word that comes to mind when one looks at site for U.S. News is sparse. Unlike the sites of Time and Newsweek, it has no pronounced online affiliation with another news organization and, perhaps for that reason, appears somewhat thin. Visually, the left 2/5 of the screen is empty and the only daily updated material sits in a box on the right side at the top of the page.

While the site offers a mobile version, its RSS feed is weekly, and there are no podcasts. There is one ad on the page along with many promotional messages to entice users to subscribe.

Of the three big news weeklies, U.S. News in some ways had the most to gain from a move to the Web. Its news-you-

can-use franchise translates well to the online world, where data is storable and sortable. And on USNews.com the many special issues and lists that the magazine creates — Best Colleges, Best Graduate Schools, Beat Health Plans, etc. — are given special treatment on the upper left of the screen, where most sites put their navigational elements. There is limited access to these features, but to get any of them users have to “Go Premium” for \$14.95.

The site’s daily content comes in the form of “Today’s Briefing” on the page’s top, which features a daily Campus News Roundup (updated through the day) and the Political Bulletin (posted every morning). Brevity is the thing in both of those areas, with items of a paragraph or two. There is also a “Day in Photos” link here with pictures from around the country and world. Far down the page is “Latest AP Headlines.”

If this is the magazine’s attempt to move itself online, it would appear that in the long term U.S. News will be less about magazine pieces or even heavy reporting and more about quick hits and news you can use.

## Public Attitudes

### Public Attitudes

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As with many other media, the evidence suggests that news magazines have seen their credibility with the public erode in recent years. News magazines have long sat below television — both cable and network — in public believability. In 2006, there was little evidence that much had changed.

The Pew Research Center for the People and the Press measures “believability” on a scale of 1 to 4, with 4 being the highest. And in its 2006 Biennial Media Consumption survey those giving Time and U.S. News & World Report the highest rating fell slightly. For Newsweek the rating climbed slightly, but the prevailing trend is clearly downward. <sup>1</sup>

What’s more, the ratings for all three magazines measured continued to lag behind broadcast media.<sup>2</sup>

It’s interesting that it isn’t necessarily the magazine style of writing that is holding the Big Three back, but perhaps the fact that they are printed on paper. “60 Minutes,” a broadcast magazine, actually scores higher on believability than the news divisions as a whole. And it should be noted the three news weeklies cited in the survey on average have the highest believability numbers of any print publication measured, other than the Wall Street Journal and the person’s local newspaper — and that includes the New York Times, USA Today and the Associated Press. <sup>3</sup>

That finding opens the door to several interpretations. Is there a point to the argument that people tend to distrust the idea of objective media so much that they give more weight to outlets that offer more interpretation, or what some might even consider bias — outlets that write with a slant or a “take” as the weeklies like to call it? Is it that outlets that come out less frequently are thought to have spent more time on each item, and their news is therefore more trustworthy?

As the magazines continue to talk about moving more of their operations to the Web, those two theories should get something of a test.

If people are rewarding magazines for coming out less often, the migration to the Web theoretically could hurt the magazine brands. One of the web’s strengths, news on demand, is less about taking time to check facts and more about immediacy. Other strengths of the Web — searchable data bases and access to original materials — are also not the province of news weeklies, which synthesize material into more digestible form. Once the magazines enter that game, if they truly try to compete and break news, will there be less separating them from other Web outlets in the public’s mind?

Those challenges presented by the Web may explain why magazines like the New Yorker are thriving in print. The long-form narratives of the New Yorker — in a stapled and small magazine format — suit themselves more to the portability of print than to the Web. A long New Yorker piece is not digested quickly on a PDA or read at the computer. We take the time to read it on a train, or in an armchair.

If Time, Newsweek and U.S. News are to thrive on the Web, does the mission change? Does the nature of their narrative change? Does the notion of being a weekly publication in itself disappear over time?

## What Readers Know

For the vast majority of readers, news magazines are an extra source of news. Their subscribers are generally thought to be more interested in news than average news consumers. In a world where news and information are available in abundance, they pay to get an additional source of news delivered to their homes. What does their desire for more news say about their news knowledge? Perhaps not as much as one might think. News magazine readers are not particularly good students of the news. They know more than some news consumers and less than others.

In the 2006 Pew Biennial Media Survey, 52% of respondents who said they had read a magazine “yesterday” and could correctly identify the Secretary of State. That was a lower score than respondents who said they had read a newspaper yesterday, 55%, or read news online yesterday, 58%. But the magazine readers scored higher than people who said they had watched TV news (47%) or listened to news on the radio the previous day (49%).<sup>4</sup>

On a question involving foreign affairs — can you name the current president of Russia? — the findings for people who had used various media yesterday were similar. Roughly 43% of magazine readers knew Vladimir Putin’s name. That was lower than newspaper readers and Internet users, of whom 47% and 50%, respectively, got the answer right. But magazine readers did better than TV news viewers (37%) and radio news listeners (41%).<sup>5</sup>

News magazine readers scored lower than newspapers readers, Internet users and radio listeners on the question of which party was in control of the House of Representatives (before November’s elections). Some 71% of news magazine readers answered the question correctly, compared to 76% for newspapers readers, 73% for radio listeners and 80% for Internet users.<sup>6</sup>

The meaning of those numbers is hard to know for certain. There is overlap in the data — people use many media every day — but the numbers do suggest that the news magazine audience is not as elite as many believe. It’s interesting, for instance, that radio listeners, who use the lowest-cost media listed here — no subscription cost, free content and inexpensive receivers — score higher than magazine readers on at least one of the questions.

It’s also worth noting that “news magazines” as defined for this survey do not include the niche news titles we discuss in this chapter — *The Economist*, *The Week* and the *New Yorker* — but rather the big news weeklies. When we last looked at the question of audience knowledge, in our 2005 report, the audience of the big news weeklies was broken out on its own and it was shown to rate higher than the audience knowledge of newspaper readers on four questions on current events.

What’s behind the change? It may be that that the audience changes this report has discussed for the past few years — declining readership at the big weeklies and growth of the niche news titles — means that the niche publications are cherry-picking more serious news audiences. It may be that the separation we’re now seeing is simply a matter of the questions that were asked this year. Or it may be a different reason altogether. Regardless, the finding bears watching.

## Opinion Titles

### Opinion Titles

Heading into 2007, the biggest issue for the opinion titles is the big political story from last November — the switch in the party control of Congress. The Democrats' winning of the House and Senate creates an interesting dynamic not just in political power but, if history is any guide, also in the readership of the opinion journals.

As we have noted in this report in past years, the fortunes of such magazines tend to go up and down in an inverse relationship to the fortunes of the political parties they favor. So the good times for the GOP in recent years helped the readership of the left-leaning Nation grow to record levels, just as the first few years of the Clinton Administration led to a big spike in readers for The National Review.

That pattern suggests that there will be some drop-off in readership in leftist publications as angry Democrats feel some satisfaction, and an increase in right-leaning magazines as formerly content Republicans get their ire raised and are eager to read critiques. And more center-left titles like The New Republic, often focused on policy suggestions, could see a bump from Democrats looking for ideas on how to govern.

For 2007, though, the political landscape suggests a host of provisos for those truisms. The Democrats control Congress, but President Bush is still ensconced in the White House. Many Republicans, meanwhile, while they dislike the Democrats, are less than pleased with Bush, according to polls, and those mixed feelings may still make them less likely to pick up a political journal. The increasingly unpopular war in Iraq could cause people to grow more engaged in politics or push them away from it.

And, of course, the political backdrop of 2007 is likely to be the coming presidential race, which is wide open with no obvious heir apparent in either party for the first time in decades. Intriguing candidates and/or internal party squabbling could steer more readers to the opinion journals.

A look at the 2006 circulation figures for those magazines demonstrates the trend of complicated reverse party trends of the group. The left-tilting Nation continued to grow slightly and lead the pack. The conservative National Review lost some readers though it was not too far behind. Meanwhile, the New Republic, not really at either ideological pole, was essentially flat, and far behind the other two. <sup>1</sup>

There was also a big development with the New Republic just before the report was released. TNR was sold in February to Winnipeg-based CanWest Global Communications, a Canadian newspaper publisher that had already owned 30% of the magazine. Immediate terms of the deal were not available, but the company announced one big change immediately. The 93-year-old weekly would begin to publish every other week, “while almost doubling the number of pages.” That follows a noticeable thinning of the magazine in recent years.

It is important to point out that circulation isn't as critical a measure for those magazines as it is for others. The opinion journals are ultimately as interested in the amount of political sway they hold in Washington and in who their readers are as they are in the pure the bottom line. But circulation is not irrelevant. It indicates where politically focused audiences on the right and left are going for ideas. Here's a look at where the magazines' circulation stands today.



The Nation, the stalwart voice of liberalism, continued its growth in 2006 albeit at a slower rate. As of December of 2006, it had a circulation of 186,528, just up from 184,181 the previous year — an increase of 2,300, or just over 1%.<sup>2</sup>

Interestingly, The Nation's circulation has been growing steadily since 1998. That was the year the Lewinsky scandal hit the Clinton White House, and the mainstream coverage of Clinton grew more critical. In the elections up to 2006 the Democrats remained unable to win back control of any of Washington's centers of authority. Will The Nation's readers lose interest now that the Democrats are back in power?

There may be some reason to think so. Consider the jump the National Review saw leading up to the 1994 mid-term elections. The conservative periodical went from 163,000 in 1992 (the year Bill Clinton was elected) to 269,000 in 1994. But after the GOP took control of Congress in that election, the Review's circulation dropped back to 242,000 in 1995, then to 206,000 in 1996, then to 171,000 in 1997. By 1998 it was actually back to pre-1992 levels at 160,000.

One reason The Nation might be different is the change in the media environment since then. Not only is the political landscape considered to be more polarized now, but the Web in some ways feeds that polarization with sites —especially blogs — devoted to particular points of view. The opinion journals know this and have taken advantage of it, making their home pages the place to go for commentary.

Both The Nation and National Review have Web-only content to draw readers looking for a left or right view of the news.

And National Review, the conservative movement's traditional conscience, saw its circulation drop in 2006, perhaps feeling the pull of the President Bush's slumping poll numbers. The title's December 2006 circulation of 152,603 was down 8,000 from 2004's 160,896 — or more than 5%. <sup>3</sup>

The magazine's success is worth pondering. The rise may have had something to do with the start of Bush's second term and interest among conservatives about where he would try to take the country. It could be that disappointment or confusion over the war in Iraq, and the splintering of Bush's coalition, led conservatives to search for more voices. Or it could be the open field and the battle for the party after he leaves office.

The obvious question now is whether the Republicans losses in the midterm elections of 2006, and the subsequent usual calls for soul-searching, will translate into even more readers for the National Review. It too has parlayed its Web site into a force in online political debate — more so than The Nation — which may also help explain the magazine's ability to buck the larger political trend and add subscribers during a time when historical models suggest it would not.

Meanwhile, the New Republic continues to plug along with about 60,000 in circulation. After a drop from roughly 86,000 in 2002 to 61,000 in 2003, the magazine has stayed relatively stable. It gained a few more readers between December of 2005 and December of 2006, going from 61,055 to 61,628. <sup>4</sup>

Looking at the magazine in recent years, even the occasional reader might notice the issues are getting thinner. The 2006 issues averaged just over 37 pages each. Going back to 1998, the average was just over 45 pages. That's a decline of 21% over that period. <sup>5</sup> While good economic data aren't available on the opinion titles, such a thinning would suggest that the New Republic has hit some economic turbulence. And the loss of readers certainly hasn't helped with advertisers.

New owner CanWest is aiming to make the magazine profitable again — while publishing only every other week — and wants to redesign TNR's Web site. The first edition of the new New Republic comes out March 19, though the impact of the buyout won't be known for months at least.

There is, however, some hope that TNR might gain some readers back in 2007. Now that the Democrats are in control the House and Senate they have talked about moving to the center — particularly on social and fiscal issues — to consolidate power. Many of the Democratic freshmen in Washington are moderates. If there really is a more centrist Democratic voice coming out of Washington, the New Republic might benefit in a few ways. It may be the place the politically interested go to get an idea of which direction the party in power is going on various issues and it may be a place where Democratic politicians go to publish essays and op-eds. The next few years could give an indication whether the magazine's falling fortunes have ideological or editorial roots.

## Charts & Tables

### Charts & Tables

#### **AUDIENCE**

Circulation of Non-Traditional News Magazines  
Circulation Among the Big Three News Magazines  
Average Age of News Magazine Readers  
Median Age of Readership by Magazine  
Average Income of News Magazine Readers  
Median Income of Readership by Magazine  
News Magazine Pages by Topic, 1980 – 2006  
Newsweekly Topics, 2006  
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#### **ECONOMICS**

Change in Ad Dollars and Pages, Select Magazines  
News Magazines Ad Pages, by Title  
News Magazine Ad Dollars, by Title

#### **OWNERSHIP**

Magazine Revenue of Top Ten Companies, 2005

#### **NEWS INVESTMENT**

News Magazine Bureaus Over Time  
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#### **PUBLIC ATTITUDES**

News Magazine Believability Over Time  
Believability of Various News Outlets  
Believability of Various Print Outlets  
Which Party is in Control of the House of Representatives?

#### **OPINION TITLES**

Circulation of Leading Opinion Magazines

# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Radio – Intro

Intro

*By the Project for Excellence in Journalism*

In 2006 the transformation of radio into something broader — audio — accelerated.

The use of iPods, portable podcasting, satellite signals, digital HD radio, Internet streaming, and even phones as music-listening devices all grew. There were further signs that the new technologies were beginning to have an impact on traditional radio, from audience behavior and economics to transforming the ownership and strategy of the industry and altering the projections for the future.

For now, the size of traditional radio's audience remains fairly stable. But the amount of time people spend with it is beginning to ebb.

In the meantime, other, larger signals of change were unmistakable. The biggest of the year was the decision by traditional radio's behemoth, Clear Channel, to transform itself into a private company and sell off its TV holdings and well over 400 of its radio stations. Clear Channel's executives hinted that they no longer thought they could manage their long-term survival if they had to focus on the short-term demands of Wall Street and public ownership. Is the move a harbinger of things to come, of a new era — a move away from large, public multimedia companies and toward private ownership?

While the older players in radio maneuvered, the growing array of alternative technologies was still sorting itself out. Satellite radio, the seeming golden gadget a year earlier, continued to grow, but not as much as expected in 2006. And in February 2007 the two satellite companies announced plans to merge, though anti-trust laws may pose a problem.

The use of podcasting also swelled. More news sites and music distributors began putting content on their Web sites to download on MP3 players, cell phones and PDAs (personal digital assistants, to give the hand-held gizmos their full name). The PDA option is growing most. But it still remains to be seen how much people will incorporate the idea of downloading programs for later listening into their lives.

And traditional radio's best option to compete with all this, HD Radio, took on more momentum during the last year. But cost still remains a major roadblock.

The only notion that seems clear is that the first major new communication technology of the 20th century — radio — is changing rapidly and appears likely to survive the early years of the 21st. The form or forms the medium will take, however, are still shifting.

## Audience

Audience

*By the Project for Excellence in Journalism*

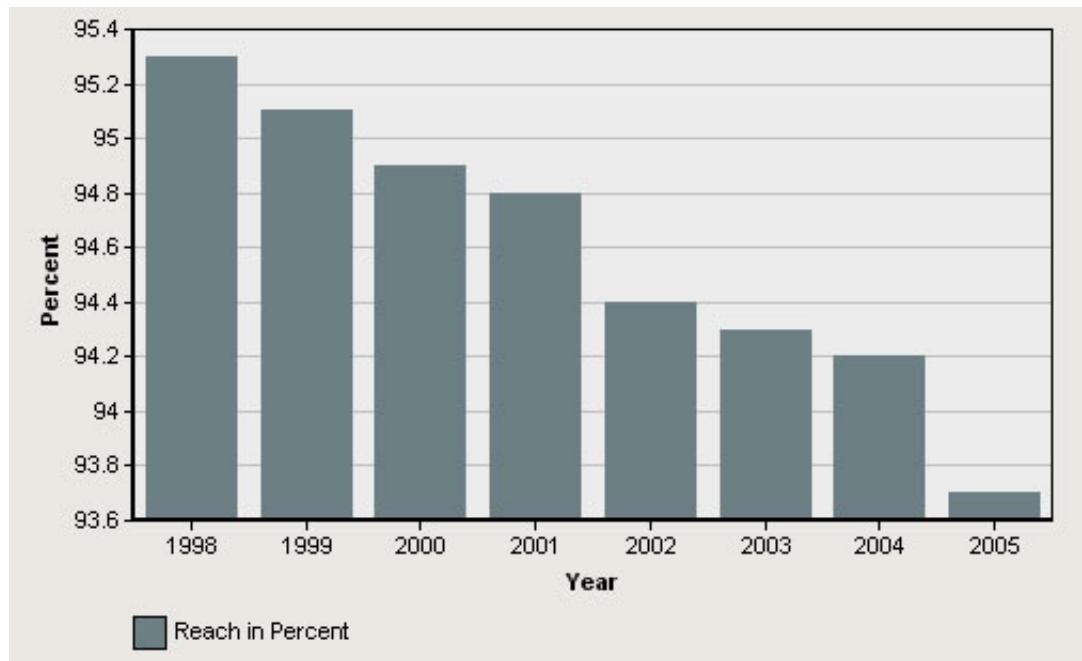
Despite the avalanche of new listening options, nearly all Americans still listen to the standard AM/FM radio — now eight decades old — at some point during the course of a week.

According to 2005 data found in the most recent “Radio Today” annual report (2006) — issued by the radio ratings company, Arbitron — 93.7% of people age 12 years and older still listen to traditional radio each week. 1

That represents a drop of 1.6 percentage points since 1998, a relatively small decline compared with other media facing expanded competition from new technology. The one caveat is that the drop appeared to accelerate slightly in 2005.

### Radio Reach

Percent of the population 12 and older, 1998 – 2005



Design Your Own Chart

Source: Arbitron, “Radio Today: How Americans Listen to Radio, 2006 Edition,” February 14, 2006

The weekly listenership of traditional radio has also remained fairly stable. In an average week in 2005, according to the Arbitron data, people listened to the radio less than they did in 2002 by just under an hour. That takes the amount of average weekly listening down to 19½ hours, compared with 20¼ hours — a decline of 5% in three years. <sup>2</sup>

## **Radio News**

If traditional radio's audience is fairly stable, what about the listenership of news content in particular? The answer, given the complexities of measurement, is not a simple one.

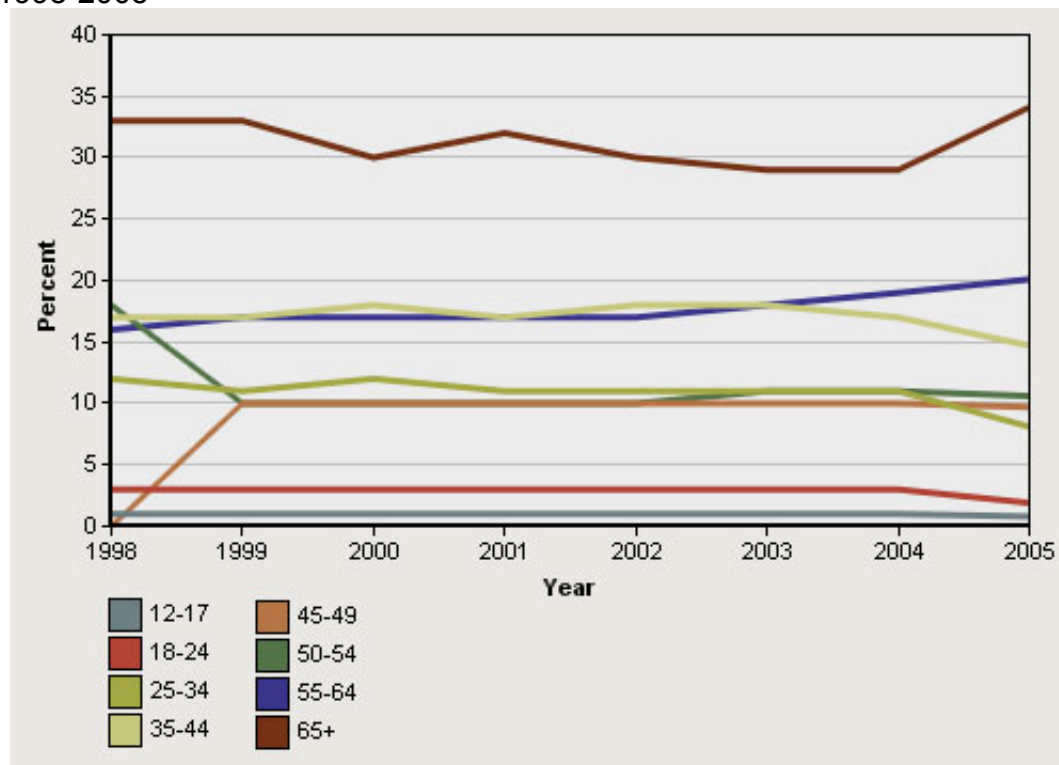
For traditional radio, news remains a major draw. Arbitron each year measures what radio format listeners spend the most time with. Before 2005, the latest year for which there are data, the news/talk/information category was usually at the top of that list. It dropped in 2005 to the No. 2 spot, behind country music. <sup>3</sup> The reason for news/talk/information's fall, however, is a change in the way Arbitron does its counting, not a precipitous fall in audience. The news/talk/information format previously consolidated all news, all sports and talk personality programming. The latest Arbitron report, released in 2006, created separate categories for each of them. In the new measurement, 10.4% of listeners said they listened to the mixed format of news, talk and information radio (compared to 10.6% the previous year), while 2.1% listened to all sports, 1.5% to all news and 1.9% to talk personality.

When the excluded categories are added back in, the figure rises to 15.9%, which is unchanged from the previous year. And as in the past, the format moves to the top of the list of radio formats. Country music, the second most popular format, dropped slightly from the previous year's data, down to 12.5%, from 13.2% in 2004. <sup>4</sup>

According to Arbitron data from the past six years, audience for news/talk/information radio has remained fairly consistent for most age groups. But the most recent data do illustrate a few changes, most notably a growing interest in news/talk/information among the elderly. Almost 20% more listeners between the ages of 55 and 64 tuned into news/talk/information programming in 2005 than in 2004. On the other hand, 25-to-34 and 35-to-44-year-olds listened less in 2005 than they had in the previous year, making noticeable departures from a once stable trajectory. <sup>5</sup> Those changes could be a reflection, however, of changing national demographics, particularly with the large baby boomer generation entering retirement, and thus an era of increased leisure time that may be spent with radio news.

## Listeners to News-Talk-Information Stations, by Age

1998-2005



Design Your Own Chart

Source: Arbitron, "Radio Today: How Americans Listen to Radio, 2006 Edition," February 14, 2006

\* 1998 data includes children's formats.

Those who tune in to news/talk/information are also more educated than listeners to other radio formats, except sports radio. Over 43% of news/talk/info listeners are college graduates, compared with 48% of sports listeners, 15% of listeners to the popular country format and 27% of adult-contemporary listeners. <sup>6</sup>

The audience for news/talk/information radio also skews Republican. That finding is new to Arbitron's annual "Radio Today" report. In its 2006 report, the company asked survey respondents to identify their political party affiliation. Of those who tuned into news/talk/information, 36% were Republicans, 27% Democrats and 26% Independents. The Arbitron report noted as general tendency that commercial talk radio appeals to a Republican audience. <sup>7</sup> (See Talk Radio).

### New Audio News

If news continues to be such a big part of traditional commercial radio's appeal, does it hold the same sway in the new audio formats?

That is harder to answer. For now, the data on newer audio formats — satellite radio, Internet radio and podcasts — do not specify the type of content people tune in to. The total number of people and the time they spend listening to news is expected to become measurable with Arbitron's Portable People Meter starting in 2007.

But a survey released by the Pew Center for the People and the Press does provide some insight into how many people are using the new audio devices to access news content, and how frequently.

The data suggest that the devices are not being widely used for consumption of news, not yet anyway. Only 12%<sup>8</sup> of the Internet population has ever downloaded any kind of podcast on an MP3 player, and only 2%<sup>9</sup> has done it for a news podcast, according to Pew data.

#### News on Mobile Devices

Mobile News Demographics	% of MP3 Owners	% of Cell Phone Owners	% of PDA Owners
Total	8%	6%	18.3%
Male	9.6	7.8	23.8
Female	6	4.3	9.7
Every day	2.1	2.2	7.4
A few times/week	2.7	1.3	3.8
Less often	3.2	2.4	7.3

Source: Pew Research Center for the People and the Press' biennial consumption survey, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

But of MP3/iPod owners (25.5% of the population), 8% say they download news podcasts to their MP3 players.<sup>10</sup> Though that is a small percentage, Pew survey data show that about a quarter of the news podcast downloaders report doing so daily.

Watching or listening to news on a cell phone is about as popular as podcasts. Some 6% of adult cell phone owners (who make up 74% of the population) say they receive news headlines or news reports on their cell phones.<sup>11</sup> And a little over a third of them say that they do so daily.

BlackBerry and Palm Pilot users, however, are much more avid consumers of news on their portable devices. Of the 12% of the population who own such a PDA device, nearly one in five (18.5%) say that they receive news headlines or reports on it.<sup>12</sup> Just over half of them report doing so daily. It should be remembered, however, that those people represent only 2.3% of the overall adult population. What's more, the Future of News study conducted by Robert Papper for the Radio and Television News Directors Foundation showed that fewer than 5% of the U.S. population had ever consumed news on a small-screen device (mobile phone, PDA iPod or the like) and that only about 10% said they had any interest in doing so.<sup>13</sup>



Those numbers represent a small percentage of the total population of portable news consumers, but it's also true that millions of Americans are receiving news in this manner. Pew data also show that those on-the-go news consumers tend to be wealthier and more highly educated than average, which could soon make them a prime target for marketers.

How big is the overall audience for those new audio technologies? It is worth examining them one technology at a time.

### **Satellite Radio**

One of the first major rivals to traditional radio — satellite — began to show some signs of difficulty in 2006, ultimately leading to an announcement in February 2007 to merge.

After several years of explosive audience growth but heavy financial losses, the industry began the year with high expectations. It projected not only to continue expanding its subscriber base, but also to begin turning a profit.

The high hopes weren't realized.

While subscriber bases for the two satellite radio systems — XM and Sirius — did grow, year-end figures fell far below early estimates. 16 Throughout 2006, XM's forecast of its year-end subscription base declined. In March, the company predicted a base of 9 million subscribers, but by the end of July, that estimate had fallen to between 7.7 million and 8.2 million. 14

At the end of the year, XM reported its subscription base as 7.6 million. Always the leader in audience totals and audience recognition, it remained so; Sirius reported its subscriber base at 6 million.

But in the last two years, Sirius had been closing the gap. XM grew 29% from the end of 2005 to the end of 2006, adding 1.7 million subscribers. Sirius grew even more, 82%, adding 2.7 million subscribers. 15

The two companies' subscription totals added up to 13.6 million satellite subscribers. That is more than a third higher than the 9 million reported at the end of 2005. Total audience reach for the satellite media, moreover, is estimated to be higher still, since subscriptions represent entire households, but an exact figure is hard to pin down. 16

For the moment, until the people meter system becomes more widespread, analysts must rely on the figures reported by each company for the size of satellite radio's audience. Still, the platform is growing, while the traditional radio audience is shrinking, though slowly.

Another measure of satellite radio's audience can be derived from survey data. According to the biennial media consumption survey by the Pew Center for the People and the Press in the spring of 2006, 10.5% of adult Americans said they had listened, at some time, to satellite radio. 17

There are also signs in the data, however, that satellite radio's growth may be approaching a ceiling. According to an Arbitron survey, only 4% of non-subscribers to satellite radio said they were "very likely" to subscribe in the next 12 months. An additional 14% of non-subscribers said they would be "somewhat likely" to subscribe. 18

One possible explanation for the slowdown in satellite radio growth is competing technologies, including MP3 players (such as iPods), Internet and HD radio, which all offer consumers breadth and diversity in their listening options. And the big advantage that satellite radio has offered and seemed to cultivate most effectively — high-profile talk personality talent — may have proven to be too expensive for successful competition with the portable and customizable choices offered by other digital audio technologies. These will be key arguments that the companies will use before the Federal Communications Commission and the anti-trust courts as they make their bid to merge.

### **Internet Radio**

One new technology that had been slow to gain momentum, Internet-based audio, began to emerge in 2006 as a meaningful competitor.

Internet radio, as the name implies, is audio content offered online, usually in the form of live streaming. One of the appeals of Internet radio is its potential for even greater breadth and depth of listening options. iTunes was an early leader in providing such online listening. Among its many options, iTunes software offers users a wide selection of radio stations to stream live through their computers.

Now, both news and music outlets have jumped on the audio Internet bandwagon. Broadcast radio stations are increasingly putting their content online as audio clips and podcasts. And Web sites like Pandora and Yahoo Music uniquely allow listeners to craft individual music stations that home in on the specific kind of music they enjoy, while discovering new artists in the process. The customizability and choice of such Web sites distinguish them from traditional radio and the other forms of new audio.

Those new Internet options seem to have helped fuel interest. After being somewhat stagnant in recent years, according to Arbitron and Edison Media Research, weekly Internet radio audiences jumped 50% from January 2005 to January 2006. <sup>19</sup> That translates into 12% (up from 8% in 2005) of the American population over the age of 12 — or 30 million people — who reported listening to Internet radio in an average week, according to Arbitron. What's more, Arbitron reports that the number rises to 21%, or 52 million people, when asked if they had listened to Internet radio in the past month — a 40% increase over the previous year. <sup>20</sup>

Much of that growth can probably be explained by the big jump in broadband use, which allows for a much faster connection and higher quality sound. According to the Pew Internet Project, broadband penetration in the home jumped 40% from March 2005 to March 2006, rising to 84 million homes, up from 60 million a year earlier. That growth rate is twice that of the year before, and puts the total portion of adult Americans with broadband in the home at 42%. <sup>21</sup> FCC numbers from a year earlier suggest that the number is lower. <sup>22</sup> But both agree that broadband penetration is growing.

In addition to broadband connections, other factors can also explain the increased popularity of Internet radio. Like its video counterpart — particularly YouTube — Internet audio offers consumers flexibility and a shot at innovation of their own. People do not need expensive equipment or broadcast licenses to put their content in the public domain. And traditional radio stations are increasingly offering their content online for listeners to hear at times that are convenient to their schedules.

Another factor is that more radio stations are now streaming their broadcasts online. After big pushes by CBS and Clear Channel, Tom Taylor, editor of Inside Radio, estimates that about 33% of over-the-air radio stations are now streaming. “Radio was slow to get off the mark, but it’s doing some catching up,” he said. Most likely, in turn, some proportion of that Internet radio listening involves people listening to traditional radio broadcasting over their computers.

## **Podcasting**

Along with the Internet, podcasts also saw a good deal of growth in 2006. The rise of MP3 players fueled much of that. MP3 players are pocket-sized devices that enable people to download content from their computers and take it anywhere they go. Music files transferred to computers from CD’s have historically been popular for MP3 downloading. But now that Internet podcasts have gone from being a B-list player to an A-list player, the content of MP3 downloading has diversified. <sup>23</sup>

Podcasts originally were popular for giving people the ability to be their own DJ’s and distribute their unique content, similar to the way the Internet granted bloggers a public voice. While still a common practice, the pool of available podcasts is increasingly being filled with content distributed from mainstream media outlets, in the form of news segments and now, even television shows.

The particular strength of podcasts is portability — listening wherever you are. But podcasts also embrace many of the characteristics of other new audio — flexibility, breadth of selection and digital-quality sound. Like Internet radio, the array of listening choices is seemingly infinite.

The selection runs the gamut: homegrown music, citizen DJ’s, iTunes playlists, pajama pontificators and daily news coverage. From the Web sites of NPR and the New York Times, to Yahoo News, local and national television news sites and user-generated content sites like digg.com, podcasts are an important component of news Web sites. A good indicator of the universe of available podcasts is Podcast Alley, an online directory of podcasts. As of December 2006, it catalogued over 27,000 different podcasts, up from the 1,000 it listed two years previously. <sup>24</sup>

Podcasts also may have a bigger upside in terms of growth than some other new audio. In November of 2006, the Pew Internet Project reported that 12% of adult Internet users (those 18 and over) — or approximately 17 million people — said they had at some time downloaded a podcast to listen to or view at a later time. <sup>25</sup> That was up from 7% just six months earlier — an increase of over 70%. <sup>26</sup>

But in a survey that included people aged 12 through 17, Arbitron, the radio audience rating service, found that teenagers make up a large percentage of those who download podcasts. Of Americans who said they had listened to an audio podcast, one in five was between the ages of 12 and 17. That age cohort contributes largely to the April 2006 Arbitron finding that 11% of the entire population (including non-Internet users) 12 and older — or 27 million Americans — reported having listened to podcasts. <sup>27</sup>

The rapid growth of podcasting and the high use among teenagers certainly suggest that the podcasting universe is likely to continue growing. The Diffusion Group, a research and consulting firm specializing in new media, predicted that by 2010, the number of American podcast users would swell to 66 million, more than doubling in four years. <sup>28</sup>

Another factor helping the growth of podcasting is the continued spread of MP3 players necessary to download the material. Arbitron's 2006 report on digital radio revealed that approximately 25% of Americans over the age of 12 owned such a portable digital music player, up 56% from January 2005 to January 2006. 29 Of those digital devices, 11% were iPods (up 83% from the previous year).

And the industry expects MP3 sales to keep increasing as the technology of the devices improves. Microsoft recently introduced its version of a souped-up MP3 player to compete with Apple's popular iPod, and the battle for the ultimate portable audio/video device doesn't look like slowing anytime soon. As the devices attempt to invent themselves as the new Walkman, it is reasonable to expect that podcasts will also hit the mainstream.

But if growth in the number of people who podcast seems likely, a bigger question may be how often they will do it. According to Pew Internet data, only 1% of respondents claimed to download a podcast everyday. 30

(For more on podcasting, see also "What is Podcasting?" a PEJ commentary).

### **HD Radio**

Many radio professionals believe that HD radio is traditional radio's strongest chance to compete with satellite and Internet radio. HD radio is a digital version of the traditional AM/FM dial.

HD radio made a big push in 2006. According to the "HD Digital Radio" Web site, 1,001 31 stations were broadcasting on a digital signal as of December 2006 — about 7% of the total number of stations in the country. 32

The reason that HD radio is thought of as an answer to new digital competition is not only that it offers better signal quality, but also that it allows stations to multicast, or take advantage of HD's split signal to broadcast multiple stations. The number of stations broadcasting on what is known as the HD2 multicast channel was around 700 at the end of 2006 according to the "HD Digital Radio" Web site, [www.hdradio.com](http://www.hdradio.com). 33

Though HD radio's penetration rate is low, experts think its future looks promising. Those numbers are already moving faster than the long buildup and slow deployment of its digital television counterpart, HDTV.

There is also evidence that audiences are receptive. Arbitron's survey on digital radio platforms found that more than a third of survey respondents were interested in the technology. That number rose to 4 out of 10 when satellite radio subscribers were asked of satellite subscribers. Whether satellite subscribers would switch away from satellite or simply augment their listening platforms is yet to be determined. 34

In addition the Internet and podcasts, HD technology offers one more way that traditional radio stations can compete in the era of consumer control. (See Economics).

### **Mobile Radio**

Finally, if one can put radio content on an iPod, one can also download it onto other digital devices, including cell phones and PDA's like BlackBerries and Palm Pilots.

In September of 2006, Clear Channel announced its plan to stream radio content to cell phones with service provided by Cingular Wireless. The mobile radio program began streaming content out of New York's station WHTZ-FM Z100, and includes live radio and news features, as well as on-demand podcasts. The service is called Z100 Mobile, and requires a subscription fee of \$2.99 a month. Subscribers to the service can also request songs and locate the titles and artists of recently played songs via text messages on their cell phones. Clear Channel reported in its September press release that it expected to expand the service to 100 stations by the end of 2007.

### **Demographics of 'New Radio'**

For now, the new digital forms of audio are not only expanding the potential for listening beyond that of traditional radio, they are also attracting a different audience. Some of these differences are to be expected, but others are more surprising and subtle.

To begin with, contrary to popular conception, teenagers are not necessarily the most avid consumers of new technology, at least not with new audio devices.

Young adults, for instance, those between age 18 and 34, are the most likely to listen to Internet radio. Nearly 1 in 5 does so at least once a week, compared with closer to 1 in 10 of 12-to-17-year-olds. <sup>35</sup>

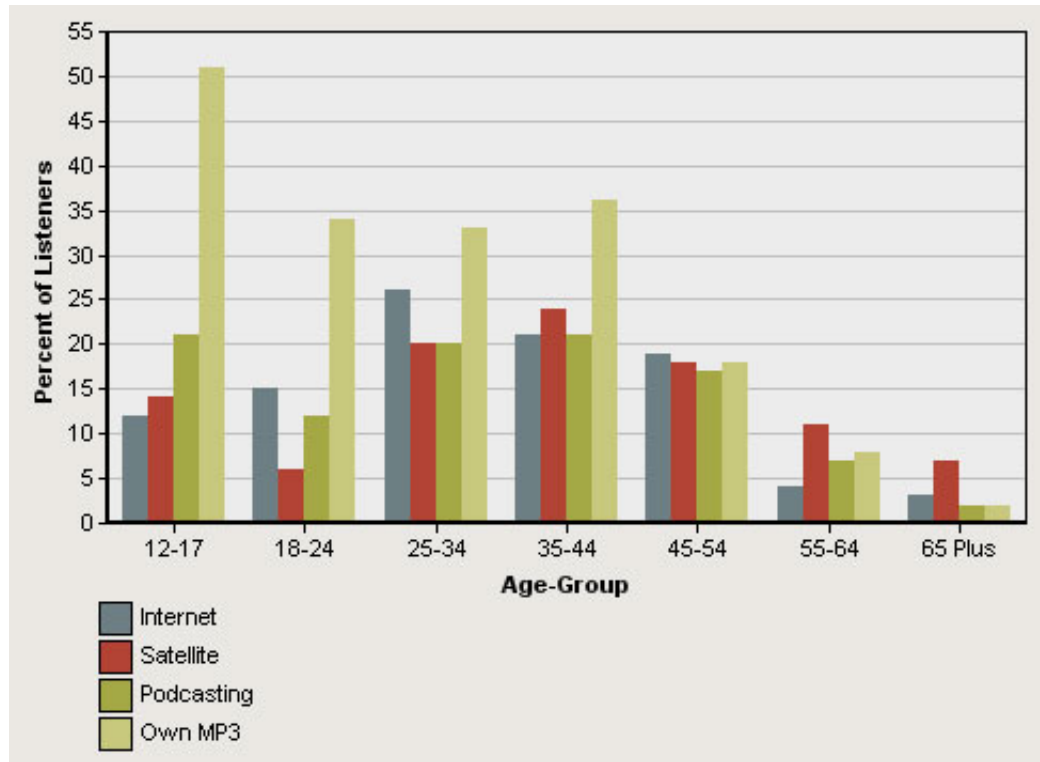
Teenagers, though, are more likely to listen to podcasts — 21% of people under 18 report doing so — but listening to podcasts is equally as popular with 35-to-44-year-olds, followed closely by people 25 to 34, at 20%, and 45 to 54, at 17%. <sup>36</sup>

The listening device that reigns supreme with youth is the MP3 player. A majority of U.S. teenagers (51%) now report that they own an iPod or some other brand of portable digital music player, according to Arbitron. <sup>37</sup>

Of the new audio formats, satellite radio attracts the “oldest” crowd, though it isn't really old at all: those between 35 and 44 are most likely to listen to satellite radio. Of those surveyed in that age group, 24% said they listened to satellite radio, followed by 20% in the 25-to-34 age range and only 6% of those 18 to 24. <sup>38</sup>

## Weekly Use of Digital Audio, by Age

### 2005



Design Your Own Chart

Source: Arbitron, "The Infinite Dial: Radio's Digital Platform", April 13, 2006

The new digital technologies also tend, at the moment, to skew toward the more affluent. Americans who make less than \$25,000 a year — though they make up one-fifth of the population — constitute less than one-tenth of the audience for any of the new audio formats. <sup>39</sup>

Those who make more than \$100,000 a year — 14% of the population over all — make up over a quarter of those who report listening to satellite radio. <sup>40</sup>

Podcasting also skews toward the affluent, but not as heavily. Though 22% of people who listen to podcasts earn more than \$100,000, more than half of podcast downloaders (55%) earn between \$25,000 and \$75,000. <sup>41</sup>

## Weekly Use of Digital Audio, by Income 2005



Design Your Own Chart

Source: Arbitron, "The Infinite Dial: Radio's Digital Platform", April 13, 2006

As in years past, males are also more likely to consume the new digital audio options, making up 58% of the population who listen to radio online. Other new audio formats are more balanced between the sexes, though still tilt toward the male side: satellite radio attracts an audience that is 53% male and 47% female, and podcasting splits 52% male and 48% female. 42

The Pew Center for the People and the Press offers a view of the demographics of digital listeners that is different from Arbitron's. 43

## Demographics of Satellite Radio and MP3 Owners 2005

	Satellite Radio	MP3 Owners
Total	10.5%	25.5%
Male	12.9	29.1
Female	8.2	21.6
18-29	12.5	42.3
30-49	13.5	32.1
50-64	9.5	14.3
65+	3.5	5.4
White	11	24.2
Non-white	9.3	29.7
< \$20,000	3.7	14.1
\$20-29K	4.1	19.2
\$30-49K	9.4	21.8
\$50-74K	13.7	28.2
\$75K +	18.7	39.7

Source: Pew Research Center for the People and the Press' biennial consumption survey, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006

Pew finds that nearly 11% of the population has listened to satellite radio and 25.5% owns an iPod or other MP3 player. Also, both audiences skew male, young, and affluent, as seen in the Arbitron data. While satellite listeners also skew white, MP3 owners skew non-white.

### Public Radio

Whatever is happening in new audio, one traditional platform from the old technology continues to thrive in delivering news. Public, or non-commercial, radio has been one of the success stories of the audio platforms — and news is at the crux of that success. 44

While most news organizations in the country have seen audience declines, public radio, particularly National Public Radio, has seen dramatic growth. With the sudden expansion of new digital audio technology, is that growth continuing?

For NPR, the answer is that the audience may have reached a plateau for the moment. The largest of the four main public radio providers nationally, NPR found its weekly audience level steady at 26 million in 2005, the latest year for which there are data, according to its annual report. 45 The network distributes programming to over 800 public radio stations nationwide, and to Sirius satellite radio.

After a decade of remarkable growth, what does that number mean? Is growth for public radio slowing, perhaps because of competition from satellite radio and other new rivals? That is worth monitoring in the next year or two.



The other public radio networks are significantly smaller than NPR. American Public Media, with headquarters in St. Paul, Minn., reports a weekly audience of 14.7 million listeners. According to Arbitron, it distributed programming to

744 affiliates as of the spring of 2006. Public Radio International, through a partnership with the British Broadcasting Corporation, reports program distribution to over 750 public radio stations across the U. S. And the Pacifica Radio Network owns five stations, in San Francisco, New York, Los Angeles, Houston and Washington, D.C. It also distributes to 103 local affiliates across the nation. <sup>46</sup> Audience numbers for these public radio networks are difficult to track. The numbers are calculated internally and not all networks release them.

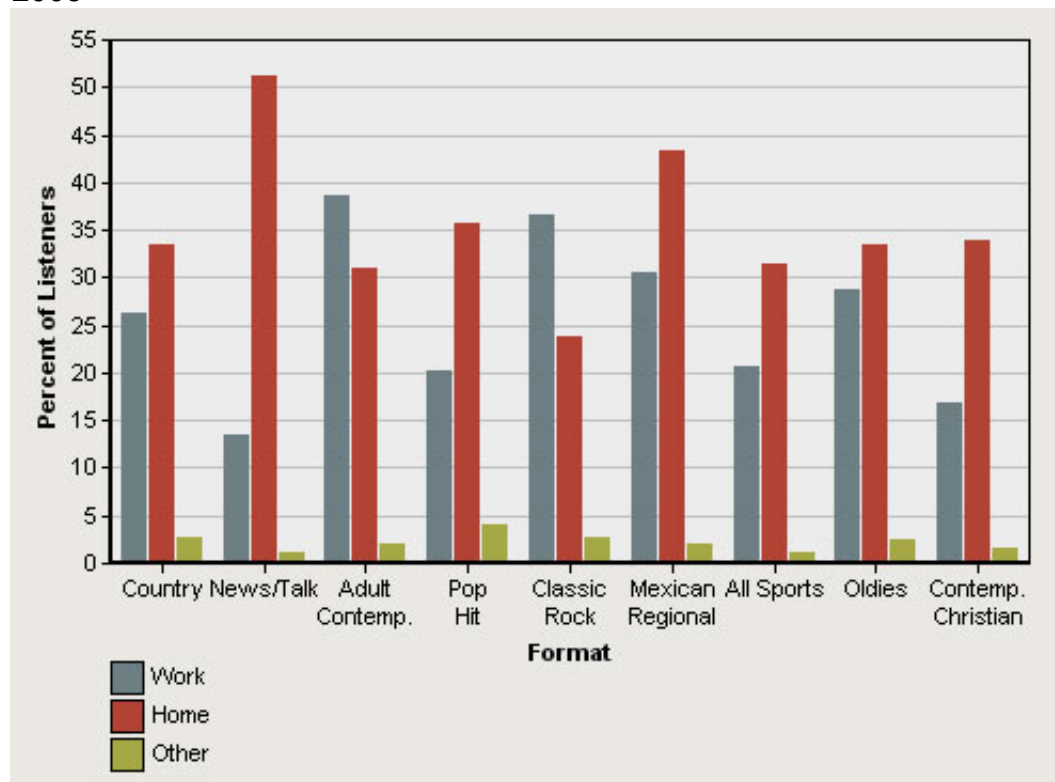
### **Where and When Radio Happens**

For the majority of Americans (excluding teenagers and those over 65) most listening to traditional radio occurs outside of the home, usually in the car or at work. In the morning, Americans are almost evenly split between listening to the radio at home (39%) and in the car (37%), while only 23% tune in at work. <sup>47</sup> Though the audience is smaller in midday, from 10 a.m. to 3 p.m., the majority of those that tune in do it from work (41%). Audience spikes again in the late afternoon, from 3 p.m. to 7 p.m., when most people listen to the AM/FM dial from their cars (44%), again during their commutes. These numbers, for 2005, are similar to those of past years.

But it is interesting to note where people tune in to the different radio formats. Adult Contemporary is the most popular format people listen to from work. Contemporary Christian, Sports and Alternative are the most popular formats in the car. And News/Talk is the most popular format at home, followed by Mexican Regional.

## Where People Listen

2005



Design Your Own Chart

Source: Arbitron, "Radio Today: How Americans Listen to Radio, 2006 Edition," February 14, 2006

### Audience Demographics for News/Talk: Public vs. Commercial Radio

There are some distinct differences between public and commercial radio audiences. In a comprehensive look at public radio statistics, Arbitron's "Public Radio Today: How America Listens to Public Radio Stations" records that nearly 26 million listeners tune in to public radio in an average week. Of the eight format types that Arbitron looked at, the News/Talk format dominates listenership, commanding about 50% of public radio's audience, with an average weekly audience of 13 million listeners.

Audience characteristics for public radio differ quite a bit from commercial audiences:

- Public radio listeners skew to the economically elite and more highly educated. Commercial news/talk listeners are more blue-collar and more male. 49
- The public radio audience for news/talk is fairly evenly split by gender (52.5% male and 47.5% female), while the commercial news, talk and information audience tilts more heavily male (56.1%

and 43.9% female). That gender gap in commercial news/talk narrowed 10% over the previous year (2004), from a 22% disparity. 50

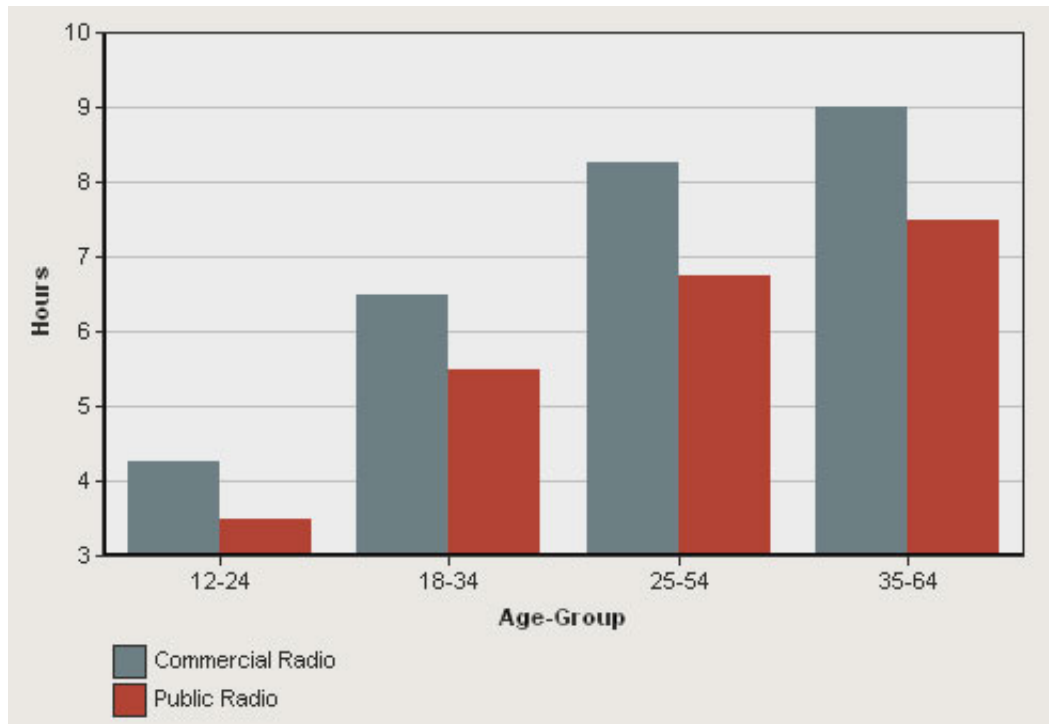
- Nearly equal to the previous year, more than 71% of public radio news, talk and information listeners were college graduates. That number for commercial listeners was 43.1%. High school-only graduates made up almost 20% of the commercial news, talk and information audience but less than 7% of the public radio audience. Both figures were unchanged from the previous year. 51
- Public radio audiences also tend to occupy a higher economic stratum. Some 50% earn an annual income of \$75,000 or more, up 3% over the previous year. By contrast, 36.8% of commercial news, talk and information listeners earn that much. 52
- Public radio listeners, according to Scarborough data, are 14% more likely than all consumers to vote in presidential elections and 24% more likely to vote in statewide elections. 53

Also, unlike commercial radio audiences, the audience for public radio tilts somewhat more Democratic, a trend that has become more pronounced recently. According to a survey conducted by the Pew Research Center for the People and the Press, there is a ten-point difference between National Public Radio listeners who define themselves as Democrats and those who identify as Republicans. Of those who tune in at least occasionally, 40% identify as Democrats, 30% as Republicans and 39% as Independents. 54

The total audience for news/talk/information, on commercial and public radio combined, tilts Republican, according to Arbitron: 36% identify as Republicans, 27% as Democrats and 26% as Independents. 55

One other difference between public radio audiences and commercial news/talk audiences is the time they spend listening. According to the Arbitron data, people listen to commercial news, talk and information longer. Commercial audience members aged 35 to 64 spend nine hours listening a week. News, talk and information public radio listeners of the same age spend an hour and a half hours less, 7.5 hours. That gap has narrowed slightly since last year. 56 One reason people spend less time with public radio news may be that most of news/talk time on commercial stations tends to be talk, while most NPR stations include considerably more news programs each day, and that news includes a certain amount of repeat programming. NPR's Morning Edition, for instance, is two hours long each day before repeats. Rush Limbaugh alone, by contrast, airs for three hours.

## Time Spent Listening to News/Talk/ Commercial Radio Vs. Public Radio 2005



Design Your Own Chart

Source: Arbitron, "Public Radio Today: How America Listens to Public Radio Stations," July 27, 2006 and "Radio Today: How Americans Listen to Radio, 2006 Edition," February 14, 2006.

## Economics

Economics

*By the Project for Excellence in Journalism*

The economics of radio are in transition. Revenues for most companies are fairly flat. Advertising, moreover, has become a double-edged sword. If there is too much of it, that can drive listeners away in a medium with so much competition. Some companies have reduced the number of commercials they carry and raised their ad rates.

At the same time, the finances of the new technologies are still evolving and remain uncertain. The picture, generally, is of a medium in which changes are occurring rapidly.

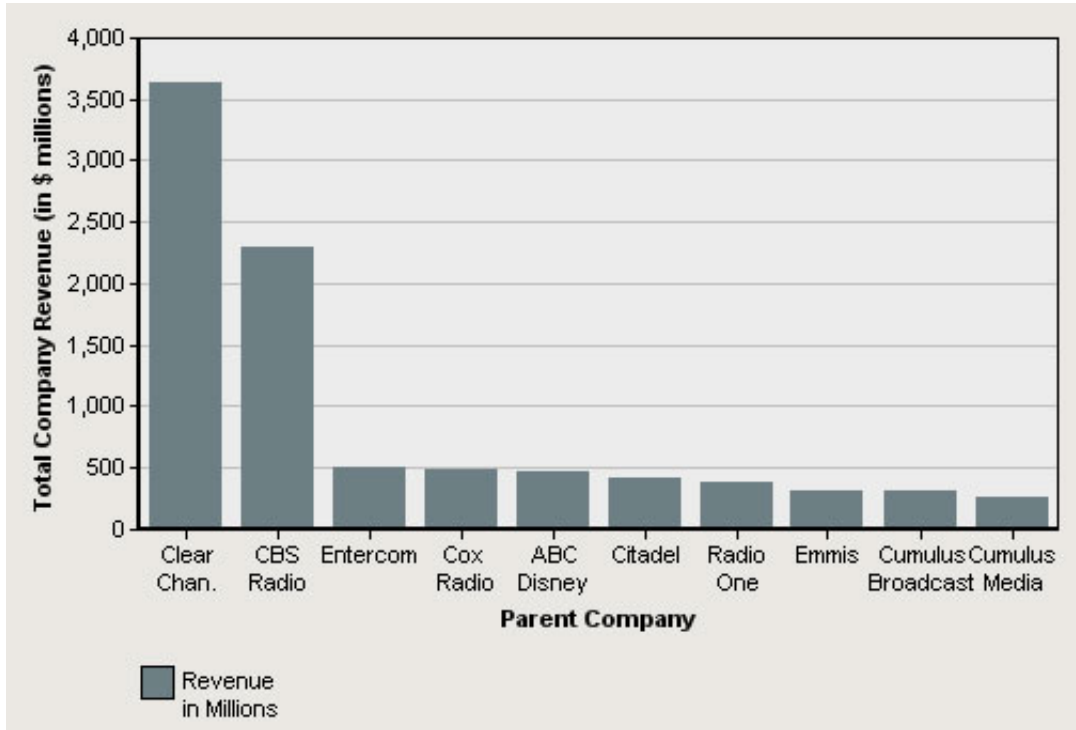
### Revenue of Traditional Radio

As the notion of radio listening expands to include new digital options, traditional over-the-air radio stations and owners are faced with tough financial decisions.

In the short run, the conventional metrics suggest the industry is managing to get by. But the signs that something bigger needs to change seem unmistakable.

By one basic measure of financial health, company revenues from radio, the industry is trading water. In the year for which the latest full data are available, 2005, things were generally flat. Most of the top radio broadcasting companies increased their year-over-year radio-based revenues only marginally from 2004 to 2005. And one, Cumulus Broadcasting, was down.

Total Revenues for Top Ten Companies, 2005



Design Your Own Chart

Source: BIAfn Media Access Pro

The signs for the 2006 results do not look all that much more promising.

## Advertising

Another measure of financial health is overall radio advertising revenue, and in 2006 the industry was flat.

According to the Radio Advertising Bureau, total ad revenue was up just 1 percent in 2006 over the year before. 1

Much of the gain for the year came from national advertising, the smaller of radio's two main revenue sources. National grew 5% to \$3.55 billion, while radio's biggest income generator, local advertising, fell 1 percent to \$15.48 billion. 2

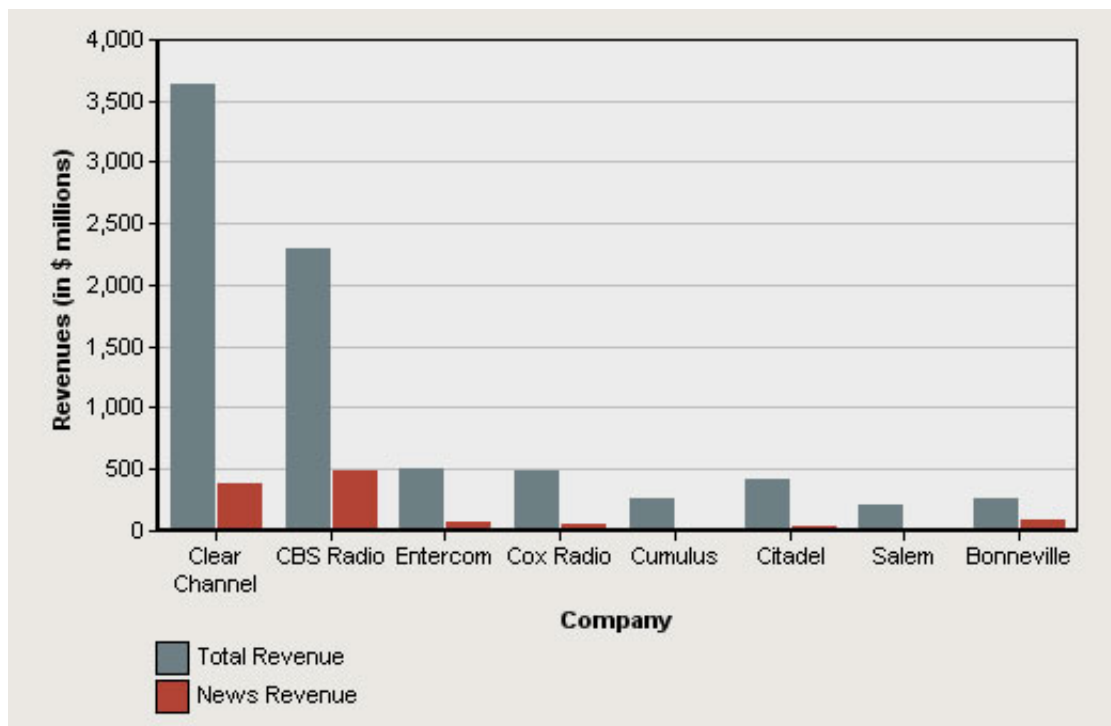
The numbers for the year might have been even worse had it not been for a boost from the fourth quarter, when total advertising revenues rose 3%. And much of that came in October (up 6%) and November (3%), suggesting that at least part of it came from election-year advertising.

### News Format Stations

Where does news fit into this economic equation?

Revenues of Top Companies: Total vs. News Revenue

2005



Design Your Own Chart

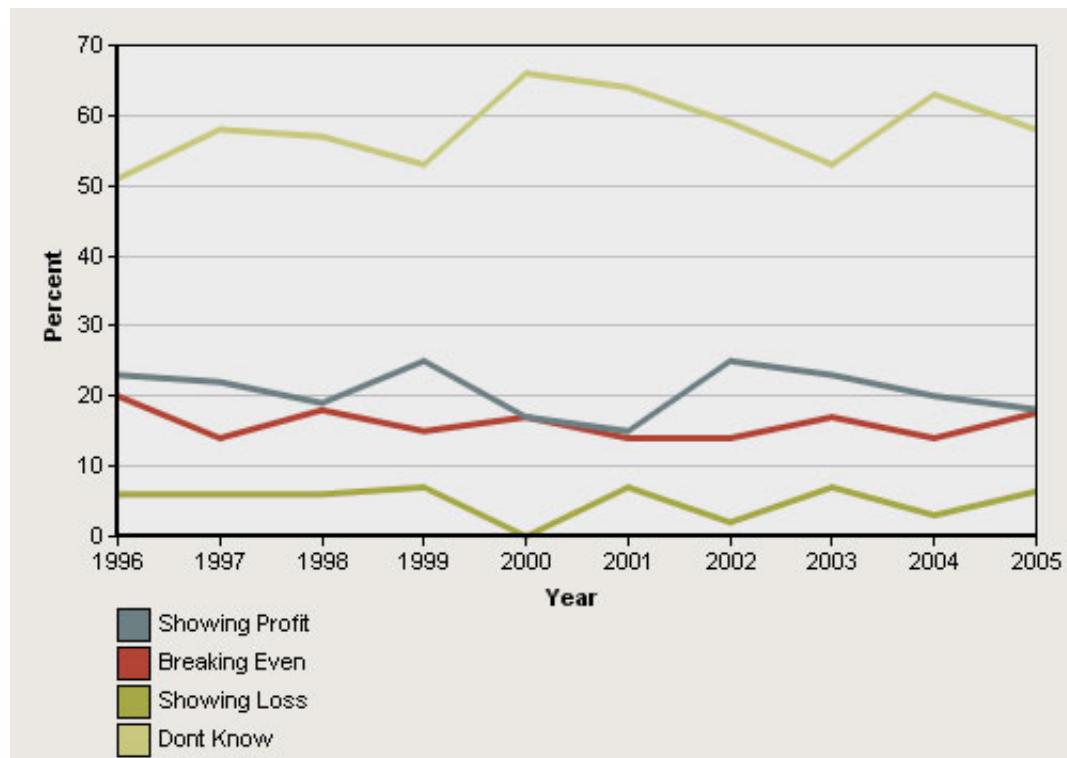
Source: BIAfn Media Access Pro

For the larger companies, newsrooms generated only a small portion of total company revenue in the latest year for which there are data, 2005. Of the top five total revenue-generating companies (Clear Channel, CBS Radio, Entercom, Cox Radio, and Citadel), CBS was the only one that earned more than 15% of its revenue from its news operations (21.3%).<sup>3</sup> Clear Channel, the top overall revenue-earner, generated 10.4% from news. Entercom brought in 13% and Cox, 12%. Bonneville, which ranked 11 th on the list of top revenue-earning companies, however, brought in about 35% of its total revenue from its news operations.

Other research paints an even more dismal picture of the economic viability of radio news. One major source of information is an annual survey of news directors conducted for the Radio and Television News Directors Association by Bob Papper of Ball State University. Since 2003, the survey has shown a steady decline in the number of newsrooms turning a profit for their stations, at least according to news directors who said they knew whether or not their stations were turning a profit. The number of stations actually losing money has moved up and down. In the 2006 report, the number of newsrooms showing losses rose.<sup>4</sup>

### Radio News Profitability

Survey of news directors, 1996-2005



Design Your Own Chart

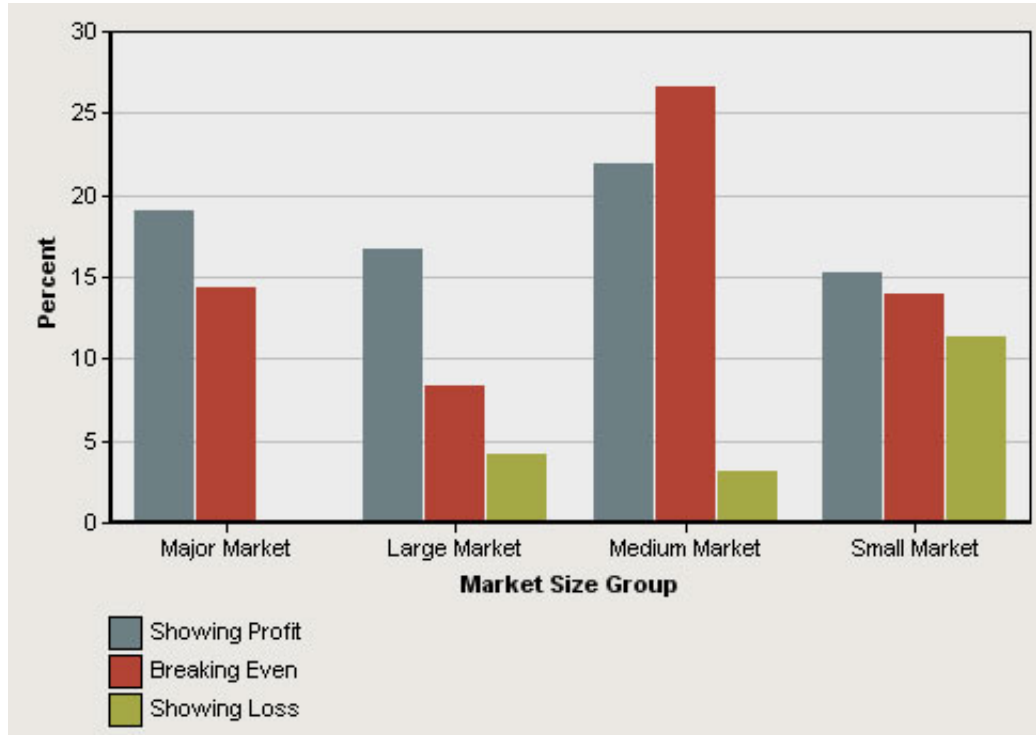
Source: RTNDA/Ball State University Newsroom Surveys

Note: Based on survey responses of news directors

Looking at newsrooms by market size, it appears that those in major markets and large markets are doing better than their counterparts in medium and small markets. More news directors in the larger markets reported profit gains than reported losses. Few directors in medium-sized markets reported losses; most reported that they broke even. Losses were reported by a greater percentage of small-market directors, but on the whole, they broke even. 5

## Radio News Profitability by Market Size

2005



Design Your Own Chart

Source: RTNDA/Ball State University Surveys

Note: Based on survey responses of news directors. \* Major markets are those with 1 million or more potential listeners. Large markets are 25,000 to 1 million; medium markets are 50,000 to 250,000; and small markets are fewer than 50,000 listeners.



## **Satellite Radio**

If traditional radio, including news, was facing trouble, could the new audio formats be more successful?

Satellite radio, one of the first of the newer technologies, showed early promise, but as with its audience picture, it seemed to lose its economic momentum in 2006. The two companies – Sirius and XM – announced in February 2007 their intent to merge. Though rumors of a merger percolated in the media at the end of 2006, both companies initially denied such intentions. (See Ownership). So what were the economic factors that determined the merger?

For both XM and Sirius, the average cost of increasing new subscriptions has been high, as both have aimed to attract big-name and big-cost talk personalities like Howard Stern and Oprah Winfrey. In the end-of-year Securities and Exchange Commission filings for 2005, Sirius posted an \$863 million net loss, XM \$667 million. <sup>6</sup>

At the onset of 2006, both satellite stations predicted they would reach the magical break-even point by year's end. That didn't look likely as 2006 came to an end. Based on preliminary financial data, both companies said they achieved positive cash flow — bringing in more than they spent — in the fourth quarter of 2006. While that is a positive indicator, it isn't by itself a guarantee of longer-term economic viability, since cash flow doesn't necessarily account for things like large capital expenditures or deferred payments to talent that weren't paid during quarter. That is one reason the two companies felt compelled to merge.

Another indicator for the economic status of satellite radio is the sales of the radio devices themselves. According to *Business Week*, Sirius and XM sold more than 325,000 portable satellite radios in the U.S. from September 2005 to August 2006, an 88% increase over the previous year. Revenue from those sales increased by nearly 50%, generating \$80 million, according to consultants at the NPD Group. <sup>7</sup>

The industry has also been beleaguered by legal challenges. In May 2006, record companies filed a lawsuit, accusing XM of copyright infringement over portable music devices that allowed users to store and download songs from XM music channels. Record labels demanded increased licensing fees, which Sirius had already agreed to pay, though the amount has not been disclosed. <sup>8</sup> XM was also asked by the FCC to discontinue production of three handheld radio devices that the agency said failed to meet FCC broadcast emission standards and created conflicts with public radio signals. <sup>9</sup>

The two companies' decision to merge may alleviate some of these financial pressures. It remains to be seen, however, if the Federal Communications Commission will allow it to happen.

### **Talk Talent on Satellite Radio**

In efforts to increase the popularity of satellite radio, both XM and Sirius continue to seek high-profile entertainment for talk shows. In September 2006, Oprah Winfrey launched her own 24-hour talk radio channel, Oprah and Friends, on XM Radio. How much of this is Oprah and how much is her friends is uncertain, but the schedule line-up suggests that the friends may make up the vast majority of the program time. In the ceaseless competition between the companies, Sirius signed on Jane Pratt, founder and former editor-in-chief of *Jane* magazine.

For both XM and Sirius, the average cost of increasing new subscriptions has been high, as both try to attract big names, which means big-cost. <sup>10</sup> The Oprah deal, for instance, was sealed in February 2006 when she signed a

three-year contract with XM for \$55 million. Compared to Sirius's 2005 5-year deal with Stern at \$500 million, XM's contract with Oprah was a relative bargain. But that is the gambling table where satellite radio has chosen to sit down. On a virtually commercial-free platform, it's a high-stakes game to increase revenue through subscriptions, which the companies have been betting celebrity personalities can attract. Now they are betting on the Federal Communications Commission allowing them to merge.

## **HD Radio**

How significant financially is the emergence of HD radio? At this point, the financial impact is marginal. But the potential is there.

One deterrent to growth is cost. There are no subscription fees, but HD requires dedicated receivers to receive the multiple signals the technology offers. The receivers are expensive compared with the cost of Internet radio or even satellite radio (the basic models cost roughly \$180, compared to \$60 for satellite) <sup>11</sup> and choice is limited.

Manufacturers of the receivers are trying to make them more affordable, and the public seems ready to welcome that: Arbitron reports that 35% of the population would be willing to buy an HD radio if it were reasonably priced, at \$50 or less. <sup>12</sup> That number drops to 21% when the value of the hypothetical HD radio is \$100, to 9% at \$200 and to a meager 5% at \$300.

Some radio executives hope that as more stations provide HD signals, demand and supply may converge at a price that the average consumer considers reasonable. In October of 2006, WIYY in Baltimore became the 1,000th station in the nation to broadcast with a digital signal. <sup>13</sup>

In an effort to expand the reach of HD radio and make it profitable, stations banded together in December 2005 as the HD Digital Alliance. Peter Ferrara, CEO of the alliance, told Radio Ink's Joe Howard in an interview that the alliance gave HD radio providers a chance to combine their resources and promote themselves. <sup>14</sup> For example, they have worked with companies like BMW to put HD radios in new cars, in select models as a \$500 option. Ferrara said eight other automakers are on board in the next couple of years.

According to Ferrara, station members are joining the alliance because they "understand that this is where our industry is headed. Just as we went from AM to FM, going from AM and FM to HD is an equal if not greater quantum leap in technology." <sup>15</sup>

After all, some say that HD radio holds promise to help compensate for a medium that has been permitted to consolidate to proportions that limit consumer choice. With media ownership rules being bandied about again at the Federal Communications Commission, portending further deregulation and consolidation, HD radio could offer a solution to consumers worried about limited choice and local content. As the Washington Post writer Rob Pegoraro wrote, "In lieu of a breakup of radio conglomerates such as Clear Channel or a massive shift in programming philosophy at individual stations, those 'HD2' channels may be radio's last, best hope to escape its playlist prison." <sup>16</sup>

## **Internet Radio**

Measuring revenue from Internet radio is not a refined science. Most radio Web sites add their revenue statements to

the radio station's overall revenue figure, or in the case of networks like NPR, to the total organization's economic figures. NPR said in its most recent annual report, for the financial year 2005, that it spent 3.5% of its total expenses, about \$5 million, on its online product. 17

One of the few indicators we have on the economic viability of Internet radio comes from the 2006 RTNDA/Ball State University Annual Survey of news directors. Based on the survey responses, only 4% of news directors reported that their news station Web sites were turning a profit. Some 20% said they were breaking even, and 11% said the Web sites were losing money. The remainder of news directors said they did not know. 18

Another indicator of the economic status of Internet radio is advertiser and consumer expenditures online. According to the media and communications analysis firm Veronis Suhler Stevenson, online radio advertising spending (the standard of measurement used as a close proxy for revenue) rose 77% in 2005 to \$60 million. 19 Furthermore, consumer revenue to stations (subscriptions to Internet radio and podcasts) increased 170% in 2005 over the previous year, to \$27 million.

Internet radio — often considered a competitor to traditional radio—has demonstrated itself as a boon to some stations, particularly local public radio stations who offer an eclectic mix of content and unique talk programs. An October article in the Wall Street Journal highlighted the success of KCRW, based in Santa Monica, Calif., which reported tens of thousands of new listeners who were checking out its online stream. In October of 2006, Google Analytics, a Web analysis service, recorded 760,000 unique visitors to the site, compared to 585,000 the year before. 20

Furthermore, the Internet can add a potentially new audience base to radio — people outside the local community. KCRW, for example, maintains its largest online audience segment from Southern California, but its non-local audience collectively exceeds that number, with New York leading the pack, followed by San Francisco and then Tokyo.

Since public radio stations generally earn a large percentage of their revenue from listener pledges, the new online audience offers a potentially expanded pool of pledge donors. A management consultant for KCRW said that even if just 1% of its growing Web audience were to become members, it would be a financial success. 21

In the case of KCRW, 1,000 of the 16,000 pledges it received in a recent drive came from outside the Southern California broadcast area. Could the Internet be a boon for public radio? As Ruth Seymour, KCRW's station manager, told the Wall Street Journal, "One of the things we know is how much we really don't know." 22

## **Podcasting**

The profitability of podcasting heading into 2007 also remains more a matter of potential than reality.

In July 2006, Nielsen Analytics released a report called "The Economics of Podcasting," which reported that 6% of U.S. adults (9 million Web users) had downloaded podcasts in the past 30 days. Almost 4 in 10, or 38%, of those downloaders said they listened to traditional radio less because of podcasting. The most successful podcasts were garnering as many as two million downloads a month. 23

Those numbers make podcasts an attractive outlet to advertisers. With the medium still in its infancy, a few podcasts are already starting to generate income. National Public Radio has been actively attracting sponsors on its podcasts. Will it work? That is less clear. According to the Nielsen survey, 60% of survey respondents said that they “always” fast – forward past commercials. 24

### **Economics of Public Radio**

When people think about the financial picture for radio, they often overlook one of the most important platforms for news — public radio. The fact that those stations do not carry commercials hardly means those stations are immune from financial pressure.

Public radio stations have witnessed some major changes in their funding sources in the past several years. Revenue once came largely from the federal government and listener donations, but public radio budgets nowadays are increasingly dependent on corporate advertising revenue. According to Tom Thomas, co-chief executive of Station Resource Group, a Takoma Park, Md., public radio consulting firm, public radio stations now count 18% of their revenue from businesses and 11% from the federal government. In 1980, by contrast, public radio got a third of its funding from the federal government and only 8% from businesses. 25 The shift has raised some concerns. A July Wall Street Journal article printed testimony from several listeners who felt that their local public stations had defected to the side of profit-maximization, causing them to tune out.

NPR, the largest programming service provider for public radio, experienced a gain in net assets of \$17.7 million for the financial year 2005, according to the system’s annual report. 26 Of its total revenue for the year, \$159 million, about \$81 million came from membership dues, station programming fees and distribution services, which is about \$3 million more than the previous year. Another \$57.6 million came from grants, contributions and sponsorships in 2005, which compares with \$267.8 million in 2004; most of that derived from the \$225 million gift from the estate of the late Joan Kroc, widow of McDonalds Corporation founder, Ray Kroc.

As for NPR’s expenses for the fiscal year 2005, they increased from the previous year by about \$16 million. 27 Spending on news and information operations increased by about \$6.6 million, or 13%, to a total of \$56.7 million.

### **Online Gurus, Google, Heading to Radio?**

In 2006, Google, the new dominant company in search and online advertising, took its first glance at radio. In January, it acquired dMarc, a “digital solutions provider” for the radio industry. dMarc is known for facilitating relationships between advertisers and radio stations via an automated advertising platform that streamlines the process. The acquisition cost Google \$102 million in cash, though performance-based payments could tack on additional \$1 billion over the next three years. 28

The benefit to Google reportedly was to create another channel of distribution — namely radio, though it is looking at print newspapers as well — for its online AdWord clients. According to Tim Armstrong, vice president of advertising sales at Google, “We anticipate that this acquisition will bring new ad dollars and accountability to radio by combining Google’s expansive network of advertisers with dMarc’s talented team and innovative radio advertising technology.” 29

With dMarc's technology, Google began testing Google Audio Ads, its new radio advertisement service, in December of 2006. The service allows advertisers to target their radio listeners by location, station type, and even the days and times they tune in. At a point when radio advertising revenue is ailing, the sorting and targeting of consumers through Google technology might breathe some life back into radio budgets. But some worry that Google's approach may be too radical. Lew Dickey, chief executive of radio station owner Cumulus Media Inc., told the Wall Street Journal, "...the Google approach...represents the antithesis of value-added selling," or having trained advertising specialists who can offer advertisers solutions based on their experience.

## Ownership

Ownership

*By the Project for Excellence in Journalism*

One story above all others dominated the landscape of radio ownership in 2006. For a decade Clear Channel was the industry giant, owning nearly triple the number of stations of its nearest rival, leading the way in automation, revenues and profits. The company rode the train of consolidation and expansion allowed by deregulation in the 1990s more aggressively than anyone else. To many in and outside the industry, it stood as a possible harbinger of where radio was headed.

Thus when Clear Channel suggested in October that Wall Street pressures and the focus on stock price were such that it could no longer manage its future as a publicly traded company, people took notice.

For now, Clear Channel's dramatic move stands alone. But another player, Disney, has decided to leave the field altogether. Clear Channel's decision also comes a year after other companies, namely Viacom, began to split operations; and several radio companies, led by Clear Channel itself, experimented with shorter and less frequent advertising formats.

### Clear Channel Deal

While some analysts may have looked at the declining revenues and share value of the large radio corporation as clear indicators for major economic changes, few could have predicted how suddenly or how quickly the public-to-private transaction would be made.

The details of the sale bear repeating. In late October, Clear Channel announced it was being acquired by two private equity firms — Thomas H. Lee Partners and Bain Capital Partners — for a total of \$18.7 billion, plus the \$8.1 billion in Clear Channel debt. By year's end the company also was discussing selling off 448 of its smaller-market radio stations, as well as its television stations.

Clear Channel had rocketed to dominance in response to changed radio ownership rules written into the 1996 Telecommunications Act. Three years later, in 1999, the Wall Street Journal named Clear Channel the fifth best-performing stock of the 1990s. By 2000, the company had purchased over 1,000 new stations. But some of the

competition and many consumers grumbled that Clear Channel's domination was diminishing the quality of the AM/FM radio dial by monopolizing key markets and homogenizing content. Meanwhile, the company's outdoor advertising division also swelled in dominance and value. By 2004, both Clear Channel and shareholders started to notice the company's growing pains.

Before long, the boom was over. In response, Clear Channel initiated a grand share-repurchasing program. And in 2005, it spun off its entertainment division in addition to 10% of its outdoor advertising operation. The company also experimented with new ways to maximize advertising revenue with its "Less is More" campaign, an attempt to slash the length of ads at a slightly reduced cost to advertisers.

Despite the fact that Clear Channel remained the highest revenue-generating radio owner — \$3.6 billion in 2005, over \$1 billion more than the second-place competitor, CBS Radio at \$2.3 billion — Clear Channel's stock value had been sliding. <sup>1</sup> Five years ago, its stock was valued in the range of \$50. <sup>2</sup> In the months before the sale, stock values were regularly dipping below \$30. With the announcement of the merger, stocks improved to the \$35 range.

As of December 2006, it was not known whether the Mays family would continue operating the company, though both sides offered the usual praise for each other. But the step Clear Channel took is becoming a popular one for large media owners. In both the radio and newspaper industries, public owners have been selling their corporations to big-money private owners. <sup>3</sup>

Over all, the public-to-private strategy seems to be motivated by an agenda for long-term growth. According to the BIA Financial Network radio analyst Mark Fratrick, "By going private, these companies and their financial backers believe that they can grow in value over the long term without being concerned about investors' quarterly targets." <sup>4</sup>

Underscoring that sentiment, an internal memo from Clear Channel said of the deal, "We need to shift our focus to meet new demands in order to grow our audience and our revenue... Ultimately, we expect our overall size to grow in 2007." <sup>5</sup>

### **Walt Disney Company/ABC/Citadel**

The year of 2006 began with the Walt Disney Company's decision to sell ABC Radio, consisting of 22 stations, to Citadel Broadcasting. Disney had been planning the sale for some time, having begun the auctioning process in the summer of 2005. According to Disney's CEO, Robert Iger, the sale would help the company focus on its core TV, movie and theme park businesses. <sup>6</sup>

Until mid-January, though, Citadel was not considered the frontrunner for sealing the deal. Other companies competing in the auction were competing broadcasters, Entercom, Emmis, Cox Radio and Cumulus, as well as the private equity firm Kohlberg Kravis Roberts.

The agreement between Disney and Citadel, announced on February 6, 2006, was valued at \$2.7 billion. It will elevate Citadel Broadcasters to the third largest radio owner, up from sixth place. The deal is expected to be final in early 2007.

## The Top Companies

Despite the Clear Channel sale, and with its planned sale of 448 smaller stations still to be completed, the basic outline of radio ownership — who owned what stations — remained fairly stable in 2006, along the lines of the previous year.

Number of Stations Owned by Top Broadcasting Companies  
2005

Rank	Owner	Total # of Stations	# of News Stations
1	Clear Channel	1184	132
2	Cumulus Broadcasting	300	31
3	Citadel Broadcasting	223	19
4	CBS Radio	179	22
5	Educational Media Foundation	161	0
6	American Family Association	128	0
7	Salem Communications	106	23
8	Entercom	103	15
9	Saga Communications	87	12
10	Cox Radio	78	6
11	Regent Communications	74	7
12	ABC/Disney	72	0
13	Radio One	69	4
14	NRG Media LLC	59	3
15	NextMedia Group	58	6
16	Family Stations	54	0
17	Entravision	52	0
18	Three Eagles	46	4
19	Multicultural Radio	45	3
20	Nassau Broadcasting	45	3

Source: BIAfn Media Access Pro, unpublished data

Clear Channel, as of the close of 2005 when that information was gathered, continued to be the clear leader in the total number of stations it owned — nearly four times the number of total stations as its next competitor, Cumulus. 7

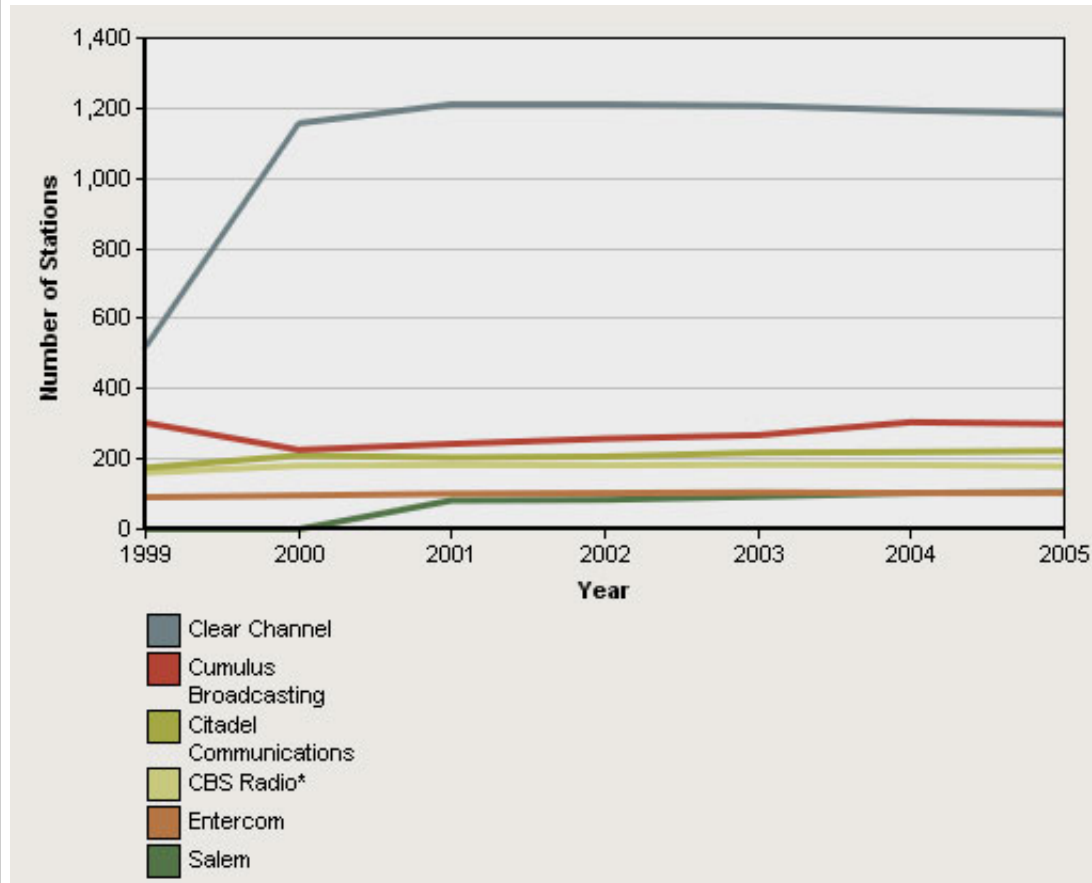
Similarly, Clear Channel owned more than four times the number of news channels as Cumulus. But in proportion to the total number of stations owned, 23 rd-ranked Cherry Creek formats about 24% of its stations as news, followed by 22% of Salem's stations and 15% of Entercom Communication's stations.

The list of top owners, according to the number of stations owned, looks much different than the top owners by revenue. The top three owners by revenue are Clear Channel, CBS and Entercom (See Economics).

Changes in ownership through 2006 have been marginal. But 2007 promises some big changes, anticipated in large part by Clear Channel's expected sale of almost 450 radio stations.

### Change in Stations Owned by the Top Companies

1999-2005



Design Your Own Chart

Source: BIAfn Media Access Pro

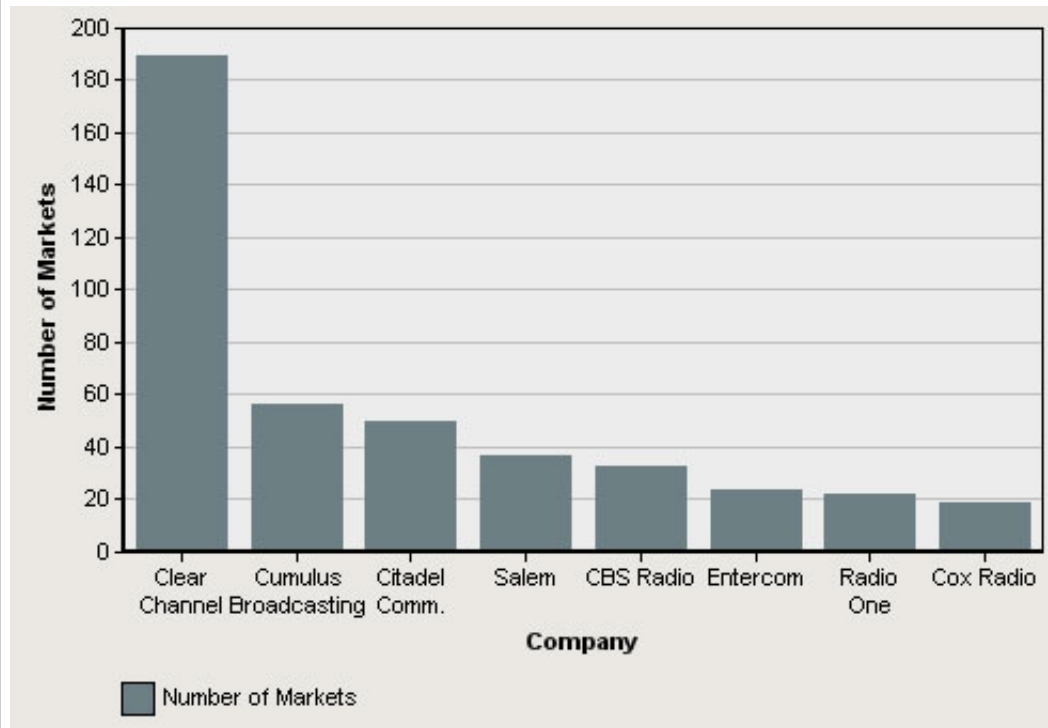
Note: \*Due to restructuring within the Viacom Corporation, Infinity is now CBS Radio



In looking at the number of markets reached by the top companies, as in years past, Clear Channel dominated for the latest year available, 2005: 189 markets versus 56 for Cumulus, which had the second-largest market reach. 8 The top five companies other than Clear Channel, however, are closely clustered in the number of markets reached, with a spread of only 23 markets separating second-place Cumulus and fifth-place CBS Radio. The figures are similar to those for the previous year, 2004. The only real change was that Infinity, which is now CBS Radio, lost some of its market reach, going from 41 markets in 2004 to 33 in 2005 as CBS.

### Number of Markets Reached by Top Companies

2005



Design Your Own Chart

Source: BIAfn Media Access Pro

Note: Due to restructuring within the Viacom Corporation, Infinity is now CBS Radio

### Air America Bankruptcy

One other major development in the ownership picture of radio in 2006 was the growing financial woes of the fledgling liberal talk radio network Air America.

Air America, begun in 2004 as a liberal alternative to the burgeoning array of conservative talk personalities, filed for

Chapter 11 bankruptcy protection on October 13. The announcement came after two weeks of speculation and rumors, accompanied by fervent denials from Al Franken and others at Air America.

The truth of Air America's dire financial situation was brought to the forefront by the owner of one of the stations that carried the programming, claiming that the network had not been paying its bills.

In its two years of operation, Air America had never been profitable. It reported losses of \$8.6 million in its first year, 2004, and more than double that, \$19.6 million, in 2005. <sup>9</sup> As the Radio Business Report observed on October 16, "Seems the network got off the ground with shoestrings and credit cards in the first place. So it was never running with a decent amount of cash."

But an internal ABC Radio Network memo disclosed in late October suggested that Air America's financial losses may not have been due entirely to poor business decisions and lack of public interest in liberal talk, but also to an advertiser blacklist of the network. In the memo, ABC Radio Network told their affiliate stations that about 90 prominent advertisers — led by Hewlett-Packard, and including Microsoft, Wal-Mart, Visa, Exxon Mobil, Cingular and McDonalds — did not want their advertisements running during any syndicated Air America programming the ABC stations carried. <sup>10</sup> The consequence of the ad blackout to Air America would be no sponsorship from advertisers participating in the blackout, which could significantly reduce revenue for the network. Reports of such practices are not uncommon; several advertisers exerted similar censorship of their ad content on the Howard Stern show. But because of his popularity, the ad boycott did little to affect the profitability of his program. The practice is also known to occur on other politically opinionated programming like Rush Limbaugh, industry professionals say. The leak of the ABC memo, and the identification of the advertisers, however, was unusual in this case.

Air America has continued programming on the network's 90-plus affiliates around the country, though some of those affiliates have hinted that they might drop the liberal program from their stations.

In late January, Stephen Green, a New York real estate entrepreneur, agreed to acquire Air America for \$4.25 million, which could mark new beginnings for the network. The only major change announced with the purchase was that the popular talk host and comedian Al Franken would be leaving the network on February 14 amid rumors that he'll pursue a seat in the U.S. Senate. Green said that his goals for the company are to stabilize its finances, build upon the current Air America line-up to "assure the best radio talent possible," and extend the platform beyond that of radio in order to reach a wider audience. <sup>11</sup>

## News Investment

News Investment

*By the Project for Excellence in Journalism*

The state of radio newsrooms remains difficult.

While there have been some gains in salaries, the news investment picture becomes less attractive when all the numbers are brought together.

Radio news salaries are still generally lower than those of their television counterparts. Staffing levels appear to be declining. So is the amount of news being broadcast. The situation is further complicated as the amount of news being locally produced still remains cloudy because of the impact of consolidation on radio newsrooms.

### **Amount of News**

The 2004 RTNDA/Ball State survey indicates that more than half of the radio news directors surveyed anticipated a decrease in the amount of news they would be producing. Some 40% indicated there would be an increase.

In that respect, consolidation may be a negative factor. According to the survey there "...were no significant differences [in the amount of news] based on commercial/noncommercial, staff size, market size or region. Group-owned stations were less likely to have increased the amount of news last year and more likely to have cut it back." 1

According to the RTNDA/Ball State survey data, the average radio station in America doing news produced fewer than 40 minutes of radio news locally each day in 2004. Much of that, 18.1 minutes, occurred during the morning drive time, from 6 a.m. to 10 a.m. 2

Consolidation has made it almost impossible to track long-term trends in areas like the amount of locally produced news. While anecdotal data, like the survey information from RTNDA/Ball State would appear to indicate that locally produced news is in decline, statistical data cannot be used to accurately reflect a trend.

Measured by market size, the amount of locally produced news jumps somewhat erratically. Over all, the major markets produce more than double the national average —93.5 minutes a day — and large markets are also above average at 52.1 minutes. Medium markets produce the least amount, less than half an hour (23.2 minutes) while small markets produce some 35.2 minutes. 3

Especially among the major markets, though, it is important to remember that the newsroom that is "locally producing" news is probably producing news for multiple stations. That makes any kind of clear trendline regarding either the increase or decline of radio news production problematic.

### **Newsroom Size**

Much like the figures for radio salary, the numbers for newsroom size are difficult to fully factor out. Even with salaries apparently increasing slightly, radio newsrooms *appear* to be shrinking. The picture gets fuzzier, too, because people working in newsrooms increasingly handle news for more and more stations.

In other words, while a single newsroom may have six employees — the same number it had three years ago — those six people may be producing news content for three additional stations, which makes the sense of newsroom stability something of an illusion.

The average news director in 2004, for example, oversaw 3.75 stations, according to the latest data from the RTNDA/Ball State survey. And the great majority produced news for more than one station. Only about a quarter of

news directors in America are now programming news for a single outlet. That number rose just slightly from the year before (27% in 2004 versus 25% in 2003) but those overseeing nearly quadrupled, to 19% from 5%.<sup>4</sup>

Not only have news directors taken on more newsrooms, they have less staff to help run them. Two-thirds of news directors decreased their newsroom size in 2004, according to the survey data, while less than a quarter (23%) increased them. What's more, the situation is expected to get worse. Fully 77% anticipate their newsroom decreasing, with only about 10% expecting increases. According to the survey, noncommercial news stations were twice as likely to have added staff as well as to anticipate future staff increases.<sup>5</sup>

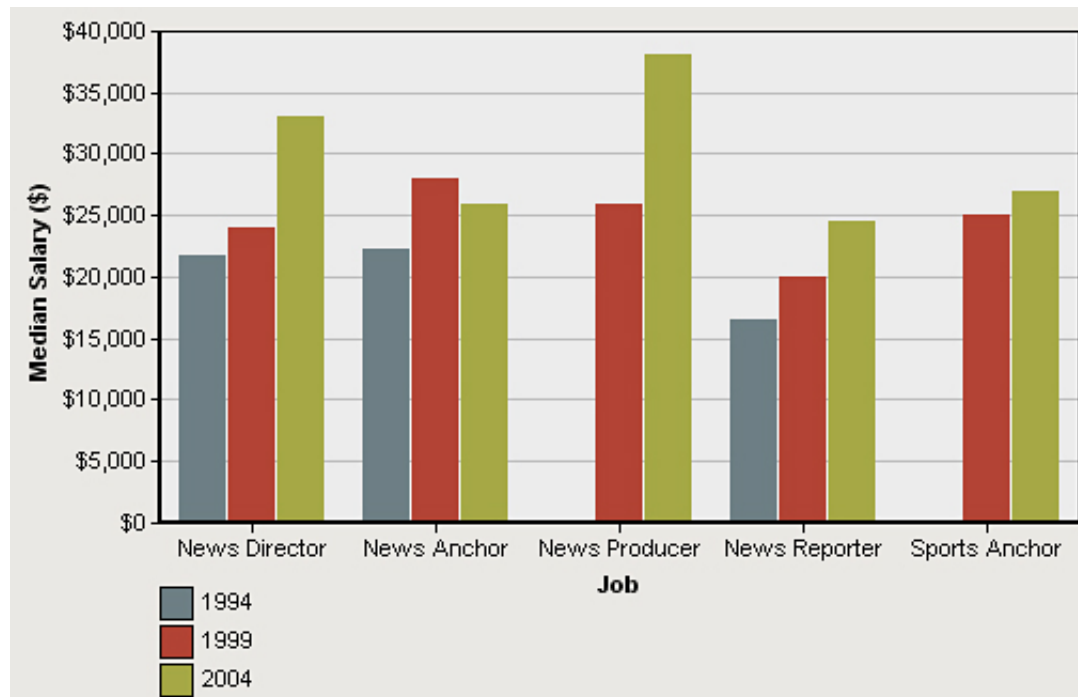
## Radio Salaries

The RTNDA/Ball State University annual news director survey showed that radio news salaries as a whole climbed 3.2% from 2003 to 2004.<sup>6</sup> The increase, however, was largely for senior positions.

The median salary jumped \$13,000 for news producers and \$9,000 for news directors. The salary for a radio news reporter increased just slightly to \$24,500, while news anchor salaries dropped by \$2,000 to \$26,000.<sup>7</sup>

## Radio Salaries, Over Time

Survey of news directors, five year intervals



Design Your Own Chart

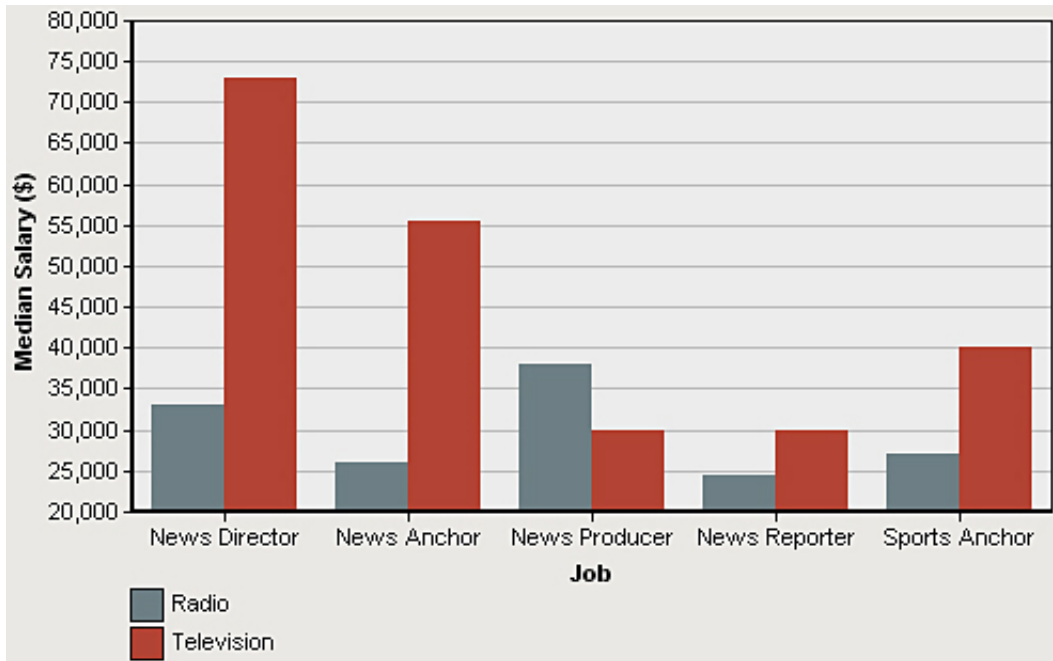
Source: Bob Papper, "Salary Survey," RTNDA Communicator, June 2005, pg. 26

And as Papper points out, the numbers could be skewed by the fact that there are fewer news producers.

Radio news salaries for the most part also still sit below those of television. Radio news directors make less than half what their television counterparts do, \$33,000 versus \$73,000, according to the RTNDA/Ball State survey. So do radio news anchors, \$26,000 versus \$55,500. The difference is not as great between reporters — \$24,500 for radio and \$30,000 for television. Radio news producers are the lone standouts, making \$38,000, \$8,000 more than those in television. 8

## Radio vs. Television Salaries

Survey of news directors, 2004

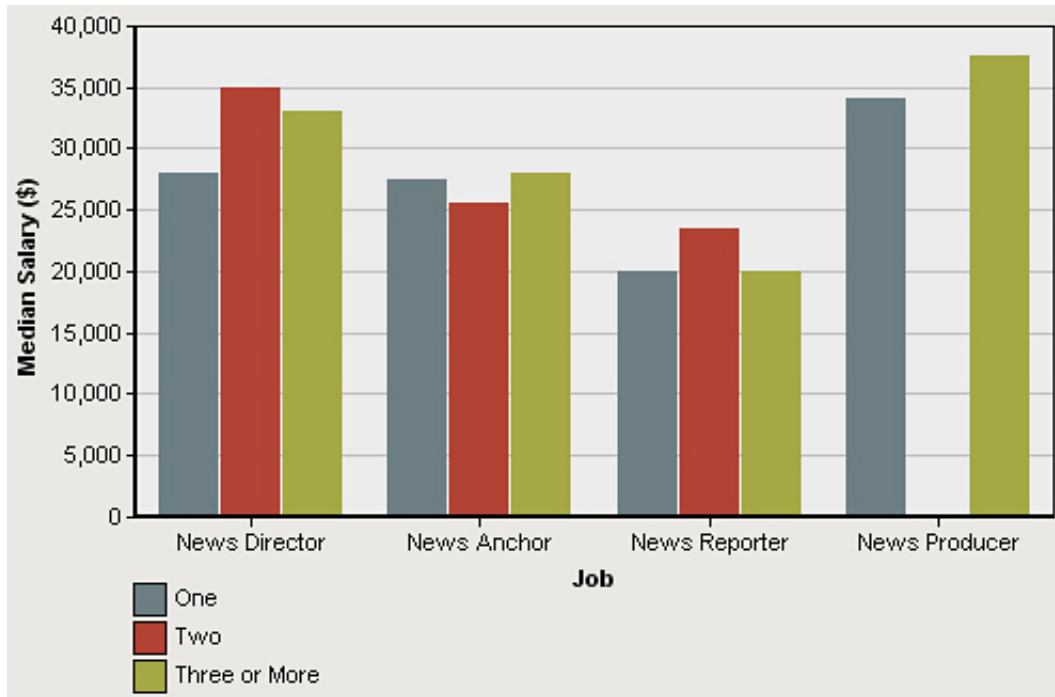


Design Your Own Chart

Source: RTNDA/Ball State Newsroom Surveys

## Radio Salaries, by Number of Stations Served

Survey of news directors, 2004



### Design Your Own Chart

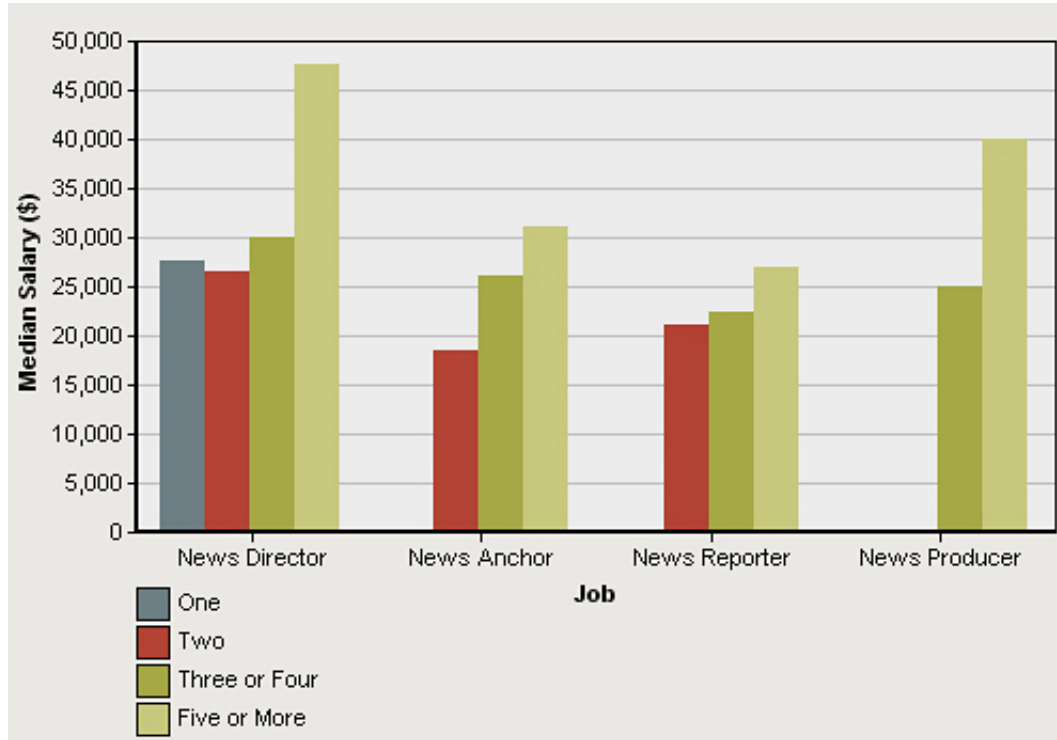
Source: RTNDA/Ball State University Newsroom Surveys

\* Insufficient data available for News Producers serving two stations.

And what about the effects of newsrooms serving more than one station? Does the staff benefit financially from the added responsibility? The answer seems only to a certain degree. News directors serving two stations earn more than those serving one, but they also earn more than those serving three. The same holds true for reporters. Anchors, though, seem better served by sticking with just one station.

## Radio Salaries, by Full-time Staff Size

Survey of news directors, 2004

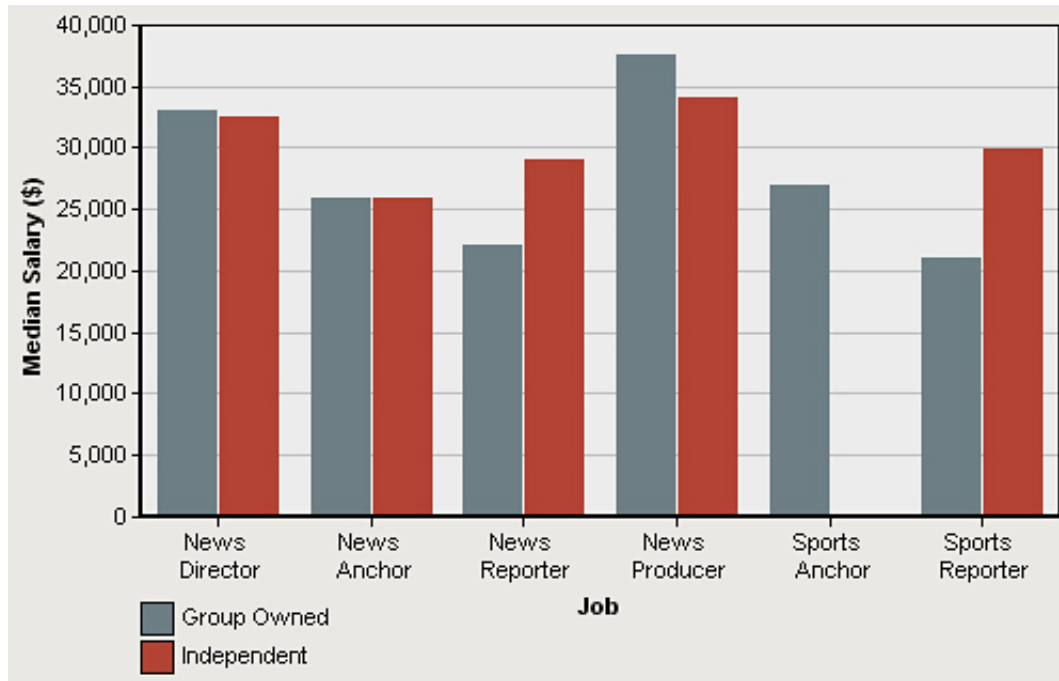


Design Your Own Chart

Source: RTNDA/Ball State University Newsroom Surveys

And when it comes to size, larger newsrooms tend to provide higher salaries, with the exception of news directors at two-man operations. A staff of three or five or more suggests, then, a station that places a higher premium — and therefore a larger budget — on its news operation.

## Radio Salaries, by Ownership Survey of news directors, 2004



Design Your Own Chart

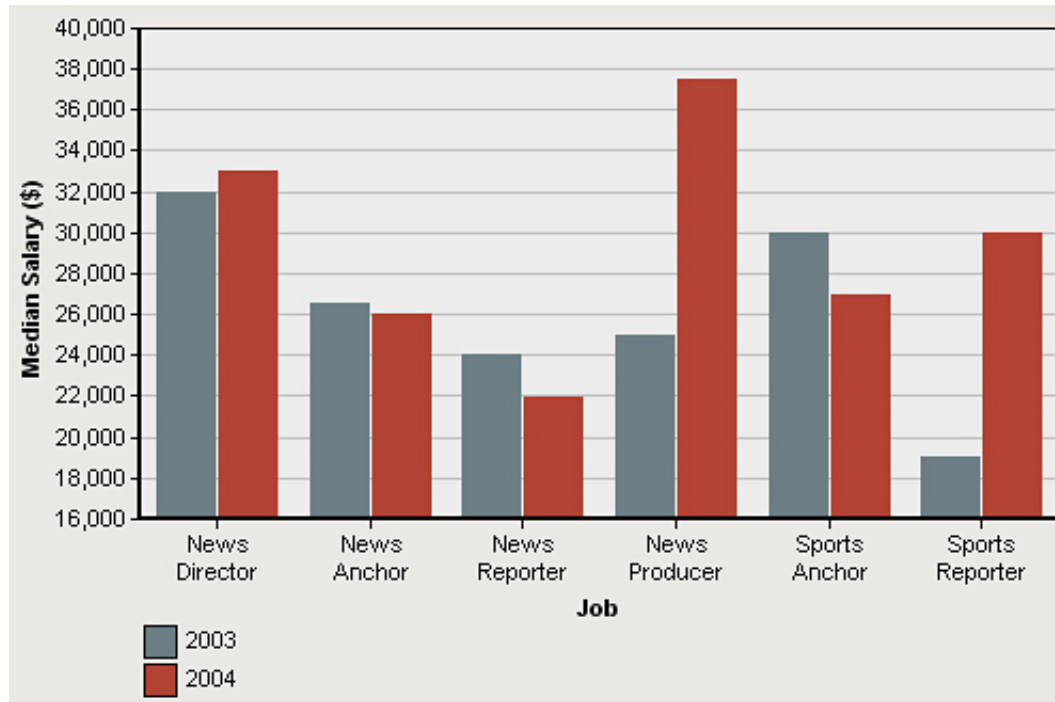
Source: RTNDA/Ball State University Newsroom Surveys

It's difficult, however, to parse much more of a trend than this out of the raw numbers. Salaries fluctuate by job description, with news directors making slightly more money when they work for group-owned stations but reporters making less. News producers earn more money at group-owned stations, but sports reporters do better at independents. The salary changes between 2003 and 2004 at group-owned stations show that news directors are making more but anchors and reporters are making less. Producers and sports reporters are making more but sports anchors are making less. The bottom line is there is no way to infer from the data whether radio news salaries are affected by whether a station is group or independently owned.



## Radio Salaries, Group Owned Stations

### Survey of news directors, 2003-2004



Design Your Own Chart

Source: RTNDA/Ball State University Newsroom Surveys

### Newsroom Diversity

The latest data about newsroom diversity brought outrage among journalist organizations such as UNITY: Journalists of Color (a consortium comprising the national minority journalism membership organizations: Native American Journalists Association, Asian American Journalist Association, National Hispanic Journalist Association and the National Association of Black Journalists).

The data, again from an RTNDA/Ball State survey in 2004, show that the number of journalists of color working in local radio declined from 11.8% to just under 8%. The minority population of the U.S., according to the survey, is approximately 33%.<sup>9</sup>

UNITY responded that it was “discouraged by the fluctuation of the percentage of journalists of color working in local radio... The percentage of people of color in radio has dropped 50% since 1988, when stringent EEOC” —Equal Employment Opportunity Commission — “rules were eliminated. Journalists of color made up 16% of the radio workforce that year.”<sup>10</sup>

Hispanics are the largest minority in the U.S.; by the end of 2004, the country’s more than 41 million Hispanics were

roughly 14% of the total population. <sup>11</sup> And it is a population that radio broadcasters have become increasingly interested in. Hispanics also make up the largest percentage of the minority radio news work force, 6%. African Americans, Asian Americans and Native Americans each constitute less than 1% of that work force.

In addition, the numbers were better and had improved for Hispanics in terms of news directors. Compared to 2003, the percentage of Hispanic news directors increased some 6% to 8.8. Native Americans, on the other hand, made up just 2.2% of news directors, down from 2.7% in 2003, and African Americans and Asian Americans, based on survey results, remained statistically absent from those posts on a national scale.

The average number of minorities on a radio news staff was less than one (.3).

The statistics raise more questions when looked at in relationship to minority audiences for news/talk and information programming. Neither commercial nor public radio audiences for that format include a large segment of either black or Hispanic listeners. The commercial audience has only 7.6% black listenership and 5.9% Hispanic. Public radio listenership is even lower, only 6.1% black and 5.2% Hispanic.

[Click here to view footnotes for this section.](#)

## Digital

Digital

*By the Project for Excellence in Journalism*

As radio's future for growth gains new potential, so have the possibilities for the medium online.

That is something of a turnaround. Initially, the Web was primarily text-oriented. Audio online seemed less intuitive to Web users. Traffic for early Internet radio was not impressive. And radio Web sites overall have tended to lag behind others in content.

That seems to have changed with the growing popularity of MP3 players and other mobile delivery systems, the majority of which are audio-based.

### Radio Investment Online

As with businesses of almost any sort these days, the vast majority of traditional radio stations have Web sites. According to the 2006 RTNDA/Ball State University Annual Survey of news directors, 87% of all radio stations had their own Web sites by the end of 2005. <sup>1</sup> Independently owned stations and those with small staffs were less likely to have them.

The development of the sites is less impressive. The average number of full-time employees devoted to Web site content is a relatively meager 1.1, according to the RTNDA survey. Stations in the largest markets tended to devote

more — 2.2 full-time employees versus .8 in small markets — and the smallest-market stations were more likely to have people devoted only part time to the Web product. 2 News directors at small stations reported, on average, that more than three-quarters (76%) of their staffs share responsibilities between the broadcast and online content. That was true of just 17% of stations in major markets.

The cautious approach to the Web may be at least partly linked to the limited return on investment radio stations are seeing there. According to the RTNDA survey, station news directors were more than twice as likely to report their Web sites losing money than making any — 10.5% versus 4.2%. 3 Another 20% reported breaking even. (Most, 65%, didn't actually know whether their station sites were financially successful or not).

Could added investment make the sites more appealing to audiences and thereby to advertisers? Or would increased resources go unappreciated, leaving stations in worse financial shape than before? It's something of a chicken-and-egg problem, with little resolution in an industry in transition on the question of which — online investment or online revenue — must come first.

### **Digital Content**

And what of the content on these sites? The evidence suggests that radio Web sites differ widely in how much they offer and the regularity with which they update news content. Even their greatest asset — local news — is not uniformly present on the sites.

The RTNDA survey found that as of 2005 only 70% of radio Web sites provided local news, down from 77% of those surveyed the previous year. 4 That was true even though in public opinion surveys, Web users continuously report turning primarily to radio Web sites for local news. 5

To get a closer look at the specific features of different news Web sites, the Project conducted a detailed site study of 38 news Web sites rooted in the various media platforms, from newspapers to cable TV to Web only site. We looked at the kind of content they offer, the technology levels employed, the relationship with users and the economic structure. The overall findings across the 38 sites (as well as an interactive tool to help citizens evaluate their favorite news sites) can be found in the **Digital Journalism chapter**.

For the radio component of the analysis, we looked at the Web sites of NPR, as a national distributor of content to public radio stations, and WTOP, as a Washington-based local news radio station. Both are among the strongest operations in news radio and are likely to represent the high end of what the industry is offering.

Both were among the more sophisticated news sites studied and had moved to providing more online than they could in their original medium.

### **National Public Radio ([www.npr.org](http://www.npr.org))**

NPR.org is becoming something of an identity unto itself, a destination offering substantially more than just radio programs moved online. The site leads with a top story usually presented as a package with multiple links and multimedia components. That is followed by a list of other top news stories, which, once accessed, are offered as both audio and text.

Below the top stories comes a mix of news content, including a list of top e-mailed stories (updated continuously), a sidebar of news topics for further reading/listening, and Associated Press headlines.

Amid all this content is a clear sense of the NPR **brand**—a clear emphasis of this site, and a category where it got some of its highest marks. The vast majority of stories posted on the site are researched and written by NPR's staff, something it accentuates by offering bylines to most stories as well as links to the author's biography. In addition to the NPR content, the site augments its stories with a limited selection from the A.P.

The other area where NPR.org excels is in allowing users to **customize** the NPR content to their own interests or needs. Both RSS feeds ("really simple syndication") and podcasts are prominent features, situated in the upper left-hand column of the homepage. The RSS link takes users to a page where they can choose to receive particular categories of news feeds (e.g., opinion), specific programs (e.g., Morning Edition), topics (e.g., children's health), or particular member-station feeds (e.g., KQED in San Francisco). All in all, there are 52 categorical RSS feeds and 19 member station feeds. Another feature extensively employed on the NPR site is podcasts. The podcast link from the homepage takes the user to an extensive directory of podcasts organized by "this week's picks," topic, title and by station provider. As of February of 2007, though, the site had yet to embrace the latest trend of mobile phone delivery.

NPR.org was in the mid-level range when it came to use of **multimedia** forms. Audio features were prominent, with some live streaming options, podcasts and other MP3 downloads. These are supplements, though, to the more common text and photo elements on the home page. And, the site did not offer video content.

Clicking further inside the site, however, reveals more of a multimedia feel. Once users click on a story headline from the main page, they are taken to the transcript of the story (or a synopsis) and are then presented with the choice to read or listen to the story. Indeed, NPR.org stands out in offering about 85% of its content simultaneously as textual narrative and audio streams or podcasts.

A big question facing all online entities is one of **economics**. NPR.org hosted only two advertisements on its home page, one self-promotional, the other a PBS logo. Still, it does find a way to draw in some revenue. The site charges users for some archive material: \$3.95 for a single archived transcript, or \$12.95 for a monthly subscription to the archive (up to 10 transcripts).

### **WTOP Radio ([www.wtop.com](http://www.wtop.com))**

Washington-based WTOP represents an entirely different look at radio online, one which is simultaneously local and national in scope. The homepage features an obvious lead story; an invitation to visitors to listen to WTOP radio news; weather and traffic information for the day; and a prominently featured local news section. Advertisements also have a heavy presence.

WTOP.com ranks in the top tier for offering **customizable** options. Users can subscribe to both RSS feeds and podcasts, and its RSS feeds are relatively varied (totaling 12 different feeds, all of which are different categories of news). WTOP also goes further than NPR in providing on-demand listening options: visitors can sign up for content

delivery (headlines, weather, traffic and breaking news) to their mobile phones.

WTOP.com is still largely about narrative text (it makes up close to three-quarters of the content with still photos the second-most common form). Still, it did make some effort at **multimedia** forms (falling in the mid-level range of all sites studied) with some presence of video stories, slideshows, interactive graphics and yes, live streaming audio. *Listening* makes up only a small though prominent part of the Web site's homepage with a section called "Audio Center" that is devoted to live streaming of the WTOP radio station content.

The site puts less emphasis on its own original **branded** content, relying mostly on the A.P. The heavy use on wires reflects the larger reality of radio today — even in Washington, D.C., national and international news comes heavily from sources other than the station itself. And even for local stories, only some had WTOP staff bylines; most came from the A.P., along with a few contributions from the Washington Post.

Economically, WTOP seems to emphasize **revenue streams** from its Web site, as opposed to simply leaning on its radio station for cash-flow. It averaged close to 20 different ads on its home page, only one of which was self-promotional. Ad eyeballs, it seems, are the way users pay for use of the site. All the content is free and there no registration is necessary.

### Other Radio Web Sites

To broaden our understanding of radio-based Web sites, we conducted a quick study of five other online radio offerings to compare with NPR and WTOP.

#### Radio site comparisons

Call letters	NPR	WTOP	KALW	WAOK	WJIM	KTRH	KNUS
City	N/A	Washington, D.C.	San Francisco, Calif.	Atlanta, Ga.	Lansing, Mich.	Houston, Texas	Denver, Colo.
Owner	NPR	Bonneville	SF Unified School District	CBS	Citadel	Clear Channel	Salem
Website	npr.org	wtop.com	kalw.org	waok.com	wjimam.com	ktrh.com	710knus.com
RSS	Y	Y	N	N	N	N	N
RSS choice	Y	Y	N	N	N	N	N
Podcasts	Y	Y	N	Y	N	Y	N
Mobile delivery	N	Y	N	N	N	N	N
User	Y	N	N	N	N	N	N

content	High	High	Low	Mid+	Low	Mid+	Low
Multimedia	High	High	Low	Mid+	Low	Mid+	Low
*video	N	Y	N	Y	N	Y	N
*live stream	Y	Y	Y	Y	Y	Y	Y
*other	Y	Y	N	N	Y	N	Y
Story source	self, AP	self, AP, Wash Post	self, NPR, BBC, other	CBS, AP, AJ-C	ABC, wire	AP, WSJ, other	AP
Pay for content	some	N	N	N	N	N	N
Total ads	2	36	6	11	0	20	9
Local section	N/A	N	N	Y	Y	N	N

Source: PEJ Research

The main finding in this abbreviated site comparison is that NPR and WTOP are unusually advanced in their online presence. Only two of the five other radio Web sites (WAOK in Atlanta and KTRH in Houston) offered podcasts, and none stressed their news content enough to provide an RSS service to their Web visitors. Those two sites were also the only ones to provide news in the form of video. That gave them a “medium” score on the multimedia question. Despite being fairly low-tech Web sites, all provided a live streaming connection to actual radio content from the station. Beyond that, the five sites differed quite a bit in their content.

### **2007: A push for digital content?**

Heading into 2007, stations may also feel more drive to develop other digital components, such as Internet listening, podcasting, satellite radio, HD radio, and content delivered to cell phones and PDA devices.

The advantages of those new listening options vary, but in general they all include expanded listening choices, customizability and portability. Ray Davis, program director for WTAM in Cleveland, told Talkers magazine, a journal about talk radio, that his goal was to provide more on-demand products through the Web site so he could complement the radio station and increase revenue. The talk host Chris Core also noted the increasing number of downloads of his show. He added that “I hope my union (AFTRA) changes its Stone Age policy of not allowing commercials to be played over the Internet. We are wasting a huge potential source of money and ratings.”<sup>6</sup>

Clear Channel — the largest radio organization, still owning nearly 1,200 stations (with a fairly big selloff in the offing) — has been making a big push online. Evan Harrison, executive vice president of Clear Channel and head of the online music and radio division, told Talkers magazine that his company has equipped upward of 600 stations’ Web

sites with the capacity to stream content live. He added that Clear Channel had seen a growth in online radio streaming of 50% from 2005 to 2006. Through the use of on-demand sound (podcasts) and the application of a video component to the standard audio content of radio, Harrison says that Clear Channel is really focusing on getting creative to devise new revenue streams. He also says that 14,000 of its traditional advertisers have already signed up to reach Clear Channel's online consumers as well. 7

### **Satellite Radio Online**

Satellite radio, already an alternative to traditional radio listening, is also expanding its options by pushing its product online.

Sirius Satellite Radio offers an online service that includes Internet access to live streams of all its music stations, and a limited selection of its news, talk, sports and entertainment channels, about 15 channels. But the service does not come free. Non-subscribers must pay the standard \$12.95 a month that regular subscribers pay. Regular satellite subscribers, however, automatically receive access to the online version. They can also add Internet-only subscriptions to the account for an additional \$6.99 a month. Online users can also opt to pay for improved CD-quality audio. 8

XM Radio also provides an Internet version of its product. Like Sirius, XM offers only a modified list of its 170 channels online, including about seven non-music channels. XM is marketing its online product as a unique alternative to its satellite line-up, by offering several online-only channels. The cost for non-subscribers to XM's regular service is \$7.99 a month. The cost to current subscribers is uncertain; the Web site informs its customers that "If you already subscribe to XM or are taking an XM trial in your new car, you may be eligible for XM Radio Online, at no additional charge." It is unclear what the stipulations are. 9

### **Conclusion**

Overall, radio has been slower than other media to incorporate new listening formats into its traditional format. That could stem from a perception that online listening and podcasting are direct competitors to traditional radio listening. But such an argument hasn't stopped newspapers, which also compete directly with their own online product, from being leaders in developing sophisticated online products.

Regardless of the reason that radio has been slower to develop online, the imperative exists, and news and program directors are beginning to realize it. Though traditional radio looks to remain a part of people's lives for the foreseeable future, the digital era is certainly upon us. As audience numbers for broadband Internet, podcasts and satellite radio grow, people are getting more and more accustomed to the ease and choice offered by the new digital devices. To compete, traditional radio, likely through HD Radio and Internet radio, will have to offer the same portability, customizability and choice that the new audio options provide.

## Public Attitudes

Public Attitudes

*By the Project for Excellence in Journalism*

The public's relationship with radio has moved a fair distance since the medium's debut in the 1920's. Gone are the days when it was a stationary sound box that the family gathered around. Today, radio is a portable audio device that may carry music or news from a variety of different sources, not bound to broadcasting a traditional AM or FM signal.

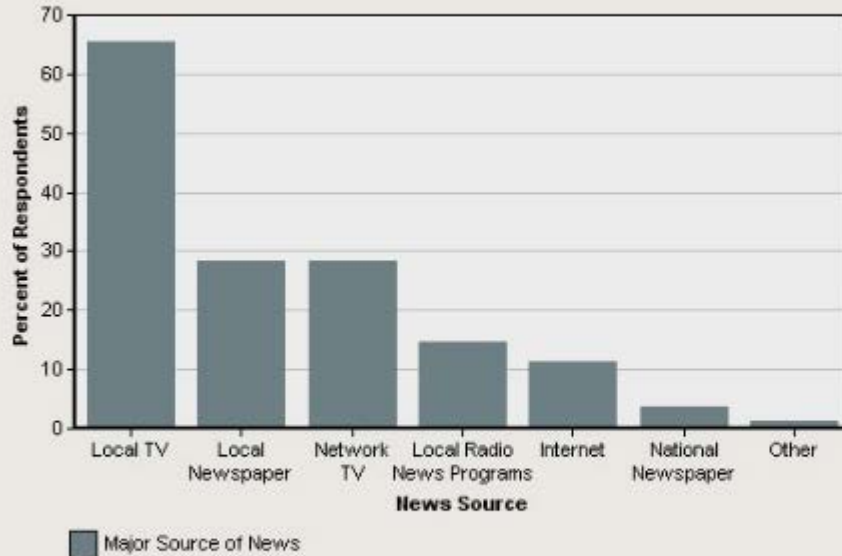
Yet even though the traditional AM/FM dial has lost some of its clout and audience, the quick embrace of portable audio platforms signals the enduring appeal of the power of listening — its intimacy, mobility and adaptability to different styles of content.

According to the 2006 Pew People and the Press biennial news consumption survey, people turn to radio primarily for information. Three quarters of radio listeners cited that as a reason, just as respondents did for newspapers, Internet and television. But radio was also rated highly — more than any other medium — as a place to “pass the time.”<sup>1</sup> That seems to reflect another quality that is vital to radio's appeal: people can do other things while listening, whether driving, walking, cooking, or surfing the Internet.

What type of news do people look to radio for? The data suggest that it's a medium with no particular specialty. Of the nine types of news that Pew surveyed in 2006, radio was not a top-three preference for any. It fared the best for political news, but even there came in fourth of seven information media at 5%, ahead of only magazines, talking with people and “other.”<sup>2</sup> Radio seems a medium for general information and for talk, a jack of all subjects.

News Media That People Turn To

2006



[Design Your Own Chart](#)

Source: Pew Research Center for the People and the Press biennial consumption survey, “Online Papers Modestly Boost Newspaper Readership,” July 30, 2006.



Measuring a different way, a survey by the Radio and Television News Directors Foundation found that local radio news programs came in fourth on a list of seven news sources, ordered by the percentage of people who identify their major source of news. 3

Most Popular News Destinations  
2006

News Source	Percentage of People
Local TV News	65.5%
Local Newspaper	28.4%
National Network TV News	28.3%
Local Radio News Programs	14.7%
Internet	11.2%
National Newspaper	3.8%
Someplace Else	1.3%

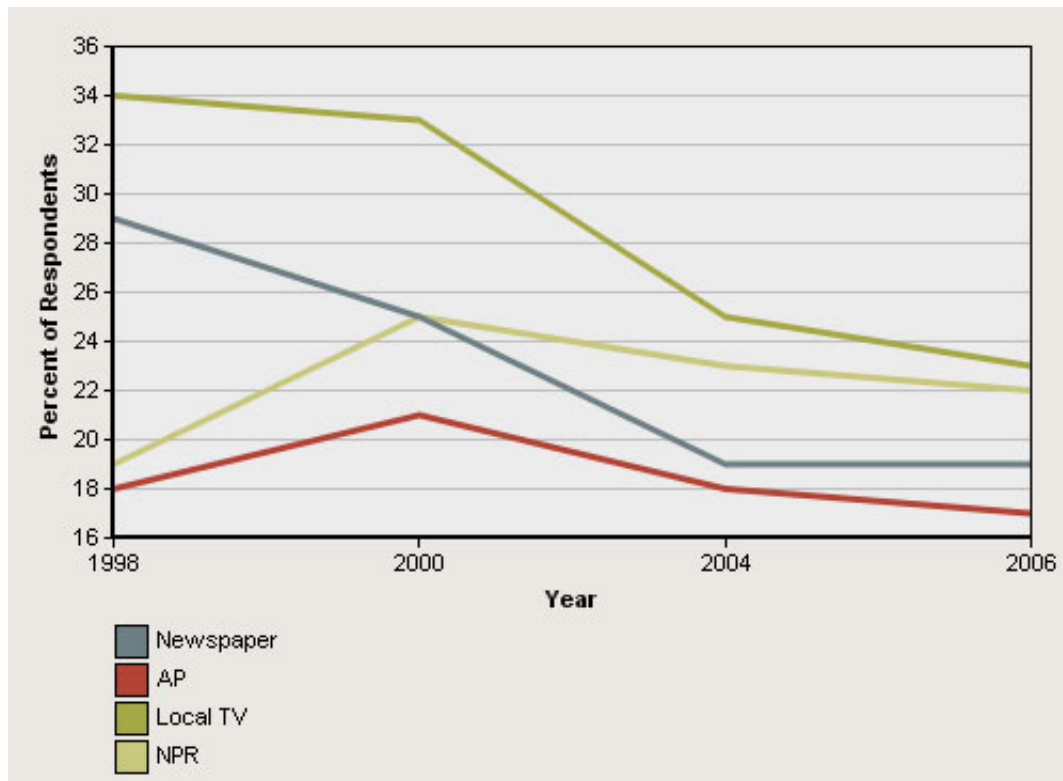
Source: Bob Papper, RTNDF/Ball State University Annual News Director Survey, "Future of News Survey," October 2006

Note: Percentage of respondents citing the news source as their major source of news

One measure of the public's attitudes is the level of trust in certain news outlets. Such numbers are not as readily supplied for radio as for other media. National Public Radio is the only radio outlet about which the Pew Research Center for the People and the Press survey asks respondents to rate believability. Compared with many outlets, NPR ranks pretty well on the believability scale. Since 1998, NPR's believability among the public has been growing, albeit slightly, while other major news sources' rankings have been sinking. What was once a 24-percentage-point spread between top-ranked CNN and NPR has now closed to eight percentage points, though CNN still leads. 4

## News Source Believability

1998 – 2006



### Design Your Own Chart

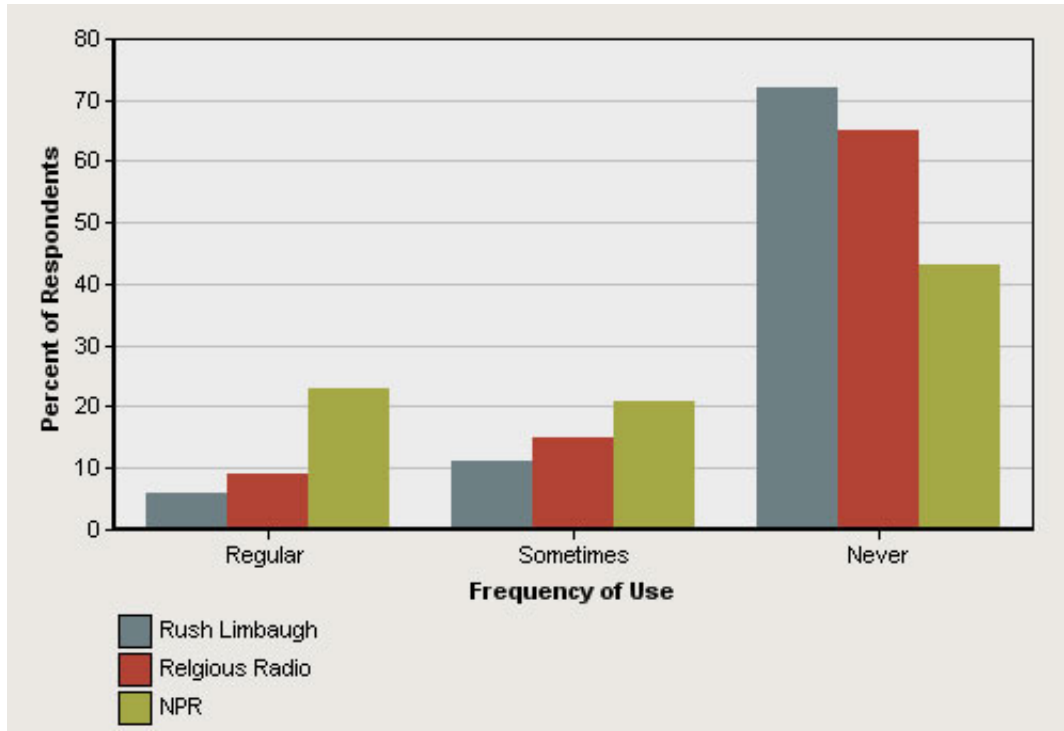
Source: Pew Research Center for the People and the Press biennial consumption survey, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006.

Compared with other information sources, the public also views local radio newscasts as “newslike.” In a survey by Bob Papper and the RTNDF, respondents were asked to score 13 media programs based on a 1-5 scale of how “newslike” they were. Local radio newscasts came in fourth (4.0 on the scale), after local TV news, cable newscasts, and network evening newscasts, each at 4.4. Talk radio programs like Rush Limbaugh and Al Franken scored ninth (2.4), just above Entertainment Tonight and the Daily Show (tenth and eleventh, respectively, with scores of 2.3 and 2.1).<sup>5</sup>

Media consumption choices are also influenced by a person’s overall interest in the news. The vast majority of people who “enjoy the news a lot” (52% of the population) turn to newspapers for their regular news diet (66%).<sup>6</sup> Rush Limbaugh’s talk radio show regularly attracts only 6% of such news junkies. Radio over all has a similar problem. In general, radio (whether NPR, religious radio or Rush Limbaugh) is the least likely to attract the attention of those who enjoy the news a lot. Even NPR only regularly attracts 23% of that category of people.

### Media That News Junkies Turn To

2006



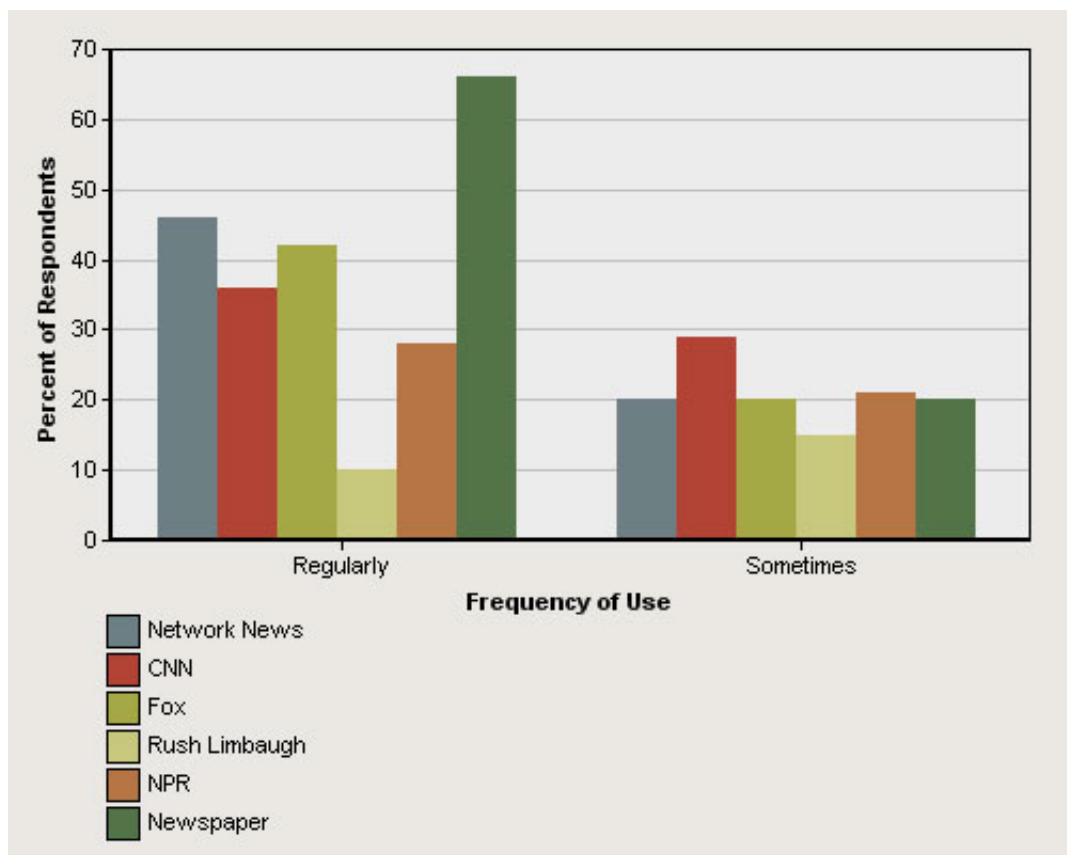
Design Your Own Chart

Source: Pew Research Center for the People and the Press biennial consumption survey, “Online Papers Modestly Boost Newspaper Readership,” July 30, 2006.

Political news junkies show a similar trend, seeking out their political news from newspapers. Slightly more than a quarter of such people, 28%, say they are regular listeners to NPR. Ten percent of them listen to Rush Limbaugh. 7

### Media That People Turn To For Political News

2006



Design Your Own Chart

Source: Pew Research Center for the People and the Press biennial consumption survey, "Online Papers Modestly Boost Newspaper Readership," July 30, 2006.

[Click here to view footnotes for this section.](#)

## Talk Radio

### Talk Radio

The modern era in talk radio effectively began with the Federal Communications Commission's repeal of the Fairness Doctrine in 1987.

Under the doctrine, all sides of controversial and political questions had to be given equal representation on the airwaves. The result up to that point was that radio talk programs consisted primarily of general (non-political) talk and advice. The big names were people like Michael Jackson in Los Angeles, whose program included interviews with celebrities, authors, and civic leaders.

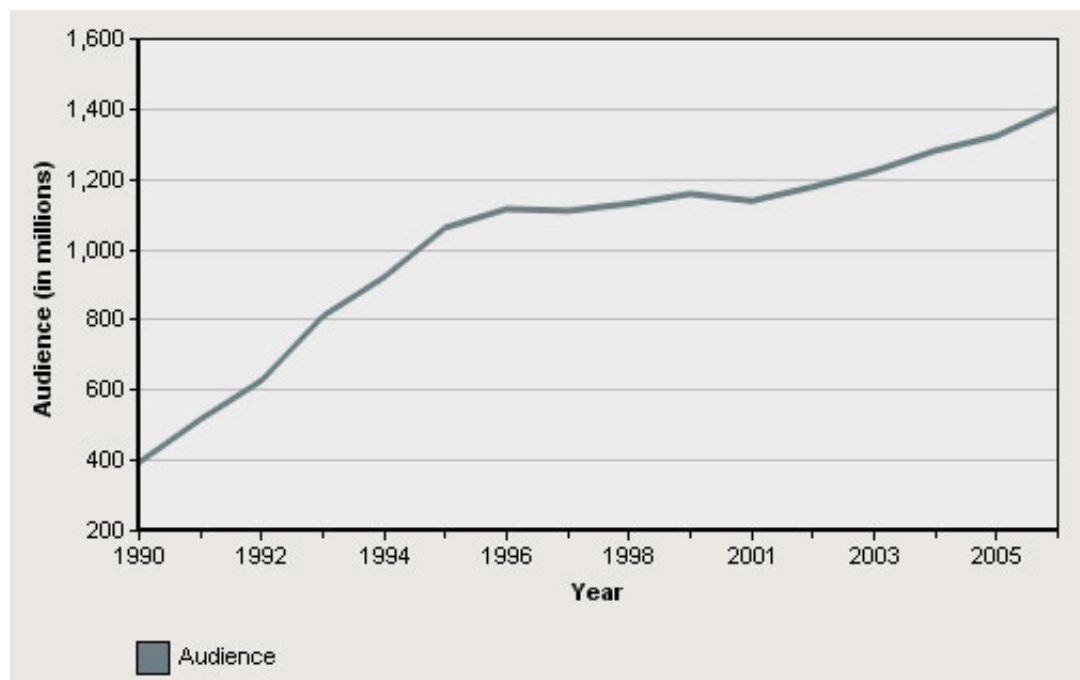
With the doctrine's repeal, radio shows could become more one-sided, more freewheeling, ideological, and political. And it didn't take long. One of the first to gain popularity under the new rules was a new voice out of California named Rush Limbaugh. Within a year or two of the new rules, Limbaugh's provocative denunciations of Democrats became a phenomenon. Stations quickly began to pick up his syndicated show, and other conservative names followed his lead. Being controversial seemed a plus. Among the imitators were G. Gordon Liddy, convicted in the Watergate scandal, and Ollie North, implicated in Iran Contra.

That popularity is clear enough in the numbers. In the wake of the regulatory change, the number of stations carrying the talk format swelled from about 400 nationwide in 1990 to some 1,400 in 2006, according to Inside Radio, a growth of almost 250%.<sup>1</sup>

In the last five years (2001-2006), the growth rate has been a respectable 23%. But much of the explosive growth happened early on.

## News/ Talk Radio Growth

1990 – 2006



Design Your Own Chart

Source: Arbitron, "Radio Today: How Americans Listen to Radio, 2006 Edition," February 14, 2006

Note: No figures available for 2000

Talk radio runs the gamut of topics. But it remains most associated with conservative talk — though even that may be misleading. Talkers magazine, the leading talk radio publication, examines nine separate categories of the format in which "general issues/political talk" leads as the most-programmed talk style. Sports talk is second, followed by "hot talk" or "shock jocks" like Howard Stern. In order, the remaining six talk forms are: popular culture talk (lifestyle, entertainment), financial talk (business, finance, real estate), home talk (home maintenance and improvement, gardening), health talk (diet and fitness), psychology/relationship talk (emotional/mental health issues, romance, family), and specialty talk (computers, automotive).

### Conservative Personalities Dominate

Personality, not just ideology, is a defining quality of the most popular talk programs, and here the first of the new age of talkers remains the most popular of all. Rush Limbaugh, whose career began in 1984, remains the No. 1 talk show host on traditional radio with 13.5 million listeners as of the spring of 2006, according to Talkers magazine. <sup>2</sup>

He was once far ahead of his competition, but some of Limbaugh's fellow conservative talkers are catching up. According to the Talkers estimates, Sean Hannity has 12.5 million listeners followed by Michael Savage with 8.25 million, Laura Ingraham with 5 million, Neal Boortz and Mike Gallagher each with 3.75 million, and Bill O'Reilly with 3.25 million.

Talk Radio Audience  
**2003 and 2006**

Top Talk Personalities	Ideology	2006 (Audience in millions)	2003 (Audience in millions)
Rush Limbaugh	conservative	13.5	14.5
Sean Hannity	conservative	12.5	11.75
Michael Savage	conservative	8.25	7
Dr. Laura Schlessinger	general	8	8.5
Laura Ingraham	conservative	5	1.25
Neal Boortz	conservative	3.75	2.5
Mike Gallagher	conservative	3.75	2.5
Jim Bohannon	independent/moderate	3.25	4
Clark Howard	non-political	3.25	2.5
Bill O'Reilly	conservative	3.25	1.75
Doug Stephen	independent/moderate	3.25	2

Source: Talkers magazine, "Top Talk Personalities," Spring 2006

Liberal talk radio personalities fall much further down the list, according to Talkers' estimates. Ed Schultz ranks first at 2.25 million listeners; the comedian Al Franken is second at 1.5 million, followed by Randi Rhodes and Alan Colmes at 1.25 million listeners each. (Franken announced in early 2007 that his last show would air on February 14. He is said to be considering a run for the U.S. Senate.)

Is the audience for talk still growing? Some data would suggest it is. According to the Pew Research Center for the People and the Press, the number of regular listeners to talk radio grew to 20% of adult Americans in April 2006, up from 17% two years previously. Except for months leading up to an election, that number has been on the rise, and was as low as 13% ten years ago.

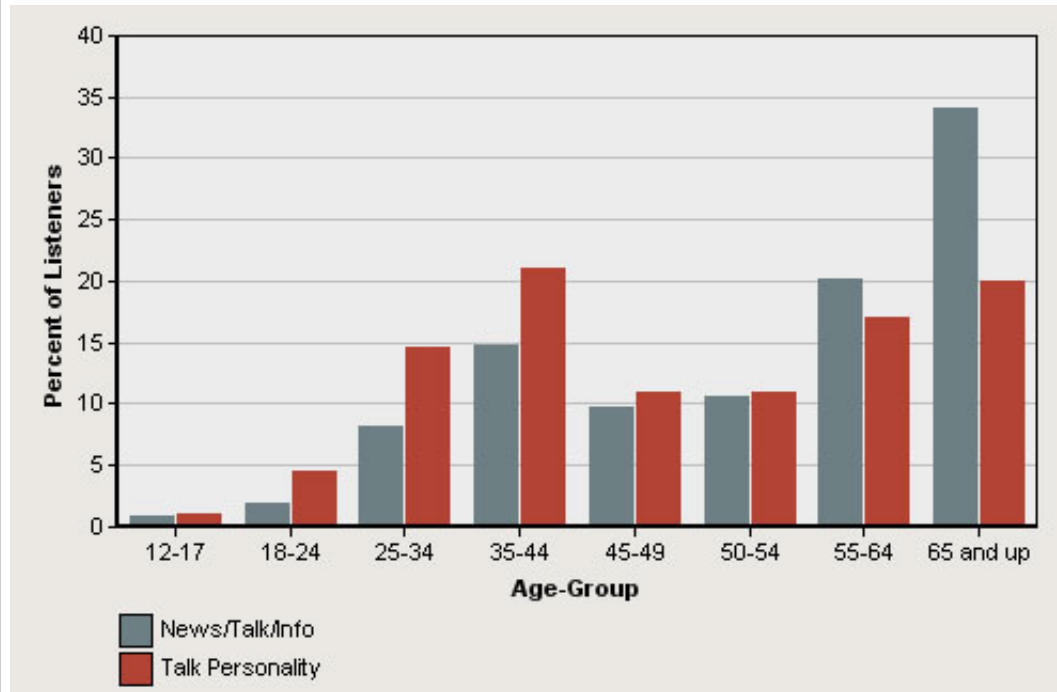
Survey data would also suggest the audience for Limbaugh in particular has dropped from the mid-1990s, but is stable today. In 1994, according to research from Pew, 6% of Americans said they listened to Limbaugh regularly, and 20% said they listened "sometimes." In the most recent survey, 2006, Pew found that 5% of the public listens to Limbaugh regularly, a figure that has remained steady over the past 12 years, but occasional listeners dropped to 11% in 1996 and has basically stayed there in the 10 years since. 3

## Who Listens to Talk

Talk radio also attracts a different audience, even from more conventional news and information on radio. The talk radio audience is younger than the more inclusive “news/talk/information” format. More than a third (36%) are between 25 and 44 years old, compared with 23% in the broader news/talk/information grouping. According to Arbitron, talk personality stations tend to attract a younger audience by distinguishing themselves with “edgier programming.”<sup>4</sup>

### Listeners To News and Talk Personality

2005, by Age



Design Your Own Chart

Source: Arbitron, “Radio Today: How Americans Listen to Radio, 2006 Edition,” February 14, 2006

Other characteristics of the talk radio audience, according to the Talkers magazine’s Talk Radio Research Project released in the fall of 2006, are that listeners tend to be male (55%) and white (65%). In addition, 65% of the audience report household incomes between \$30,000 and \$70,000.<sup>5</sup>

The audience is also distinctly conservative, but not necessarily Republican. Talkers magazine data put the party breakdown at 23% Republican, 14% Democratic, and a majority, 57%, Independent. The Pew Research Center for the People and the Press finds a more equal spread among regular listeners to political talk radio: 32% Republican,



35% Democratic and 30% Independent.

How do such listeners see themselves? When asked to describe their own political philosophy, Talkers found that 38% said conservative, 14% liberal and 41% moderate. The Pew Research data put the breakdown for “regular” listeners at 43% conservative, 23% liberal and 30% moderate. While that audience is conservative, it should be noted that the general public also identifies itself more that way. The Pew Research Center finds that the ideological breakdown for the general public is 36% conservative, 21% liberal and 35% moderate.

Whatever their politics, talk radio’s listeners can be activists with an impact. A campaign led by the blogger “Spocko” in 2006 was designed to get advertisers to boycott the San Francisco talk radio station KSFO-AM for what were deemed racially, religiously and violently offensive commentary by four KSFO radio hosts. According to the San Francisco Chronicle, three large advertisers responded to the campaign by removing their ads.

### **Howard Stern and the Satellite Challenge**

One other powerful talk personality who has commanded much media attention is the “shock jock” Howard Stern, most recently for his move from CBS Radio to satellite’s Sirius Radio. In 2003, his radio audience stood at about 8.5 million listeners, which placed him third on Talkers magazine’s list of top talk personalities. Since his move to Sirius at the beginning of 2006, it is more difficult to quantify his audience. Sirius ended 2006 with just over 6 million subscribers, an 82% increase over its close-of-year 2005 figure of 3.3 million. <sup>6</sup> While Stern’s move to Sirius may have contributed to the growth, there is no way to measure the extent to which he was responsible for the subscription gains.

But Sirius certainly gave him some credit. In October of 2004, at the time of Stern’s signing, Sirius made an agreement that if the subscription base exceeded 3.5 million by the end of 2006, he would receive a stock-based performance bonus. In early January, Stern received that bonus in the form of more than 22 million shares of Sirius stock, valued at about \$83 million. <sup>7</sup>

Big-name talk personalities are becoming increasingly popular on satellite radio, which at the end of 2006 had a combined subscriber base of 13.6 million (of which XM Radio reported 7.6 million subscribers and Sirius 6 million. See Audience). Both satellite companies capitalize on their extensive selection of commercial-free music channels, while also offering an ever-growing selection of news, sports and entertainment programming with “limited” commercials. <sup>8</sup> Besides Stern, Sirius boasts unique programming from Martha Stewart, the comedian Raw Dog, Playboy Radio, Court TV Radio and such syndicated political talk personalities as Michael Reagan, G. Gordon Liddy, Ed Schultz and Stephanie Miller. XM boasts unique talent from Oprah Winfrey and Friends, Ellen DeGeneres, Tyra Banks, Opie & Anthony and Bob Edwards, as well as syndicated talkers from conventional radio, Laura Ingraham, Glenn Beck, Bob Costas and Air America.

### **Liberal Talk: A Future or a Failure?**

Talk radio hosts are overwhelmingly political, and overwhelmingly conservative in their ideology, according to talk personality listenership numbers. In fact, of the 40 talkers that made it on the Talkers magazine list of top hosts, only six were liberal (Ed Schultz, Al Franken, Alan Colmes, Randi Rhodes, Stephanie Miller and Lionel). <sup>9</sup>

In an effort to alter those numbers, Air America, amid much fanfare, hit the airwaves in the spring of 2004 with a liberal lineup highlighted by Al Franken and the comedian and actress Janeane Garofalo. Compared with other popular talk programming, however, the network never garnered much of an audience: it reported in late 2006 that its programming reached about 2.4 million listeners weekly.<sup>10</sup>

Though it got off the ground with significant financial backing, the network stumbled through two and a half years before filing for Chapter 11 bankruptcy in October 2006. Despite its financial problems, Air America has remained on the air and has retained most of its affiliate stations, though several opted out of their contracts. Recent news reports say there is a preliminary agreement to sell Air America to the New York real estate executive Stephen Green.

Tom Taylor, editor of Inside Radio, says the network was too concerned with being the antidote to Rush Limbaugh rather than providing great entertainment and making great radio. The advantage of Rush Limbaugh, according to the radio consultant Walter Sabo, is that “he’s a great broadcaster, not a great conservative.” On the other hand, none of Air America’s talk talent, aside from Randi Rhodes, had any previous experience in radio.

Another possible explanation for the lackluster reception for liberal talk radio, some analysts say, is that its conservative competition is inherently more entertaining. As Tom Taylor suggested, conservative “bumper sticker” language is easier to talk about and easier to understand — conservatives stand for cutting taxes and supporting the troops. The progressive stances don’t seem to come in such neat packages — it’s more complicated than, for instance, raising taxes or not supporting the troops.

Others argue that the conservative talk movement is only a response to the rest of the mainstream media, which many conservatives believe is predominantly liberal. It has been an argument for years among some conservatives that NPR is the liberal voice of radio, a claim NPR would dispute. Regardless, it seems too early to tell whether the financial ills and relatively low audience numbers for Air America spell doom for a liberal talk genre.

There seems to be at least one rising liberal talk star, Ed Schultz, the most popular talk radio host of his persuasion on the air with 2.25 million listeners.<sup>11</sup> His show, “The Ed Schultz Show,” began broadcasting in January 2004 and airs from Fargo, N.D. In its brief existence, the show is already syndicated to over 100 stations, including 9 of the 10 largest markets, and Sirius Satellite Radio.

### **The Future of Talk Radio**

The proliferation of new media outlets does have some in the radio industry worried about the future of talk. Ed Christian, president and CEO of Saga Communications, takes a proprietary stance on the idea of sharing traditional radio content with new competitors like satellite radio or the Internet. In an interview with Talkers magazine, he said that “the two things that distinguish our medium [traditional radio] from any other are localism and exclusive content. I believe in not sharing that content with anyone else.” Based on that principle, Christian removed Sean Hannity from the programming schedule at WINA in Charlottesville, VA when the popular radio personality started syndicating on satellite radio. In Hannity’s place, Christian put on a live, local talk show which he said has been very successful in “whipping our former program.”<sup>12</sup>

Underscoring the need for unique programming, Talkers magazine’s publisher, Michael Harrison, wrote that “the

survival of terrestrial radio...boils down to one thing and one thing only: they must program exclusive content unavailable on any other medium.” 13

In such an environment, radio owners and program directors are predicting that investing more in local talk talent may be the key to continued survival. But at least some industry players and observers predict that recruiting the talent may not be easy. Because of the ease, financial efficiency and popularity of programming nationally syndicated shows, they say stations find it costly and difficult to cultivate good local talk hosts who can attract a large audience.

Scott Fybush of Inside Radio warns that “The problem with staffing local talk talent is that it costs money, and talent is hard to find.”

Another potentially important issue for talk radio is the changing political landscape. In light of the 2006 midterm elections, there has been much speculation about how the Democratic Congressional win will affect talk radio — with no clear consensus emerging.

Most conservative talk personalities believe that the party shift will bode well for their shows, giving them more fodder to attack the Democrats. Others say that politics doesn’t matter at all. For instance, Greg Knapp, a talk show host for Radio America, believes that talk radio isn’t driven by elections or politics, “unless you’re Rush Limbaugh.” 14 But as the Texas-based conservative host Lynn Woolley told Talkers magazine, “bubbling under the surface is the liberal resentment of conservative talk radio.” 15 Woolley predicts that the Democratic leadership, especially with the prospect of a Democratic president in 2008, might push for a return of the Fairness Doctrine, which would mandate equal representation of political opinion on the airwaves.

A reinstatement of the policy whose repeal ushered in the modern era of talk radio would dramatically shake up the industry. For now at least, most observers believe that despite changing winds in Washington, it is unlikely to happen.

## Charts & Tables

Charts & Tables

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# THE STATE OF THE NEWS MEDIA 2007

AN ANNUAL REPORT ON AMERICAN JOURNALISM

## Ethnic – Intro

Intro

*By the Project for Excellence in Journalism*

The story of the ethnic media heading into 2007 is one of a bright past and present, but perhaps a more complicated future.

On the surface of the numbers, there is a lot of good news to report. While many mainstream outlets are suffering declines in audience and revenue, the ethnic media seem to be riding above it all. For the most part, their audience and revenue numbers are still growing. Demographic figures show not only that the number of foreign-language speakers has grown, but also that the communities in which those people live have fanned out around the country, creating new markets for the ethnic print and broadcast outlets to serve. And more of the publications are having their circulations audited, a sign of growing maturation and interest in giving advertisers more solid measures of their readerships.

Still, there are signs of potential difficulty in changing demographics. The year 2006 was the first time that growth in the U.S. Latino population came more from births than immigration. And there is reason to believe that those second-generation citizens are more likely to turn to English-language outlets. In addition, experts in the industry say ethnic media are at least five years behind the mainstream media in moving to the Internet, with many smaller publications having done little or nothing in that area. And the sale of the Hispanic broadcast giant Univision in 2006, while it was a blockbuster deal, did not generate the interest from buyers that many had expected.

But this vibrant media sector is healthy, though going through some changes.

## Ownership

Ownership

The biggest shakeup in ethnic media ownership in 2006 — and the biggest for some time — happened on the broadcast side with the well-publicized sale of the TV and radio giant Univision. In September its owner, A. Jerrold Perenchio, sold the network for \$12.3 billion to a consortium of investors including the media mogul Haim Saban. <sup>1</sup>

Perenchio, who purchased the Spanish-language broadcaster in 1992, was always something of an odd fit as a media

titan. While he had owned a few Spanish-language TV stations in New York and Los Angeles, he was mostly known as a fight promoter. Univision was seen as primarily an investment for him to be sold when the time was right. At 74, he was ready to cash in. But the sale failed to draw a large-scale bidding war, surprising many.

Considering the growth of the nation's Latino population (see Audience) and the group's growing buying power, estimated to be roughly \$480 billion annually, interest was expected to be high. <sup>2</sup> But the scenario that many watchers considered most likely, a big bid from the Mexican TV giant Grupo Televisa, didn't materialize before the June deadline. The delay was reportedly due to a dispute with its investment partner in the deal, the Carlyle Group, over how much they would offer for Univision.

Instead, a bid of about \$10.7 billion from the Saban group, a collection of private investors, sat alone on the table. After the deadline, Grupo Televisa finally put forward a bid with a different group of investors that was slightly higher. Saban's group raised its offer to over \$12 billion and eventually the sale was approved at a September 27 Univision board meeting.

The sale created hard feelings between Univision and Grupo Televisa, which not only owned 11% of Univision but provided the network with roughly a third of its prime-time programming. <sup>3</sup> After the sale Grupo announced its intention to sell its holdings in Univision and use the proceeds from that sale to look for new business opportunities in the U.S. without Univision — hinting that the network could be left with a large hole in its primetime lineup. Univision quickly fired back that it has exclusive U.S. broadcasting rights for all Grupo content running through 2017. But would those agreements cover online programming, reportedly an option Grupo was considering? That question presumably will be sorted out in the coming year.

Regardless of what happens in the Grupo Univision spat, the bigger question for the Spanish-language media is why was there such lack of interest in a network that reaches 99% of U.S. Hispanic homes? <sup>4</sup>

Some analysts believe the company might have gotten more interest if Perenchio had been willing to split it up and sell its pieces. Perenchio and the firm conducting the auction reportedly did not want that more complicated kind of sale. But over all, analysts have not been particularly high on the company. Of 10 different analysts who have evaluated Univision since August 2005, only one, J.P. Morgan, upgraded its opinion of the company, moving Univision in June from “underweight” to “neutral.” <sup>5</sup>

Despite the nation's increasing Latino population, analysts and potential investors see longer-term demographic trends with the next generation of Hispanics and wonder about the future of the Spanish-language media. If indeed the next generation of Latinos — a group with an average age of 15 today that will be on their own soon (see Audience) — decide when they leave home that they would rather tune into English-language programming, Univision's audience and income numbers could plunge.

There is no guarantee, though, of how demographic forecasts will play out. That next generation could remain bilingual and watch and listen to programming in both languages. And Univision's value has been underestimated before. In 1992, Perenchio and his investment partners bought the struggling Univision for \$550 million from Hallmark; 14 years later Perenchio earned a sizable return. <sup>6</sup>

The other big broadcast company owner, NBC, seems to be trying to figure out what it wants to do with its property Telemundo. Faced with slumping ratings, Telemundo announced in the fall of 2006 that it was considering launching a network in Mexico to compete with the two broadcast networks that already exist there.

Also in the fall, NBC announced it was going to cut staff at all its TV properties, including Telemundo. And the network said it was planning to eliminate local Telemundo newscasts in large markets — Houston (4), Dallas (6), San Antonio (7), San Jose (8) and Phoenix (9) — and replace them with a hubbed newscast out of Fort Worth.<sup>7</sup> Critics have charged that the move stands in contrast to what NBC promised when it purchased the network in 2001. Then the company said it would give Telemundo “the resources to compete effectively with Univision.” But as many Hispanic newspapers have discovered in recent years, an English-language owner with deep pockets does not always mean good times are ahead. As we noted in last year’s report, the sale of the Knight-Ridder chain left some of the company’s Spanish-language papers in a difficult position. In San Jose, Nuevo Mundo was closed and replaced by a paper imported from Mexico. In Miami, McClatchy, which bought much of the Knight-Ridder chain, held on to El Nuevo Herald.

Over all, ownership on the print side of the Hispanic media was more settled than in broadcast.

ImpreMedia, the Hispanic ownership group that was created in 2004 when one owner combined La Opinion in Los Angeles, El Diario in New York and La Raza in Chicago, used 2006 to again extend its national reach and began to leverage its strength as a national group to target more national advertising.

In January of 2006, the group purchased La Prensa, a free weekly in central Florida with a circulation of 50,000.<sup>8</sup> And in mid-2006, Impremedia began selling advertising for special themed “packages” in weekly editions of some of its papers — supplements that featured special editorial content on specific themes like back-to-school and new cars. That approach, often used by mainstream English-language media to generate ad dollars at times when specific advertisers are looking to reach readers (see Newspapers section), shows an advantage of Impremedia’s nationalized ownership.

And in October, ImpreMedia announced it was launching La Vibra, a weekend entertainment supplement that would appear in its papers in six markets — New York, Los Angeles, Chicago, San Francisco, Orlando and Tampa. La Vibra seeks readers among young urban Latinos with music and movie coverage. Why have a separate issue for those topics? As the alternative weeklies have found, there are big national advertisers looking to target a younger crowd that goes out for the evening — liquor and tobacco companies in particular as well as film and music makers. La Vibra gives those advertisers a way to target the Hispanic subset of that group.<sup>9</sup>

Meanwhile, not all Spanish-language papers affiliated with mainstream owners are suffering. McClatchy invested more heavily in 2006 in Vida en el Valle, its free weekly published in the San Joaquin Valley of California. In February, the company vastly increased the paper’s home delivery numbers, to more than 130,000 from about 80,000. The publisher also increased the number of copies left for “public access” in various locations to about 40,000 from 27,000. The paper’s free circulation went from 108,000 to more than 170,000 in one week.<sup>10</sup>

In other words, many of the benefits of being owned by a big mainstream owner still exist, but such ownership leaves

outlets to the whims of their corporate overseers.

Another ownership model for the Spanish-language media is being tested in Texas. In 2004, Edward Schumacher Matos, a journalist and businessman, launched the Rumbo chain of four papers from scratch in different metro areas — Austin, Houston, San Antonio and McAllen/Brownsville. Rumbo has struggled at times, and when its first group of investors pulled out in 2005, the papers had to find a different source for funding, which they did.

But 2006 created new challenges. In March, the chain suspended its Austin edition and cut its other editions back to three days a week from five days a week. The chain portrayed the moves as a new strategy “tailored to meet the needs of readers and advertisers,” but no newspaper wants to scale back, and the cuts indicate Rumbo may be in trouble.

What’s more, the company announced in January 2007 that Rumbo editions in Houston and San Antonio would scale back their publication to once a week from three days a week. And at the same time founder Edward Schumacher Matos announced he was stepping down as chairman and CEO of the company as of January 15, 2007, though he would stay on as an adviser.

## **Footnotes**

1. “Univision Board Approves Sale,” AP, June 27, 2006
2. “Disarray in Auction of Univision” Andrew Ross Sorkin, New York Times, June 21, 2006
3. “Televisa Beats Rival Bid for Univision,” prophet.net, June 23, 2006
4. Univision press release. May 25, 2007
5. Gathered from a Yahoo.com “Upgrade and Downgrade History” for Univision
6. Forbes 2006 List of Richest 400 Americans, profile on Perenchio
7. NAHJ press release “NAHJ Board’s Statement on NBC’s Plans for Telemundo” October 23, 2006
8. Impremedia Press Release, January 31, 2006
9. Impremedia Press Release, October 21, 2006
10. Audit Bureau of Circulations report for Vida En El Valle, March 2006



## News Investment

The small newsrooms and private ownership structure of many of the ethnic media make tracking investment in the newsroom resources difficult. Statistics are usually gathered around specific ethnic groups, and there simply are no aggregators looking at the employment or investment in Korean or Ukrainian newsrooms across the nation. Anecdotal evidence shows that many smaller papers rely heavily on freelance copy. And as is the case in most small English-language newsrooms, staffs are small with a few people wearing many hats.

Again, the exception to those rules is the Hispanic media where some data gathered on the print side and the broadcast side are big enough that press releases and mainstream news accounts reveal some trends.

According to self-reported numbers from the Latino Print Network, staffing is on the rise at Hispanic papers. Between 2003 and 2005 the total staff at all Hispanic dailies (full-time and part-time) went from 3,606 to 4,534. At weeklies it went from 3,707 to 4,269. And at less-than-weeklies it climbed from 1,837 to 1,918. Considering the hard times that have befallen mainstream newspapers, those numbers look impressive. <sup>1</sup>

But when one factors in the growing number of publications, the average staffing looks less remarkable. Dailies have seen a big increase, going from an average staff of 90 in 2003 to an average of 108 in 2005. But the average staff at weeklies and less-than-weeklies is holding still at 12 and 6 respectively. <sup>2</sup>

The rise in staffing at dailies also comes with a caveat. When one figures the number of pages per staff member per issue, staffing has not really moved at all. In 2003 each daily put out 1.2 pages per staff member, and that was the exact number in 2005. But there are positives in that finding. Those publications are growing thicker, and in a time when many news organizations are asking staffs to do more with less, holding flat may be an accomplishment. But the hirings being recorded are probably not leading to staffs having extra time to report or write stories. <sup>3</sup>

There are less data for Hispanic broadcasters. No organization collects data and reports on its staffing. But headlines in recent months point to some tougher times at one of the two big broadcasters: Telemundo.

In mid-October 2006 NBC announced it was making big changes in its broadcasting division, including, among other things, closing its New Jersey MSNBC headquarters and cutting 700 jobs. <sup>4</sup> Among those cuts were 68 employees of Telemundo in Puerto Rico. The NBC cuts also meant the ending of local news broadcasts at six stations, including 5 of the top 10 markets in the country. Those newscasts are going to be lumped into one regional broadcast that will

come from a central hub, and stations in those markets — San Jose, Phoenix, Houston, San Antonio, Denver and Dallas — will be reduced to bureaus. 5

The move bears some resemblance to the efforts of the English-language broadcaster Sinclair, which centralizes portions of its nightly newscast from Baltimore for many of its 58 stations scattered around the U.S. The move was attacked by critics as a way to skimp on local coverage by cutting local staff for one smaller national one.

NBC said the moves would help it “move forward and focus on its long-term existence with a model that’s more efficient,” but the network did not eliminate local newscasts at its English-language stations. It appears, for the short term anyway, that the mandate at Telemundo will be to do more with less.

Other than an announcement about a new studio opened in Houston, there were no major announcements from Univision concerning news investment.

The challenge for Hispanic broadcasters is one of dollars and cents. While some do very well in news ratings, even beating their English-language counterparts (see Audience), those numbers don’t always translate into dollars. In Los Angeles, for instance, Univision’s KMEX regularly wins the ratings war for the key 18-49 demographic group for its late news. But those numbers don’t have the power they might otherwise have because advertisers don’t view its audience as being as desirable as those of its competitors. The result: the channel can charge only a fraction of what its English-language counterparts can.

In the newsroom that means that even at a big station like KMEX, the newscasts can be all hands on deck, with even on-camera staff members running to the control room to help with production after their camera time.

## Footnotes

1. “The State of Hispanic Print 2005” and “Hispanic Publications in 2003” data sheets from Kirk Whisler
2. Ibid
3. Ibid
4. NBC To Cut 700 Jobs, embrace new media, AP, October 20, 2006
5. NAHJ press release “NAHJ Board’s Statement on NBC’s Plans for Telemundo” October 23, 2006

## Digital

### Digital

As much as it is difficult to make any kind of broad statement about the ethnic media business, that is probably doubly true for its online components. There's little information available on traffic or investment, and the great appeal for ethnic groups where the Web is concerned — the fact that users in one country can get information from sites based in others that may be thousands of miles away — makes tracking things even more difficult.

For many groups, particularly those from more distant places, the Web presents a way to connect with even more news and events back home. Consider that three of the top 10 Web sites in the world are Chinese, according to the Web traffic-measuring service Alexa. How many of the visitors to those sites (Baidu.com, Qq.com and Sina.com) are based in the U.S.? No one can say for sure.

The one exception in this area is Hispanic media, for which there are some audience data.

Hispanics are a diverse group hailing from many nations. The term also describes a U.S. population that spans those who have been here for generations, those who are recent immigrants, and those here only temporarily. Some speak English fluently, others hardly at all.

The diversity of the population is clearly reflected in the way Hispanics use the Web. There are big differences between "Hispanics" as a whole and "Spanish-dominant" Hispanics (those who primarily rely on Spanish). For instance, the list of the top 10 Web sites visited by U.S. Hispanics looks a lot like the top 10 Web properties for the U.S. as a whole, according to comScore.

#### Top 10 Web Properties for the U.S. Hispanic Audience

1	Yahoo Sites
2	Time Warner Network
3	Microsoft Sites
4	Google Sites
5	Fox Interactive Media
6	eBay
7	Ask Network
8	Amazon Sites
9	Apple Computer
10	Wal-Mart

Source: comScore

#### Top 10 Web Properties for the U.S. Population as a Whole

1	Yahoo Sites
2	Time Warner Network
3	Microsoft Sites
4	Google Sites
5	eBay
6	Fox Interactive Media
7	Amazon Sites
8	Ask Network
9	Wal-Mart
10	Viacom Digital

Source: comScore

The biggest difference in those two charts is the appearance of Apple Computer on the Hispanic list (presumably because of iTunes) and the appearance of Viacom on the more general U.S. population list. But on the whole they match up fairly closely. Now compare those top Hispanic Web properties with the top sites for Spanish-language dominant Hispanics in the U.S. as identified by a 2006 survey by the research firm Experion Simmons.

#### Top 10 Spanish-language Web Sites

Sites visited in the 'last 30 days' by users

- 1 Univision.com
- 2 Telemundo.com
- 3 Terra.com
- 4 Espanol.Yahoo.com
- 5 Lamusica.com
- 6 Latino.AOL.com
- 7 Esmas.com
- 8 CNNEspanol.com
- 9 HispanicVista.com
- 10 Migente.com

Source: Experion Simmons

While Yahoo is tops in the comScore ratings for U.S. Hispanics overall and for the U.S. as a whole, for Spanish-language users Espanol.Yahoo.com is fourth. The top three slots are occupied by Univision and Telemundo (the two big Spanish-language TV networks) and Terra.com, a Spanish-language portal. And while AOL is not a top 10 site with Hispanic Web users in general, Latino.AOL.com is No. 6 on the Spanish-language list. For the most part, the Spanish-language versions of U.S. brands do not fare as well as others designed exclusively for this audience.

The Spanish-language user list is also particularly diverse. Not all the top 10 sites, for instance, are delivered in Spanish. HispanicVista.com, No. 9, is a site that features commentary from and about Hispanics, but is written in

English. Migente, No. 10, is a Spanish-language social networking site. And CNNEspanol.com, which appears on the Spanish-language list at No. 8, is the only pure news site on either list.

What Web sites do Hispanics turn to specifically for news? For the Spanish-language users, it is hard to know. The Experion Simmons survey of Spanish-language Internet users did not ask specifically about news. CNNEspanol is the highest pure news site on the list, but others like Univision and Telemundo offer news along with other content, and we don't know which of these pages users visit.

For the broader group of Hispanics, ComScore does gather data specifically on news sites. Again the numbers look a lot like the figures for the U.S. population as whole. The list actually contains the same sites with some slight re-ordering.

#### Top General News Sites For the U.S. Hispanic Population, Decemeber 2006

1	Yahoo News
2	AOL News
3	MSNBC
4	CNN
5	Tribune Newspapers
6	New York Times Brand
7	McClatchy Corporation
8	ABC News Digital
9	CBS News Digital
10	USA Today Sites

Source: comScore

#### Top General News Sites For the U.S. Population as a Whole, Decemeber 2006

1	Yahoo News
2	MSNBC
3	AOL News
4	CNN
5	Tribune Newspapers
6	New York Times Brand
7	ABC News Digital
8	USA Today Sites
9	CBS News Digital
10	McClatchy Corporation

Source: comScore

Yahoo sits atop both lists. The sites of the newspapers in the nation's biggest Spanish-language print media conglomerate ImpreMedia — which includes La Opinion in Los Angeles and ElDiario in New York — rank far down the comScore list at 23.

The finding that Hispanics—many of whom have been in the country for longer than the smaller group of Spanish-language users — tend to gravitate to English-language media supports much of what we found about the audience for print and television. It also may raise longer-term questions about the strength of the Spanish-language media as the next generation of Hispanics, an extremely sizable one, comes of age and moves out on its own — in some cases away from Spanish-language-dominant homes. And that trend will be going on, according to demographers, as the number of foreign-born Hispanics, those most likely to speak the language, is declining.

Is the biggest difference between Spanish- and English-language sites the language? Or are there other inherent differences in the design and features that might influence a user's choice? PEJ looked at 38 English-language sites for this 2007 report and inventoried their features and content and then later added two of the biggest Spanish-language TV sites, Univision, and one of the best-known newspaper sites, La Opinion, to get a feel for their offerings.

### **La Opinion**

The Web site of the largest U.S.-based newspaper was honored in October 2006 as the top site for a Spanish-language publication, according to a Salvadoran firm — the first time a U.S. publication won the award. What earned the site that designation?

From our inventory, **laopinion.com** places most emphasis on the content. There is a lot of information here, including the latest wire stories from U.S. and foreign wire services, copy from the day's paper, and special photo galleries.

The site also has a different orientation than many English-language news sites. U.S. news is still covered here, but it is through a different prism than mainstream English-language news sites. For instance, on the afternoon of January 24th, the day after the president's State of the Union speech as the Congress was debating Iraq policy, the site led with an AP wire piece on the stalling of the minimum-wage bill in the Senate. The bill, which failed that day to get the 60 votes needed for cloture, was news on English-language sites as well, but well down the page, after stories about the Iraq debate and the president. The lead story under laopinion.com's "Primera Pagina" (Front Page) header from that day's paper was about Bush's speech, but focused tightly on the president's immigration proposals. "Irak" (Iraq) didn't appear until the end of the story's fourth paragraph.

There are also links on the page to the other newspapers in the ImpreMedia group, the U.S. publisher that owns Spanish-language papers around the country. Those sites suggest that though the papers have one owner, each has its own design.

Laopinion.com is not all that high-tech. The link to its RSS feed is far down the page, and the site didn't offer any podcasts or a homepage that users could rearrange as they saw fit. Its use of multimedia was a little more advanced, with several video and photo viewing options. It's worth noting, however, that the video here is not from La Opinion but from the AP, and in English.

An aspect of the page that stood out was its advertisements — there were only two, but they were big and prominently placed. A large ad sat next to the page's lead story and equaled it in size. Another ad ran in a long column just under the top ad.

Laopinion.com offers readers the Spanish-language equivalent of what most English-language newspaper sites offer, but with a different focus for a different audience.

## **Univision**

**Univision.com** is, according to survey data, the most popular Spanish-language Web site by far. While there are no figures on how many users go to its **news pages**, some significant level of traffic seems fair to assume.

What do those visitors find there? A national Spanish-language news site that focuses on issues affecting Hispanics around the country and the world.

On its news page users get a mix of news broken down by region (even by city) and resources that are aimed squarely at Spanish-speakers. Like the site for La Opinion, Univision.com is squeezed into the center 2/3 of the screen. It follows a three-column format that has navigation on the left of the page, a lead story in the center with other stories under it, and a right column with things like photo slide shows and videos.

And beginning with the heavier use of videos — 20 of them on the home page, all in Spanish — several differences from La Opinoin's site stand out. In addition to the slides and video, the site offers a news blog high on the page.

Customization is a low priority here, with an RSS link at the bottom of the page and no podcast options. And the site is also more commercial than La Opinion's, with several prominent ads on the page, including one in the right column that is bigger than the page's lead item.

The content on the site is also broader than that on the Los Angeles-based Hispanic newspaper site. Local U.S. news is available through a menu that lets users jump to the local Univision news page of any one of 18 U.S. cities. And under that, but still high on the page, there is a list of "Recursos" (Resources) for users that include information on and links to U.S. government sites and to a page with several different kinds of calculators to help with finances and forms for immigration.

Immigration also has its own news topic header, the top header, indeed, under Noticias at the top of the page, followed by U.S., Mexico, Latin America, World and Weather.

There is also Latin American news that would likely be hard to find featured on English-language news sites. On the

morning of January 25, the lead item on the Noticias page was a wire story questioning the validity of Fidel Castro's signature on a letter the Cuban leader had reportedly written to at President Hugo Chavez of Venezuela. The story did not even appear on the front pages of the New York Times and Washington Post sites. And while most of the stories from the U.S. section are from Univision's online staff, or a combination of staff and wire, the stories from other regions tend to be wire copy.

Univision.com's news site is a hybrid, part breaking news page, part multimedia center and part user help center. In that sense, the differences between it and those of most English-language sites extend well beyond language.

## Public Attitudes

### Public Attitudes

The data show that the nation's new immigrant populations are fanning out around the country, their numbers growing in new places. But what of the role of the ethnic media in these new frontiers? Do ethnic media outlets serve different functions in them? And how are the spreading ethnic groups using their media?

At PEJ's request, the pollster Sergio Bendixen went back through the massive ethnic-media-consumption survey he conducted in 2005 to see how ethnic groups in the 10 states with established ethnic populations — Arizona, California, Florida, Illinois, Massachusetts, New Jersey, New Mexico, New York, Nevada and Texas — compared with the those in the rest of the country. He reran the numbers on the two ethnic groups with large populations around the country, Hispanics and Asians.

The findings? First, there are differences in the ways the two ethnic groups use their media, depending on whether they live in established or emerging communities. Second, those differences also vary depending on the ethnic group examined.

The differences between Hispanics and Asians apparent in a broad national sample grow even starker when split into established and emerging communities.

Hispanics, who tend to rely more on native-language media overall, do so even more in emerging communities than in established ones. Asians, on the other hand, tend to rely more on English-language outlets in emerging communities than they do in established ones.

Consider the figures for newspapers. In established communities, Hispanics are split fairly evenly between those who read the paper mostly in English or mostly in Spanish — 27% in English, 28% in Spanish. But in emerging communities a much larger number, 36%, read in Spanish, versus 19% in English. <sup>1</sup>

Asians, in contrast, are more likely to read newspapers in English generally, but that tendency is even greater in emerging communities. In established communities, 43% mostly read English-language newspapers and 24% mostly read papers in an Asian language. But in emerging Asian communities that disparity grows dramatically to 59% who read a paper in English and only 14% who read one in an Asian language). <sup>2</sup>



What accounts for these differences? One explanation is that the emerging ethnic immigrant communities are more likely to have a higher percentage of new immigrants who do not yet speak English. They would be more likely to have to rely on media in their native language.

But why then do Asians rely more heavily on English newspapers in emerging areas?

There are a few possible answers. It may be that Asians who come to the U.S. and move to more removed communities are farther along in their education, with some background in English. It's also possible that those figures reflect the fact that the Asian media in the U. S. aren't as developed as the Hispanic media, and as Asian groups move to emerging communities there simply isn't as much Asian-language material available. In other words, they may be using English-language papers because that's all they have.

That possibility is supported when one compares the number of Hispanic and Asian-language media outlets in the U.S. New California Media's National Ethnic Media Directory lists 128 pages of Hispanic media outlets versus only 83 pages of Asian media outlets. And those Asian outlets have to be further broken down into constituent languages. For instance there are only 23 pages of Korean media outlets in the directory and seven pages of Vietnamese outlets. 3

The findings regarding established and emerging ethnic communities and newspapers hold true when Asians are asked about TV as well. In established communities 49% watch TV in English and 17% watch in an Asian language, while in emerging communities the number watching in English jumps to 58%, while the number watching in an Asian language drops to 12%. 4

Ethnic radio, which really needs a dense population to survive, shows the biggest difference among Asians. In established communities 50% of Asians listen to radio mostly in English, but that number jumps to 73% in emerging communities. At the same time the number of Asians who say they mostly listen to Asian-language radio drops from 21% in established communities to 5% in emerging ones. 5

The real test for the differences in media preferences between established and emerging ethnic communities, however, is probably the Internet. While there are always questions about the Internet access people have, once they gain access there are no questions about whether ethnic media are available. The Internet is the same in Los Angeles as it is in Dubuque. There may not be local Web content, but even if there isn't the Internet offers a host of ethnic media alternatives to those in areas where the ethnic media are less established.

What do the Internet data show? That people living in emerging ethnic communities, whether Hispanics or Asians, are bigger users of ethnic Web sites than those in established communities.

Among Hispanics in established communities who use the Internet, 40% regularly visit Hispanic or Spanish-language Web sites, but that number jumps to 61% in emerging communities. And among Asians, 47% of those in established communities regularly visit Asian-language sites, but the figure increases to 60% for those living in emerging communities. 6

Taken together, those survey findings seem to indicate a few things. First, emerging ethnic populations, on the whole, are probably more reliant on and interested in ethnic outlets than their cohorts in established communities. Second, those emerging communities are probably not served as well as they could or should be. If there are areas for ethnic-media growth in the coming years, it may be the emerging communities. And third, the best way to reach such populations may be TV, particularly cable TV, and the Internet.

Until the emerging communities grow bigger, those media, and especially the Internet, will remain the ethnic outlets their populations use most. And as ethnic populations continue to spread out, bringing with them new immigrants, the ethnic media that do the best may be the ones that develop a national strategy that can reach into such areas. The new audiences want ethnic media; the question is how to get it to them.

## **Footnotes**

1. Unreleased data from pollster Sergio Bendixen
2. Ibid
3. New California Media Directory, second edition
4. Unreleased data from pollster Sergio Bendixen
5. Ibid
6. Ibid

## The Black Press

### The Black Press

Considering its long history and the size of its target audience, one might expect the black press to be the biggest and most advanced of the ethnic media in the U.S. Some outlets have been in existence for 40, 50, 60 years or longer. The oldest papers were founded more than a century ago. And some form of the black press has existed since 1827. <sup>1</sup> The papers represent and serve a large established population. And there are several large, dense communities around the country to target.

Even so, the black press is not nearly as organized as the Spanish-language press; it has been slow to adapt to online technology, and its audience appears to be aging and waning. The lack of unification among the black press outlets leaves little hard data to analyze, but those who study the press offer some insights as to where the industry is going.

They argue that there are two primary challenges for the black press, though they are somewhat interconnected. First, the audience, like the one for mainstream newspapers, seems to be aging. And, second, many of the papers have been slow to establish an online presence.

Kevin Watson, an editor at New American Media, sees the problems as two sides of the same coin. The papers' slowness in creating Web sites is costing them younger readers, while at the same time distribution centers for the print product, such as churches — also miss the younger demographic.

On the whole the black press has been slow to adapt to a changing world, says DC Livers, managing editor of blackpress.org, which is part of the Historical Black Press Foundation. She says papers have not worked to audit their circulations, so advertisers don't know exactly what they getting. Her group is hoping to remedy that problem by pushing several more publications to be audited within the next year.

Among the few papers that do audit circulation, how do the trends look? Not good, according to research by PEJ. We ran the names of several scores of African-American newspapers through the database of the Audit Bureau of Circulations and only three yielded a result: New York's Amsterdam News, the Philadelphia Tribune and the Baltimore Afro-American.

Between 2002 and 2006, the New York paper saw a steep decline in circulation, while the Baltimore and Philadelphia papers were essentially flat.

The Amsterdam News, a weekly, fell to 13,175 in 2006 from 18,711 in 2004 – the last audit period. That is a decline of almost 30%. The biggest decline came in single-copy sales of the paper, which fell to 10,487 in 2006 from 14,298 in 2004. <sup>2</sup>

The Philadelphia Tribune, which publishes three days a week, lost a small number of readers, but was basically unchanged. For the purpose of this study PEJ averaged the three days' circulation. The 2006 circulation figure for the Tribune was 11,559, just under the 2004 figure of 11,638, a decline of less than 1%. <sup>3</sup>

The Baltimore Afro-American, a weekly, was essentially flat. The paper's circulation climbed to 11,224 in 2006, up from 11,180 in 2004, again less than 1%. <sup>4</sup>

Flat and declining circulations are not something new in print journalism, of course. Mainstream outlets have seen

both. But the more telling aspect of those figures lies in the size of the numbers themselves in the context of the African-American populations involved. There are more than 2 million black people in New York City, according to the U.S. Census Bureau, more than 620,000 in Philadelphia and almost 400,000 in Baltimore. 5

Those papers, then, take in only a fraction of the African-American populations. Why are the figures so low?

Several traits work against the industry. The target readership already speaks English and can turn to any number of other print outlets — something not true with native-language ethnic outlets. And the fact that most of these publications are weekly — or at least less than daily — means they are not really meant as a replacement for other print media.

They exist as supplements to other news, ways to get other views. And those are the kinds of outlets that are suffering in the new media world. Surveys show that audiences are devoting steady or declining amounts of time to news consumption, while at the same time there are more outlets than ever — many of them online — competing for the news consumer's attention. Print outlets, particularly supplemental ones, often take a hit.

The numbers might also reflect the success of African-Americans in the U.S. As the group becomes more and more a part of the mainstream culture, it may be that blacks don't feel the desire to read publications aimed specifically at them. They may feel just as comfortable turning to mainstream outlets. It could also be, however, that most of the readers of the black press come from an older demographic, one in particular with roots in the nation's civil rights struggles. The black press's heyday came in the early 1960s as the civil rights movements was growing, but not yet covered seriously in the mainstream press. But as the mainstream press turned on to the story, the readership of the black press declined to a smaller core. As those readers grow older and die off, their numbers are not being replenished by younger readers.

That doesn't mean the audience for the papers is undesirable. The National Newspaper Publishers Association, a group of black press publishers, estimates its 15 million readers have more than \$570 million in buying power. With an average age of about 44, they are still not as old as mainstream newspaper readers, who average 55 years. The group also says 90% of its readers are high school graduates, with 6 in 10 having attended college. 6

But in the end the black press seems to be facing problems similar to those of mainstream newspapers — declining and aging audiences — combined with a smaller audience to start with. The long-term prospects for those papers may well hinge on their ability to get online quickly.

The online world, which is defined less by geography than by interest group, may be well suited to black publications. Some African-American Web sites report high traffic numbers. BlackPlanet.com, a social networking news Web site, has more than 15 million registered members. Blackamericaweb.com, a site founded by the popular morning DJ Tom Joyner, reports 30,000 unique visitors a day. 7

In fact, while the black press has suffered, black radio, particularly in the case of Joyner, has thrived. His show, a mix of comedy and commentary, is syndicated in roughly 120 markets and reaches some 8 million listeners. And it has had some major personalities on air including Senator Barack Obama, House Speaker Nancy Pelosi and former President Bill Clinton. The show is seen as a powerful force in the black community — an identity the black press

would like to re-establish.

As more and more people go on online and develop online habits, the more urgent it is that the black press focus on getting online and building audience. Such a move might help in its effort to reclaim its place.

## **Footnotes**

1. Black press Magazine.com press release
2. Audit Bureau of Circulations report for the New York Amsterdam News
3. Audit Bureau of Circulations report for the Philadelphia Tribune
4. Audit Bureau of Circulations report for the Baltimore Afro-American
5. 2005 U.S. Census data
6. National Newspaper Publisher's Association data sheet
7. BlackAmericaWeb.com about page
8. Ibid

## **Charts & Tables**

Charts & Tables

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### **THE BLACK PRESS**

Circulation of Selected African-American Newspapers

## **Audience**

Audience

### **The Population Picture**

More than in any other media type we study, the growth and health of the ethnic media are determined by a dynamic and constantly changing population. Understanding what is happening with the nation's recent immigrants and native-language speakers is not easy. Trends that indicate one thing — say a growing number of Spanish-speakers — have sub-trends such as the language habits of those people's children. Thus even when short-term trends appear clear, their longer-term impact can be more difficult to grasp.

So what are the population trends heading into 2007?

The biggest is that America's new immigrant populations are spreading out. The phenomenon was noted, and widely publicized, in August 2006, with the release of the U.S. Census Community Survey. While the traditional immigrant states, California, New York, Texas and Florida, still have the largest immigrant populations by far, others are seeing big increases. New Hampshire, Colorado, Missouri, Delaware and South Dakota and Indiana, not normally considered immigrant havens, all have seen increases of more than 25% in their immigrant populations since 2000. <sup>1</sup>

According to the survey, 34 out of 50 states, and the District of Columbia, had more than 8% of their population speaking languages other than English at home in 2005, up from 28 just three years earlier. <sup>2 3</sup>

Percent of People Five Years and Over Who Speak a Language Other Than English at Home: 2005 versus 2002

	<b>2005</b>	<b>2002</b>
United States	19.4	18.3
Alabama	4.2	3.7
Alaska	13.6	12.7
Arizona	27.4	25.8
Arkansas	5.9	4.2
California	42.3	40.6
Colorado	17	15.6
Connecticut	19	18
Delaware	11.5	9.7
District of Columbia	15.7	16.7
Florida	25.4	24.1
Georgia	11.6	9.9
Hawaii	24	26.3
Idaho	9.7	9.6
Illinois	21.5	19.9
Indiana	7.3	8.4
Iowa	6.2	5.8
Kansas	9.4	7.6
Kentucky	3.9	3.8
Louisiana	8.4	7.6
Maine	7.6	7.2
Maryland	14.5	13.2
Massachusetts	20.3	18.7
Michigan	8.9	8.2
Minnesota	9.4	10
Mississippi	3.1	2.9
Missouri	5.3	5.6
Montana	4.2	4.1
Nebraska	9	7.7
Nevada	26.2	23.5
New Hampshire	8.7	7.4
New Jersey	27.4	26.4
New Mexico	36.1	34.4
New York	28.2	27.4

North Carolina	9.2	8.2
North Dakota	5.7	5.6
Ohio	6.1	6
Oklahoma	8.1	7.4
Oregon	13.9	12
Pennsylvania	9.1	8.2
Rhode Island	20.3	19
South Carolina	5.9	5.4
South Dakota	6	5.6
Tennessee	5.6	4.7
Texas	33.6	31.5
Utah	13.9	12.3
Vermont	5.1	4.9
Virginia	12.7	11.5
Washington	16	14.3
West Virginia	2.2	2.3
Wisconsin	8	7.7
Wyoming	5.9	5.9

Source: U.S. Census Bureau, 2005 and 2002 American Community Surveys

What language is spoken in those homes? For a majority it's Spanish. As of 2005, 12% of Americans over the age of 5 were speaking Spanish at home, up from 11.1% in 2002. And the number of states where at least 8% of the population spoke Spanish at home rose to 15% in 2005, up from 12% in 2002. <sup>4</sup>

For the ethnic media this spread between immigrants and native-language speakers is likely to mean two things in particular. First, as these populations spread, it seems probable that small media outlets will arise to serve them. Latinos in particular still tend to congregate, according to demographers, into Spanish-speaking communities. As the number of communities and their size grows, they will probably develop more media. Second, nationally, ethnic broadcast and cable outlets, such as the ones that exist for Spanish-language media users, are also well suited to reach these more dispersed communities.

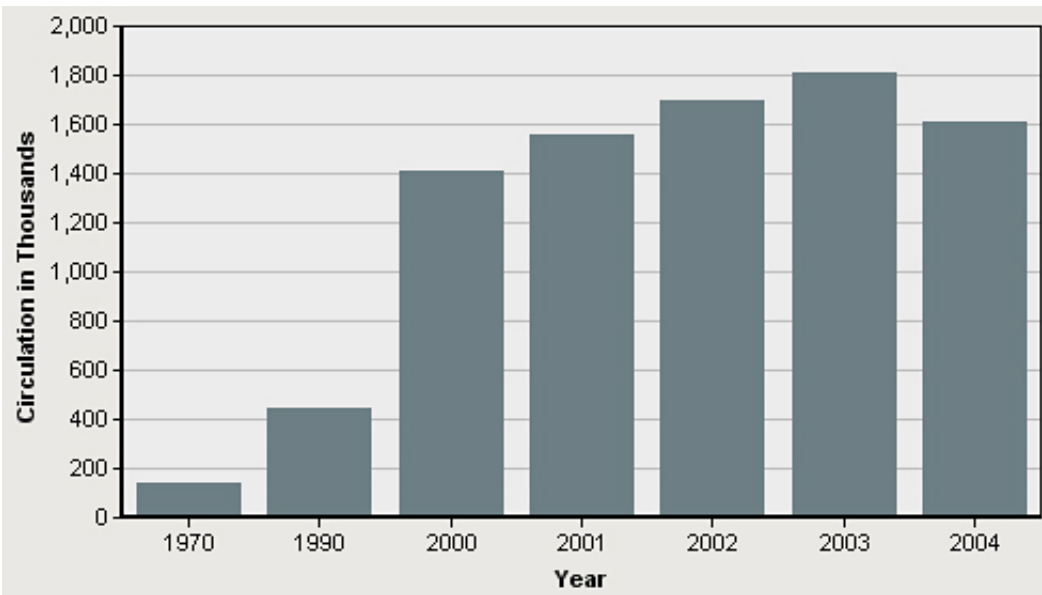
While those factors suit growth for the ethnic media, there is another current that pulls in the other direction — again especially for Hispanics. Currently 40% of the nation's Latino population is foreign-born, the group most likely to speak Spanish. But that number is declining. <sup>5</sup>



There are a number of reasons why for the first time in decades growth in the nation's Latino population came more from birth than from immigration in 2006. Two major reasons are a slowdown in immigration numbers, which has come with the tightening of U.S. borders, and the relative youth of the Latinos already in the U.S. But the net result, more U.S.-born Latinos, has potential ramifications for the Spanish-speaking population and the ethnic media.

U.S.-born Latinos tend to be English-dominant: They watch Spanish-language TV with their parents and English-language TV with their friends, says Jeffrey Passel, a demographer with the Pew Hispanic Center. Those differences show through in even basic polling questions. In a recent Pew Hispanic Center poll, 81% of U.S.-born Latinos wanted to be interviewed in English; 91% of foreign-born Latinos wanted to be interviewed in Spanish. <sup>6</sup>

Language in Which Latinos Want to be Interviewed



Design Your Own Chart

Source: Pew Hispanic Center

At the end of 2006, the average age for this next generation of Latinos was 15, meaning that in the next five or so years they will be entering their own careers and adult lives apart from their parents. When they go off on their own, will they switch over to largely English-language media, stay mostly with Spanish-language outlets or adopt more of a hybrid, with a bit of each? The decisions this group makes will be critical to the fortunes and growth of the ethnic media.

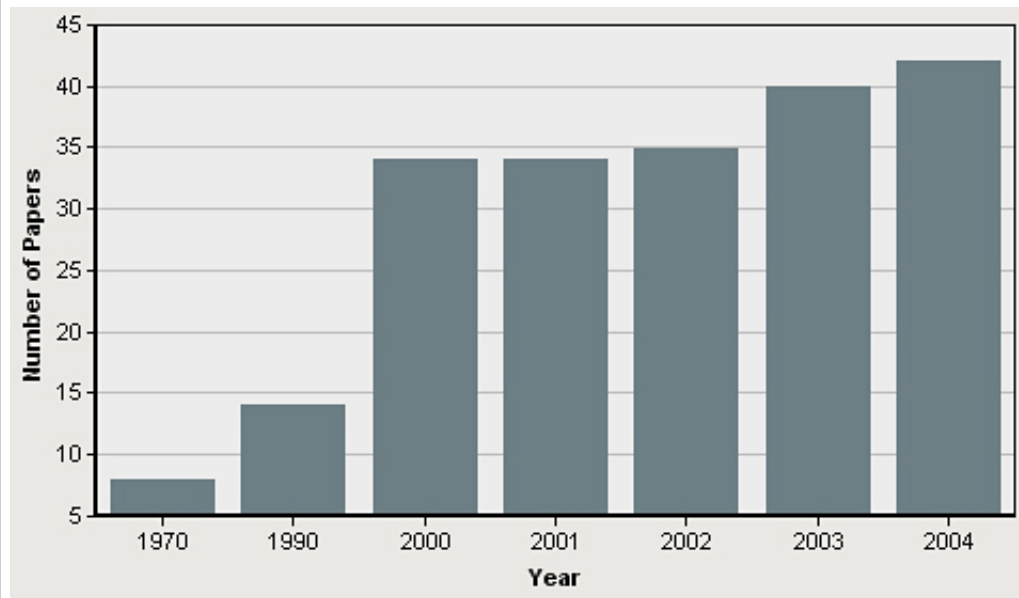
The language trends are something to watch over the next several years. But 2007 will probably be another good year for the ethnic media in terms of audience growth. According to 2005 data, the latest available, Hispanic publications

(the vast majority of which are Spanish-language) rebounded from a rough 2004 with a dramatic reverse in both the number of publications and their readership. And ethnic outlets are spreading as ethnic groups reach into more and more areas. This geographic spread, noted in our section on population, can be tracked, at least where the Hispanic media are concerned.

The Latino Print Network, which tracks the growth of Hispanic media, has seen a marked growth in the number of Metropolitan Statistical Areas (MSAs) that are served by Hispanic publications in the last 10 years. (An MSA is defined by the Census Bureau as a large population nucleus, together with adjacent communities that have a high degree of social and economic integration.) In 1995 approximately 80 MSAs were served by Hispanic publications, but by late 2006 there were 130. <sup>7</sup>

### Metro Statistical Areas Served by Hispanic Publications

1995 vs. 2006



Design Your Own Chart

Source: Kirk Whistler

Furthermore, says Kirk Whistler, who collects those numbers for the Latino Print Network, the new publications in those places were weeklies 55% to 60% of the time in 2006. Back in 1995 they were almost entirely “less than weeklies.” The rise of weeklies, as opposed to those that published less often, shows that publishers not only believe Hispanic publications can thrive, but that the populations they serve are big enough, or media-interested enough, to warrant a more regular publishing schedule. <sup>8</sup>

## **Ethnic Media Audience**

Actual audience numbers for the ethnic media are notoriously difficult to track. Outlets are often highly local, serving not cities as much as neighborhoods, with small circulations that are often not audited.

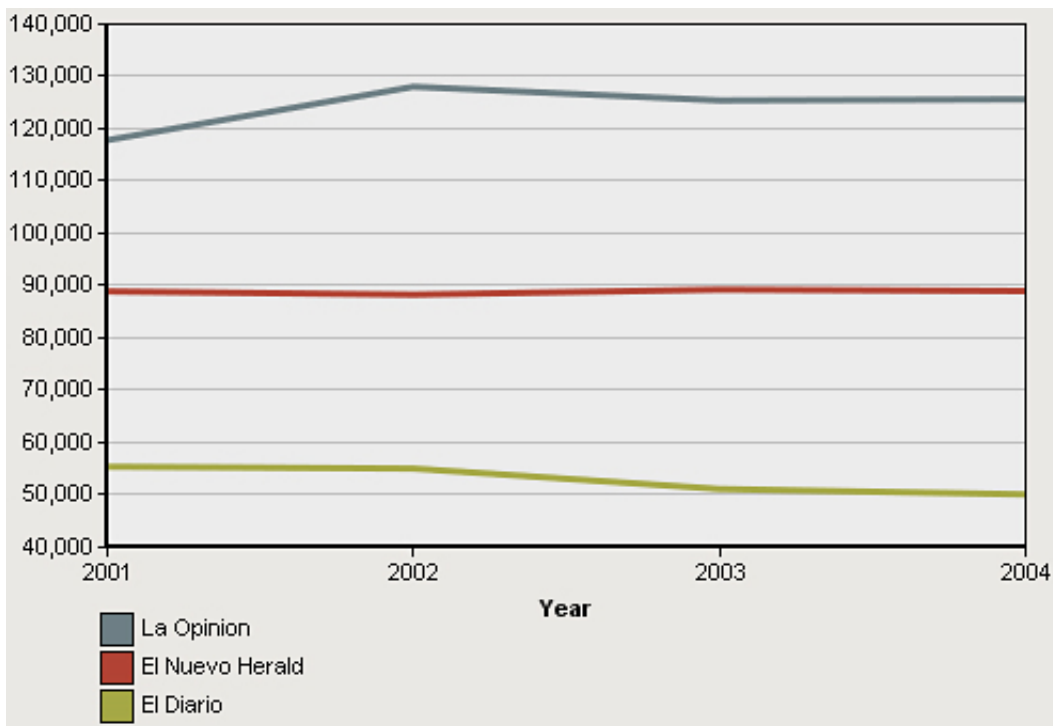
For Spanish-language media, at least, the figures seem to be getting a little more reliable. The number of audited Hispanic publications rose in 2005 across all categories — daily, weekly and less-than-weekly — while the number of Hispanic publications rose as well. <sup>9</sup>

The latest year for which there are data, 2005, was a good one for Hispanic publications. The combined circulation of all Hispanic newspapers (90% of which are Spanish-language) rose to 17.6 million in 2005 from 16.7 million in 2004, according to the Latino Print Network, which represents and sells ads for more than 350 Hispanic print outlets. <sup>10</sup> (It should be noted that most of those figures are unaudited.) That was a reversal from 2004, which, as we noted in last year's report, saw the first drop since we'd been tracking ethnic media audience. The number, incidentally, is also an all-time high in the records of the Latino Print Network, which go back decades.

And circulation was up with all categories of Hispanic newspapers. Dailies saw a slight increase of 5,000 in circulation overall in 2005. Weeklies' circulation jumped more than 450,000. Less-than-weeklies climbed by nearly 400,000. <sup>11</sup>

## Hispanic U.S. Daily Newspaper Circulation

Select years 1970-2005



Design Your Own Chart

Source: Kirk Whisler & Latino Print Network, Carlsbad, CA

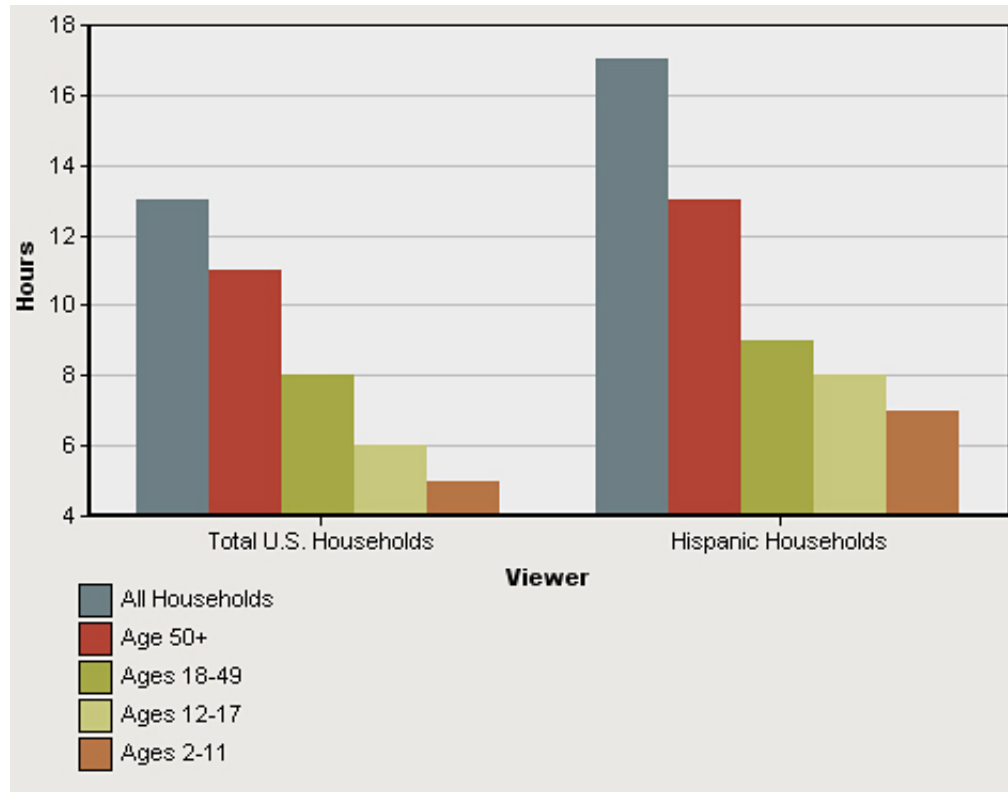
The 2005 circulation for the dailies, 1.614 million, is still below the 2003 record of 1.808 million, but that comparison may be deceptive. That 2003 figure is based on the circulation of 40 dailies, but only 14 of those circulations which were audited. The 2005 numbers come from 42 dailies, and half of them, 21, were audited. In other words, there may have been more overstatement in the 2003 figures since the majority of them were self-reported. It's also worth noting that the 2005 circulation data, while more reliable, still rely heavily on publications that do not audit their numbers. <sup>12</sup>

More weekly and less-than-weekly publications, as we noted earlier, are also auditing their circulations. In 2005, a total of 104 of 350 Hispanic weekly papers had audited their circulations. That compares to 2003, when 76 of 304 were audited. And 17 of 343 less-than-weeklies audited their circulation numbers in 2005. That's obviously a small percentage, but still better than 2003, when only 8 of 322 less-than-weeklies were audited. <sup>13</sup> The changes show that the publications are looking to get concrete numbers they can use to publicize themselves, particularly with advertisers. And the number of audits is especially significant for the less-than-weeklies, which are often small community publications that aren't focused on validating circulation for advertisers. It may be a sign that such publications are lining up more ads, or at least trying to.

Regardless, experts in the field note that even the high end of those audience estimates ultimately equals low penetration of their potential audience. There are, after all, some 41 million Hispanics in the U.S. <sup>14</sup>

## Audited and Unaudited Hispanic Newspapers

2003 vs. 2005



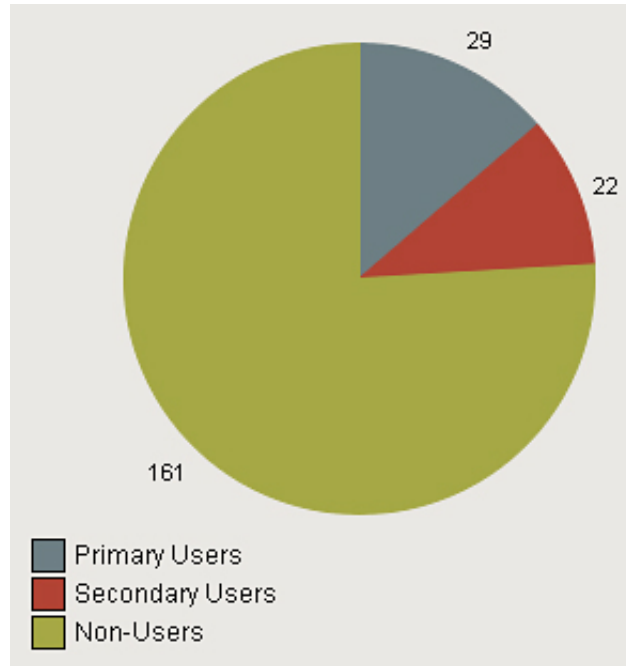
Design Your Own Chart

Source: Kirk Whisler & Latino Print Network, Carlsbad, CA

PEJ also monitors the audited circulation of three large Hispanic daily newspapers, from the Audit Bureau of Circulations, as a comparison and checks against the unaudited data the Hispanic publishers collect. With those papers — La Opinion, El Diario and El Nuevo Herald —the trend looked generally flat in 2006, with tiny increases for all three. La Opinion, in Los Angeles, saw its circulation increase from 123,885 in March 2005 to 124,057 in March 2006, an increase of 172 readers. 15 El Nuevo Herald, sister paper of the Miami Herald, climbed to 86,898 from 86,659 (239 more readers) 16 and New York's El Diario climbed from 50,100 to 50,618, a gain of 518. 17

## Audited Circulations of Three Major Spanish-Language Dailies

2001-2006



### Design Your Own Chart

Source: Audit Bureau of Circulation, annual audit reports and publishers statements

La Opinion's circulation numbers have bounced up and down in the years we've tracked. While the 2006 numbers were down from the previous year, they were still higher than in 2001. And there was a circulation increase in 2004. For El Diario, the small uptick was the first bump for the paper after four years of steady declines. El Nuevo Herald's figures have largely held steady in the five years we've watched them.

Data on media use among ethnic groups is limited. The usual surveys that focus specifically on the ethnic media were not conducted in 2006. But the biennial Media Consumption Survey done by the Pew Research Center for the People and the Press offers insights that indicate Hispanics are not very different from the population at large in their media consumption habits.

According to the Pew survey, 55% of those who identified themselves as being of "Hispanic origin or descent" regularly use a newspaper as a source of news. That number was slightly lower than the survey's overall number for newspaper use, 59%. Hispanics were also slightly less likely to turn regularly to TV news, according to the survey — 75% of Hispanic respondents compared to 77% over all. 18

The survey also showed that Hispanics were slightly more likely to regularly watch network news than the respondents as a whole — 36% versus 33%. And Hispanics were a bit more likely to turn to the Internet for news than respondents over all — 18% versus 13%.19

The media habits of Hispanics in the U.S., then, largely mirror the habits of the population as a whole, with only minor variations. And where radio is concerned, Hispanics and the population at large are dead even, with 49% of each group saying they regularly tune in.<sup>20</sup> That may be less striking, though, when we remember that the self-identified Hispanics in the survey are not necessarily Spanish-speaking. They are merely of Hispanic descent and could be very much acclimated to American ways of living.

## Footnotes

1. Rick Lyman, "Census Shows Growth of Immigrants," New York Times, August 15, 2006
2. U.S. Census Table Percent of People 5 Years and Over Who Speak a Language Other Than English at Home: 2005
3. To get a sense of how widespread and steady the growth was in just three years, consider three states: in Kansas the population of non-English speakers went from 7.6% to 9.4%, in Massachusetts from 18.7% to 20.3% and in Nebraska from 7.7% to 9%.
4. U.S. Census Percent of People 5 Years and Over Who Speak Spanish at Home: 2005
5. From Q&A with Jeffrey Passel of Pew Hispanic
6. Pew Hispanic Center, July 2006 Latino Immigration study, Topline p. 2
7. Interview with Kirk Whisler
8. Ibid
9. "The State of Hispanic Print 2005" data sheet from Kirk Whisler
10. Ibid
11. Ibid
12. "The State of Hispanic Print 2005" and Hispanic Publications in 2003" data sheets from Kirk Whisler
13. Ibid
14. U.S. Census Bureau press release Hispanic Population Passes 40 Million, June 9, 2005
15. Audit Bureau of Circulations statements for La Opinion
16. Audit Bureau of Circulations statements for El Nuevo Herald
17. Audit Bureau of Circulations statements for El Diario

18. Biennial Media Consumption Survey 2006 Topline p. 1620

19. Ibid

20. Ibid

## Hispanic Media

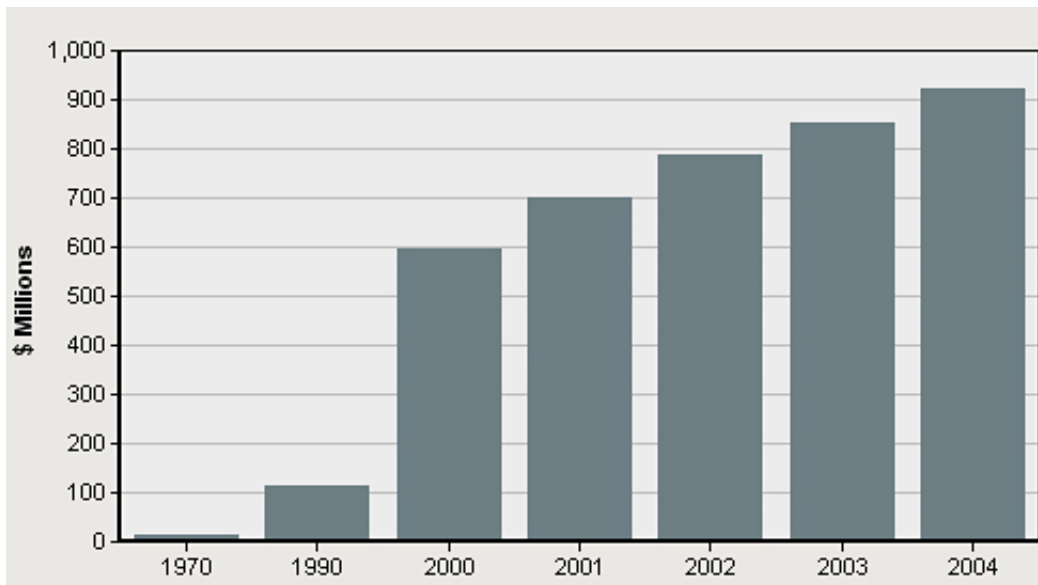
### Economics

Whatever the shifting demographic makeup of the U.S. means for the ethnic media in the long-term, the short-term outlook is positive. While mainstream print media are suffering economically, Hispanic outlets are still seeing growth, according to data from the Latino Print Network. The growth is smaller than in recent years but a greater bulk of it came from one of the most promising areas—national advertising. Ad dollars over all were up 4.6% in 2005, to \$996 million, from \$923 million the year before, an increase of \$73 million, or 7.9%.<sup>1</sup> That's close to dead even with 2004's 8% jump (\$69 million), but slightly below the 9% of 2003 (also \$69 million). And there were even bigger increases earlier in the decade. Still, the numbers are a healthy increase in an era when print media outlets are hurting.

What's more, the most significant change in 2005 was where the money was coming from. There was a big jump in national advertising dollars for Hispanic newspapers. About 37% of all their advertising was national in 2005 compared to only 18% in 2004.<sup>2 3</sup>

### National v. Local Ads in Hispanic Newspapers

2003-2005



Design Your Own Chart

Source: Kirk Whisler & Latino Print Network, Carlsbad, CA



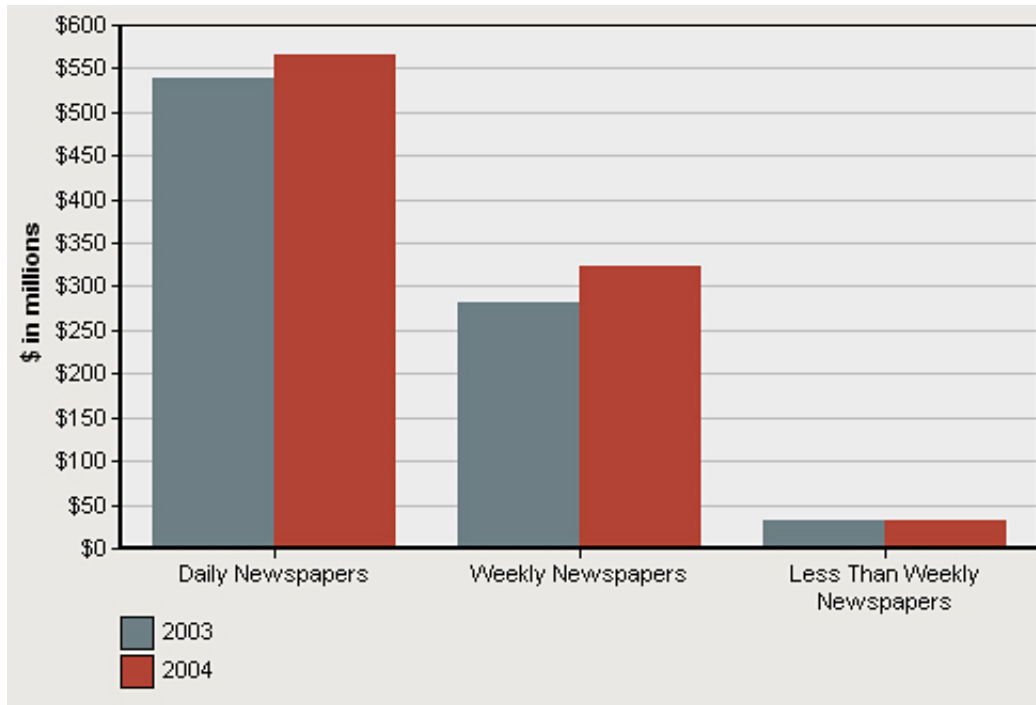
That is by far the highest number on record for national advertising in the Hispanic newspapers. In large part it may be due to the growth of national partnerships, such as Impremedia, a group of established newspapers with readers in Los Angeles, New York and Chicago (see Ownership). The Latino Print Network in general and Impremedia in particular were designed to go after the national dollars by creating consortiums for big advertisers to contact about ad buys.

And the growth in those ads is significant. There are limits to how much income can be drawn from only local or primarily local advertisers. There are small businesses that serve ethnic populations in all communities, but larger, formerly local businesses are increasingly part of bigger national chains. Locally owned department stores are a vanishing breed. The Marshall Field's (Chicago), Hecht's (Washington) and Hudson's (Detroit) stores of the world are now Macy's in name as well as ownership. In many places Starbucks is not only the largest coffee shop chain, it also has more shops in town than several of the next biggest combined. And local supermarkets have a hard time competing with Wal-Mart's superstores.

In an economy that is increasingly nationalized, media that appeal to national advertisers have an advantage. Big companies can make one ad buy and deal with one sales department that can offer them consumers in several cities. The growth of those national numbers is a good sign for the longer-term health of Spanish-language publications.

## Hispanic U.S. Newspaper Ad Revenue

Select years, 1970-2005

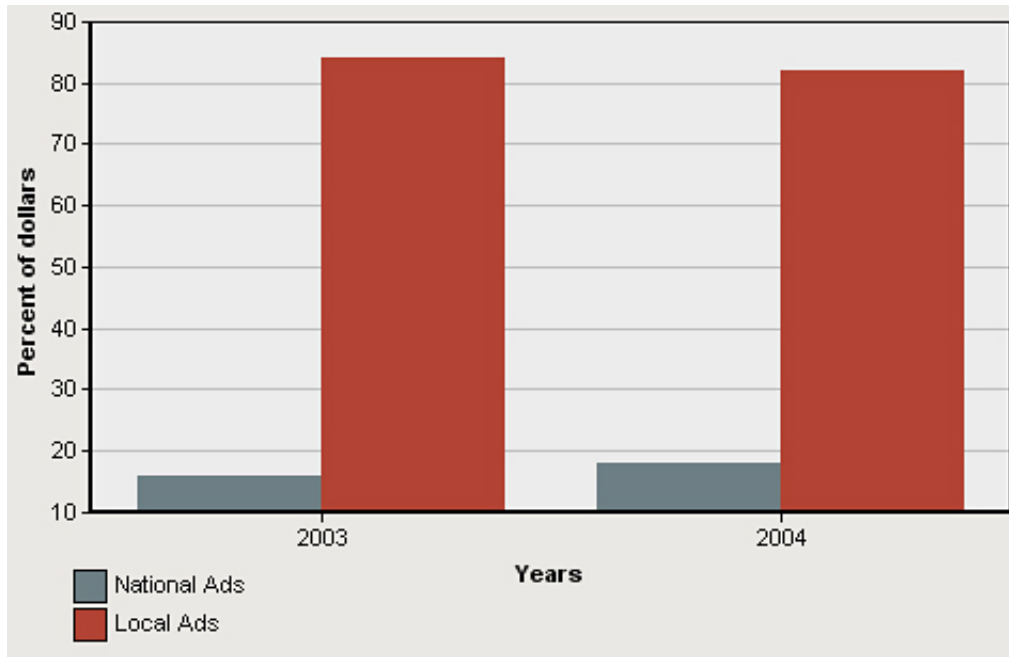


Design Your Own Chart

Source: Kirk Whisler & Latino Print Network, Carlsbad, CA

In another positive sign, the ad increases in 2005 (the most recent year for which there are data) carried through for all the types of the newspapers that LPN measures — daily, weekly and less-than-weekly. Dailies stood out in particular as their dollars grew to \$611 million from \$566 million — an increase of \$45 million, or nearly 8%. Weeklies saw their ad revenue jump in 2005 almost 7%, to \$346 million, from \$324 million the previous year. Less-than-weeklies grew to \$39 million in 2005 from \$33 million in 2004, a robust 18%. 4

## Hispanic Newspaper Ad Revenues by Publication Circulation, 2003-2005



Design Your Own Chart

Source: Kirk Whisler & Latino Print Network, Carlsbad, CA

### *Other Ethnic Print Media*

Like audience figures, economic data are hard to track for many of the ethnic media. Other than Hispanics, who have two national TV networks in Univision and Telemundo and a somewhat nationalized print face in the Latino Print Network, the media for most ethnic groups are scattered and highly localized.

Some ethnic groups are served by large newspapers, as Chinese-Americans are with Sing Tao, which says it has more than 150,000 in circulation with its editions in San Francisco, Los Angeles and New York. But the paper, which traces its roots back to 1938, is based in Hong Kong, and economic numbers — particularly numbers broken out for the U.S. market — are difficult to find. 5

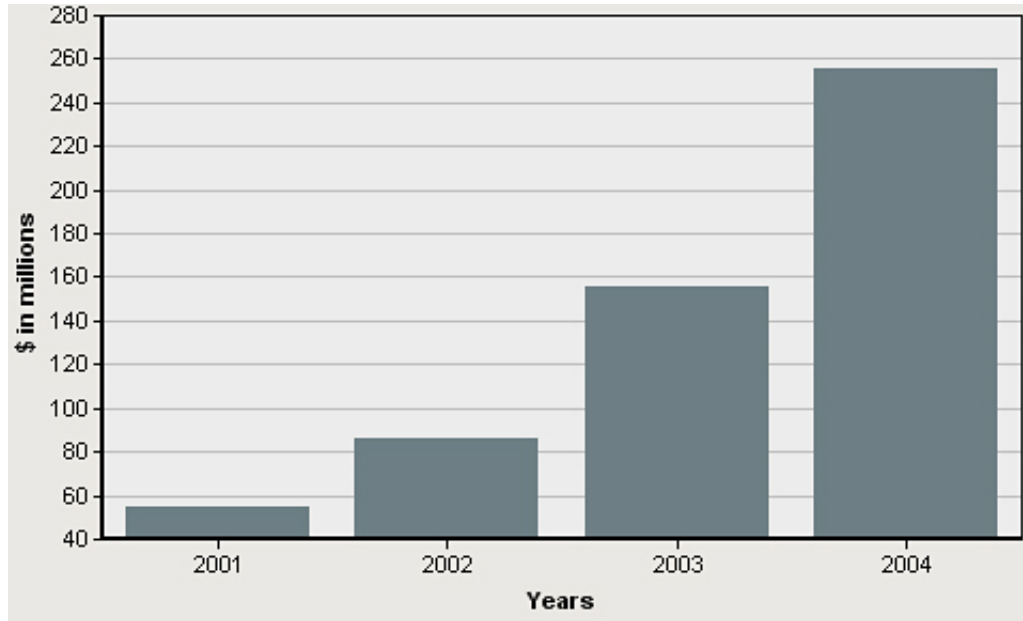
### *Broadcast Outlets*

On the broadcast side of the Hispanic media, Univision, which was sold in 2006, is still, by far, the leader. The company had a good 2005 (again the latest data), but not as good as it had seen in recent years, though the fall-off may have stemmed more from FCC actions than from other factors.

Total revenues for 2005 rose \$166 million from 2004, an increase of 9%. That was small compared to the \$475 million (36%) increase the company had seen in 2004. 6

The profit picture for 2005 was more worrisome. Net profits (revenues minus expenses) declined 27%, to \$187.2 million, from \$255.9 million in 2004. 7

### Univision Net Income, 2001-2005



Design Your Own Chart

Source: Hoover's Online, [http://www.hoovers.com/univision/-ID\\_\\_51512-/free-co-fin-factsheet.xhtml](http://www.hoovers.com/univision/-ID__51512-/free-co-fin-factsheet.xhtml)

The drop of about \$69 million was the first decline in net income the company has seen in the new century.

Still, the 2004 figures were exceptional, and despite the drop in Univision's 2005 profits, the company was ahead of its 2003 figure of \$155.5 million. 8 What's more, there is every reason to believe that much of the decrease was the result of a Department of Justice requirement: that Univision sell off shares of subsidiary Entravision to decrease its stake to 15%. 9

Is Univision, a true ethnic media giant, running into limits to its growth because of government regulations, as some mainstream outlets have? Is there a point when the company simply can't grow much bigger because it has gotten into every market it could?

Heading into 2007, analysts were split on the outlook for Univision. Most stock analysts had moved the company from "strong buy" or "buy" to "hold." But Goldman Sachs, for instance, still believed the company had many good days ahead. In its first report on the Spanish-language media industry, issued in late 2005, Goldman said that the field's

audience growth left it in the best position to “lead in the monetization opportunity” presented by the nation’s growing Spanish-language audience, particularly because it expected most growth to happen in TV and radio. But the report also said growth “may be less linear” or “lumpier” than in the past, and it did not rate other Spanish-language media properties as buys. Goldman, for instance, gave Entravision a neutral rating. It also said the radio company Spanish Broadcasting Systems, which has stations in denser Hispanic markets such as New York, Los Angeles and Miami, would under-perform because it seemed revenue growth was slowing in part because the markets were saturated. 10

As of 2006, in any case, Univision had become largely immune to some of the bigger issues affecting other broadcast outlets. The network had not witnessed a loss of viewers, and in some markets at some time slots its newscast was the ratings leader. And Univision ended the 2005-2006 television season as the as the fourth-largest broadcast network in prime time among adults 18 to 24, beating NBC, UPN, and WB. Over all, among all audiences it was the nation’s fifth-largest broadcast network, behind ABC, CBS, NBC and Fox. 11

Economic data for the other big Spanish-language broadcaster, Telemundo, a subsidiary of NBC, were unavailable for 2006. Telemundo’s financial numbers are embedded in the annual report of General Electric, NBC’s parent, but are not separated out.

### *Hispanic Media Online*

Much has been made in the mainstream media of the loss of audience to other more segmented outlets, particularly the Internet. The impact of the Internet on Spanish-language media is not easy to track, but it apparently has had less effect for now on the bottom line or audience. And as noted above, circulation of print outlets has grown and ad revenues, while slowing a bit, are still growing.

But ironically, that isn’t necessarily good news for those Spanish-language media; it could lull them into a false security. Experts in the field told PEJ that there simply aren’t enough ethnic media Web sites, and that the lack of them is one of the bigger concerns the Spanish-language and other ethnic media face. “The ethnic media are five years behind the times when it comes to the Internet,” New America Media’s executive director, Sandy Close, told PEJ at a meeting of ethnic media representatives in Washington. Most ethnic print outlets, NAM’s largest constituent group, do not have a strong Web presence, she says, and they risk losing the next generation of ethnic media consumers. Smaller papers with 15,000 to 20,000 circulation have almost no Web presence at all, says Kevin Weston, NAM’s Director of New Media and Youth Communications.

There may be some long-standing explanations for that lack of interest in the Web, especially for African-Americans and Hispanics. A 2005 Children’s Partnership study found that white and Asian children are twice as likely to have broadband Internet access at home than their African-American and Latino counterparts. 12

“The impact of the Web is much less marked on Spanish-language print,” Edward Schumacher-Matos, publisher of Rumbo, told PEJ in an e-mail interview “because so many of our readers (first generation) are not online. Their kids are, but that is a different story ... Hispanic newspapers, both Spanish and English, are in many ways akin to community papers — we serve a targeted ethnic community — which also aren’t so affected by the Web because the content is exclusive. There aren’t Web sites that offer local news for the Hispanic community, and the national sites are too generic.”

The story of the Spanish-language broadcast media and the Internet, at least where multi-platform giant Univision is concerned, is quite different.

Univision has a strong presence on the Web. For six consecutive years Univision.com has been found to be the Internet's most-visited Spanish-language in the U.S. by a wide margin. A survey by Simmons Research, a consumer study organization, found that the site has twice the Spanish-dominant and bilingual visitors as Yahoo en Espanol and four times the number of MSN Latino. The survey found that Univision.com scored an average of 11 million unique visitors a month, up from 10 million in 2005. 13

While those numbers make Univision.com the king of the Spanish-language Web in the U.S., they leave it far behind the most popular English-language sites. Using a random month as a comparison (July 2006), Univision.com wouldn't even place in the top 50 sites, according to comScore, a company that measures Web traffic.

#### Top 50 Web Properties, July 2006

Rank	Property	Unique Visitors in thousands
	Total Internet Users	173,191
1	Yahoo Sites	129,439
2	Time Warner Network	121,068
3	Microsoft Sites	117,791
4	Google Sites	103,860
5	eBay	75,814
6	MySpace.com	54,522
7	Ask Network	52,061
8	Amazon Sites	46,788
9	New York Times Digital	38,133
10	Verizon Communications	36,605
11	Weather Channel	35,021
12	Apple Computer	31,102
13	Viacom Digital	30,767
14	CNET	30,468
15	Adobe Sites	30,122
16	Expedia Inc.	29,724
17	Monster Worldwide	28,409

18	Wikipedia Sites	28,121
19	United Online, Inc.	26,788
20	Wal-Mart	26,550
21	Gorilla Nation Media	26,448
22	Disney Online	25,879
23	AT&T, Inc.	25,190
24	Lycos, Inc.	23,688
25	Bank of America	23,500
26	Target Corp.	23,394
27	CBS Corporation	20,855
28	Real.com Network	20,854
29	CareerBuilder LLC	20,802
30	Gannett Sites	19,661
31	Shopzilla.com Sites	18,602
32	Vandare Media	18,553
33	Comcast Corp.	17,644
34	ESPN	17,336
35	Cox Enterprises Inc.	17,126
36	ARTISTdirect Network	16,959
37	Trip Network Inc.	16,518
38	WhitePages	16,450
39	E.W. Scripps	16,094
40	YouTube.com	16,080
41	Weatherbug Property	10,016
42	Orbitz.com	15,802
43	EA Online	15,681
44	Photobucket.com LLC	15,551
45	iVillage.com	15,227
46	Capital One	14,960
47	Dell	14,745
48	Facebook.com	14,365
49	JPMorgan Chase	14,361
50	Overstock.com	14,335

It would finish below ESPN with 17 million unique visitors, You Tube with 16 million and Facebook with 14 million.

But the better comparison might be Yahoo, which scored 129 million visitors, and Google with 103 million. Univision.com is not a news site, it is a full-service Spanish-language portal with front page links for TV, music, shopping, finance, sports and news, among other things. In appearance it may most closely resemble AOL.

That leaves Univision in a good place as audiences transition to the Web, which increasingly is an omnibus provider of services to users.

And Univision's news site is not an afterthought in the mix. It won a bronze medal at the 2006 North American awards of the Broadcast Designer Association, an organization of professionals in motion graphics, finishing behind CNN and Court TV.

There are still some longer-term economic issues lingering over the Spanish-language media. For instance, what about the rise of small markets that seems to be foretold in the Census data showing the spreading out of ethnic groups? Is that good news for a big broadcaster like Univision? And what will it mean to the smaller print outlets, the kind that often lag in Internet presence, that inevitably will sprout in those places? In the short run, however, rising circulations and viewerships indicate Spanish-language outlets are set to do well.

## Footnotes

1. Hispanic Publication Advertising Sales in 2005, data sheet from Kirk Whisler
2. Ibid
3. The LPN numbers are self-reported, but they are the best available.
4. Ibid
5. Totals for Sing Tao from NCM Directory
6. Hoovers financial statement for Univision
7. Ibid
8. Ibid
9. Entravision press release, February 27, 2006. Entravision is a Spanish-language media company that owns television stations, radio stations and outdoor billboards. .
10. U.S. Media: Broadcasting. Spanish-language media initiation. "Mind the Gap." Goldman Sachs, November 2005



11. Univision press release May 25, 2007

12. Children's Partnership Study "Measuring Digital Opportunity for America's Children" June 2005, p. 29

13. Hispanic PR Wire release, September 18, 2006



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**Intro**

Beyond all the facts and figures concerning the American news media, there are the attitudes and opinions journalists themselves have about their industry and profession. This section from the *State of the News Media 2004* report details the results of a survey of more than 500 national and local reporters, editors and executives. The survey was conducted by the Pew Research Center for the People and the Press in collaboration with the Project for Excellence in Journalism and the Committee of Concerned Journalists.

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# Commentary on the Survey Findings



web.archive.org/web/20080517012537/http://www.stateofthedia.org/2007/journalist\_survey\_commentary.asp

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## Introduction

While their worries are changing, the problems that journalists see with their profession in many ways seem more intractable than they did a few years ago.

News people feel better about some elements of their work. But they fear more than ever that the economic behavior of their companies is eroding the quality of journalism.

In particular, they think business pressures are making the news they produce thinner and shallower. And they report more cases of advertisers and owners breaching the independence of the newsroom.

These worries, in turn, seem to have widened the divide between the people who cover the news and the business executives they work for.

The changes in attitude have come after a period in which news companies, faced with declining audiences and pressure on revenues, have in many cases made further cuts in newsgathering resources.

There are also alarming signs that the news industry is continuing the short-term mentality that some critics contend has undermined journalism in the past. Online news is one of the few areas seeing general audience growth today, yet online journalists more often than any others report their newsrooms have suffered staff cuts.

Only five years earlier, news people were much more likely to see failures of their own making as more of an issue. Since then, they have come to feel more in touch with audiences, less cynical and more embracing of new technology. In other words, journalists feel they have made progress on the areas that they can control in the newsroom.

While feeling closer to audiences, however, news people also have less confidence in the American public to make wise electoral decisions, a finding that raises questions about the kind of journalism they may produce in the future.

There are also signs that the people who staff newsrooms, at least at the national level, tend to describe themselves as more liberal than in the past.

These findings, which build on work by the Pew Research Center for the People and the Press and the Committee of Concerned Journalists five years ago, mark the beginning of an annual collaboration between the Pew Center and the Project for Excellence in Journalism to monitor the feelings of journalists.

In addition to assessing the change from 1999, this survey puts down some new baselines for further study-

matters such as whether the press is too timid, the impact of cable, the Internet and political ideology.

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## **What Journalists Are Worried About**

News people are not confident about the future of journalism. Overall, they appear split over whether journalism is headed in the right or wrong direction. At the national level a slim majority are pessimistic. At the local level a slim majority are optimistic. Broadcasters are more pessimistic. Print people are more optimistic. Internet journalists are the most optimistic of all.

Yet eliminate certain job descriptions and things look bleaker. Nationally, remove business executives and a majority of journalists think things are moving in the wrong direction. At the local level, it is only senior news managers who are confident. Business executives are split.

More important, the source of their concern is different than five years ago. Increasingly, journalists worry that the economics of journalism are eroding quality.

Sizable majorities of journalists (66% nationally and 57% locally) think "increased bottom line pressure is seriously hurting the quality of news coverage." That is a dramatic increase from five years ago, when fewer than half in the news business felt this way.

And their concerns may be justified. The State of the News Media 2004 report produced by the Project for Excellence in Journalism in March found that most sectors of the news media have seen clear cutbacks in newsgathering resources. The number of newspaper newsroom staffers shrunk by 2,000 between 2000 and 2004, a drop of 4% overall. Some major online news sites saw much deeper cuts, such as MSNBC, which cut around a quarter of its staff between 2001 and 2003. Radio newsroom staffing declined by 57% from 1994 to 2001. After an uptick in 1999, network staffing began to drop again in 2000. Since 1985 the number of network news correspondents has declined by 35 percent while the number of stories per reporter increased by 30 percent.

Nationally, quality is still the problem news people worry about most but they are worried about it less than five years ago. Locally, as many journalists now cite economic pressure as journalism's biggest problem as point to a lack of quality.

And those who have felt the economic pressure more acutely are the most worried of all. Among those who reported staff cuts in the last three years, three-quarters feel increased bottom line pressure is "seriously hurting" news quality. They also were more likely than average to name economic and business pressures as journalism's biggest problem.

There are also signs that the economic influences on the news business have become more pernicious. Five years ago we found that financial pressure in the newsroom was "not a matter of executives or advertisers pressuring journalists about what to write or broadcast." It was more subtle than that.

Unfortunately, that is less true today. Now a third of local journalists say they have felt such pressure, most notably from either advertisers or from corporate owners. In other words, one of the most dearly held principles of journalism—the independence of the newsroom about editorial decision-making—increasingly is being breached.

There is also alarming news here for the Internet. Advertiser and corporate interference with the news content are similarly high among those who work in online news, where the line between independently produced content and advertising may be harder to detect.

These numbers bear watching-closely.

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## **A Newsroom-Executive Divide**

All of this may be at the root of another problem that has intensified over the last five years. There is a manifest and widening gulf between journalists and the people they work for.

The survey broke news people down into three separate groups. Executives were those who have chief financial responsibility for the news company-publishers, CEOs, chief financial officers. Senior news executives included editors-in-chief, executive editors, managing editors and executive producers, down to assistant managing editors. Newsroom staff included everyone from bureau chiefs down to cub reporters.

In general, journalists have less confidence in their bosses than they did a few years ago.

Less than a third of national journalists rate their leadership as "excellent," down six points from five years ago. Less than a quarter of local journalists feel that way, also down slightly from five years ago.

It may be no surprise that the level of confidence in the bosses declines as you move down the ranks. Yet now even senior news managers are not confident in the people above them.

It is here, at the level of senior news executives, where the rating of the leadership has dropped most precipitously. Five years ago, 42% of senior news executives nationally had high confidence in their bosses. Today, just 30% do. Locally, the number is 18%.

What is behind the widening morale problem in newsrooms?

The survey results offer two possible explanations. One is that executives and journalists cannot even agree on the basic situation in their newsrooms. Nationally, journalists are twice as likely to report that their staffs have decreased as are business executives who run news companies.

A second divide between executives and newsroom staffers is over the question of the impact of economics. Nationally, journalists are more than twice as likely as executives to say bottom line pressure is eroding journalistic quality. The divide exists at the local level as well but not as drastically.

Whatever the reasons for this, unless staffers and bosses can agree on first describing what is going on in the company and then agree on its impact, it seems doubtful they could agree on how to deal with it.

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### **Specific Areas of Concern**

Beyond cutbacks and pressure to help advertisers or corporate siblings, journalists have other worries as well. Five years ago, people in the news business shared two overriding concerns. As we said back then, "They believe that the news media have blurred the lines between news and entertainment and that the culture of argument is overwhelming the culture of reporting. Concerns about punditry overwhelming reporting, for instance, have swelled dramatically in only four years."

Today, the concerns are more varied and less easy to categorize. The worries about punditry are still there but they have diminished both nationally and especially locally.

A bigger issue now is a sense of shallowness. Roughly eight-in-ten in the news business feel the news media pay "too little attention to complex issues," up from five years ago to levels seen in the mid-1990s, at the peak of the fascination with tabloid crime stories like O.J. and JonBenet Ramsey.

On the issue of accuracy, journalists seem divided. Nationally, the number of journalists who feel that news reports are increasingly sloppy and inaccurate is rising. Locally, it is dropping.

And about some matters people in the news business-across all levels-are clearly less worried than they were five years ago.

Fewer journalists today see the press as too cynical. And, compared with five years ago, fewer also see journalists as out of touch with their audiences.

Both of these are areas that reform movements such as public journalism-which was concerned with trying to reconnect journalists and the public-focused on.

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## The Internet as a Place of Confidence and Cuts

In such a landscape, the Internet should be a glimmer of hope, and in many ways it is. The State of the News Media 2004 report found that the Internet was one of the few places where news audiences were growing. Just as importantly, young people sought out news online in the same percentages as older people. Privately, some of the country's top newspaper executives report that they now have more readers on the web than they do in print. Financially the picture is also promising, if embryonic. Revenues from the Internet, according to the State of the News Media report, are growing exponentially, though for now they remain small.

Generally, the Internet journalists surveyed, most of whom work for websites of major news organizations, reflect that booming sense of the future. They rate their product highly: fully 85% give the websites of national news organizations a grade of A or B.

Journalists also seem less fearful of technology. While majorities feel the Internet has too much unvetted and unfiltered material, most news people also now see the 24-hour news cycle as not harming journalism. More journalists than five years ago think the Internet is making journalism better.

Yet the survey points to something troubling here that online journalists are privately frustrated by. The Internet is the most likely place in journalism to be suffering staff cuts (62%).

Given the growth in Internet news audiences and the growing confidence of journalists about the content, one might have expected that companies planning on the future would be moving resources into this growth area.

The fact that this is not happening has two possible implications. First, it suggests that the news industry is managing for the short-term to such a degree that it is leaving malnourished the one area that could grow the business out of its current dilemma of declining audience. To maintain profits, it is penny wise and pound foolish. If this is the case, it would be an old story-and a familiar mistake-repeated again.

The other possibility is that the news business has lost confidence in the basic economic principle that had fueled its development for much of the last 200 years:

Namely, that if you can aggregate a large-enough audience in one place, the revenue stream will work itself out eventually.

Yet the companies who produce online news apparently do not have confidence that will happen here. If they are not willing to invest in the newsroom now, when audience and revenues look promising, what will ever convince them to?

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## Confidence in the Public

Ultimately journalism is predicated on faith in the public. Here, journalists' views have become dramatically more pessimistic.

The percentage of national journalists who have a great deal of confidence in the ability of the American public to make good decisions has declined by more than 20 points since 1999. Confidence among local journalists has fallen as well.

What is going on? Does this suggest that as news people get closer to their audiences they conclude people are less wise than they once believed? Is it possible that market research data is persuading journalists today that they understand their audiences better and also that those audiences are dumber than they thought?

Or, is the loss of confidence in the public more tied to journalists' views about the content of news? They see news doing a poorer job of covering complex issues and conclude that this will leave Americans unprepared for making good decisions.

It is also possible that journalists are leaping to another conclusion: They see the content of the news becoming shallower and conclude that this must be what the public wants or why else would their

organizations be providing it?

There is also a fourth possibility: liberal journalists unhappy with President George W. Bush's policies could be dismayed that the public chose Bush in 2000 and until recently have largely approved of his performance.

In the end, whatever the cause of declining faith in the public, the implications are troubling. Even if the economics of journalism work themselves out, how can journalists work on behalf of a public they are coming to see as less wise and less able? A cynical view of the public becomes a self-fulfilling prophecy that leads journalists to produce a shallower product because they think the public cannot handle anything else.

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## **Politics & Ideology**

The findings on politics also point to trends worth watching. Journalists tend to be split over whether the press has become too timid and also too easy on Bush-and the split is between national journalists and local. The national journalists tend to feel the press has been insufficiently critical of Bush. National journalists also are the more likely to describe themselves as personally liberal.

But this does not mean that journalists want to abandon the model of the independent press. Across the board, news people disapprove of news organizations having a decidedly ideologically point of view. Even among Internet journalists, often thought of as writing with more edge, three-quarters do not favor moving toward this more ideological, more European model of journalism.

The fact that journalists are more likely to see a conservative tilt in the news than a liberal one invites various explanations. It could be a sign of liberal bias. It also could be a natural response by journalists tired of people producing partisan journalism on the right positioning themselves as the counterbalance to a mainstream press they characterize as left wing. There will be no settling of that.

On the other hand, the fact that the New York Times is the organization most often cited as liberal may embarrass the Times. The fact that large majorities of journalists cite Fox as conservative may not embarrass that cable network.

Journalists' own politics are also harder to analyze than people might think. The fact that journalists-especially national journalists-are more likely than in the past to describe themselves as liberal reinforces the findings of the major academic study on this question, namely that of David H. Weaver and G. Cleveland Wilhoit, in their series of books "The American Journalist."

But what does liberal mean to journalists? We would be reluctant to infer too much here. The survey includes just four questions probing journalists' political attitudes, yet the answers to these questions suggest journalists have in mind something other than a classic big government liberalism and something more along the lines of libertarianism. More journalists said they think it is more important for people to be free to pursue their goals without government interference than it is for government to ensure that no one is in need.

This libertarian strain is particularly strong among local journalists, who are also more likely to describe themselves as moderate.

More research here is probably useful. The debate over press ideology is fraught with difficulty. Some of the research done in the past has been, frankly, poor, and on the other side, some journalists would rather not face the question at all. Neither of these approaches is satisfactory.

But there is something here for journalists to be concerned about.

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## **Crossing from Concern to Frustration**

Five years ago we found a profession that had become more concerned about its performance and more willing to adapt. The findings back then, we said, paint "a picture of an industry aware it is at a cross roads. Journalists have come to agree with their critics and are embarking on self examination that is a likely first

step to change."

Today, some of that change has happened, but what remains are problems that seem more structural and protracted.

While journalists feel they have gotten closer to their audiences and more willing to innovate, they also are more pessimistic about the public. It is possible that journalists feel they have done much of what they can do themselves to address journalism's problems. What they are left with are issues they cannot contend with alone. And they believe the companies they work for in the last five years have moved in ways that have only made things worse.

On top of that, there are signs that the growth areas in journalism are not seeing the kind of investment of resources to build for the future.

If five years ago we saw the seeds of change, today we see a trend toward fragmentation among all players involved - journalists, executives and the public.

Not only do they disagree on solutions, they seem further apart on identifying the problems

Bill Kovach is chairman of the Committee of Concerned Journalists. Tom Rosenstiel is director of the Project for Excellence in Journalism. Amy Mitchell is associate director.

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# Press Going Too Easy on Bush

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## Bottom-Line Pressures Now Hurting Coverage, Say Journalists

by the Pew Research Center for the People and the Press

### Overview

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NOTE: This report is also available on the Pew Research Center [Web site](#).

### Overview

Journalists are unhappy with the way things are going in their profession these days. Many give poor grades to the coverage offered by the types of media that serve most Americans: daily newspapers, local TV, network TV news and cable news outlets. In fact, despite recent scandals at the New York Times and USA Today, only national newspapers - and the websites of national news organizations - receive good performance grades from the journalistic ranks.

Roughly half of journalists at national media outlets (51%), and about as many from local media (46%), believe that journalism is going in the wrong direction, as significant majorities of journalists have come to believe that increased bottom line pressure is "seriously hurting" the quality of news coverage. This is the view of 66% of national news people and 57% of the local journalists questioned in this survey.

Journalists at national news organizations generally take a dimmer view of state of the profession than do local journalists. But both groups express considerably more concern over the deleterious impact of bottom-line pressures than they did in polls taken by the Center in 1995 and 1999. Further, both print and broadcast journalists voice high levels of concern about this problem, as do majorities working at nearly all levels of news organizations.

The notable dissent from this opinion comes from those at the top of national news organizations. Most executives at national news organizations (57%) feel increased business pressures are "mostly just changing the way news organizations do things" rather than seriously undermining quality.

The survey of journalists - conducted March 10-April 20 among 547 national and local reporters, editors and executives by the Pew Research Center for the People and the Press in collaboration with the Project for Excellence in Journalism and the Committee of Concerned Journalists - also finds increased worries about economic pressures in the responses to an open-ended question about the biggest problem facing journalism today. As was the case in the 1999 survey, problems with the quality of coverage were cited most frequently. Underscoring these

### Profit Pressures Hurting Coverage

<i>Effect of bottom-line pressure on news coverage</i>	--- National ---			--- Local ---		
	<i>1995</i>	<i>1999</i>	<i>2004</i>	<i>1995</i>	<i>1999</i>	<i>2004</i>
	%	%	%	%	%	%
Hurting	41	49	66	33	46	57
Just changing	38	40	29	50	46	35
Other/DK	21	11	5	17	8	8
	100	100	100	100	100	100
<i>Reporting is increasingly sloppy and error-prone</i>						
Valid criticism	30	40	45	40	55	47
Not valid	65	58	54	59	42	52
Don't know	5	2	1	1	3	1
	100	100	100	100	100	100

worries, the polling finds a continuing rise in the percentage of journalists believing that news reports are full of factual errors. In the national media, this view increased from 30% in 1995 to 40% in 1999 to 45% in the current survey.

When asked about what is going well in journalism these days, print and broadcast journalists have strikingly different things to say. TV and radio journalists most often mention the speed of coverage - the ability to respond quickly to breaking news stories - while print journalists emphasize the quality of coverage and the watchdog role the press plays as the profession's best features.

Journalists whose own newsrooms have undergone staff reductions are among the most worried that bottom-line pressures are undermining quality. Fully three-quarters of national and local journalists who have experienced staff cuts at their workplace say bottom-line pressures are seriously hurting the quality of news coverage. Those not reporting staff reductions are far more likely to say business pressures are just changing newsgathering techniques.

Beyond the stress of shrinking workplaces, there are a number of specific criticisms of the news media that are closely associated with the view that bottom-line pressure is hurting the quality of news coverage. First, there is almost universal agreement among those who worry about growing financial pressure that the media is paying too little attention to complex stories. In addition, the belief that the 24-hour news cycle is weakening journalism is much more prevalent among this group than among news people who do not view financial pressure as a big problem, and a majority says news reports are increasingly full of factual errors and sloppy reporting. And most journalists who worry about declining quality due to bottom-line pressures say that the press is "too timid" these days.

	Yes, <u>concerned</u>	Not <u>concerned</u>	<u>Differ-</u> <u>ence</u>
<i>Percent citing as valid criticisms...</i>	%	%	
News avoids complex issues	86	64	+22
24/7 cycle weakens journalism	50	26	+24
The press is too timid	56	31	+25
Increasingly sloppy reporting	52	36	+16

Based on national journalists.

In that regard, the poll finds that many journalists - especially those in the national media - believe that the press has not been critical enough of President Bush. Majorities of print and broadcast journalists at national news organizations believe the press has been insufficiently critical of the administration. Many local print journalists concur. This is a minority opinion only among local news executives and broadcast journalists. While the press gives itself about the same overall grade for its coverage of George W. Bush as it did nine years ago for its coverage of Bill Clinton (B- among national journalists, C+ from local journalists), the criticism in 1995 was that the press was focusing too much on Clinton's problems, and too little on his achievements.

	General Public*	Nat'l Press	Local Press
	%	%	%
Too critical	34	8	19
Not critical enough	24	55	37
Fair	35	35	42
Don't know	7	2	2
	100	100	100

\*Public figures from May 2004 Pew Media Believability Study (N=1,800)

There are significant ideological differences among news people in attitudes toward coverage of Bush, with many more self-described liberals than moderates or conservatives faulting the press for being insufficiently critical. In terms of their overall ideological outlook, majorities of national (54%) and local journalists (61%) continue to describe themselves as moderates. The percentage identifying themselves as liberal has increased from 1995: 34% of national journalists describe themselves as liberals, compared with 22% nine years ago. The trend among local journalists has been similar - 23% say they are liberals, up from 14% in 1995. More striking is the relatively small minority of journalists who think of themselves as politically conservative (7% national, 12% local). As was the case a decade ago, the journalists as a group are much less conservative than the general public (33% conservative).

The strong sentiment in favor of a more critical view of White House coverage is just one way the climate of opinion among journalists has changed since the 1990s. More generally, there has been a steep

decline in the percentage of national and local news people who think the traditional criticism of the press as too cynical still holds up. If anything, more national news people today fault the press for being too timid, not too cynical.

Not only do many national news people believe the press has gone too soft in its coverage of President Bush, they express considerably less confidence in the political judgment of the American public than they did five years ago. Since 1999, the percentage saying they have a great deal of confidence in the public's election choices has fallen from 52% to 31% in the national sample of journalists.

Nonetheless, journalists have at least as much confidence in the public's electoral judgments as does the public itself. In addition, the growing distrust in the public's electoral decisions is not being driven by negative feelings about President Bush. Journalists who think the press is not critical enough of Bush are no more likely than others to express skepticism about the public's judgments.

By more than three-to-one, national and local journalists believe it is a bad thing if some news organizations have a "decidedly ideological point of view" in their news coverage. And more than four-in-ten in both groups say journalists too often let their ideological views show in their reporting. This view is held more by self-described conservative journalists than moderates or liberals.

At the same time, the single news outlet that strikes most journalists as taking a particular ideological stance -

either liberal or conservative - is Fox News Channel. Among national journalists, more than twice as many could identify a daily news organization that they think is "especially conservative in its coverage" than one they believe is "especially liberal" (82% vs. 38%). And Fox has by far the highest profile as a conservative news organization; it was cited unprompted by 69% of national journalists. The New York Times was most often mentioned as the national daily news organization that takes a decidedly liberal point of view, but only by 20% of the national sample.

The survey shows that journalists continue to have a positive opinion of the Internet's impact on journalism. Not only do majorities of national (60%) and local journalists (51%) believe the Internet has made journalism better, but they give relatively high grades for the websites of national news organizations.

News people also acknowledge a downside to the Internet - solid majorities of both national and local journalists think the Internet allows too much posting of links to unfiltered material. In addition, sizable numbers in the national (42%) and local samples (35%) say the Internet has intensified the deadline pressure they face. The changing media environment is generally having an impact on journalists' workloads - pluralities of national and local news people say they are increasingly rewriting and repackaging stories for multiple uses.

While journalists voice increasing concern over sloppy and error-filled news reports, there is no evidence that recent scandals like those at USA Today and the New York Times are having a significant impact on the way journalists view the profession. The number of journalists who cite "ethics and standards" as the biggest problem facing journalism has not grown since 1999. And most say that while plagiarism may be getting more attention these days, it is actually no more prevalent today than in the past.

**Confidence in the Public's Electoral Judgment**

	Public 2004*	National press		Local press	
	2004*	1999	2004	1999	2004
	%	%	%	%	%
A great deal	20	<b>52</b>	<b>31</b>	28	22
A fair amount	48	41	51	56	54
Not very much	24	6	15	13	21
None at all	5	1	2	3	2
Don't know	3	*	1	*	1
	100	100	100	100	100

\*Public figures from May 2004 Pew Media Believability Study (N=1,800)

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### **Section I: Views on Performance**

Journalists are divided over whether their profession is advancing or regressing. Only about half of local journalists - and even fewer national journalists - feel their profession is moving in the right direction. In particular, national TV and radio journalists are the most negative, with 61% saying the field is headed in the wrong direction, compared with just 33% who say the opposite.

There also is a significant divide between executives and reporters in these national organizations, with executives seeing the profession headed in the right direction (by a 57% to 38% margin) while reporters say things are declining (by 54% to 39%).

#### *Continuing Concerns Over Quality*

Problems with the quality of coverage remains a major concern of journalists, but an increasing percentage mention business and financial factors. A plurality of national journalists (41%) cite quality concerns such as sensationalistic coverage; the need for accuracy; and a lack of depth, relevance and objectivity as the most important problems facing their profession. Collectively, these were also the top concerns volunteered by national journalists in 1999, and in a similar survey a decade earlier.

Among local journalists, however, business and financial problems are now mentioned as frequently as concerns over the quality of coverage. More than a third of local news people (35%) cite business and financial factors as the biggest problem facing journalism, up from 25% five years ago.

*Print Journalists Worried About Losing Readers*

There are significant differences among journalists in different media, as well as those working at local and national news organizations, over the biggest problem confronting journalism. Broadcast journalists, especially at the national level, cite issues relating to quality much more often than do their print counterparts. Roughly half of national broadcast journalists (51%) cite quality concerns, compared with 32% of national print journalists.

By comparison, declining readership is cited by 15% of print journalists at both national and local news organizations, but no more than 2% of broadcast journalists view loss of audience as the most important concern. Instead, broadcast journalists view limits on resources - and the pressure to make profits and get bigger ratings - as the biggest financial problems.

Despite the growing concern over business and financial issues, fewer journalists mention an overly competitive media environment as the biggest problem. In 1999, 17% of national and 15% of local journalists specifically mentioned increasing competition as a problem; just 5% of national and 2% of local journalists say this today.

While the quality of coverage and business concerns are seen as the leading problems facing journalism, the single word mentioned more frequently than any other by journalists assessing their profession is "credibility." Roughly a quarter of both national and local journalists mentioned problems with public trust and confidence in some form, and one-in-five specifically mentioned credibility as the biggest concern for the profession.

Print journalists are far more likely than those in broadcast to see credibility as the biggest problem facing journalism today. Four-in-ten (39%) journalists working at national newspapers, magazines and wire services say credibility is the biggest problem, compared with just 15% at national TV and radio outlets. And this gap exists at the local level as well, with local print journalists nearly three-times as likely as local broadcast journalists (33% vs. 12%) to cite credibility as their greatest concern.

There is also a sizeable difference between younger and older journalists in perceptions of the credibility problem. Just one-in-ten journalists under age 35 cite concerns about credibility and public trust as the biggest problem facing the profession, compared with about quarter of those age 35 to 54 (26%), and a third of those age 55 and older.

Though a number of journalists specifically mentioned recent scandals involving New York Times reporter Jayson Blair and USA Today's Jack Kelley in describing why the profession has lost credibility with the public, relatively few expressed concerns with any broader ethical problems in their field. In fact, just 5% of national journalists (and 6% of local news people) cite ethics or a lack of standards as the biggest problem in journalism, about half as many as in the 1999 survey.

### *Plagiarism Not Widespread*

The vast majority of journalists of all backgrounds and at all workplaces say that plagiarism is no more prevalent today than it has been in the past, just more of a focus on the problem. More than seven-in-ten national (77%) and local (72%) journalists agree with the statement "We are hearing more about plagiarism but its prevalence has not increased." About one-in-five at both the national and local level (21% of national journalists, 23% local) say there is more plagiarism today than in the past.

There is virtually no difference across different groups of journalists in this perception. Broadcast and print journalists, as well as executives, senior editors, and reporters all predominantly say that recent incidents of plagiarism do not signify a wider problem in the field. There is similarly no difference in this view between young and old, those who are more and less experienced, or those who are more and less educated.

### *What the Press is Doing Well*

Print and broadcast journalists also differ over what journalism is doing well these days. Print journalists most often point to the quality and depth of coverage that is provided. They describe the volume of topics covered, coverage with context and insight, and an ability to make the news interesting and relevant. Fully 42% of local print journalists and 31% of their national counterparts cited some aspect of the quality of coverage as journalism's best performance trait, compared with just 18% of local broadcast journalists and 19% of national broadcast journalists.

Those working in television and radio are more likely to cite the timeliness and speed of reporting as what journalism is doing best today. Among local journalists, broadcast journalists are more than twice as likely as those working in print (33% vs. 14%) to cite the immediate coverage of live and breaking news as journalism's greatest strength. This gap is even wider within the national press, with 37% of national broadcast journalists - and just 11% of national print journalists - citing timeliness and speed as the best aspect of today's news.

The watchdog role of the press is cited as journalism's strength by fewer in the field. Print journalists are about twice as likely as those in broadcasting to say investigative reporting and watchdog journalism is what the press is doing well these days. By contrast, those in TV and radio make far more mention of the value of news websites and the use of production technology to better deliver news to the public.

As was the case five years ago, roughly half of journalists say the profession does a good job of striking a balance between what audiences want to know and what's important for them to know. This opinion is held by comparable numbers of national and local journalists, as well as among those working in both print, broadcast, and Internet media.

### *Criticisms of the Press*

Nearly eight-in-ten in both national and local news organizations believe the criticism that the press pays too little attention to complex issues is valid (78% national, 77% local). This is comparable to findings in previous press surveys conducted in 1995 and 1999. Roughly two-thirds also agree that there are too many talk shows on cable television today, and this view is shared equally by both print and broadcast journalists.

Most journalists also accept as valid the criticism that the distinction between reporting and commentary has seriously eroded, although the percentage who cite this as a valid criticism has, if anything, declined since 1999. However, far more national and local journalists regard this as a legitimate critique than did so in 1995.

A growing number of national journalists, in particular, say news reports are increasingly full of factual errors and sloppy reporting. The number of national journalists who view this as a valid criticism has increased steadily from 30% in 1995 to 40% in 1999 to 45% today. A comparable percentage of local journalists say this is a valid criticism (47%). That represents a decline from 1999 (55%), but is higher than the 1995 level (40%).

In both 1995 and 1999, slim majorities agreed with the criticism that the press was too cynical, but this perception has ebbed among both national (37%) and local (40%) journalists today. In fact, more national journalists say the press is too timid (47%) than too cynical. In addition, the proportion who feel the press can be criticized for becoming out of touch with their audience has dropped slightly within both groups of journalists.

### *Grading the Media*

Journalists give the highest ratings to major national newspapers - 92% of national journalists and 80% of local journalists give national newspapers a grade of A or B. By contrast, local TV news receives the lowest grades; just 32% of local journalists say local TV news outlets deserve a grade of A or B and national journalists' grades are even lower (21% A or B).

Grades for other news media - network TV news, cable TV news, and local newspapers - fall somewhere in between national newspapers and local TV news. In that regard, little has changed from nine years ago, when journalists gave very similar grades to these media organizations.

Most journalists give their own news organization middling grades. Just 22% of national journalists, and 14% of local journalists, gave their organization an A, though roughly six-in-ten of both groups gave their own organization a grade in the B range. These grades also are similar to the grades journalists assigned in 1995.

Print journalists are particularly critical of network and local TV news. Just 32% of national print journalists give favorable grades (A or B) to network TV news, while twice as many (65%) assign grades of C or D. Journalists at local newspapers are, at most, only slightly more favorable. By comparison, a majority of journalists working at

both national and local TV and radio outlets give favorable grades to network news programs.

Nearly half (47%) of local TV journalists give favorable grades to their own field's performance, compared with only 18% of local print journalists. The print/broadcast gap is slightly narrower among journalists at national outlets, but only because ratings of local TV news are low among all national reporters whether in print or broadcasting. Among broadcast media, cable TV news channels are the exception to the media divide, as they are graded similarly by both print and TV/radio journalists.

Journalists were also asked to give a grade to national news organizations for their websites, and the marks were fairly strong. Sizable majorities of both national (70%) and local (57%) journalists gave grades of A or B to major media websites. And the grades among local journalists are lower only because more said they were unable to rate these websites - very few in either group gave poor marks to the websites.

### *Why is Journalism on the Wrong Track?*

In the general evaluation of whether their profession is headed in the right direction or the wrong direction, journalists were almost evenly divided in their view. While those taking a pessimistic view were not asked directly what they had in mind, an analysis of their responses to other questions provides some indication of the factors behind this opinion.

In particular, journalists who say things are going badly are significantly more likely to take their profession and employers to task for the quality of the news product. They believe the press has become too timid, and almost unanimously say the press pays too little attention to complex issues. Nearly three-quarters of journalists who say the profession is headed in the wrong direction say the distinction between reporting and commentary has seriously eroded, compared with only half of those who think things are on the right track.

Concerns about the impact of bottom-line pressures also are far more prevalent among those saying the profession is on the wrong track, which is closely related to concerns about sloppy reporting and the increasing commercialization of the news. Many say the emergence of the 24-hour news cycle has weakened journalism and that news reports are increasingly full of factual errors. And those critical of the overall direction of journalism more frequently cite sensationalistic reporting and an emphasis on ratings as the biggest problems facing the profession.

Within the newsroom, those who are unhappy with the leadership of their own news organization are far more negative about the profession as a whole compared with those who are satisfied with their bosses. In addition, those who have participated in training or professional development over the past 12 months are significantly more optimistic about the profession as a whole than those who have had no such training.

But overall cynicism about journalism is not simply an expression of sour grapes on the part of those who have faced economic pressures or staffing cuts at their own place of work. Those who have seen their newsrooms shrink, or who say that resource and staffing limitations are the biggest problem facing the profession, are no more or less likely to be negative about the direction of journalism than those who have not faced resource limitations.

Similarly, there are no generational or ideological divides on this general evaluation of the state of the profession. Journalists young and old, liberal, moderate and conservative are all about evenly divided in terms of whether they are optimistic or pessimistic about the field.

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### **Section II: Covering the President and the Campaign**

Many journalists today feel that news media has lost its critical edge - especially when it comes to coverage of the Bush administration. Reporters and editors in national news organizations, in particular, feel the press has gone too easy on the Bush administration. Moreover, the perception that news organizations have gone soft is not confined to attitudes about coverage of Bush. An increasing number of both national and local journalists feel the traditional criticism of the press as too cynical is no longer valid. Indeed, on both the national and local level, more fault the press for being too timid than too cynical.

The journalists surveyed give middling ratings to national news coverage of Bush's presidency. A narrow majority of national journalists (53%) give the coverage a grade of A or B; local journalists are far less generous in their grading of how their colleagues in national news organizations have covered Bush (43% A or B). In a similar survey in 1995, national journalists, in particular, offered more positive opinions of coverage of the Clinton administration (65% A or B).

The journalists are somewhat more positive in their assessments of the presidential campaign. A majority of national journalists (56%) say coverage of the campaign has been better than coverage of the 2000 campaign. Local journalists are more divided: 46% say coverage of the current campaign is better than in 2000, while 34% say it is worse.

#### *Differences Over Bush Coverage*

Solid majorities of national print and TV journalists, as well as Internet journalists, say the media has not been critical enough in its coverage of the administration. A smaller plurality of local print journalists agree (46%).



But local television journalists, on balance, feel the coverage of the Bush administration has been fair. A plurality of this group (44%) believes the coverage has been fair; moreover, nearly as many say coverage has been too critical of the administration (25%) as say it has been not critical enough (28%).

### *Ideological Divisions*

Much has been made of the public's ideological divisions in this election year, but journalists also are divided along ideological lines over several issues, including press coverage of the Bush administration. Liberals who work in national and local news organizations overwhelmingly feel the press has not been critical enough of the Bush administration. Roughly two-thirds of liberal journalists (68%) express that view, compared with 28% who say coverage has been fair and 3% who believe the press has been too critical of the administration.

Self-described moderates offer a mixed judgment of the Bush coverage - about the same percentages say it has not been critical enough (44%) and fair (43%). But most conservatives (53%) think the press has been too critical of the administration, compared with 30% who view it as fair and 17% who think it has been too critical.

### *Beyond Bush: Cynicism Concerns Decline*

In the 1999 survey, narrow majorities of both national (53%) and local (51%) journalists agreed that the statement, "the press is too cynical," represented a valid criticism of news organizations.

But there has been a dramatic decline in the percentage of national and local journalists who feel the press can be legitimately criticized for excessive cynicism. Just 37% of national journalists and only slightly more local journalists (40%) view the press as too cynical. This pattern is even more apparent among Internet journalists: 24% view the press as too cynical, compared with 48% five years ago.

Internet journalists, in particular, believe that the press can be faulted for being too timid rather than too cynical (56% too timid vs. 24% too cynical). Journalists working at national news organizations agree (47% vs. 37%). But local journalists are split: 42% view the press as too timid, 40% too cynical.

### *Ideological Coverage - Valid Criticism?*

Overall, news people are divided over whether journalists today too often let their own ideological views show in their reporting. Similar percentages of national (45%) and local (43%) journalists view this as a valid criticism.

But local executives, in particular, approach this issue very differently. Roughly seven-in-ten local news executives (73%) say coverage too often reflects a journalist's ideology; roughly six-in-ten national news executives (62%) agree that this is not a valid criticism of the press.

By comparison, there is broad agreement across the spectrum of reporters, managers and executives that is a bad thing if news organizations take a "decidedly" ideological point of view in their coverage of the news. Fully 72% of national journalists and 74% of local journalists have a negative view of news organizations taking a strongly ideological stance in their coverage.

### *Fox's Outsized Impact*

Most national and local journalists do not believe any national daily news organization is "especially liberal" in its news coverage. Roughly six-in-ten in both groups (62% national/59% local) say no national daily news organization strikes them as particularly liberal in its coverage. Among the minority that names a specific news organization as being especially liberal, the New York Times was mentioned most frequently (20% national/17% local).

By contrast, solid majorities of both national and local journalists say there is an organization that they think is

especially conservative - and for most the organization that comes to mind is Fox News Channel. Fully 69% of national journalists cited Fox News Channel as especially conservative in its coverage. Fewer local journalists (42%) mentioned Fox; still, a much higher percentage of local journalists named Fox than any other single news organization, conservative or liberal.

Roughly two-thirds of self-described conservatives (68%) could identify a specific news organization that is especially liberal, and the same number (68%) could name a news organization that is "especially conservative." But moderates and liberals could identify conservative news organizations far more often than liberal ones. Roughly three-quarters of liberals (74%) and a majority of moderates (56%) say they couldn't think of any news organization that is especially liberal.

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Press Going Too Easy on Bush

## **Bottom-Line Pressures Now Hurting Coverage, Say Journalists**

*by the Pew Research Center for the People and the Press*

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### **Section III: Today's Changing Newsroom**

Newsroom staff cutbacks are hitting print journalism at both the national and local level. About half of respondents working at newspapers or magazines (48% nationally, 54% locally) say the size of their newsroom staff has decreased in the past three years. Relatively few in the print sector are seeing growth in the number of staff.

The picture is more mixed in television and radio, with about equal numbers saying their newsrooms are growing as shrinking. About half (47%) of those in national broadcast media say there has been no change in staffing compared with three years ago.

One significant change in the news business is growth in the practice of repackaging and repurposing news stories for multiple uses. About half of both national and local respondents (48% each) say they are doing this more now than in the past; print and broadcast journalists at each level are similar in this respect.

At the same time, relatively few voice unhappiness with this trend, with the notable exception of local broadcast reporters. Three-in-ten local TV reporters (29%) say they are unhappy over repackaging stories for multiple purposes. That compares with only about one-in-ten national radio and TV news people, and similar percentages of national and local print journalists.

Most journalists today give good ratings to the quality of leadership in their own organizations, a view that has changed little since 1999. At the national level, 30% of news professionals say their management is doing an excellent job, and 41% say they are doing a good job. There is relatively little difference between national print and broadcast media in leadership ratings. But over half of

executives at the national level say the quality of leadership is excellent (and 38% rate it as good). Senior newsroom staff and line journalists are less positive.

At the local level, 22% overall rate leadership as excellent, and nearly half (47%) say the quality is good. Ratings are higher among local newspaper journalists than among those in television and executives rate leadership more positively than reporters and producers.

Training and professional development programs are fairly common in newsrooms today. About half (47%) of national journalists and 56% of local journalists say they have participated in such activities provided by their news organization in the past twelve months. Among those who have taken part in training, close to half say they participated in such a program for five days or more over the past year.

Executives and senior editors and producers are more likely than line staff to report having taken part in professional development activity. Respondents who have participated in training rate their own news organization's management more highly than those who have not participated, and this is especially true of reporters.

In a related area, large majorities of respondents (76% nationally and 77% locally) say there are ongoing management efforts to address ethical issues in their newsroom, about the same as in 1999. As with training and professional development, those who report that their organizations are engaged in this activity rate their management more favorably.

### *Internet's Impact Mostly Positive*

Most news professionals (60% at the national level, 51% locally) say the emergence of the Internet has made journalism better; very few say it has hurt journalism. These views are fairly similar to those expressed by journalists in 1999. More local journalists say the Internet has had either a positive or negative impact, with higher percentage today saying it has made journalism worse (18% compared with 8% in 1999). Only local news executives are divided over the Internet's impact: 31% say it has been good for journalism; 27% view it negatively.

Not surprisingly, enthusiasm about the Internet is greatest among younger respondents in the survey. More than seven-in-ten (72%) of those under 35 years of age think the Internet has been good for the profession; just 13% view it negatively. Journalists age 35 and older also have a generally positive view of the Internet's impact, though by a much smaller margin (54% better, 15% worse).

### *Changes for the Better*

Those who believe the Internet has helped journalism most frequently cite its power as a research tool. Nearly half of those who see a positive impact of the Internet mention some aspect of the Internet as a convenient place to find timely information, to get data at any hour of the day, and to do fact-checking on deadline. Those who work for local news organizations are especially likely to mention this benefit of the Internet (61% of local vs. 47% of national and 16% of Internet journalists).

Another widely noted positive impact of the Internet is its ability to deliver information to the public more quickly and to promote greater competition among news organizations. This view is much more prevalent among print journalists than among those working in TV and radio. A frequent comment within this theme is that print journalism now has the ability to compete with television and radio for breaking news. Also, the speed of the Internet in delivering information was the single most cited benefit among journalists who work primarily on their organization's websites.

About one-in-five say the Internet has helped journalism by making far more information available to the public, and by helping to improve the accuracy of the information. A related notion, mentioned about as often, is that the Internet has broadened the range of outlets and voices available to the public. This includes more points of view, deeper stories, and coverage of topics and stories that otherwise would not have fit into existing time and space available. These changes have forced journalism to be more innovative and responsive to the public; one respondent said the Internet has "democratized the press."

A less common argument for why the web has made journalism better is that the Internet has made journalism more accountable by enabling the public - and other journalists - to more easily verify the

accuracy of information and communicate these concerns directly to those who produced a report. Only around one-in-twenty who see the web as having had a positive influence make this case.

### *Changes for the Worse*

Those who think the Internet has been bad for journalism most often cite the fact that it promotes the spread of unvetted and unfiltered information to the public; nearly half (53% national, 45% local) cite this concern. Others express a related concern about the speed and pressure of the Internet leading to too many factual errors in news coverage (17% national, 29% local).

Another concern raised by some is that the Internet has promoted the rise of pseudo-journalism, "junk" sites, and low-brow news. One negative consequence cited by several respondents is that "news" reported on these sites force mainstream journalists to waste time chasing down baseless rumors and innuendo. In a similar vein, a smaller group refers specifically to the Internet having damaged the credibility of journalism in the mind of the public.

Around one-in-ten who see the Internet as having a bad influence on journalism say the web has made journalists lazy by allowing them to do research at their desks rather than going out into the field, with some specifically stating that the Internet has made plagiarism too easy.

### *Internet's Downside*

The survey's respondents were asked specifically about two issues related to the growth of the Internet: increased deadline pressures, and the potential spread of misinformation and rumors into the news. Majorities of both print and broadcast journalists say that the Internet has increased the amount of bad information that finds its way into news stories. Overall, 65% of national journalists and 57% of local journalists agree; smaller numbers think there has been no change (31% nationally, 38% locally). Hardly anyone thinks the Internet has reduced the amount of misinformation in circulation, though only 38% of those working with websites think the problem is worse because of the Internet.

But there is a considerable difference of opinion on the Internet's impact on deadline pressures. Majorities overall believe the Internet has neither increased nor decreased such pressures (55% of national respondents, 60% of local respondents feel this way). Hardly anyone thinks deadline pressures have declined, and 42% at the national level and 35% at the local level say the pressure is greater.

Within these averages there is a great deal of variation by type of medium and by job title. At both the national and local level, print journalists are far more likely than TV and radio journalists to say deadline pressure has been increased by the Internet. National media executives are more likely than their editors or line journalists to feel this way. And, perhaps not surprisingly, those whose principal job responsibility is Internet-based journalism are the most likely to feel greater deadline pressures (78%).

### *Journalists in the Online Sector*

The poll included a separate sample of 68 journalists whose job responsibilities include managing, editing, or writing for the online outlets of national and local news organizations. Job titles for this group of respondents included "online content manager," "online editor," "website manager," and the like.

For the most part, online journalists are not significantly different from others demographically with the exception of age. The average age of respondents in the Internet group is 42, compared with 46 among the rest of the sample. Similarly, those working in online jobs had an average of 18 years experience, compared with 22 years for the rest of the respondents. More say they have undergone training or professional development activities provided by their organization (66% vs. 52%). And far more say the Internet has increased their deadline pressures.

Given the evolving nature of news organizations' websites, it is no surprise that those in the online sector say they are doing more repackaging of stories than in the past: 71%, versus 48% for other journalists. But more are happy about the change than unhappy by a margin of five-to-one (44% vs. 9%).

In most cases, the opinions of online journalists track closely with non-Internet journalists regarding the state of the profession, the reasons for declining audiences, the validity of criticisms about journalism, the

quality of their own news organization, and their own personal and political

values. They are somewhat more likely than their counterparts who work in broadcasting to say journalists have become out of touch with their audiences, and to offer that a boring and static news product is one reason some media are facing declining audiences, but many print journalists share this concern. In that vein, more online journalists than others in both print and broadcasting see the changing media environment as the biggest problem facing journalism.

Not surprisingly, most of the key differences between the views of online journalists and others pertain to the role of the Internet itself. One of the biggest differences is that majorities (57%) of those whose principal job is not in online journalism say the Internet allows too much posting of links to material that is unfiltered or unvetted; just 28% of those working in the sector agree that this is a valid criticism. Similarly, far more of those who do not primarily work on their news organization's website say the Internet has allowed more misinformation to find its way into news stories (61%, compared with just 38% among online journalists). And fewer Internet than non-Internet journalists say the Internet has hurt journalism (3% versus 16%).

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### **Section IV: Values and the Press**

Journalists at national and local news organizations are notably different from the general public in their ideology and attitudes toward political and social issues. Most national and local journalists, as well as a plurality of Americans (41%), describe themselves as political moderates. But news people - especially national journalists - are more liberal, and far less conservative, than the general public.

About a third of national journalists (34%) and somewhat fewer local journalists (23%) describe themselves as liberals; that compares with 19% of the public in a May survey conducted by the Pew Research Center. Moreover, there is a relatively small number of conservatives at national and local news organizations. Just 7% of national news people and 12% of local journalists describe themselves as conservatives, compared with a third of all Americans.

In this regard, Internet journalists are similar ideologically to local journalists: 57% describe themselves as moderates, while 27% say they are liberals and 13% conservatives. Local TV and radio journalists include the lowest percentage of liberals of any of the journalist groups surveyed (15%). Even among local TV and radio journalists, however, just 13% describe themselves as conservatives.

*Major Differences: God and Morality, Homosexuality*

The 1995 survey of journalists found particularly sharp differences between journalists and the public when it came to attitudes toward morality and homosexuality. A solid majority of Americans consistently have expressed the opinion that it is necessary to believe in God to be a moral person. Nearly six-in-ten (58%) expressed that view in a 2002 Pew Research Center survey, while 40% said that belief in God is not a prerequisite for morality. Journalists, regardless of their organization and

position, take a decidedly different view. Fully 91% of those who work at national news organizations say it is not necessary to believe in God to be moral; 78% of local journalists agree.

As was the case in 1995, journalists are much more accepting of homosexuality than is the general public. Overwhelming majorities of national (88%) and local (74%) say homosexuality should be accepted by society. Only about half of the public agrees (51%).

Since the mid-1990s, however, public support has increased for societal acceptance of homosexuality, while journalists' attitudes have been more stable. In a 1993 Times-Mirror survey, most Americans (53%) said homosexuality should be discouraged; today a narrow majority (51%) believes homosexuality should be accepted. National journalists also have become slightly more accepting of homosexuality since 1995 (83% then, 88% today), while local journalists' views have been stable (75% then, 74% today).

#### *More Agreement on Safety Net*

There is more common ground between news professionals and the public in attitudes toward individual freedom and government assistance for needy people. Identical majorities of local journalists (58%) and the public (58%) say it is more important that Americans be free to pursue their goals without government interference, than that government guarantee that no one is in need.

National journalists are divided over this question - 49% place higher priority on freedom from government interference while 42% say it is more important that the government play an active role to guarantee aid to the needy. Opinion among Internet journalists divides along similar lines: 51% believe freedom from government interference is more important; 43% say a government guarantee of aid for the needy is more important.

#### *Conservative Journalists Secular Too*

There is a broad consensus among news professionals, regardless of their ideology, that it is not necessary to believe in God to be moral. But other issues - homosexuality and the government's role in aiding the needy - produce wider fissures along ideological lines.

Journalists who identify themselves as liberals are virtually unanimous in their view that homosexuality should be accepted by society (95% agree). More than eight-in-ten moderates (84%) agree. But only about half of conservatives (49%) say homosexuality should be accepted.

The news people surveyed also are deeply divided over the question of whether individual freedom, or government aid to the needy, is more important. Liberals by a wide margin (61%-33%) place greater priority on government guarantees of aid for the needy. By contrast, conservatives overwhelmingly say it is more important that everyone be free to pursue life's goals (88%); just 9% feel it is more important for government to guarantee that no one is in need.

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# Survey Methodology



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This survey is based on interviews with 547 journalists and news media executives by telephone and online. The same questionnaire was used for both modes. The interviews were completed from March 10, 2004 through April 20, 2004.

## **Design of the Media Samples**

Three samples were drawn for this survey: a national news media sample, a local news media sample and an Internet news sample. Both the national and local samples were divided into two groups: print and broadcast (which includes television and radio).

For the national sample, the print category includes newspapers, magazines, wire services, and news services; the television category encompasses cable, television and radio networks.

For the local sample, the print category includes newspapers from a listing of the top 100 newspapers ranked by circulation, excluding those selected for the national sample. The television category includes local television stations from the top 100 media markets.

Within each of these market/medium strata (national and local, print and television), specific organizational positions (i.e., managing editor, correspondent) were selected.

The Internet sample was selected from online-only news outlets, as well as the online news outlets of traditional print and television news organizations. The specific sampling procedures are outlined below.

To obtain a sample that represented a cross-section of news organizations and of the people working at all levels of those organizations, the news media were divided into the following groupings:

- (1) Importance of medium in terms of size of audience, market or influence.
  - a) National audience
  - b) Local audience
  - c) Internet audience
- (2) Type of media
  - a) Newspapers
  - b) News magazines
  - c) Wire services
  - d) News services

- e) Television stations and networks
- f) Radio stations and networks
- (3) Organizational responsibility of the individual respondent
  - a) Executive
  - b) Senior editors and producers
  - c) Working editors and journalists

### **Identifying the Samples**

National newspapers were identified using 2002 circulation numbers in 2003 Editor & Publisher International Year Book.

National television news organizations included the three national networks, major national cable networks, public television, and radio chains with Washington, D.C. bureaus. Particularly for the national sample, every attempt was made to replicate the selection of news organizations used for an earlier Center survey conducted in 1995.

The news media executives and journalists in each position within these organizations were drawn from the News Media Yellow Book database online, with the exception of national radio organizations, which were drawn from Bacon's MediaSource, and national newspapers, which were drawn from Editor & Publisher International Year Book. A complete listing of the selected national news organizations is below.

Local newspapers were also identified using 2002 circulation numbers in 2003 Editor & Publisher International Year Book. They include the 84 (out of the top 100) papers that were not pulled for the national sample.

Local television stations were selected from the top 100 media markets, as defined by Nielsen Media Research for 2003. After the local sample was selected, Bacon's MediaSource was used to identify the news media executives and journalists in each organization.

Respondents were selected using a two-stage sampling procedure. In the first stage, news media organizations were selected and in the second stage individuals were chosen from those organizations. The criteria for selecting national and local news organizations are outlined below.

### **Media Organizations Sampled**

#### **National Media**

##### *Television Networks*

ABC, CBS, NBC, PBS,  
 CNN, C-SPAN, CNBC,  
 MSNBC, FOX Cable News,  
 Telemundo, Univision

##### *Chains with Washington, D.C. Bureaus*

Gannett, Cox, Hearst

##### *Radio*

Associated Press Radio  
 ABC Radio Networks  
 CBS Radio Networks  
 Westwood One  
 Black Radio Network  
 National Public Radio

##### *Newspapers*

Arizona Republic  
 Atlanta Journal-Constitution  
 Boston Globe  
 Chicago Tribune  
 Detroit Free Press  
 Houston Chronicle  
 Long Island Newsday

Los Angeles Times  
Miami Herald  
New York Daily News  
New York Times  
Philadelphia Inquirer  
San Francisco Chronicle  
USA TODAY  
Wall Street Journal  
Washington Post  
*Magazines*  
Newsweek  
Time  
U.S. News & World Report  
*Wire Services*  
Associated Press  
Bloomberg News Service  
Reuters  
*News Services*  
Copley  
Cox Newspapers  
Gannett  
Hearst  
Knight-Ridder  
Newhouse  
Scripps-Howard

#### **Local Media**

##### *Television*

A random sample was selected from all stations listed in the top 100 media markets.

##### *Print*

The top 100 newspapers ranked by circulation were selected, excluding those newspapers selected for the national sample.

#### **Respondents Selected at each Organization (By Title)**

##### **National Sample**

###### *Executive Level*

TV & Radio: President/CEO, Vice President, General Manager, Station Manager

Print: Publisher, President/CEO, Vice President

###### *Senior Editors and Producers*

TV & Radio: News Division Executive, Executive Producer

Print: Assistant Managing Editor, Managing Editor, Executive Editor, Section Editor

###### *Working Journalists and Editors*

TV & Radio: Bureau Chief, Senior Producer, Correspondent, Anchor

Print: Bureau Chief, Senior Editor, Columnist, Associate Editor, Reporter, Correspondent, Assignment editor

##### **Local Sample**

### *Executive Level*

Television: President/CEO, Vice President, General Manager, Station Manager

Print: Publisher, President/CEO, Vice President

### *Senior Editors and Producers*

Print: Assistant Managing Editor, Managing Editor, Executive Editor, Business, Metro and Editorial Section Editors

Television: News Director

### *Working Journalists and Editors*

Television: Producer, Correspondent

Print: National Editor, Editor, Reporter, Senior Editor, National and Foreign Editors, Associate Editors, Columnist

### **Internet Sample**

Online Producer, Online Vice President, Online Content Manager, General Manager of Website, Online Editor

The national and local news media samples were each divided into subgroups, defined by the type of news organization and the respondent's position within that organization. Each subgroup was randomly split into replicates. Quotas were set for the number of interviews to be completed in each subgroup. The Internet sample was also assigned a quota. These quotas were set to ensure adequate representation of the smaller subgroups in the final sample of completed interviews. The subgroups, quotas, and number of completed interviews for each are listed below.

<b>Component</b>	<b>Quota</b>	<b>Completed</b>
<b><i>National Print</i></b>	<b>110</b>	<b>130</b>
<i>National Newspapers</i>		
Executives	12	12
Senior Editors and Producers	21	28
Working Journalists and Editors	34	40
<i>National Magazines</i>		
Executives	4	2
Senior Editors and Producers	7	7
Working Journalists and Editors	11	12
<i>National News Services</i>		
Executives	2	3
Senior Editors and Producers	4	7

Working Journalists and Editors	7	10
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*Wire Services*

Executives	2	1
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Senior Editors and Producers	3	3
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Working Journalists and Editors	3	5
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<b>National Broadcast</b>	<b>110</b>	<b>117</b>
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*National TV and Radio*

Executives	20	19
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Senior Editors and Producers	35	38
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Working Journalists and Editors	55	60
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<b>Local Print</b>	<b>115</b>	<b>118</b>
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*Local Newspapers*

Executives	30	28
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Senior Editors and Producers	35	39
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Working Journalists and Editors	50	51
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<b>Local Broadcast</b>	<b>115</b>	<b>114</b>
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*Local TV News*

Executives	30	27
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Senior Editors and Producers	35	33
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Working Journalists and Editors	50	54
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<b>Internet</b>	<b>50</b>	<b>68</b>
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Each person sampled for this survey was mailed an advance letter. The letters were intended to introduce the survey to prospective respondents, describe the nature and purpose of the survey and encourage participation. The letter was sent from the Pew Research Center; the Project for Excellence in Journalism; and the Committee of Concerned Journalists was involved. It contained a URL and a password to complete the survey online as well as notification that interviewers would be calling as well.

As soon as the letters were mailed, a website was available for respondents to complete the interview online.

Approximately one week after the letter was mailed, trained interviewers began calling the sampled individuals to remind them of the letter, discuss doing the survey online or conducting the interview on the telephone. In all cases, a follow-up email was sent after three days of initial calls, repeating the substance of the letter and providing the URL again.

If a respondent refused an interview, in most cases an email appeal was sent, asking the individual to reconsider. This was followed approximately one week later by another telephone call.

If a member of the sample had not completed the interview online or by telephone within two weeks of mailing the first letter, follow-up telephone calls were made to complete the interview or to schedule an appointment to do so.

The interviewers were experienced, executive specialists trained to ensure their familiarity with the questionnaire and their professionalism in dealing with news media professionals. The interviews were completed from March 10, 2004 through April 20, 2004.

Interviews were completed with 67% of the selected news media respondents who still held their position; 12% could not be reached in order to complete an interview, despite repeated calls; and 21% refused to participate in the survey.

### **Profile of News Professionals**

Journalists and managers in major national and local news organizations tend to be well- educated, middle-aged, with substantial experience in the field. The median age of those surveyed is 47 years, with nearly four-in-ten (38%) falling between 45 and 54 years of age. Only 13% are under the age of 35. The median experience of the respondents is 22 years.

Most of the journalists surveyed have a college degree; less than 10% have not completed college. Significant numbers have a graduate degree or at least some graduate school experience. About half of print journalists have a degree in journalism; communications degrees are more common among broadcast professionals at the local level.

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**PEW RESEARCH CENTER FOR THE PEOPLE AND THE PRESS**  
**SURVEY OF JOURNALISTS**  
**FINAL TOPLINE**  
**March 10 - April 20, 2004**  
**Total National Press N=247**  
**Total Local Press N=232**  
**Total Internet Press N=68**

Results are reported separately for national, local, and internet journalists. Further breakdowns by medium (*Print* includes newspapers, magazines, wire services and news services. *Broadcast* includes national TV and radio news, and local TV news) and by employment level (*Executives* include presidents, CEOs, general managers and publishers; *Senior editors and producers*; and *working journalists and editors*). See *Survey Methodology* section for complete sample descriptions.

Q.1 What do you feel is the most important problem facing journalism today? (**OPEN-ENDED; RECORD VERBATIM RESPONSE; PROBE FOR CLARITY: INTERVIEWER NOTE: IF NECESSARY, QUESTION REFERS TO JOURNALISM "IN GENERAL."**)

<u>TOTAL</u> <u>National</u>		<u>TOTAL</u> <u>Local</u>			<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
'04	'99	'04	'99		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
N=	(130)	(117)	(118)	(114)	(37)	(83)	(127)	(55)	(72)	(105)	(68)				
<b>41</b>	<b>44</b>	<b>33</b>	<b>39</b>	<b>QUALITY OF COVERAGE (NET)</b>	<b>32</b>	<b>51</b>	<b>30</b>	<b>37</b>	<b>32</b>	<b>45</b>	<b>41</b>	<b>35</b>	<b>28</b>	<b>36</b>	<b>32</b>
8	10	10	10	Reporting Accurately / Factually	7	9	7	12	5	7	9	11	4	12	6
8	8	5	12	Sensationalism / tabloid / infotainment	4	13	2	8	3	10	9	4	1	8	3
7	12	7	6	News not relevant enough / Out of touch	9	4	13	0	8	8	5	7	10	4	10
7	2	3	*	Other quality of coverage	3	10	1	5	3	7	7	2	6	2	4
6	--	4	--	Lack of depth / context	3	9	3	6	3	4	8	4	3	6	6
5	12	4	6	Lack of objectivity / Balanced stories	2	9	3	6	14	4	3	7	4	3	3
3	--	4	--	Lack investigative journalism / Watchdog role	3	3	6	2	3	4	2	2	1	7	0
2	8	*	5	Lack of restraint / Not selective in coverage	0	3	0	1	0	2	2	0	0	1	0
1	3	1	3	Quality of writing / Less clichéd / Hold interest	2	0	2	1	0	0	2	2	0	2	2
1	4	0	3	Follow fads/Pack journalism/Trendy stories	0	2	0	0	0	1	1	0	0	0	2
<b>30</b>	<b>25</b>	<b>35</b>	<b>25</b>	<b>ECONOMIC/BUSINESS PRESSURES (NET)</b>	<b>31</b>	<b>28</b>	<b>36</b>	<b>33</b>	<b>32</b>	<b>29</b>	<b>29</b>	<b>35</b>	<b>31</b>	<b>37</b>	<b>32</b>
9	14	8	11	Declining audience / Attracting an audience	15	2	15	1	14	8	7	13	8	6	10
8	3	9	4	Lack of resources / Financial cutbacks	7	9	8	10	8	12	6	7	8	10	7
5	8	9	7	Too much bottom-line emphasis / Profits	5	3	9	9	5	5	4	7	8	10	9
5	2	4	2	Corporate ownership & consolidation	5	4	3	4	5	5	4	6	1	5	6
5	*	3	6	Staffing problems / Not enough journalists	5	4	3	4	5	2	6	4	4	3	2
3	6	4	6	Commercialization / Ratings over quality	0	6	1	8	3	2	3	0	3	8	6
1	--	2	--	Not enough time	0	2	3	2	0	0	2	2	0	4	0
1	--	2	--	Other economic / business pressures	1	1	1	4	0	1	1	2	3	2	0

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>	
<u>National</u>		<u>Local</u>			N=	<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'99	'04	'99			(130)	(117)	(118)	(114)	(37)	(83)	(127)	(55)	(72)	(105)	(68)
<b>28</b>	<b>30</b>	<b>23</b>	<b>34</b>	<b>CREDIBILITY / PUBLIC TRUST (NET)</b>	<b>39</b>	<b>15</b>	<b>33</b>	<b>12</b>	<b>22</b>	<b>30</b>	<b>28</b>	<b>16</b>	<b>29</b>	<b>22</b>	<b>19</b>	
22	23	17	28	Credibility problem	30	12	28	6	16	19	24	15	24	14	16	
5	6	4	8	Lack of public trust	7	3	4	4	0	7	5	6	6	3	3	
2	6	3	3	Other credibility issues	3	1	2	4	5	4	0	0	1	5	0	
<b>15</b>	<b>24</b>	<b>7</b>	<b>19</b>	<b>MEDIA ENVIRONMENT (NET)</b>	<b>15</b>	<b>14</b>	<b>6</b>	<b>9</b>	<b>22</b>	<b>15</b>	<b>13</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>27</b>	
5	17	2	15	Too much competition / Fragmentation	5	5	2	2	11	4	4	4	1	1	7	
5	--	2	--	Speed / pace of reporting / Too fast	2	7	0	4	0	6	5	2	1	3	4	
3	--	2	--	Need to adapt to changing technology / society	5	1	3	1	11	2	2	2	3	2	10	
2	6	1	3	Too much news / Overload of information	2	2	1	1	3	2	1	2	1	0	2	
2	4	0	3	24/7 News cycle	2	3	0	0	0	5	2	0	0	0	2	
1	--	*	--	Other media environment	2	0	0	1	3	0	1	0	1	0	4	
<b>5</b>	<b>11</b>	<b>6</b>	<b>10</b>	<b>ETHICS AND STANDARDS (NET)</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>5</b>	<b>4</b>	
<b>MISCELLANEOUS</b>																
4	3	3	3	Public lacks interest / Public apathy	4	3	6	1	5	2	4	2	6	3	6	
3	--	3	--	Limits on press freedom / Government secrecy	2	4	2	5	3	0	5	0	4	5	2	
3	4	1	3	Confusion between opinion & reporting	2	4	1	2	3	2	3	0	3	1	2	
2	--	*	--	Undue criticism of the press	1	3	1	0	3	4	1	0	1	0	0	
0	4	0	4	Confusion between tabloid TV and news	0	0	0	0	0	0	0	0	0	0	0	
*	1	0	0	Arrogance	1	0	0	0	0	1	0	0	0	0	0	
5	8	10	14	<b>OTHER</b>	5	4	9	10	3	5	6	7	11	10	3	
1	3	3	2	<b>NO ANSWER</b>	0	2	1	5	0	0	2	2	4	3	0	



Q.2 What do you think journalism is doing especially WELL these days? (OPEN-ENDED; RECORD VERBATIM RESPONSE; PROBE FOR CLARITY: INTERVIEWER NOTE: IF NECESSARY, QUESTION REFERS TO JOURNALISM "IN GENERAL.")

	<i>TOTAL</i>		<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
	<u>National</u>	<u>Local</u>	<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04		'04											
<b>25</b>	<b>31</b>	<b>QUALITY OF COVERAGE (NET)</b>	<b>31</b>	<b>18</b>	<b>42</b>	<b>19</b>	<b>30</b>	<b>28</b>	<b>21</b>	<b>33</b>	<b>36</b>	<b>26</b>	<b>18</b>
5	6	Large volume, scope of coverage	4	5	5	7	8	5	3	2	13	4	3
4	7	Other quality of coverage	5	3	10	4	3	5	4	9	7	7	4
4	2	Depth of coverage	5	3	1	4	11	4	2	4	0	3	7
3	5	Relevant to people's lives	4	2	7	4	3	1	4	11	3	4	0
3	3	Insightful analysis / What's behind the news	4	2	5	1	0	7	1	0	4	4	2
2	2	Interesting coverage	2	2	4	0	0	2	2	0	6	1	0
2	1	Covering trends / change	3	0	2	0	0	2	2	2	1	0	0
2	1	Accuracy	2	1	2	0	3	1	2	0	1	1	0
1	3	Graphics, color, design	2	0	6	0	0	1	1	4	1	4	0
1	2	Good writing	2	0	4	0	0	1	2	2	6	0	0
1	1	Relevant to important issues	1	1	2	1	3	0	1	4	0	1	3
<b>23</b>	<b>24</b>	<b>TIMELINESS AND SPEED (NET)</b>	<b>11</b>	<b>37</b>	<b>14</b>	<b>33</b>	<b>24</b>	<b>25</b>	<b>21</b>	<b>13</b>	<b>25</b>	<b>29</b>	<b>24</b>
19	17	Quick response to breaking news / speed	11	28	12	23	19	19	19	6	22	20	21
3	6	On-site reporting / Live coverage	1	6	0	12	0	6	2	4	4	9	0
1	4	Ability to cover 24-hour news cycle	0	3	3	5	3	1	1	6	0	6	2
*	0	Other timeliness and speed	0	1	0	0	3	0	0	0	0	0	2
<b>20</b>	<b>18</b>	<b>COVERAGE OF SPECIFIC TOPICS (NET)</b>	<b>23</b>	<b>17</b>	<b>20</b>	<b>17</b>	<b>24</b>	<b>21</b>	<b>19</b>	<b>18</b>	<b>19</b>	<b>17</b>	<b>16</b>
9	4	War, terrorism, foreign policy	7	10	3	4	8	8	9	0	6	5	2
6	1	Foreign reporting / International news	7	4	1	2	11	7	3	2	0	2	3
3	3	Other coverage of specific topics	5	1	3	3	0	2	4	0	4	4	6
2	1	Election / political coverage	4	1	1	1	3	1	3	0	0	2	0
1	9	Local news and issues	2	0	9	8	3	1	1	16	8	5	9
1	1	Economic issues / Business news	2	1	2	0	0	1	2	0	1	2	2
0	1	Sports	0	0	3	0	0	0	0	0	1	2	0
<b>11</b>	<b>7</b>	<b>WATCHDOG ROLE (NET)</b>	<b>15</b>	<b>6</b>	<b>9</b>	<b>5</b>	<b>8</b>	<b>16</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>10</b>
7	3	Investigative reporting	10	4	4	1	8	10	6	4	1	3	4
4	5	Watchdog/ Keep eye on government for public	6	2	5	4	0	7	3	6	6	4	6

<u>TOTAL</u> <u>National</u> '04	<u>TOTAL</u> <u>Local</u> '04		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
		<b>MISCELLANEOUS (NET)</b>											
6	2	Wide variety of media sources / Choice	5	7	0	4	3	4	8	0	0	4	6
5	2	Technology (general mention)	2	8	1	4	5	5	4	2	0	4	4
2	5	Diversity of views/ Wide range of perspectives	2	1	6	4	0	2	2	4	4	7	4
2	3	Informing the public	2	3	2	5	5	2	2	6	3	3	7
2	3	Online websites / The Internet	1	4	1	5	5	0	3	0	1	6	15
2	3	Willing to examine itself / Self-policing	3	1	6	1	0	2	2	6	4	2	3
2	3	Fairness, balance, lack of bias	2	2	3	3	8	1	0	4	3	3	4
1	1	Innovation / Response to declining audience	2	0	3	0	3	0	1	0	1	2	3
1	1	Efficient, does a lot with limited resources	2	1	2	1	0	1	2	0	3	1	0
<b>11</b>	<b>9</b>	<b>OTHER</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>14</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>18</b>
<b>10</b>	<b>6</b>	<b>NO ANSWER/NONE/NOTHING</b>	<b>9</b>	<b>11</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>6</b>	<b>14</b>	<b>9</b>	<b>1</b>	<b>8</b>	<b>6</b>

Q.3 Thinking about journalism overall in the U.S. today, do you think it is generally going in the right direction or the wrong direction?

<u>TOTAL</u> <u>National</u> '04	<u>TOTAL</u> <u>Local</u> '04		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
43	51	Right direction	52	33	53	48	57	43	39	49	60	46	54
51	46	Wrong direction	42	61	43	49	38	52	54	49	36	51	44
<u>6</u>	<u>3</u>	Don't know/Refused (VOL)	<u>6</u>	<u>6</u>	<u>4</u>	<u>3</u>	<u>5</u>	<u>5</u>	<u>7</u>	<u>2</u>	<u>4</u>	<u>3</u>	<u>2</u>
100	100		100	100	100	100	100	100	100	100	100	100	100

Q.4a Thinking more generally about the news media, what grade A, B, C, D, or F would you give network television news for its overall news coverage these days?

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'95	'04	'95												
4	2	8	4	"A"	1	7	4	12	11	2	3	4	7	10	3
39	46	44	45	"B"	31	48	34	55	35	35	43	45	37	49	35
44	38	36	41	"C"	48	39	45	26	43	45	43	40	38	32	47
11	8	10	6	"D"	17	5	13	7	8	15	10	9	14	8	12
1	*	2	1	"F"	1	1	3	0	0	2	0	2	4	*	2
<u>1</u>	<u>6</u>	<u>*</u>	<u>3</u>	Don't know/Refused (VOL)	<u>2</u>	<u>*</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100
C+	B-	B-	B-	Average Grade	C+	B-	C+	B-	B-	C+	C+	C+	C+	B-	C+

Q.4b What grade A, B, C, D, or F would you give local television news for its overall coverage these days?

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'95	'04	'95												
1	1	4	5	"A"	0	3	2	6	3	0	2	7	4	2	0
20	13	28	34	"B"	14	27	16	41	19	18	22	22	31	29	37
39	37	39	34	"C"	38	40	40	37	51	34	39	40	36	40	35
31	30	23	19	"D"	39	21	35	11	21	38	28	24	22	24	25
7	13	6	6	"F"	8	6	7	5	3	10	7	7	7	5	3
<u>2</u>	<u>6</u>	<u>*</u>	<u>2</u>	Don't know/Refused (VOL)	<u>1</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100
C-	C-	C	C	Average Grade	C-	C	C-	C+	C	C-	C-	C	C	C	C

Q.4c What grade A, B, C, D, or F would you give the major national newspapers for their overall coverage these days?

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'95	'04	'95												
25	23	23	17	"A"	21	31	25	22	29	25	24	22	15	31	21
67	71	57	68	"B"	71	63	61	53	65	66	69	56	61	54	69
7	4	15	12	"C"	7	5	12	17	3	9	6	13	17	14	9
1	*	4	1	"D"	1	1	2	6	3	0	1	7	6	1	1
0	0	0	0	"F"	0	0	0	0	0	0	0	0	0	0	0
<u>0</u>	<u>2</u>	<u>1</u>	<u>2</u>	Don't know/Refused (VOL)	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100
B+	B+	B	B	Average Grade	B+	B+	B	B	B+	B+	B+	B	B	B+	B

Q.4d What grade A, B, C, D, or F would you give the typical daily newspaper for its overall coverage these days?

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'95	'04	'95												
3	1	6	2	"A"	2	4	5	7	5	0	3	4	4	9	10
46	35	52	44	"B"	46	46	55	49	52	50	42	40	51	59	56
43	47	35	45	"C"	47	39	37	32	38	43	45	43	38	28	28
5	7	5	7	"D"	3	6	1	9	5	5	4	11	3	3	3
*	*	1	0	"F"	1	0	0	3	0	1	0	0	4	0	2
<u>3</u>	<u>10</u>	<u>1</u>	<u>2</u>	Don't know/Refused (VOL)	<u>1</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>1</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100
B-	C+	B-	C+	Average Grade	B-	B-	B-	B-	B-	C+	B-	C+	B-	B-	B-

Q.4e What grade A, B, C, D, or F would you give cable TV news channels for their overall coverage these days?

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
5	7	"A"	3	7	6	9	5	4	5	2	2	14	15
38	41	"B"	41	34	38	43	35	34	41	31	39	47	38
38	32	"C"	38	38	36	29	41	40	36	42	39	23	37
17	15	"D"	16	18	15	15	16	19	16	16	15	14	7
1	3	"F"	1	2	3	2	0	2	2	6	1	2	2
<u>1</u>	<u>2</u>	Don't know/Refused (VOL)	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>1</u>
100	100		100	100	100	100	100	100	100	100	100	100	100
C+	C+	Average Grade	C+	C+	C+	C+	C+	C+	C+	C	C+	B-	B-

Q.4f What grade A, B, C, D, or F would you give national news organizations for the way they have covered George W. Bush's presidency, so far?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'95	'04	'95												
4	4	6	4	"A"	5	3	5	7	3	2	5	4	4	8	6
49	61	37	43	"B"	48	51	33	42	54	54	45	36	31	43	29
37	29	43	43	"C"	37	38	46	39	35	37	38	43	50	38	47
7	5	11	9	"D"	8	5	14	8	5	4	9	13	12	9	13
2	*	2	1	"F"	1	3	2	2	3	1	2	2	3	1	2
<u>1</u>	<u>1</u>	<u>1</u>	<u>*</u>	Don't know/Refused (VOL)	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>3</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100
B-	B-	C+	C+	Average Grade	B-	B-	C+	B-	B-	B-	C+	C+	C+	B-	C+

1995 figures for the way news organizations "have covered Bill Clinton's presidency, so far."

Q.4g What grade A, B, C, D, or F would you give national news organizations for their websites?

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
18	13	"A"	14	22	12	15	16	21	16	5	13	18	25
52	44	"B"	53	49	46	43	40	54	52	51	43	42	60
18	20	"C"	18	19	25	15	30	17	16	20	29	14	13
2	3	"D"	3	1	2	2	3	3	2	2	1	4	0
*	1	"F"	1	0	1	1	3	0	0	2	0	1	2
<u>10</u>	<u>19</u>	Don't know/Refused (VOL)	<u>11</u>	<u>9</u>	<u>14</u>	<u>24</u>	<u>8</u>	<u>6</u>	<u>14</u>	<u>20</u>	<u>14</u>	<u>21</u>	<u>0</u>
100	100		100	100	100	100	100	100	100	100	100	100	100
B	B	Average Grade	B	B	B-	B	B-	B	B	B-	B	B	B

Q.4h What grade A, B, C, D, or F would you give (Name of respondent's news organization) for its overall coverage these days?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'95	'04	'95												
22	20	14	13	"A"	18	26	14	14	38	20	19	14	19	10	12
61	67	59	69	"B"	64	56	64	53	54	59	64	60	67	52	63
14	9	21	16	"C"	14	15	21	21	5	19	13	15	11	31	22
2	0	3	1	"D"	2	3	1	4	0	1	4	2	0	5	2
*	0	*	0	"F"	1	0	0	1	3	0	0	0	0	1	0
<u>1</u>	<u>4</u>	<u>3</u>	<u>1</u>	Don't know/Refused (VOL)	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>9</u>	<u>3</u>	<u>1</u>	<u>1</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100
B	B+	B	B	Average Grade	B	B	B	B	B+	B	B	B	B	B-	B

Q.5 Thus far, do you think press coverage of the presidential campaign has been better or worse than it was in 2000?

<i>TOTAL</i> <u>National</u>			<i>TOTAL</i> <u>Local</u>				<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>			<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>			<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'92'	'04	'92'																
56	46	46	51	Better		61	51	46	46	68	56	53	49	40	48				57
24	19	34	18	Worse		23	26	35	33	16	22	28	33	35	34				27
10	30	15	27	Same (VOL PHONE SURVEY ONLY)		8	12	13	18	11	11	9	14	21	12				6
<u>10</u>	<u>5</u>	<u>5</u>	<u>4</u>	Don't know/Refused (VOL)		<u>8</u>	<u>11</u>	<u>6</u>	<u>3</u>	<u>5</u>	<u>11</u>	<u>10</u>	<u>4</u>	<u>4</u>	<u>6</u>				<u>10</u>
100	100	100	100			100	100	100	100	100	100	100	100	100	100				100

Q.6 Would you say the press has been too critical, not critical enough, or fair in the way it has covered the Bush administration?

<i>TOTAL</i> <u>National</u>			<i>TOTAL</i> <u>Local</u>				<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>			<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>			<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04		'04																	
8		19		Too critical		9	8	14	25	19	4	9	26	17	18				12
55		37		Not critical enough		55	55	46	28	40	53	60	29	37	41				54
35		42		Fair		34	36	40	44	41	40	30	45	42	40				29
<u>2</u>		<u>2</u>		Don't know/Refused (VOL)		<u>2</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>4</u>	<u>1</u>				<u>5</u>
100		100				100	100	100	100	100	100	100	100	100	100				100

Q.7 In your opinion, is increased bottom line pressure seriously hurting the quality of news coverage these days or is it mostly just changing the way news organizations do things?

<i>TOTAL</i> <u>National</u>						<i>TOTAL</i> <u>Local</u>							<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>			<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>			<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'99	'95	'04	'99	'95																				
66	49	41	57	46	33	Hurting																			
29	40	38	35	46	50	Just changing																			
1	1	8	3	2	8	Neither/no effect (VOL PH. SURVEY ONLY)																			
3	9	11	4	5	7	Both (VOL PHONE SURVEY ONLY)																			
<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>	Don't know/Refused (VOL)																			
100	100	100	100	100	100																				

<sup>1</sup> In 1992 the question was worded: "...better or worse than it was in 1988."

Q.8 Here are some criticisms made of the press. For each one of these criticisms, do you think this is a valid criticism of the news media overall, or not?  
**(INSERT ITEM)**

a. The distinction between reporting and commentary has seriously eroded.

<i>TOTAL</i>			<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>	
<u>National</u>			<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>	
'04	'99	'95	'04	'99	'95												
64	69	53	59	68	44	Valid criticism	58	71	57	61	54	64	67	62	63	55	57
35	30	44	40	32	53	Not a valid criticism	41	29	42	37	43	35	33	38	36	43	43
<u>1</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>3</u>	Don't know/Refused (VOL)	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>
100	100	100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

b. News reports are increasingly full of factual errors and sloppy reporting.

<i>TOTAL</i>			<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>	
<u>National</u>			<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>	
'04	'99	'95	'04	'99	'95												
45	40	30	47	55	40	Valid criticism	44	47	41	54	35	48	47	51	44	48	57
54	58	65	52	42	59	Not a valid criticism	55	52	59	45	65	51	52	49	54	52	41
<u>1</u>	<u>2</u>	<u>5</u>	<u>1</u>	<u>3</u>	<u>1</u>	Don't know/Refused (VOL)	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
100	100	100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

c. Too little attention is paid to complex issues.

<i>TOTAL</i>			<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>	
<u>National</u>			<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>	
'04	'99	'95	'04	'99	'95												
78	71	80	77	72	75	Valid criticism	74	84	73	82	65	80	82	78	81	74	75
21	27	17	22	28	22	Not a valid criticism	25	15	27	17	32	20	17	22	18	26	25
<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>*</u>	<u>3</u>	Don't know/Refused (VOL)	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
100	100	100	100	100	100		100	100	100	100	100	100	100	100	100	100	100



d. The press is too cynical.

<u>TOTAL</u> <u>National</u>			<u>TOTAL</u> <u>Local</u>				<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
<u>'04</u>	<u>'99</u>	<u>'95</u>	<u>'04</u>	<u>'99</u>	<u>'95</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
37	53	54	40	51	53	Valid criticism	38	36	42	38	43	36	35	40	47	34	24
63	45	44	59	48	45	Not a valid criticism	62	64	58	60	57	64	65	60	50	65	76
0	2	2	1	1	2	Don't know/Refused (VOL)	0	0	0	2	0	0	0	0	3	1	0
100	100	100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

e. Journalists have become out-of-touch with their audiences.

<u>TOTAL</u> <u>National</u>			<u>TOTAL</u> <u>Local</u>				<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
<u>'04</u>	<u>'99</u>	<u>'95</u>	<u>'04</u>	<u>'99</u>	<u>'95</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
47	57		44	51		Valid criticism	58	34	52	34	43	55	43	49	49	37	59
50	41		55	49		Not a valid criticism	39	63	47	64	51	42	55	51	50	61	41
3	2		1	*		Don't know/Refused (VOL)	3	3	1	2	6	3	2	0	1	2	0
100	100		100	100			100	100	100	100	100	100	100	100	100	100	100

f. Journalists are letting their ideological views show in their reporting too frequently.

<u>TOTAL</u> <u>National</u>		<u>TOTAL</u> <u>Local</u>			<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
<u>'04</u>	<u>'99</u>	<u>'04</u>	<u>'99</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
45		43		Valid criticism	43	46	43	44	38	46	46	73	36	33	47
53		56		Not a valid criticism	55	51	57	54	62	51	52	27	61	67	52
2		1		Don't know/Refused (VOL)	2	3	0	2	0	3	2	0	3	0	1
100		100			100	100	100	100	100	100	100	100	100	100	100

g. The press is too timid these days.

<u>TOTAL</u> <u>National</u>		<u>TOTAL</u> <u>Local</u>			<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
<u>'04</u>	<u>'99</u>	<u>'04</u>	<u>'99</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
47		42		Valid criticism	48	44	51	32	32	45	52	31	43	47	56
52		56		Not a valid criticism	52	53	47	67	62	55	47	66	56	52	44
1		2		Don't know/Refused (VOL)	0	3	2	1	6	0	1	4	1	1	0
100		100			100	100	100	100	100	100	100	100	100	100	100

h. There are too many talk shows on cable television today.

<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04	'04												
63	64	Valid criticism	63	64	69	59	54	70	62	64	62	65	52
34	31	Not a valid criticism	35	32	27	36	43	28	35	31	31	32	44
3	5	Don't know/Refused (VOL)	2	4	4	5	3	2	3	5	7	3	4
100	100		100	100	100	100	100	100	100	100	100	100	100

i. The emergence of the 24 hour news cycle is weakening journalism.

<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04	'04												
42	40	Valid criticism	35	49	41	39	27	43	45	38	40	40	38
57	59	Not a valid criticism	63	50	58	59	73	57	53	58	58	60	62
1	1	Don't know/Refused (VOL)	2	1	1	2	0	0	2	4	1	0	0
100	100		100	100	100	100	100	100	100	100	100	100	100

j. The Internet allows too much posting of links to material that is unvetted or unfiltered.

<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04	'04												
57	58	Valid criticism	58	55	57	59	54	59	56	64	58	54	28
42	37	Not a valid criticism	41	44	40	34	43	40	43	33	35	41	72
1	5	Don't know/Refused (VOL)	1	1	3	7	3	1	1	3	7	5	0
100	100		100	100	100	100	100	100	100	100	100	100	100

**ROTATE Q.9 AND Q.10**

Q.9 Is there any daily national news organization that you think is especially *liberal* in its coverage of the news, or can't you think of any?

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04	Yes	38	38	48	34	30	40	39	51	43	34	34
38	41	Can't think of any	60	58	50	61	70	55	58	45	53	63	62
59	56	Don't know/Refused (VOL)	2	4	3	5	0	5	3	4	4	3	4
3	3												
100	100		100	100	100	100	100	100	100	100	100	100	100

**IF 1, IN Q.9, ASK:**

Q.9a What news organization is that? (RECORD VERBATIM. ALLOW MULTIPLE ANSWERS, BUT DO NOT PROBE)

**BASED ON TOTAL:**

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04	New York Times	22	19	26	7	16	24	19	27	17	11	13
20	17	Washington Post	6	2	4	0	0	2	6	4	3	1	4
4	2	CNN	1	4	3	10	5	1	2	9	4	6	6
2	6	CBS	1	4	3	7	0	1	4	4	6	5	3
2	5	ABC	0	4	2	3	0	1	3	6	0	2	2
2	2	NPR	2	2	2	3	0	0	3	2	3	2	6
2	2	NBC	1	2	2	4	0	1	2	4	3	2	4
1	3	Los Angeles Times	2	0	3	0	0	0	2	2	3	1	2
1	2	Other Newspaper	2	1	2	1	0	2	1	0	0	3	3
1	1	Fox News Channel	1	0	0	3	3	0	0	0	1	2	3
*	1	OTHER (NET)	5	3	5	5	5	5	4	4	8	4	2
5	5	Don't know/Refused	3	5	3	3	0	5	5	2	0	6	2
4	3	TELEVISION (NET)	5	11	9	21	11	7	7	15	15	14	13
8	15	NEWSPAPER (NET)	28	21	33	8	16	29	24	33	24	12	18
24	21												

Q.10 Is there any daily national news organization that you think is especially *conservative* in its coverage of the news, or can't you think of any?

	<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
				<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04		'04												
82		63	Yes	78	86	68	59	87	83	80	58	61	68	66
15		35	Can't think of any	20	10	30	39	14	13	17	42	35	30	29
3		2	Don't know/Refused (VOL)	2	4	2	2	0	4	3	0	4	2	5
100		100		100	100	100	100	100	100	100	100	100	100	100

**IF 1, IN Q.10, ASK:**

Q.10a What news organization is that? (RECORD VERBATIM. ALLOW MULTIPLE ANSWERS, BUT DO NOT PROBE)

**BASED ON TOTAL:**

	<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
				<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04		'04												
69		42	Fox News Channel	57	83	39	46	68	70	69	36	44	44	60
9		4	Washington Times	11	7	5	3	3	10	10	2	1	7	2
8		11	Wall St. Journal	11	5	18	4	16	6	7	11	11	11	6
2		2	Radio (Miscellaneous)	1	3	0	4	3	0	2	0	4	2	2
1		1	New York Post	2	1	2	1	0	4	0	0	0	3	2
1		1	Rupert Murdoch newspapers/NewsCorp	1	1	2	1	0	0	2	4	1	0	2
3		6	OTHER (NET)	5	2	7	5	5	4	2	6	3	9	3
1		2	Don't know/Refused	2	0	2	3	0	2	1	2	0	4	0
<b>70</b>		<b>44</b>	<b>TELEVISION (NET)</b>	<b>58</b>	<b>83</b>	<b>40</b>	<b>48</b>	<b>70</b>	<b>70</b>	<b>69</b>	<b>38</b>	<b>44</b>	<b>47</b>	<b>60</b>
<b>19</b>		<b>20</b>	<b>NEWSPAPERS (NET)</b>	<b>24</b>	<b>13</b>	<b>31</b>	<b>9</b>	<b>22</b>	<b>19</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>23</b>	<b>9</b>

Q.11 Do you think that it is a good thing or a bad thing if some daily news organizations have a decidedly ideological point of view in their coverage of the news?

	<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
				<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04		'04												
22		21	Good thing	23	21	20	21	24	17	25	20	22	20	25
72		74	Bad thing	74	69	77	72	68	78	69	76	72	75	74
6		5	Don't know/Refused (VOL)	3	10	3	7	8	5	6	4	6	5	1
100		100		100	100	100	100	100	100	100	100	100	100	100

Q.12 Do you feel that the emergence of the Internet has made journalism better, worse, or hasn't it made much of a difference?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>		<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'99	'04	'99												
60	54	51	47	Better	60	60	46	57	57	51	67	31	53	61	63
15	12	18	8	Worse	16	13	19	18	13	13	16	27	19	12	3
21	26	27	42	Not much difference	21	22	32	21	27	30	14	38	22	24	32
3	5	2	2	Both (VOL PHONE SURVEY ONLY)	2	4	2	1	3	4	3	2	4	0	2
<u>1</u>	<u>3</u>	<u>2</u>	<u>1</u>	Don't know/refused	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>0</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

**IF 1 OR 2 (BETTER OR WORSE) IN Q.12**

Q.12a In what ways do you think this has changed journalism for the (worse)(better)? (OPEN-ENDED. RECORD VERBATIM RESPONSE)?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>		<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04														
47	61			<b>Change for the Better:</b>											16
25	20			Research tool for journalists / Easier/faster info											54
23	19			Greater speed /24 hour cycle /More competition											23
20	11			Public gets more information/greater accuracy											23
3	8			More voices heard/Democratizes news business											5
3	4			Promotes greater accountability for journalism											0
1	1			Other											2
<b>(148)</b>	<b>(119)</b>			Don't Know											<b>(43)</b>
				<b>(N)</b>											

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>		<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04														
53	45			<b>Change for the Worse:</b>											n/a
17	29			Too much unvetted, unfiltered information											
17	7			Increased speed leads to error											
				Makes journalists lazy/encourages plagiarism											
14	21			Promotes rise of pseudo-journalism, junk sites,											
14	10			low-brow news											
14	17			Damages public credibility of journalism											
<b>(36)</b>	<b>(42)</b>			Other											<b>(2)</b>
				<b>(N)</b>											

Q.13 How confident are you that a news organization that is owned by a corporate parent can do a good job covering news about the parent company? Are you very confident, somewhat confident, not too confident, or not at all confident?

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
18	12	Very confident	14	22	12	13	46	15	12	7	21	10	10
43	39	Somewhat confident	41	45	40	38	40	48	39	49	38	35	43
29	36	Not too confident	35	22	35	37	11	25	37	33	25	45	34
10	12	Not at all confident	9	11	13	10	3	12	11	9	15	10	13
*	1	Don't know/refused	1	0	0	2	0	0	1	2	1	0	0
100	100		100	100	100	100	100	100	100	100	100	100	100

Q.14 Which of the following statements comes closer to your view about plagiarism in journalism today? First (READ OPTIONS)...

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
21	23	There is more plagiarism today than in the past	24	18	20	25	16	19	24	27	24	20	27
77	72	We are hearing more about plagiarism but its prevalence has not increased	76	77	78	67	84	78	73	71	72	73	72
2	5	Don't know/Refused (VOL)	0	5	2	8	0	2	3	2	4	7	1
100	100		100	100	100	100	100	100	100	100	100	100	100

Now, thinking about your own newsroom...

Q.15 How would you rate the quality of leadership in your news organization? Would you say it is excellent, good, only fair, or poor?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'99	'04	'99												
30	36	22	24	Excellent	30	30	23	21	54	30	23	40	18	15	21
41	44	47	51	Good	45	37	55	38	38	41	42	38	67	38	47
22	15	21	21	Only fair	19	25	20	23	3	25	25	9	10	35	25
5	5	6	4	Poor	3	7	2	9	0	3	8	2	1	11	4
2	*	4	*	Don't know/Refused (VOL)	3	1	0	2	5	1	2	11	4	1	3
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.16 Is there any on-going effort to address ethical issues in your newsroom, directed by your news organization's management?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>		<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'99	'04	'99												
76	81	77	72	Yes	75	77	85	68	92	82	67	86	81	69	78
21	19	18	25	No	22	19	13	24	5	13	30	9	14	27	21
<u>3</u>	<u>0</u>	<u>5</u>	<u>3</u>	Don't know/Refused (VOL)	<u>3</u>	<u>4</u>	<u>2</u>	<u>8</u>	<u>3</u>	<u>5</u>	<u>3</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>1</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.17 Compared to three years ago, has the size of the newsroom staff at your organization increased, decreased, or stayed the same?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>		<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04														
18	23			Increased	15	22	16	30	24	17	17	24	28	19	19
37	43			Decreased	48	26	54	31	19	43	39	40	40	46	62
41	30			Stayed the same	34	47	29	32	54	35	40	29	28	33	18
<u>4</u>	<u>4</u>			Don't know/Refused (VOL)	<u>3</u>	<u>5</u>	<u>1</u>	<u>7</u>	<u>3</u>	<u>5</u>	<u>4</u>	<u>7</u>	<u>4</u>	<u>2</u>	<u>1</u>
100	100				100	100	100	100	100	100	100	100	100	100	100

Q.18 Approximately how many stories or packages do most reporters at your news organization produce in a typical week?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>		<u>Local</u>			<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04														
0	*			None	0	0	0	1	0	0	0	0	1	0	0
33	20			1-3	45	20	35	5	13	40	35	20	31	13	22
27	44			4-7	21	33	36	52	14	29	29	27	39	55	38
5	12			8-10	2	7	2	22	14	2	3	9	13	13	10
8	4			10+	2	15	0	7	5	4	12	6	3	3	6
<u>27</u>	<u>20</u>			Don't know/Refused (VOL)	<u>30</u>	<u>25</u>	<u>27</u>	<u>13</u>	<u>54</u>	<u>25</u>	<u>21</u>	<u>38</u>	<u>14</u>	<u>15</u>	<u>24</u>
100	100				100	100	100	100	100	100	100	100	100	100	100

Q.19 These days, are you rewriting or repackaging stories for multiple uses more, less or the same as in the past, or don't you do this at all?

**[IF REWRITING OR REPACKAGING "MORE" (CODE 1 IN Q.19)]**

Q.19a Are you happy or unhappy about this change, or doesn't it matter to you?

	<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
				<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04		'04												
48	48	48	More	52	43	53	42	54	56	41	62	46	42	71
18	16	16	Happy	24	11	18	12	46	19	9	27	22	5	44
6	8	8	Unhappy	6	5	4	12	5	5	6	6	6	11	9
23	24	24	Doesn't matter	21	26	30	18	3	30	25	29	17	26	18
1	*	*	Don't know/Refused (VOL)	1	1	1	0	0	1	1	0	1	0	0
1	4	4	Less	0	2	3	5	0	3	0	0	4	6	0
20	19	19	Same	16	25	15	24	24	19	20	18	19	20	16
12	10	10	Don't do this at all	13	10	6	14	6	10	15	7	14	8	0
<u>20</u>	<u>19</u>	<u>19</u>	Don't know/Refused (VOL)	<u>19</u>	<u>20</u>	<u>23</u>	<u>15</u>	<u>16</u>	<u>13</u>	<u>24</u>	<u>13</u>	<u>17</u>	<u>24</u>	<u>13</u>
100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.20 In the past 12 months, did you participate in training or professional development - other than technical training - provided by your news organization?

	<u>TOTAL</u> <u>National</u>	<u>TOTAL</u> <u>Local</u>		<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u> <u>Internet</u>
				<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04		'04												
47	56	56	Yes	58	36	65	47	68	47	42	62	73	41	66
52	41	41	No	41	64	32	50	27	53	58	33	24	57	34
<u>1</u>	<u>3</u>	<u>3</u>	Don't know/Refused (VOL)	<u>1</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>0</u>
100	100	100		100	100	100	100	100	100	100	100	100	100	100



**IF YES, PARTICIPATED IN TRAINING (Q.20=1)**

Q.20a On approximately how many days did you participate in training or professional development?

	<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04	'04		N=	(75)	(42)	(77)	(53)	(25)	(39)	(53)	(34)	(53)	(43)	(45)
38	38	1-3 days		35	45	29	51	20	36	49	29	36	47	31
33	34	4-6 days		35	29	35	32	44	38	23	32	32	37	36
21	18	7-13 days		20	21	26	7	12	18	26	27	26	2	22
4	9	14 + days		4	5	9	8	8	5	2	12	6	9	11
4	1	Don't know/Refused (VOL)		6	0	1	2	16	3	0	0	0	5	0
100	100			100	100	100	100	100	100	100	100	100	100	100

Q.21 Have there been instances in which your newsroom was encouraged to do a story because it related to an owner, advertiser, or sponsor?

	<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04	'04			18	12	29	36	5	18	16	24	31	38	35
15	32	Yes		77	84	64	56	87	80	79	69	65	52	57
81	60	No		5	4	7	8	8	2	5	7	4	10	8
4	8	Don't know/Refused (VOL)		100	100	100	100	100	100	100	100	100	100	100
100	100													

**IF Q.21=1, ASK:**

Q.21a PLEASE DESCRIBE \_\_\_\_\_

	<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	
'04	'04													
38	36	<b>INTERNAL SOURCE:</b>												
24	24	Corporate ownership, or managerial influence												
8	12	Coverage of company-sponsored events												
8	3	Promotions of other programming on network/station												
27	36	<b>EXTERNAL SOURCE: Advertiser/sponsor influence</b>												
11	16	Other												
27	20	Refused/Rather not say												
(37)	(75)	(N)												

Q.22 Generally speaking, how good a job does journalism do striking a balance between what audiences want to know and what's important for them to know?  
**(READ CHOICES)**

<i>TOTAL</i> <u>National</u>			<i>TOTAL</i> <u>Local</u>				<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>'04</u>	<u>'00</u>	<u>'99</u>	<u>'04</u>	<u>'00</u>	<u>'99</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
3	2	4	4	2	6	Excellent	4	3	5	3	8	0	5	2	4	5	0
46	35	45	44	33	49	Good	46	45	49	39	57	39	47	47	46	42	55
43	55	45	45	57	42	Only fair	45	41	43	46	24	55	41	47	44	44	41
6	5	4	5	5	3	Poor	5	7	2	9	8	5	5	4	3	7	4
<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>0</u>	Don't know/Refused (VOL)	<u>0</u>	<u>4</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>2</u>	<u>0</u>
100	100	100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.23 For each of the following, please indicate whether you think it is a major reason, a minor reason, or not a reason some types of news media have lost audience or readership.

a. The press does not pay enough attention to stories that are meaningful to average Americans.

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>'04</u>	<u>'99</u>	<u>'04</u>	<u>'99</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
39	41	48	42	Major reason	54	23	54	43	32	43	39	58	53	41	52
39	40	36	40	Minor reason	34	44	36	35	46	34	39	27	36	39	35
21	18	14	18	Not a reason	12	31	10	18	22	19	22	13	8	19	13
<u>1</u>	<u>1</u>	<u>2</u>	<u>*</u>	Don't know/Refused (VOL)	<u>0</u>	<u>2</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>0</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

b. The public is not interested in serious news.

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>'04</u>	<u>'99</u>	<u>'04</u>	<u>'99</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
30	22	24	26	Major reason	30	30	19	29	19	29	34	25	15	29	24
36	42	43	43	Minor reason	35	37	50	36	32	40	34	44	49	39	44
33	35	32	31	Not a reason	35	31	31	32	49	30	31	31	33	31	32
<u>1</u>	<u>1</u>	<u>1</u>	<u>*</u>	Don't know/Refused (VOL)	<u>0</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>0</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

c. Specialized news outlets allow people to get only the news they want.

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'99	'04	'99												
45	40	42	40	Major reason	44	47	40	44	52	46	43	46	43	39	55
43	42	40	50	Minor reason	45	40	45	35	43	39	46	38	42	40	32
10	17	17	10	Not a reason	10	9	15	18	5	12	9	14	14	20	13
<u>2</u>	<u>1</u>	<u>1</u>	<u>*</u>	Don't know/Refused (VOL)	<u>1</u>	<u>4</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>0</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

d. News organizations focus too much on sensational stories and scandals.

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'04														
37	43			Major reason	25	50	33	54	22	40	39	37	39	50	37
38	39			Minor reason	43	33	45	32	48	37	36	47	38	35	41
24	17			Not a reason	31	15	22	12	30	22	23	16	22	14	22
<u>1</u>	<u>1</u>			Don't know/Refused (VOL)	<u>1</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
100	100				100	100	100	100	100	100	100	100	100	100	100

e. News coverage is too boring and static for a fast-paced society.

<i>TOTAL</i> <u>National</u>		<i>TOTAL</i> <u>Local</u>			<i>NATIONAL</i> <u>Print</u> <u>Broadcast</u>		<i>LOCAL</i> <u>Print</u> <u>Broadcast</u>		<i>NATIONAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>LOCAL</i> <u>Exec</u> <u>Sr.</u> <u>Jour</u>			<i>TOTAL</i> <u>Internet</u>
'04	'04														
15	22			Major reason	17	13	33	11	11	15	17	34	24	14	31
45	41			Minor reason	48	42	44	39	38	46	46	46	38	42	37
39	35			Not a reason	35	43	23	47	51	37	36	18	37	42	32
<u>1</u>	<u>2</u>			Don't know/Refused (VOL)	<u>0</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>0</u>
100	100				100	100	100	100	100	100	100	100	100	100	100

f. Americans are too busy these days.

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
47	51	Major reason	52	40	58	42	46	48	46	53	56	46	55
34	32	Minor reason	34	35	31	34	38	36	32	29	31	35	35
18	16	Not a reason	14	22	11	21	16	15	20	18	12	17	10
<u>1</u>	<u>1</u>	Don't know/Refused (VOL)	<u>0</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>
100	100		100	100	100	100	100	100	100	100	100	100	100

g. Too much of news coverage is repetitive.

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
43	55	Major reason	41	44	39	50	49	49	36	56	40	41	38
39	44	Minor reason	41	37	47	41	38	39	40	38	44	47	44
17	10	Not a reason	18	16	14	6	13	11	22	6	13	11	16
<u>1</u>	<u>1</u>	Don't know/Refused (VOL)	<u>0</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>2</u>
100	100		100	100	100	100	100	100	100	100	100	100	100

Q.24 How much trust and confidence do you have in the wisdom of the American people when it comes to making choices on election day? A great deal, a fair amount, not very much, or none at all?

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>	<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'99	'04	'99												
31	52	22	28	A great deal	27	35	24	21	48	34	24	12	28	24	15
51	41	54	56	A fair amount	54	48	57	51	38	48	57	62	54	49	53
15	6	21	13	Not very much	18	13	19	22	8	17	16	22	14	25	28
2	1	2	3	None at all	0	3	0	3	3	1	2	2	1	2	3
<u>1</u>	<u>*</u>	<u>1</u>	<u>*</u>	Don't know/Refused (VOL)	<u>1</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>0</u>	<u>1</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.25 Has the Internet increased or decreased the deadline pressure you face, or has there been no change?

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
42	35	Increased	53	31	48	22	57	41	39	34	49	25	78
2	4	Decreased	1	2	3	3	0	1	2	2	1	6	0
55	60	No change	45	66	49	72	40	58	58	60	49	69	22
<u>1</u>	<u>1</u>	Don't know/Refused (VOL)	<u>1</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>
100	100		100	100	100	100	100	100	100	100	100	100	100

Q.26 Has the Internet increased or decreased the amount of misinformation, such as false rumors, that finds its way into news stories in general, or has there been no change?

<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'04												
65	57	Increased	60	70	60	54	54	66	67	56	58	56	38
1	2	Decreased	2	1	3	1	0	1	2	2	3	1	6
31	38	No change	35	26	35	41	41	30	29	42	35	38	54
<u>3</u>	<u>3</u>	Don't know/Refused (VOL)	<u>3</u>	<u>3</u>	<u>2</u>	<u>4</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>4</u>	<u>5</u>	<u>2</u>
100	100		100	100	100	100	100	100	100	100	100	100	100

Finally a few questions about your personal views and values.

Q.27 How would you describe your political thinking. Would you say you are:

<i>TOTAL</i>		<i>TOTAL</i>			<i>NATIONAL</i>		<i>LOCAL</i>		<i>NATIONAL</i>			<i>LOCAL</i>			<i>TOTAL</i>
<u>National</u>	<u>Local</u>	<u>'04</u>	<u>'95</u>		<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
5	2	2	2	Very liberal	5	3	2	1	0	2	7	0	0	4	2
29	20	21	12	Liberal	36	20	28	14	16	25	34	11	24	25	25
54	64	61	64	Moderate	48	61	57	65	60	59	49	76	60	53	57
7	4	11	17	Conservative	8	7	11	11	19	4	6	11	11	11	10
*	1	1	1	Very conservative	0	1	1	2	0	0	1	2	1	1	3
<u>5</u>	<u>2</u>	<u>4</u>	<u>4</u>	Don't know/Refused (VOL)	<u>3</u>	<u>8</u>	<u>1</u>	<u>7</u>	<u>5</u>	<u>10</u>	<u>2</u>	<u>0</u>	<u>4</u>	<u>6</u>	<u>3</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.28 Which comes closer to your own views, even if neither is exactly right?

<u>TOTAL</u> <u>National</u>		<u>TOTAL</u> <u>Local</u>			<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
					<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04		'04													
91		78		It IS NOT necessary to believe in God in order to be moral and have good values	95	86	90	65	92	86	93	80	78	76	94
				OR											
6		18		It IS necessary to believe in God in order to be moral and have good values	3	8	9	27	5	7	5	16	17	20	4
*		*		Neither (VOL)	0	1	0	1	0	1	0	0	1	0	2
<u>3</u>		<u>4</u>		Don't know/Refused (VOL)	<u>2</u>	<u>5</u>	<u>1</u>	<u>7</u>	<u>3</u>	<u>6</u>	<u>2</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>
100		100			100	100	100	100	100	100	100	100	100	100	100

Q.29 Which comes closer to your own views, even if neither is exactly right?

<u>TOTAL</u> <u>National</u>		<u>TOTAL</u> <u>Local</u>			<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
					<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04	'95	'04	'95												
88	83	74	75	Homosexuality is a way of life that should be accepted by society	94	82	79	68	92	87	88	78	75	71	91
				OR											
5	4	14	14	Homosexuality is a way of life that should be discouraged by society	4	7	14	14	3	5	6	13	14	14	7
<u>7</u>	<u>13</u>	<u>12</u>	<u>11</u>	Neither /Don't know/Refused (VOL)	<u>2</u>	<u>11</u>	<u>7</u>	<u>18</u>	<u>5</u>	<u>8</u>	<u>6</u>	<u>9</u>	<u>11</u>	<u>15</u>	<u>2</u>
100	100	100	100		100	100	100	100	100	100	100	100	100	100	100

Q.30 What's more important in American society – that everyone be free to pursue their life's goals without interference from the government OR that the government play an active role in society so as to guarantee that nobody is in need?

<u>TOTAL</u> <u>National</u>		<u>TOTAL</u> <u>Local</u>			<u>NATIONAL</u>		<u>LOCAL</u>		<u>NATIONAL</u>			<u>LOCAL</u>			<u>TOTAL</u>
					<u>Print</u>	<u>Broadcast</u>	<u>Print</u>	<u>Broadcast</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Exec</u>	<u>Sr.</u>	<u>Jour</u>	<u>Internet</u>
'04		'04													
49		58		Free to pursue their life's goals without government interference	44	54	53	64	70	40	48	69	57	53	51
42		35		Government guarantees nobody in need	49	34	42	27	27	49	42	26	33	41	43
<u>2</u>		<u>7</u>		Don't know/Refused (VOL)	<u>7</u>	<u>12</u>	<u>5</u>	<u>9</u>	<u>3</u>	<u>11</u>	<u>10</u>	<u>5</u>	<u>10</u>	<u>6</u>	<u>6</u>
100		100			100	100	100	100	100	100	100	100	100	100	100

# Striking the Balance, Audience Interests, Business Pressures and Journalists' Values

 [web.archive.org/web/20080306042231/http://people-press.org/reports/print.php3](http://web.archive.org/web/20080306042231/http://people-press.org/reports/print.php3)

[Striking the Balance, Audience Interests, Business Pressures and Journalists' Values](#)

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## Introduction and Summary

Journalists increasingly agree with public criticism of their profession and the quality of their work. Overwhelmingly, news media professionals say the lines have blurred between commentary and reporting and between entertainment and news. A growing number of reporters, editors and news executives also say that news reports are full of factual errors and sloppy reporting.

Across all mediums -- print, television, radio and the Internet -- the news media share public misgivings about their watchdog role. More of the news media today than just a few years ago say the press drives controversies rather than just reports the news in the way it covers the personal and ethical behavior of public figures. Clear majorities in the national and local press, for example, agree with the public that the Clinton-Lewinsky scandal was overcovered.

The impact of these shortcomings is not lost on the press. Lack of credibility is the single issue most often cited by the news media as the most important problem facing journalism today. Alarm about faltering credibility is far more prevalent in the current survey than in a comparable 1989 Center survey. Moreover, the press itself says that the loss of public trust is a leading cause of declining news audiences.

To reporters and editors, the reasons for journalism's problems are just as clear -- growing financial and business pressures. At both the local and national levels, majorities of working journalists say that increased bottom-line pressure is hurting the quality of coverage. This view is more common than it was just four years ago, although it is less often shared by media executives.

For all these changes and troubles, the news media continue to value traditional, high standards for accuracy, sourcing and objectivity. Across mediums, markets and generations, there is near unanimous agreement on the core principles that define journalism -- getting the facts right, covering both sides and refusing to publish rumors. Moreover, most members of the press agree that journalism is distinguished because of its contributions to society, providing people with information they need.

These are the principal findings of a new Pew Research Center survey of 552 top executives, mid-level editors and producers, and working reporters and editors from both the national and local news media. The poll was conducted in association with the Committee of Concerned Journalists from November 20, 1998 to February 11, 1999. In addition to print, radio, and broadcast and cable television, a sample of those working in Internet news was also included. Unless otherwise noted, references to public opinion are from a February 18-21, 1999 poll, which can be found immediately following the results of the press survey.

These are the principal findings of a new Pew Research Center survey of 552 top executives, mid-level editors and producers, and working reporters and editors from both the national and local news media. The poll was conducted in association with the Committee of Concerned Journalists from November 20, 1998 to February 11, 1999. In addition to print, radio, and broadcast and cable television, a sample of those working in Internet news was also included. Unless otherwise noted, references to public opinion are from a February 18-21, 1999 poll, which can be found immediately following the results of the press survey.

## Business Pressures Beleaguer Television

	<i>National</i>		<i>Local</i>	
	<i>1995</i>	<i>1999</i>	<i>1995</i>	<i>1999</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
<i>Distinction between reporting and commentary has seriously eroded</i>				
Valid criticism	53	69	44	68
Not a valid criticism	44	30	53	32
Don't know/Refused	3	1	3	0
	100	100	100	100
<i>News reports are increasingly full of factual errors and sloppy reporting</i>				
Valid criticism	30	40	40	55
Not a valid criticism	65	58	59	42
Don't know/Refused	5	2	1	3
	100	100	100	100
<i>In covering personal and ethical behaviors</i>				
Only report the facts	48	45	61	39
Drive the controversy	41	49	33	56
Neither	7	3	4	4
Don't know/Refused	4	3	2	1
	100	100	100	100

Increased concern about financial pressure is evident in both the print and television press, although it has grown more among those in television and radio, particularly national television.<sup>(1)</sup> In this group, a 53%-to-38% majority of journalists and news executives say that pressure to make a profit is hurting the quality of coverage rather than just changing the way things are done. Opinion has reversed since 1995, when the national television media split 37%-to-46% on this question.

There are other indications that those working in television news find financial pressure particularly troublesome. They are more likely than their counterparts in print to cite quality issues as journalism's top problem and to say that in order to attract new audiences, the news media crosses the line between entertainment and news.

While almost all news media respondents think that ownership of news organizations by diversified corporations has had a negative effect on their profession, most add that corporate owners have little influence on what is covered or emphasized. Similarly, few in the press report that advertising concerns play much of a role in news decisions.

### **Bosses Differ on Financial Pressure**

The survey found that news executives and their staffs agree about the problems facing journalism, but executives are more defensive about the impact of financial pressures. At both the national and local levels, for example, fewer news organization chiefs than those in the newsroom ranks say the line is being crossed between entertainment and news.

Top executives are even more adamant about the general effects of the changed economic climate. Unlike their subordinates, clear majorities of news executives think that financial pressures are just changing the way things are done rather than reducing quality. Most mid-level editors and news staff disagree, especially in national news organizations.

Despite these important differences in opinion, most working journalists rate their leadership as excellent or good. Print journalists in national news organizations stand out for their positive views of their leadership: 47% say their bosses share their values a great deal, compared to 29% of national television journalists and roughly one-quarter of local news people.

### **Press and Public: Out of Touch**

Most members of the news media concede that they are out of touch with the public, and they blame themselves more than the public for declining audiences. News media executives and journalists view the public not as uninterested or uninformed, but as feeling overloaded by news and information.

*But Americans do not share this view. Two-thirds of the public says they like having so many information sources available; only 28% say they feel overloaded.<sup>(2)</sup>*

The press also points to its loss of credibility with the public as a major reason for losing readers, viewers and listeners. About half of news media executives and journalists rank lack of credibility with the public as a major reason for declining audiences. This represents a significant jump since 1989, when only one-third of the press said this.

*Americans' evaluations of the news media's credibility have declined since the mid-1980s. Network news believability is down an average of 11 percentage points; local television news has dropped 12 points and daily newspapers have tumbled 17 points since 1985.<sup>2</sup>*

More people in local news organizations (46%) than national (31%) think that what the public is interested in should be given a great deal of consideration in news coverage decisions. While older members of the news media on both the local and national levels are more reluctant to take public interests into account, the public rewards the consideration given them by the local media.



Local television news tops the list of Americans' favorite news sources -- 64% of the public watches their local news regularly. Only 38% of the public regularly watches national network news.<sup>(3)</sup>

### Press vs. Public on Watchdog Role

The press continues to value its watchdog role much more than the public does. Less than 10% of the news media -- compared to nearly one-third of the public -- believe press criticism of political leaders keeps those leaders from doing their jobs. The vast majority (more than 85%) think such criticism is worthwhile, because it keeps politicians from doing things that should not be done.

	---Media---		Public
	National	Local	
<i>Press criticism of political leaders keeps them from...</i>	%	%	%
Doing their job	5	9	31
Doing things they shouldn't do	87	88	58
Don't know/Refused	8	3	11
	100	100	100

*"As journalists, we are not just communicators, but watchdogs," says a national cable news correspondent. "We are a very important part of this society's system of checks and balances."*

The press and the public are more in sync in their criticism of how the media carries out its watchdog role. About half of journalists and media executives say that in reporting on the personal and ethical behavior of public figures, news organizations often drive the controversies rather than merely report the facts. Fully 72% of Americans say such reporting perpetuates scandal.

### Other Findings

- Most journalists and news executives agree that they are overly focused on internal dynamics, too often competing with each other and writing more for colleagues than consumers.
- The press gives itself only lukewarm grades for striking the right balance between what audiences want to know and what is important for them to know. This criticism is especially strong in the national television news: Only 38% of those working in this arena say an appropriate balance is struck today, compared to 60% of the national print press and more than half of the local news media in both mediums.
- Two-thirds of those in national and local news say that news organizations' attempts to attract readers or viewers has pushed them toward infotainment instead of news.
- Internet journalists share many values with those in the mainstream national news media, but there are some differences. While three-quarters of the national media say remaining neutral is a core principle of journalism, just 52% of those who work in Internet news agree.
- Journalists under the age of 35 are the least likely to know of official ethics programs within their news organizations and the most likely to want more of an organized effort.

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The research team was led by Molly Sonner, whose focus and analytical integrity informed every stage of the project. Center analysts Kim Parker, Scott Nolde and Greg Flemming also played major roles in conceptualizing the survey and analyzing the data. The sample of journalists and news media executives was drawn by Lauren Lustig, Nilanthi Samaranyake and Charmaine Thompson, who also did the painstaking follow-up work necessary to complete the survey. This book and the charts and tables that enrich it were pulled together by Charmaine Thompson. Beth Donovan played a lead role in writing this report and carefully edited the entire document.

## ENDNOTES

1. Throughout this report, references to television journalists and executives include those traditionally clustered as part of the electronic media: broadcast, cable and radio.
2. . "Internet News Takes Off," The Pew Research Center for The People & The Press, June 1998.
3. "Internet News Takes Off," The Pew Research Center for The People & The Press, June 1998.

## Section I. The Core Principles of Journalism

Journalists and news media executives across mediums and markets are united in what they think defines journalism, saying accuracy and balance in reporting represent the essence of journalism. And described in their own words, many in the profession agree that journalism is distinguished because of its contributions to the public and its impact on society.

The news media overwhelmingly see journalism as a watchdog against corruption and abuse and believe this effort keeps public officials from committing wrong. But, in a reversal since the mid-1990s, journalists and news media executives share public unease about the way they play the watchdog role. Today, 45% of the national news and 39% of the local media say the press drives controversies with its coverage of the personal and ethical behavior of public figures.

### What Makes It Journalism?

When asked to describe in their own words what distinguishes journalism, most journalists and news media executives mention its contributions to and impact upon society, including providing the public with information.

While this is true of executives and working journalists, some differences of opinion can be discerned across mediums and markets. More people in national television news mention providing the public with information and news (45%) than do those in national print (29%).

*"It is an opportunity to give information that can change or even save people's lives," says a local news weatherman.*

The local print media are particularly sensitive to their profession's power to influence: 30% say journalism is distinguished by its influence (such as shaping opinion or making things better in the community, country and world). By contrast, influence is mentioned by only 16% of those in local television and 19% and 22% of those in national print and television, respectively.

What Distinguishes Journalism?		
	National %	Local %
<b><i>Contribution to impact on society</i></b>	<b>60</b>	<b>65</b>
Provide information/inform public		
Watchdog/key to democracy		
Record history		
Make difference in people's lives		
Influence public opinion		
Support community/make things better		
<b><i>Personal benefits/job satisfaction</i></b>	<b>37</b>	<b>38</b>
Diverse/unpredictable		
Opportunity for learning		
Flexibility/intellectual freedom		
Writing/communicating/telling a story		
Knowing something first		
<b><i>Journalistic values</i></b>	<b>24</b>	<b>22</b>
Valuing truth/honesty		
Reporting accurately/factually		
Reporting objectively/fairly		

*"You have a chance to make things better and actually go out and put up a stink about things that need to be pointed out," says a deputy metro editor on a midwestern newspaper.*

The personal benefits and satisfaction afforded by a career in journalism are mentioned as unique qualities of the profession less often, although working journalists are more likely than news media executives to mention them.

## Core Principles?

The news media -- journalists and executives alike -- largely agree on the core principles of journalism, which include getting the facts right, getting both sides of the story and not publishing rumors.

*"The nature of journalism is to seek the truth," says the assistant managing editor of a mid-sized city paper.*

Differences between news media groups emerge, however, on other commonly held principles. For example, although more than 80% of those in television news consider remaining neutral a core principle, only 68% of those working in national and local print journalism agree. The principle of providing at least two anonymous sources finds somewhat more support among those in television than those in print.

Maintaining some distance from the people they cover and keeping business out of the newsroom are more important to the national media than the local media -- 84% in national news think that both are central to journalism, compared to 76% and 73%, respectively, in the local press.

There is a division of opinion on the principle of getting the story first: Roughly half of the news media consider it integral to journalism, with more of those in print than television saying this is a core principle. This is especially true in local markets, where 64% in print agree but just 41% in television do so. Within local news organizations, more of those in the newsroom say getting the story first is important: 63% of working journalists identify it as a core principle, compared to 39% of news executives.

Those in print and television disagree sharply over whether the press should interpret the news for the public. More than two-thirds of the print press say that providing an interpretation of the news is a core principle, compared to less than half of those in television.

## Cross Pressures

There is widespread agreement that journalism is simultaneously a business, a public service and a watchdog. Three-quarters of those in national and local news agree that journalism is accountable to shareholders just like any other business. Eight-in-ten say it is a public service that provides information to citizens for self-governance. And more than eight-in-ten in national and local news say journalism is a watchdog against corruption and abuse.

*"It's an incredible combination of public service, craft and ego gratification," says a national newspaper editor.*

### Widely Shared Values

	National %	Local %
Getting facts right	100	99
Getting both sides	98	97
Not publishing rumors	87	84
Two anonymous sources	83	85
Audience first obligation	80	82
Distance from those covered	84	76
Business out of newsroom	84	72
Remaining neutral	76	76
Providing interpretation	59	59
Getting story first	54	52
Avoiding use of first person	41	46

### Three Definitions of Journalism

	National %	Local %
<i>How well is journalism described as a business enterprise?</i>		
Very well	26	28
Fairly well	50	47
Not well	23	25
Don't know/Refused	1	0
	100	100
<i>How well is journalism described as a public service?</i>		
Very well	25	30
Fairly well	54	51
Not well	20	19
Don't know/Refused	1	0
	100	100
<i>How well is journalism described as a watchdog?</i>		
Very well	25	27
Fairly well	58	58
Not well	17	15
Don't know/Refused	0	0
	100	100

Differences can be found in the number who say these qualities describe journalism very rather than fairly well. For instance, 40% of those in local print say that journalism is described very well as a public service for providing information to the public, compared to 28% in national print and about 20% national and local television.

While the national and local media agree that modern day journalism serves as a watchdog against corruption and abuse, those in print and broadcast hold slightly different views. Both the local and national print media are almost twice as likely as those in television to say that journalism is described very well as a watchdog: 31% in national print and 39% in local print, compared to 18% and 17% in national and local television, respectively.

### Objectivity Upheld

There is overwhelming consensus among journalists and news media executives that it is possible to obtain a true, accurate and widely agreed upon account of an event. Roughly three-quarters of those in the national and local news media say this is an achievable task. Only a small number of those in local broadcast (25%) and the Internet (26%) think that perceptions of an event are so personal that it is impossible to get a true and accurate account.

Additionally, there is widespread support for the feasibility of developing a systematic method to cover events in a disinterested and fair way. Over two-thirds say that such an approach is possible. In this instance, however, journalists under age 35 stand out as less supportive. While a majority (61%) still expresses faith in such a method, a substantial minority has doubts.

### Who are the Journalists?

Given the general agreement within the news media on values and core principles, it is not surprising that there is similar agreement on who they think is and is not a journalist. Nearly everyone agrees that David Broder and Tim Russert are journalists, for instance. And Arianna Huffington, Rush Limbaugh, George Stephanopoulos, Don Imus and Howard Stern are not, according to the press.

	National	Local
	%	%
David Broder	95	89
Tim Russert	91	88
William Safire	79	87
Clarence Page	83	78
Katie Couric	70	65
Paul Gigot	72	56
John McLaughlin	34	60
David Gergen	38	41
Geraldo Rivera	33	34
Matt Drudge	28	34
Larry King	23	37
Arianna Huffington	9	18
Rush Limbaugh	8	7
George Stephanopoulos	4	9
Don Imus	5	4
Howard Stern	*	2

+ Based upon those who could rate each.

### Section II. Professional Values and Motivations

Nearly all journalists and media executives say they are proud of what they do for a living, and they express general satisfaction with the values, leadership and ethics programs of their own news organizations. This may reflect some of the common motivations that draw people to journalism: writing, communicating and providing information to the public.

But despite an overall sense of shared professional values, divisions within the press emerge across markets and job types. The distinctions are clear when looking at whether news media professionals say that colleagues share their values "a great deal" or "a fair amount." Generally, those at top levels of national news express more affinity for their staff's values than do those in local news. But national news owners and upper level managers see themselves as sharing more with their staffs than the news staff says is so.

Fully 53% of national news executives and managers say that reporters in their organizations share their professional values a great deal; 38% of national news staff reciprocate this view. Among local news executives and managers, 30% say their staffs share their professional values a great deal; only 26% of local staff members feels similarly connected.

While the national news media express greater levels of shared professionalism than do their local counterparts, a sense of shared values is particularly weak among those working in national television news. In this group, less than half of the executives say they share a great deal of the professional values of the reporters in their organizations; just 29% of staff members say the same of the owners and top editors in their news organizations. This is significantly less than the 60% of national print executives who feel this tie, and the 47% of national print staff who express a strong connection to the top bosses.

## Rating Quality of Leadership

Overall, most of the news media rate the quality of leadership in their own newsrooms as good, and a substantial minority give their leaders excellent marks. Fully 44% of those working in national news say their newsroom leadership is good and another 36% say it is excellent. Similarly, among local news organizations, 51% rate the quality of leadership in their newsroom as good and an additional 24% give their leaders top marks.

Those closest to leadership positions are the most complimentary. On the national level, news media executives are twice as likely as staff to rate their organization's leadership as excellent (52% vs. 25%, respectively). On the local level, the gap is as great: By a ratio of 42%-to-13%, executives give leaders excellent marks. There are no significant differences in the way those working in print and broadcast view their leadership.

## Dealing with Ethics

Most media professionals attest to the existence of a concerted effort to address ethical issues by their news organizations, and they express general satisfaction with such programs. Fully 81% of those working in national news, 72% of those in local news outlets and 79% of those involved in online news say that such ethics programs exist.

Not surprisingly, those responsible for creating or directing such programs are the most likely to report their existence. Almost all (98%) of national media executives and nearly as many (88%) executives in local news acknowledge a concerted program to address ethics. Somewhat smaller majorities of national and local news staff are aware of such ongoing efforts in their organizations (74% and 60%, respectively).

Despite these minor differences in perception as to the actual existence of ethics programs, both news media executives and working journalists generally agree on their evaluations of the current state of such programs. A majority of almost every group says that their newsroom's current effort toward addressing ethics is about right. Staff members working in local news are the only group in which a majority expresses support for heightened efforts: 53% want more of an organized effort, compared to about one-third of those in higher positions or national markets.

Some of the greatest differences in attitudes toward ethical issues are generational in nature. Those under age 35 are the least likely to say there is an official program and the most likely to want more of an organized effort. The opposite is true for those age 55 and older: This group overwhelmingly acknowledges an on-going program and strongly supports the current level of effort.

Finally, when it comes to discussing specific ethical concerns, journalists working in both the national and local news media express a fair amount of trust in senior management. Over half of both national and local staff say they would turn to their immediate supervisor if they had a problem or question about ethics. This inclination is somewhat greater in the national print than the national

Shared Values?		
	<i>National Exec/Mgt</i>	<i>Local Exec/Mgt</i>
<i>Reporters in my org. share my values...</i>	%	%
Great deal	53	30
Fair amount	41	58
Not very much	3	8
Not at all	1	1
Don't know/Refused	2	3
	100	100
	<i>National Staff</i>	<i>Local Staff</i>
<i>Owners &amp; top editors share my values...</i>	%	%
Great deal	38	26
Fair amount	46	55
Not very much	12	17
Not at all	2	1
Don't know/Refused	2	1
	100	100

Good Grades for Leadership				
	<i>National</i>		<i>Local</i>	
	<i>Print</i>	<i>TV</i>	<i>Print</i>	<i>TV</i>
<i>News organizations' leadership...</i>	%	%	%	%
Excellent	39	31	23	24
Good	43	45	52	50
Only fair	15	16	20	22
Poor	3	7	5	3
Don't know/Refused	0	1	0	1
	100	100	100	100

Governing Ethics: A Generational Divide			
	<i>18-34</i>	<i>35-54</i>	<i>55+</i>
	%	%	%
<i>Ongoing ethics effort?</i>			
Yes	63	77	91
No	35	21	9
Don't know/Refused	2	2	0
	100	100	100
<i>Would you like to see...</i>			
More organized effort	49	40	27
Less organized effort	2	1	1
Same: current effort is right	48	59	71
Don't know/Refused	1	*	1
	100	100	100

television media. Approximately 20% of the news media say they would turn to top editors or producers and an equal percentage favor turning to their colleagues.

### Why Are They in the Newsroom?

More than anything else, those in the news media say that being able to write or communicate for a living was a very important reason for entering journalism. Nearly as many identify the promise of an exciting career as critical to their choice of work, although somewhat more in the national media consider this a very important reason (62%) than in the local press (53%).

More than two-thirds of the news media say that providing people with information they need is a very important reason why journalists work in news.

*"You can make a worthwhile contribution to society," says the managing editor of a local newspaper.*

A slim majority think that uncovering wrongdoing is very important to their colleagues. More members of the print press than television hold this view. More in national than local news say that being a witness to history is very important (55% vs. 36%).

*"It's a ringside seat to breaking news events of our time," says a national newspaper reporter.*

Nearly one-in-five members of the local television news media believe that their colleagues are motivated by a desire to become famous or well-known, compared to only 2% in local print.

### Proud of What They Do

More than nine-in-ten journalists and news media executives say they feel proud when they meet someone for the first time and tell them where they work; less than 10% say they feel somewhat apologetic in this situation.

In a recent survey of government officials, fewer members of Congress (75%) and the senior executive service (81%) say they feel proud when they tell people what they do. However, just as many presidential appointees (92%) as journalists and media executives say they are proud of their work.<sup>(1)</sup>

### ENDNOTES

1. "Washington Leaders Wary of Public Opinion," The Pew Research Center for The People & The Press, April 1998.

### Section III. Views on Performance

The overall quality of news coverage -- including issues ranging from decreased accuracy to increased sensationalism -- remains the most important problem area in journalism today, according to the press. But its relative seriousness has plummeted compared to the loss of credibility with the public.

Why Journalism?		
	National %	Local %
<i>Very important reasons why you entered journalism?</i>		
Communicate for living	70	63
Exciting career	62	53
To be the first to know	27	29
Job not tied to desk	29	26
Collegiality of newsroom	15	13
Opportunity to travel	14	10
<i>Very important reasons why others you know are journalists?</i>		
Provide information	70	76
Uncover wrongdoing	50	52
Witness history	55	36
Reform society	27	26
Create sense of community	18	29
Become famous	7	10

When asked about the validity of various criticisms of the press, a significant minority of the news media agree that news reports are increasingly full of factual errors and that too little attention is paid to correcting mistakes. Further, large majorities in the business say the line between reporting and commentary has blurred, as has the line between entertainment and news. The latter problem is particularly troubling to reporters and editors in the newsroom.

*"People don't trust us the way they used to, and they have good reason not to," says a local television news assignment editor. "A lot of stuff now is slanted toward sensationalism."*

### Standards Slipping

When asked to describe in their own words the most important problem confronting journalism today, half of journalists and news media executives mention issues related to quality, such as sloppy reporting, an erosion of standards and the trend toward sensationalism. While news quality remains the top concern, it no longer dominates as it did a decade ago when an overwhelming 70% in the news media said it was the most important problem facing the profession.

Today, growing numbers of the news media say that business and financial pressure is the most important problem confronting journalism: 40% in national markets and 37% in local, compared to 31% overall in 1989.

Looking at problems in journalism thematically, loss of credibility continues to rank third. But concern about it has almost doubled over the past 10 years, and it is the single problem most often cited by the press. Roughly one-in-three members of the national and local media now say that a decline in public trust, confidence and credibility is the most important problem facing journalism; 17% said this in 1989.

*"Journalists are down among used car salesmen in credibility," says a network news producer.*

The print media are particularly concerned about the public's attitude towards the press. More than four-in-ten print journalists and executives cite this as a major problem for journalism, compared to roughly 20% of those in television news. By contrast, more of those working in television than in print feel that the quality of news coverage is the most important problem facing journalism today.

Although younger members of the news media agree with their older colleagues' concerns about the quality of reporting and economic pressures, fewer of those under the age of 35 mention problems associated with credibility than do those 55 and older (19% vs. 43%, respectively).

### Criticisms of the Press

	1989	— 1999 —	
	Total %	National %	Local %
<b>Quality and Standards</b>	<b>70</b>	<b>50</b>	<b>44</b>
Reporting objectively/Balance		12	6
Reporting accurately		10	10
Lack of ethics/principles		9	8
Sensationalism		8	12
<b>Business and Financial</b>	<b>31</b>	<b>40</b>	<b>37</b>
Decline in audience/readership		10	7
Competition with other media		9	9
Competition impacting quality		8	7
Bottom-line emphasis		8	7
<b>Loss of Credibility w/ Public</b>	<b>17</b>	<b>30</b>	
<b>34</b>			
Credibility problem		23	28
Lack of trustworthiness		6	8
Lack of confidence		5	2

Overall, journalists and news media executives see plenty of room for improvement in the press. More than two-in-three agree that charges of paying too little attention to complex issues and the mixing of commentary and reporting are valid criticisms. More than half of the news media agree that journalists are too focused on internal dynamics (like getting the story first), out of touch with their audiences and too cynical.

*This disconnect is obvious to Americans: two-thirds of them say the press doesn't care about the people it covers.*

Compared to 1995, more journalists and news media executives believe that the distinction between reporting and commentary has seriously eroded (69% of the national news media and 68% of local media agree that this is a valid criticism, compared to 53% and 44%, respectively, in 1995).

*"I'm concerned about the blurring of the lines between the kind of fact-based journalism that I grew up with -- and which I hope to continue to practice -- and the proliferation of celebrity pundits who are constantly barraging the public with views that aren't fact-based," says a reporter for a national newspaper.*

Similarly, the number who agree with the charge that news reports are increasingly full of errors is up in the national media to 40% from 30%, and up to 55% from 40% in the local media. Those in local television are even more critical of the inaccuracy of news reports: 62% say it is a valid criticism.

*Americans agree that the press is sloppy: 58% say news stories and reports are often inaccurate, a jump from 34% in 1985.*

On the upside, fewer members of the news media today believe that the press fails to cover positive developments adequately than they did in 1995 (down to 49% from 58% in the national media, and to 44% from 51% in the local markets). The Internet news media are particularly positive in this regard, with only one-in-three agreeing with the charge. The African-American journalists and executives surveyed, however, say just the opposite, with a 78% majority agreeing that positive developments are under-reported.

## Entertainment vs. Hard News

### Valid Criticisms of the Press

	-National-		-Local-	
	1995	1999	1995	1999
	%	%	%	%
Too little attention to complex issues	80	71	75	72
Reporting and commentary blurred	53	69	44	68
Too focused on internal dynamics	--	58	--	65
Out of touch with public	--	57	--	51
Too cynical	54	53	53	51
Reporting full of errors	30	40	40	55
Little reporting of positive developments	58	49	51	44
Don't correct mistakes	--	41	--	43
Too adversarial	34	34	32	33



The news media are also concerned that pressure to attract audiences is pushing their industry too far in the direction of infotainment. Two-thirds of those in national, local and Internet news say that efforts to attract readers or viewers take them too far in this direction. This criticism is especially strong among news staff members: Three-quarters of those in local and national news markets say this is so -- a significantly larger number than the 57% of national executives and 54% of local executives who agree.

*"Journalists feel the need to entertain people as opposed to the need to inform them," says a sports reporter for a national newspaper.*

	—National—			—Local—		
	Exec	Mgt	Staff	Exec	Mgt	Staff
	%	%	%	%	%	%
<i>News organizations are...</i>						
Moving too far into entertainment	57	65	74	54	65	74
Not moving too far into entertainment	34	31	21	46	32	26
Don't know/Refused	9	4	5	0	3	0
	100	100	100	100	100	100

When it comes to covering complicated stories, the news media generally agree that television faces greater obstacles than print. Solid majorities of top brass, middle management and newsroom staff acknowledge at least a fair amount of difficulty inherent in television news' attempts to inform the public about complicated topics. There is little consensus among the different media about the extent of this challenge, however.

About six-in-ten of those in the print press say that it is very difficult for television to cover complicated news stories, but less than one-third of those in television agree. Instead, most in television news say that this is fairly difficult for them to do. The Internet press falls in between these other two, with 51% saying very difficult and 39% saying fairly difficult.

### The Watchdog Role

A narrow majority of journalists and news media executives now believe that by covering the personal and ethical behavior of public figures, news organizations often drive controversies rather than simply report the news.

*"Anything is fair game for the media today," says the president of a midwestern television station. "There are no restraints."*

This reflects a dramatic shift in opinion on this issue since the mid-1990s, particularly among those in local news. In 1995, 61% of the local media believed news organizations were simply reporting the facts in their coverage of politicians' personal and ethical behavior; only 33% said they were actually driving the controversies. Today those numbers are nearly reversed: 39% say news organizations are reporting the facts; 56% say they are driving the controversies.

	—National—		—Local—	
	Print	TV	Print	TV
	%	%	%	%
<i>In covering personal &amp; ethical behaviors</i>				
Only report the facts	54	36	43	36
Drive the controversy	39	60	52	60
Neither/Don't know/Refused	7	5	5	5
	100	100	100	100

The shift is more pronounced in television news than print. Six-in-ten in national television news now think news organizations drive controversies about public figures; in 1995, 37% held this view. Similarly, 59% in local

television now think news coverage drives controversies, compared to 32% in 1995.

It follows that journalists and media executives are critical of the way national news organizations covered the Clinton-Lewinsky scandal. More than half say the scandal received too much coverage; roughly four-in-ten say the quantity of coverage was about right. The national and local press have nearly identical views on this issue. Among those in national news, 57% say news organizations made too much of the scandal; among those in local news, 60% make the same judgment.

Reporters and editors are among the most critical of the Clinton-Lewinsky coverage. Two-thirds of national news staff think the scandal was overcovered, a view shared by 65% of local staff. This compares with only 44% of national executives and 48% of local executives.

*Two-thirds of the American people agree,<sup>(1)</sup> and after the impeachment trial ended, 59% gave the press a "C" grade or worse for its coverage of the scandal.*

In spite of this widespread self-criticism, journalists and media executives still strongly adhere to the value of the watchdog role. Nearly 90% say that criticism of political leaders is worth it because it keeps those leaders from doing things that should not be done. Less than 10% think that such criticism keeps political leaders from doing their job. This holds true across markets and mediums.

### Opinions on Polls

More than six-in-ten in the news media believe polls are right most or all of the time, and a majority say polls have a positive impact on society. Those in the national press express slightly more faith in the accuracy of polls than the local media (69% compared to 61%), but no greater belief that they work in the best interest of the country.

*The American people are more skeptical of polls' accuracy, but they are also more supportive of their good. Just 26% of the public believe polls are right most or all of the time,<sup>(2)</sup> while 66% say they are beneficial.<sup>(3)</sup>*

#### Strong Press Support for The Watchdog Role

	National %	Local %
<i>Press criticism of political leaders keeps them from..</i>		
Doing their job	5	9
Doing things they shouldn't do	87	88
Don't know/Refused	8	3
	100	100

### ENDNOTES

1. "Support for Clinton Unchanged by Judiciary Committee Vote," The Pew Research Center for The People & The Press, December 1998.

2. "Public Opinion About Polls: How People Decide Whether to Believe Survey Results," Paul Lavrakas et al., September 1998.

3. "Conservative Opinions Not Underestimated, But Racial Hostility Missed," The Pew Research Center for The People & The Press, March 1998.

### Section IV. Business and Public Pressures

Members of the news media -- particularly those in the newsroom -- feel caught in a pressure cycle. Working journalists say that business pressures undermine quality, which hurts credibility, which in turn causes lost audiences. And that cycles back to added business pressure. Although there are striking differences between news media executives and newsroom journalists in their perceptions of the impact of business pressure, the press rightly recognizes serious public distrust of the news media today.

*"People don't like us... don't trust us... don't believe us," says an editor at a national news service.*

News media executives have a relatively benign view of the impact of business pressure on journalism. They see scant corporate and advertising influence on the content of news, view media consolidation efforts as largely harmless and argue that increased financial pressures are simply altering the way things are done. By a ratio of 59%-to-30%, national executives say increased financial pressures are just changing newsroom habits, not harming news coverage. The pattern on the local level is the same.

In contrast, senior news managers and reporters see increasing business pressures in the newsroom as damaging to the quality of their product. Among national news staff, a 53% majority says that financial pressure is seriously harming the quality of news coverage. Only 37% say business directives are merely changing the way they do their jobs. Again, this pattern is repeated among those in local news.

*"We are negligent in our duties because of budgetary constraints," says a programming director of local television news. "We don't do our jobs if it costs too much."*

Bottom-line pressures have hit television and radio news especially hard. The number of local television people who see a negative fallout from financial strains has almost doubled since 1995, rising to 46% in this latest survey from 24% in 1995. Similarly, a 53% majority of those in national television news now say that bottom-line pressure is hurting the quality of news, up from 37% who said so in 1995.

<i>Bottom-line pressure is...</i>	<i>National TV</i>		<i>Local TV</i>	
	<i>1995</i>	<i>1999</i>	<i>1995</i>	<i>1999</i>
Hurting	37	53	24	46
Just changing	46	38	62	45
Neither/None	3	0	5	2
Both/Other	14	9	6	7
Don't know/Refused	0	0	3	0
	100	100	100	100

*"Budget cuts are forcing organizations to do more with less and that can jeopardize the quality of the product," says a national broadcast journalist.*

### **Buyouts Bother the Working Press**

The press expresses serious reservations about growing corporate ownership of the news media. There are striking differences, however, in the way executives and news staff interpret the impact of buyouts of news organizations by diversified corporations and local newspapers by large newspaper chains.

Solid majorities of those in the national and local news media view buyouts of news organizations by diversified corporations as negatively influencing the profession. Overall, 69% say so, a number unchanged since 1989.

More news managers and staff than executives see corporate takeovers as pernicious, but the differences are not as sharp as they are with newspaper buyouts. This may be because the overwhelming consensus across all groups is that this has been a negative phenomenon.

Overall, almost two-thirds of those in the news media now see newspaper buyouts as a negative phenomenon, up somewhat since 1989, when 55% held this view. The exception lies with executives on both the local and national levels, who are far less likely to describe newspaper buyouts as negative than are those in the newsroom.

Only half of national news executives and 45% of local executives see newspaper buyouts as harmful -- compared to about three-quarters of national news managers and staff and two-thirds of local managers and staff. Executives do not view these events as necessarily positive, but they are more likely than the other two groups to see buyouts as benign: One-third of executives say the sales have had no effect.

Although the question referred specifically to local newspaper buyouts, those in national television news express the most criticism: 81% say newspaper buyouts have had a negative impact on journalism, compared to 61% of those in national print and the same percentage in local news.

### Corporate and Advertising Influences

Only about one-third of the press thinks that corporate owners exert significant influence over which stories to cover. This is almost completely unchanged since 1989 when just 32% felt this way, but the consistency over time masks substantial differences in how those in different occupations and different media markets perceive corporate influence.

The national press consistently sees less influence on the part of corporate executives than do those working in local news. On average, 26% of those in national news describe at least a fair amount of corporate influence, compared to 37% of the local press. Those involved in Internet news also see more influence than do the national media: 41% of those in Internet news say that corporate owners exert either a good deal or a fair amount of influence over which stories to cover.

The gap between those making executive and business decisions and those in the newsroom is even more dramatic. Members of the news staff see more than twice as much corporate influence over news content as executives do. This is true across both national and local media markets. On the national level, 36% of staff see a fair amount of influence, only 7% of the top bosses say this is so.

Almost half (48%) of all local staff say corporate executives exert at least a fair amount of influence over news content, but just 21% of local executives agree. In both markets, senior managers tend to fall halfway between the two groups.

### Taking Stock of Consolidating Forces

	--National--			--Local--		
	Exec %	Mgt %	Staff %	Exec %	Mgt %	Staff %
<i>Buyouts of news orgs. by corporations</i>						
Positive	7	7	0	2	6	7
Negative	57	69	80	58	63	77
No effect	34	23	19	37	25	11
Don't know/Refused	2	1	1	3	6	5
	100	100	100	100	100	100
<i>Buyouts of local newspapers by chains</i>						
Positive	14	7	4	16	5	9
Negative	50	76	75	45	62	68
No effect	32	13	15	37	29	19
Don't know/Refused	4	4	6	2	4	4
	100	100	100	100	100	100

### Perceptions of Influence

	--National--			--Local--		
	Exec %	Mgt %	Staff %	Exec %	Mgt %	Staff %
<i>Corporate Owners</i>						
Great deal/Fair amount	7	21	36	21	34	48
Not very much/at all	91	72	56	77	64	49
Don't know/Refused	2	7	8	2	2	3
	100	100	100	100	100	100
<i>Advertising Concerns</i>						
Great deal/Fair amount	7	24	25	19	20	32
Not very much/at all	91	76	72	81	80	67
Don't know/Refused	2	0	3	0	0	1
	100	100	100	100	100	100

Advertisers garner less concern from the news media. Notably, national and local news staff see advertising concerns as relatively uninfluential -- especially compared to corporate interests. For example, only one-fourth of the national news staff and about one-third of local news staff say that advertising concerns exert at least a fair amount of influence over which stories to cover.

Again, executives largely dismiss the charge of outside influence: 91% of national news executives and 81% of local news executives say advertisers have marginal influence, at best.

African-American and younger journalists are much more cynical about the amount of outside influence. Overall, whites largely reject the charge of corporate and advertising leverage over news content, but over half of blacks in the press say that corporate interests exert at least a fair amount of influence and fully 41% see at least this much pressure from advertising concerns. Similarly, half of those under age 35 see at least a fair amount of influence from both corporate pressures and advertising interests, but less than one-third of their elders say corporate pressures reach this level and only one-fifth say this is true of advertising.

### Press Takes the Blame for Audiences

The increasingly intense business pressures facing news organizations often evolve from declining audiences -- a phenomenon for which the media do not blame the public.

There is general agreement among those working in the news business that information overload is the top culprit for declining audiences. Over half of those in the national press and three-fifths of those in local news say that news organizations are losing readers, viewers and listeners because Americans feel overloaded with information.

*"People are tuning the news out. Readership is down," says a reporter for a national news service. "People have more choices with the Internet and cable channels."*

About half of the press rank lack of credibility with the public as a major reason for their failing audiences. This represents a significant jump since 1989, when only 32% of the press saw this as a major reason for declining audiences.

*There are many indications that the press is right in this assessment. Today, 56% of the public finds political bias in news accounts, and 66% say the media tries to cover up its mistakes. Both findings are up 11 percentage points since 1985.*

Slightly fewer but still significant percentages of those in the news media see inattention to stories that are meaningful to the average American as a major reason for the loss of viewers and readers. Those who have degrees in journalism are more likely than those who don't to see this as an issue (47% vs. 38%).

Less than a quarter of the national news media and only slightly more of the local news media blame public disinterest in or general ignorance about serious news as a reason for declining audience or readership.

*On this, Americans are more self-critical: 56% say they are generally bored by what goes on in Washington; 43% disagree.*

	National %	Local %
<i>Major reasons...</i>		
Americans feel overloaded with information	52	61
Press lacks credibility with public	48	54
Not enough attention to stories meaningful to average Americans	41	42
Specialized news outlets allow people to get the news they want	40	40
The press is too concerned with what goes on in Washington, DC	40	31
Most Americans don't have civic responsibility to follow news	34	39
The public is able to contact information sources directly	29	28
The public is not well informed enough to follow serious news	21	29
The public is not interested in serious news	22	26

In general, those working in national news assign somewhat less blame for lost audiences to the public than do

those in local news. Over half (54%) of national news executives and journalists say the public bears little or no responsibility for declining audiences; 45% of local news members absolve the public of responsibility.

## Making the Important Interesting

	—National—			--Local--		
	Total %	Print %	TV %	Total %	Print %	TV %
<i>How good a job striking balance between what people want and need?</i>						
Excellent/Good	49	60	38	55	51	58
Fair/Poor	49	38	61	45	49	42
Don't know/Refused	2	2	1	0	0	0
	100	100	100	100	100	100
<i>How good a job making important events interesting?</i>						
Excellent/Good	63	59	67	69	58	80
Fair/Poor	36	39	33	31	42	20
Don't know/Refused	1	2	0	0	0	0
	100	100	100	100	100	100

Despite this self-criticism, both the national and the local news media give fairly positive grades to journalism's ability to make significant news interesting to the public -- and to make sure it's still news. About half of each group says that journalism does an excellent or good job striking a balance between the twin goals of what audiences want to know and what's important for them to know. This general consensus, however, hides differences across mediums and between those at the top and the bottom of a news organization hierarchy.

Those working in national television outlets express the harshest criticism of their profession: Only 38% of them say the news media do an excellent or good job striking a balance between audience wants and needs, a sharp contrast to the 60% of those who work in national print who give journalism positive marks.

Finally, across all national news mediums, executives are the most satisfied with journalism's balancing of audience wants and needs. Two-thirds say the news media do an excellent or good job with this task, while a majority of senior news managers and staffers working in national news disagree. (There are no real differences within the local media between print and television or between those at the top and bottom of news organizations -- slight majorities of all groups give the news media good marks.)

When it comes to making important events interesting, solid majorities of each group -- across levels, mediums and markets -- give the news media positive grades. On this question, those in national television are not significantly more critical than their colleagues elsewhere.

## Local Journalists Listen...

Any consensus between those in national and local news over how well they take the public's interests into account does not extend, however, to their impressions of how much they should listen to their audiences. The local news media place greater emphasis on the public's interests than the national media do. Nearly half of those working in local news say journalists, when deciding what stories to cover, should take the public's interests into account a great deal; less than one-third of those in national news markets agree.

The different emphasis that those in national and local news place on the public's interests reflects a significant gap in the attitudes of news staff across the national and local media markets. While less than one-third of those on national news

	National %	Local %
<i>Journalists should take the public's interests into account..</i>		
A great deal	31	46
A fair amount	62	49
Not very much	6	3
Not at all	1	1
Don't know/Refused	0	1
	100	100

staffs think that journalists should give a great deal of consideration to the interests of the public, fully 58% of local staff think the public deserves at least this much attention. This disparity is especially striking because it is largely limited to working journalists: Executives and senior news managers in the national and local arenas generally agree that a fair amount of attention should be accorded public interests.

### ...But Doubt

While staff members in the local news media place relatively greater weight on the public's interests than do those working in national news, the latter group expresses more confidence in the public's ability to make electoral and policy decisions than do those working in local news. Over half of the national press say they have a great deal of confidence in the wisdom of the American people when it comes to making choices on Election Day; just over one-quarter of the local news media agree. These national vs. local differences are true across job type (executive, news manager, staff) and medium (print, television, radio).

Members of the national news media also express more confidence in the public's ability to make wise decisions about issues than do those working in local news -- although majorities of both groups express faith in the public's ability to do so. About two-thirds of the national news media agree that Americans know enough about the issues they cover to make wise decisions about these issues, compared to just over half of the local news media. Those working in the national print press express the most confidence.

### Little Faith -- and Lots of Blame

There is a link between blaming the public for declining news audiences and being critical of the public's decision-making abilities. Those who assign the most blame to the public for lost audiences also express the least amount of faith in the public's ability to make wise decisions.

The skepticism that some news media executives and working journalists express about the public's ability to make decisions about policy matters is decidedly mild compared to the overwhelming lack of faith accorded the public by federal government officials. As mentioned above, a solid majority of the national media and a sizeable number of those in local news say Americans know enough about the issues they cover to form wise opinions. In a similar question in 1998, only 31% of members of Congress, 13% of presidential appointees and 14% of senior civil servants agreed.<sup>(1)</sup>

<i>Public knows enough to make wise decisions?</i>	<i>Public Blame for Lost Audiences*</i>			
	<i>High</i>	<i>Med</i>	<i>Low</i>	<i>None</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Yes	34	51	54	70
Maybe/Depends	4	4	8	6
No	60	45	36	21
Don't know/Refused	<u>2</u>	<u>0</u>	<u>2</u>	<u>3</u>
	100	100	100	100

\*Based on three reasons for lost audiences: seeing the public as uninterested in serious news, uninformed and lacking in civic duty.

	<i>--Media--</i>		<i>--Government--</i>		
	<i>National</i>	<i>Local</i>	<i>Cong</i>	<i>Exec</i>	<i>SES</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
<i>Do Americans know enough about issues to form wise opinions?</i>					
Yes	65	54	31	13	14
Depends (Vol)	7	6	17	7	3
No	26	39	47	77	81
Don't know/Refused	<u>2</u>	<u>1</u>	<u>5</u>	<u>3</u>	<u>2</u>
	100	100	100	100	100
<i>How much trust in American people on Election Day?</i>					
Great deal	52	28	64	34	34
Fair amount	40	56	31	51	44
Not very much	6	13	1	12	20
None at all	1	3	0	1	1
Don't know/Refused	<u>*</u>	<u>*</u>	<u>4</u>	<u>2</u>	<u>1</u>
	100	100	100	100	100

But when the news media is compared to federal government leaders in their assessment of the public's ability to make sound electoral decisions, the divides are less clear. Majorities of members of Congress and the national press say they have a great deal of trust in the American people on Election Day, while only about one-third of those in local news or serving in the upper levels of the federal bureaucracy agree.

## ENDNOTES

1. "Washington Leaders Wary of Public Opinion," The Pew Research Center for The People & The Press, April 1998.

## Section V. The News and The New Media

While the news media appreciate the utility of new technologies in their work, they are mixed in their views of the way journalism is practiced in these new mediums. The advent of online-only news sites and the proliferation of cable channels are given only lukewarm endorsements by the news media today, particularly among older members of the press and those in local news.

The ambivalence can be explained in part by the different news gathering techniques endorsed by the Internet news media. The most striking difference between the men and women working for Internet news outlets and those in mainstream news is the Internet media's equivocation about neutrality. Journalists and executives in Internet news are divided 52%-to-48% over the importance of remaining neutral, but three-quarters of those in national and local news declare it to be a journalistic cornerstone.

*"There's an ever-growing tendency toward pack journalism as the Internet breaks down editorial barriers," says a network television executive. "Traditional journalists will have to be much better editors, identifying news values and being discerning about those values."*

Internet Spin			
	National	Local	Internet
<i>Always remaining neutral</i>	%	%	%
Core principle	76	76	52
Not a core principle	21	22	48
Don't know/Refused	3	2	0
	100	100	100
<i>Providing an interpretation</i>			
Core principle	59	59	71
Not a core principle	37	40	29
Don't know/Refused	4	1	0
	100	100	100
<i>Avoiding the use of I" person</i>			
Core principle	40	46	25
Not a core principle	58	50	75
Don't know/Refused	2	4	0
	100	100	100

The Internet news media are also slightly more likely than are the national and local press to say that providing an interpretation to news is a core principle of their profession. Finally, only one-quarter of those in Internet news say that always avoiding the first person is a core principle of journalism, while 40% of the national news and 46% of the local news media agree.

## The Net As a Tool

For the most part, the press feels good about the way new technologies have changed their profession. Roughly half of the news media say the emergence of the Internet has made journalism better. Not surprisingly, those in Internet news are even more positive about the impact of their medium on journalism.



The national and local news media alike have positive views of the Internet as a resource. Fifty-four percent of the national press say the emergence of the Internet has made journalism better; only 12% say it has made journalism worse. Among the local press, 47% say the Internet has made things better, 8% say worse. The local news media are also more likely than their national counterparts to say the Internet hasn't made much of a difference (42% and 26%, respectively). Local news executives are among the least enthusiastic about the Internet -- only 25% think it has made journalism better.

*Use of the Internet is far more commonplace in newsrooms than living rooms: Over 90% of the press have direct access to the Internet at work; just half of the public goes online.*

	----Age---		
	18-34	35-54	55+
<i>Internet has made journalism...</i>	%	%	%
Better	70	53	40
Worse	8	10	12
No difference	21	32	41
Both (Vol)	1	3	6
Don't know/Refused	0	2	1
	100	100	100

Younger journalists and those who work in online news have much more positive views of the Internet than do older members of the news media. Fully 70% of those between 18 and 34 think the Internet has made journalism better, compared to 53% of those 35-54 and 40% of those 55 and older. Over 80% of the online press say the Internet has improved journalism.

### Mixed Reviews for Online News

The ability of newspapers and TV networks to establish their own websites is viewed as a positive development by 78% of national journalists and executives, 74% of the local news media and 89% of those in Internet news. Executives, news managers and staff are in agreement on this point.

This consensus, however, does not extend to online-only publications. The national and local news media are modestly positive about the emergence of online-only newspapers and magazines: 61% and 51%, respectively say such developments have had a positive effect on journalism. Not surprisingly, the Internet press unanimously applauds the emergence of their field: 93% say it has had a positive effect.

The online and mainstream press also differ on the value of the public's direct access to news via the Internet. Three-quarters of those in online news say that the public's ability to bypass the news media and go directly to information sources is a good thing -- only half of the national press and less than one-third of the local press express similar enthusiasm. The local print press is among the least likely to see the merit in eliminating the middle man -- only 23% say this has been a good thing; 47% think it has been detrimental.

### News Magazines

Journalists and media executives are somewhat ambivalent about the value of network TV news magazines. Among the national news media, 35% say these news magazines have had a positive effect on journalism; 41% say they have a negative effect. Those who work in local news are slightly more positive - 46% say TV news magazines are a plus, 30% say they are negative. Local television news folks stand out: 60% see news magazines as positive.

	National	Local	Internet
<i>The emergence of online-only publications has had...</i>	%	%	%
Positive effect	61	51	93
Negative effect	14	21	5
Not much effect	18	24	2
Don't know/Refused	1	4	0
	100	100	100
<i>The emergence of the Internet has made journalism...</i>			
Better	54	47	82
Worse	12	8	5
Not much different	26	42	8
Both (Vol)	5	2	5
Don't know/Refused	3	1	0
	100	100	100
<i>The public's ability to bypass news media has had...</i>			
Positive effect	50	30	74
Negative effect	29	38	13
Not much effect	16	29	8
Don't know/Refused	5	3	5
	100	100	100

*Americans think of these television magazines as news -- not entertainment. Fully 81% of the*

public says 60 Minutes is news and 71% say the same of Dateline NBC.<sup>(1)</sup> And, the public likes these programs. As many Americans watch television news magazines regularly (37%) as watch the national nightly network news (38%).<sup>(2)</sup>

Virtually all news media executives and journalists agree that tabloid television programs have hurt their profession. Roughly 85% of the national and local news media say shows like "Hard Copy" and "Inside Edition" have had a negative effect on journalism. Only 3%-4% say the effect has been positive. This sentiment is shared by the print and television news media. Interestingly, national news media executives are much more critical of tabloid TV than are their local counterparts. Fully 91% of national executives say tabloid shows have had a negative impact, compared to 72% of those in local markets.

Evaluations of tabloid TV are harsher today than they were 10 years ago. In 1989, 61% of the press thought these programs were having a negative effect, 15% said their effect was positive and 19% said they weren't having much of an impact either way.

The public's view of tabloid TV is more critical than it was in the past, as well. In 1989, by a ratio of 39%-to-28% Americans considered A Current Affair to be news, not entertainment. Now, most (56%) see it as entertainment; only one-in-four consider it news.<sup>9</sup>

### Cable's Growth

Most in the media say the increasing number of cable news outlets has had a positive effect on the profession. Those in national news are slightly more upbeat about this trend than those in local: 60% of the national press says the proliferation of cable outlets has been a good thing, 52% of locals agree.

When asked about the competition spawned by the increased number of cable outlets, the press is somewhat less positive. Roughly four-in-ten say competition and the increased number of cable news outlets has made journalism better, while one-third say this trend has made journalism worse.

At both the national and local levels, those in television news have a more positive view of this trend. More than half of national television journalists think this competition has made journalism better, compared to only 36% of national print journalists. Similarly, 45% of those who work in local television news say this has made things better; 35% of the local print press agree.

Among those who think competition and the increased number of cable outlets has hurt journalism, many say the need to compete has lowered journalistic standards. Those in the national media also think competition has fostered an interest in getting the story first rather than getting the story right. Many in local television news complain that, as a result of increased competition, ratings now take precedence over quality.

Trends in Television News		
	National	Local
<i>More cable outlets</i>	%	%
Positive	60	52
Negative	25	26
No effect	12	18
Don't know/Refused	3	4
	100	100
<i>TV news magazines</i>		
Positive	35	46
Negative	41	30
No effect	22	22
Don't know/Refused	2	2
	100	100
<i>Tabloid TV</i>		
Positive	4	3
Negative	85	84
No effect	10	12
Don't know/Refused	1	1
	100	100

"In the race to beat the competition, facts are gotten wrong. Reporters act on innuendo and rumor," says a business reporter for a local newspaper.

### ENDNOTES

1. "Fewer Favor Media Scrutiny of Political Leaders," The Pew Research Center for The People & The Press," March 1997.

2. "Internet News Takes Off," The Pew Research Center for The People & The Press," June 1998.

## **Methodology**

### **DESIGN OF THE PRESS SAMPLES**

Three samples were drawn for the press portion of this survey: a national news media sample, a local news media sample and an Internet sample. Both the national and local samples were divided into two groups: print and television (which includes television and radio). For the national sample, the print category includes newspapers, magazines, wire services, and news services; the television category encompasses cable, television and radio networks. For the local sample, the print category includes newspapers from a listing of the top 100 newspapers ranked by circulation, excluding those selected for the national sample; the television category includes stations from the top 100 media markets. Within each of these market/medium strata (national and local, print and television), specific organizational positions (eg., managing editor, correspondent) were selected. The Internet sample was selected from online-only news outlets, as well as the online news outlets of traditional print and television news organizations. The specific sampling procedures are outlined below.

To obtain a sample that represented a cross-section of news organizations and of the people working at all levels of those organizations, the news media were divided into the following groupings:

- (1) Importance of medium in terms of size of audience, market or influence.
  - a. National audience
  - b. Local audience
  - c. Internet audience
  
- (2) Type of medium.
  - a. Newspapers
  - b. News magazines
  - c. Wire services
  - d. News services
  - e. Television stations and networks
  - f. Radio stations and networks
  
- (3) Organizational responsibility of the individual respondent.
  - a. Executive
  - b. Senior editors and producers
  - c. Working editors and journalists

### **Identifying the Samples**

National newspapers were identified using circulation numbers in the 1998 edition of Editor & Publisher. National television news organizations included the three national networks, major national cable networks, public television, and radio chains with Washington, D.C. bureaus. Particularly for the national sample, every attempt was made to replicate the selection of news organizations used for an earlier Center survey conducted in 1995. The news media executives and journalists in each position within these organizations were drawn from the News Media Yellow Book, Summer 1998 edition. A complete listing of the selected national news organizations is below.

Local newspapers were also identified using circulation numbers in the 1998 edition of Editor & Publisher. They include the 87 (out of the top 100) papers that were not pulled for the national sample. Local television stations were selected from the top 100 media markets, as listed in the 1996 Broadcasting and Cable Yearbook. After the local sample was selected, the Working Press of the Nation (published by Editor & Publisher) was used to identify the news media executives and journalists in each organization.

Respondents were selected using a two-stage sampling procedure. In the first stage, news media organizations were selected and in the second stage individuals were chosen from those organizations. The criteria for selecting national and local news organizations is outlined below.

### **MEDIA ORGANIZATIONS SAMPLED**

#### **National Media**

- Television  
ABC, CBS, NBC, PBS, CNN, C-SPAN, CNBC, MSNBC, FOX Cable News  
Chains with Washington, D.C. Bureaus Gannett, Cox, Conus, Hearst
  
- Radio  
Associated Press Radio  
ABC Radio Networks  
CBS Radio Networks  
Westwood One (NBC Radio)  
Black Radio Network  
National Public Radio
  
- Newspapers  
Wall Street Journal  
USA Today  
New York Times  
Los Angeles Times  
Washington Post  
Chicago Tribune  
Long Island/New York Newsday  
San Francisco Chronicle  
Dallas Morning News  
Boston Globe  
Detroit Free Press  
Miami Herald
  
- Magazines  
Newsweek  
Time  
U.S. News & World Report
  
- Wire Services  
Associated Press  
Reuters
  
- News Services  
Copley  
Cox Newspapers  
Gannett  
Hearst  
Knight-Ridder  
McClatchy Newspapers  
Newhouse  
Scripps-Howard  
States News Service

## **Local Media**

Television -- a random sample was selected from all stations listed in the top 100 media markets.

Print -- the top 100 newspapers ranked by circulation were selected, excluding those newspapers selected for the national sample.

## **RESPONDENTS SELECTED AT EACH ORGANIZATION (BY TITLE)**

### **National Sample**

- Executive Level  
TV & Radio: President/CEO, Vice President, General Manager, Station Manager  
Print: Publisher, President/CEO, Vice President
- Senior Editors and Producers  
TV & Radio: News Division Executive, Executive Producer  
Print: Assistant Managing Editor, Managing Editor, Executive Editor, Section Editor
- Working Journalists and Editors  
TV & Radio: Bureau Chief, Senior Producer, Correspondent, Anchor  
Print: Bureau Chief, Senior Editor, Columnist, Associate Editor, Reporter, Correspondent, Assignment editor

### Local Sample

- Executive Level  
Television: President/CEO, Vice President, General Manager, Station Manager  
Print: Publisher, President/CEO, Vice President
- Senior Editors and Producers  
Print: Assistant Managing Editor, Managing Editor, Executive Editor, Business, Metro and Editorial Section Editors  
Television: News Director
- Working Journalists and Editors  
Television: Producer, Correspondent  
Print: National Editor, Editor, Reporter, Senior Editor, National and Foreign Editors, Associate Editors, Columnist

The national and local news media samples were each divided into subgroups, defined by the type of news organization and the respondent's position within that organization. Each subgroup was randomly split into replicates and quotas were set for the number of interviews to be completed in each subgroup. The Internet sample was randomly divided into replicates and assigned a quota. These quotas were set to ensure adequate representation of the smaller subgroups in the final sample of completed interviews. The subgroups, quotas and the number of completed interviews for each are listed below.

Component	Quota	
Completed		
National Print	110	
123		
National Newspapers		
Executives	12	
15		
Senior Editors and Producers	21	24
Working Journalists and Editors	34	37
National Magazines		
Executives	4	

2			
	Senior Editors and Producers	7	8
	Working Journalists and Editors	11	12
	National News Services		
	Executives	2	
2			
	Senior Editors and Producers	4	6
	Working Journalists and Editors	7	8
	Wire Services		
	Executives	2	
3			
	Senior Editors and Producers	3	3
	Working Journalists and Editors	3	3
	National Television	110	
114			
	National TV and Radio		
	Executives	20	
22			
	Senior Editors and Producers	35	34
	Working Journalists and Editors	55	58
	Local Print	115	
118			
	Local Newspapers		
	Executives	30	
29			
	Senior Editors and Producers	35	37
	Working Journalists and Editors	50	52
	Local Television	115	
136			
	Local TV News		
	Executives	30	
28			
	Senior Editors and Producers	35	50

SCHOOL EDITORS AND PRODUCERS	50	50
Working Journalists and Editors	50	58
Internet	50	
61		

Each person sampled for this survey was mailed an advance letter. The letters were intended to introduce the survey to prospective respondents, describe the nature and purpose of the survey and encourage participation. The letter was sent from the Pew Research Center; it did not inform respondents that the Committee of Concerned Journalists was involved. Approximately one week after the letter was mailed, trained interviewers began calling the sampled individuals to conduct the survey or set up an appointment to do so at a later date. If a respondent refused an interview, in most cases a second letter was mailed, asking the individual to reconsider. This was followed approximately one week later by another telephone call.

The interviewers were experienced, executive specialists trained to ensure their familiarity with the questionnaire and their professionalism in dealing with news media professionals. The interviewing was conducted from November 20, 1998 through February 11, 1999.

Interviews were completed with 70% of the selected news media respondents who still held their position; 17% could not be reached in order to complete an interview, despite repeated calls; and 13% refused to participate in the survey.

#### DESIGN OF THE GENERAL PUBLIC SAMPLE

Results for the general public survey are based on telephone interviews conducted under the direction of Princeton Survey Research Associates among a nationwide sample of 1,203 adults, 18 years of age or older, during the period February 18-21, 1999. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling and other random effects is plus or minus 3 percentage points. For results based on either Form 1 (N=603) or Form 2 (N=600), the sampling error is plus or minus 4.5 percentage points. In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

NOTE: If you print this document, we recommend that you print it in "landscape" in order to see all the categories in the questionnaire.

### Questionnaire Part 1

PEW RESEARCH CENTER FOR

THE PEOPLE AND THE PRESS

SURVEY OF

JOURNALISTS

FINAL

TOPLINE

November 20, 1998 -

February 11, 1999

N=552

Hello, I am \_\_\_\_\_ calling for the Pew Research Center for The People & The Press in Washington, D.C. May I please speak

with (RESPONDENT). (WHEN RESPONDENT IS ON PHONE:) (REPEAT INTRODUCTION IF NECESSARY ) Is now a convenient time to conduct

NECESSARY.) IS NOW A CONVENIENT TIME TO CONDUCT

the interview that Andrew Kohut wrote to you about? (IF NO: ASK TO SET UP AN APPOINTMENT.)

Q.1 What do you feel is the most important problem facing journalism today? (OPEN-ENDED; RECORD VERBATIM RESPONSE; PROBE FOR

CLARITY: INTERVIEWER NOTE: IF NECESSARY, Q REFERS TO JOURNALISM IN GENERAL.")

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print				
TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	
42	23	28	Credibility problem			33	11			
	15	32	29	15	30	29	26	26		
2	12	6	Reporting objectively/fairly			9	15			
	10	14	11	12	7	5	7	5		
7	10	10	Reporting accurately/factually			8	11			
	13	11	8	10	9	12	10	8		
14	10	7	Decline in circulation/audience			16	3			
	2	7	16	7	10	5	7	2		
3	10	2	Making sure coverage is relevant			12	9			
	2	9	11	11	0	5	2	7		
4	9	8	Lack of ethics/moral code/principles			8	10			
	11	4	8	11	7	10	6	13		
12	9	9	Competing with other forms of media			10	9			
	7	14	5	10	9	13	7	13		
6	8	12	Coverage should be less sensationalized			4	13			
	18	7	4	12	9	9	16	13		
9	8	7	Competition damaging journalism			8	8			
	4	7	15	4	2	10	6	0		
2	8	7	Too much emphasis on costs/profits			3	12			
	11	4	5	10	5	5	9	3		
2	8	5	Coverage should be more selective			4	13			
	7	9	8	8	4	6	6	5		
7	6	9	Defining journalism/what is news			6	7			
	10	14	3	6	5	9	10	7		
8	6	8	Lack of trustworthiness			8	4			
	7	4	8	6	7	5	10	5		
	6	3	Too much news/information overload			2	10			



3	3	4	7	6	0	1	6	7			
5	2	5	2	5	2	6	3	5	Attention to audience/readers' interests	6	3
2	2	5	9	4	2	1	3	3	Lack of confidence	7	3
4	4	4	0	4	6	5	6	3	0	5	4
4	4	4	0	4	6	5	6	3	0	5	4
1	4	4	2	3	5	0	2	4	5	2	6
2	4	4	2	3	5	4	3	3	5	1	7
2	3	4	0	8	3	5	1	3	12	2	7
2	4	4	2	4	4	2	2	4	5	4	4
1	6	3	7	1	2	4	2	4	0	2	4
1	7	3	2	1	4	4	5	4	0	2	4
2	4	3	2	1	5	0	3	6	0	2	4
2	3	3	0	4	3	0	3	4	0	4	2
3	1	2	0	0	4	4	0	3	0	2	2
1	2	2	2	1	3	2	1	2	7	2	4
2	1	1	2	0	2	2	1	2	0	2	1
2	2	1	0	3	1	2	3	1	2	2	1
2	2	1	2	1	0	2	3	1	2	1	1
1	2	1	0	1	2	4	1	0	3	2	1
0	0	1	0	0	2	0	0	0	2	2	0
	*	6								0	1

2	9	0	0	1	2	10	4	2	0	1
6	2	12			2	7	8	9	11	4
2	2	4	0	4	4	2	0	8		
31	50	44								
	54	46	51	51	35	48	44	51		
26	44	37								
	47	43	43	44	30	39	40	39		
6	11	10								
	13	7	11	14	7	13	9	13		
3	3	3								
42	40	37								
	34	34	45	40	35	42	34	30		
25	22	23								
	21	14	23	25	25	24	21	7		
21	19	17								
	14	18	25	16	16	21	16	25		
2	6	6								
	8	9	3	6	5	5	6	7		
47	30	34								
	23	43	33	22	35	33	34	31		
5	7	6								

Q.2 I'm going to read a list of personal reasons people sometimes give for ENTERING journalism. As I read each, please tell me how

important if at all it was to YOU. First, how about (INSERT ITEM)? Was this very important, fairly important, not too important,

or not at all important? ... How about (INSERT ITEM; ROTATE)? Was this very important, fairly important, not too important, or not

at all important?

TOTAL LOCAL NATIONAL LOCAL TOTAL NATIONAL

National Local Print  
TV&Radio; Print TV&Radio; Exe Sen Jour Exe Sen Jour Internet

a. The opportunity to travel

	14	10	Very important					9	20
7	12	11 16 14	7	9	12	12			
	36	26	Fairly important					37	34
26	27	27 35 40	14	25	33	21			
	28	32	Not too important					32	25
38	27	25 29 29	30	34	33	41			
	20	27	Not at all important					20	19
26	27	30 20 15	39	25	22	23			
	2	5	Don't know/refused					2	2
3	7	7 0 2	10	7	0	3			
	100	100						100	100
100	100	100 100 100	100	100	100	100			

b. To be able to write or

communicate for a living

	71	63	Very important					77	64
64	61	57 74 74	54	64	66	72			
	21	22	Fairly important					15	27
20	23	30 17 20	16	23	24	23			
	3	5	Not too important					3	3
6	5	2 5 2	5	5	6	2			
	3	5	Not at all important					3	4
7	4	4 4 3	14	1	4	0			
	2	5	Don't know/refused					2	2
3	7	7 0 1	11	7	0	3			
	100	100						100	100
100	100	100 100 100	100	100	100	100			

c. To be one of the first people

to know something

	27	29	Very important					24	31
29	29	20 37 24	21	26	36	26			
	38	38	Fairly important					42	35
40	35	34 33 43	35	40	36	44			
	25	19	Not too important					26	23
20	19	25 23 26	19	20	19	17			
	8	9	Not at all important					6	9
9	10	14 7 6	14	7	9	10			

	2	5	Don't know/refused					2	2
2	7	7	0	1	11	7	0	3	
	100	100						100	100
100	100	100	100	100	100	100	100	100	

d. The promise of an exciting career

	62	53	Very important					66	59
50	57	57	60	66	47	52	58	61	
	27	32	Fairly important					26	28
36	29	25	31	25	26	35	32	26	
	6	7	Not too important					4	8
8	7	7	7	5	9	6	7	10	
	3	3	Not at all important					2	3
4	1	4	2	3	7	0	3	0	
	2	5	Don't know/refused					2	2
2	6	7	0	1	11	7	0	3	
	100	100						100	100
100	100	100	100	100	100	100	100	100	

e. To have a job that is not tied

to a desk

	29	26	Very important					29	28
18	32	7	27	37	33	14	31	28	
	30	34	Fairly important					25	35
34	35	30	24	34	18	49	31	28	
	25	21	Not too important					29	22
27	15	27	36	18	21	20	21	26	
	14	15	Not at all important					15	13
19	12	29	13	9	19	10	17	15	
	2	4	Don't know/refused					2	2
2	6	7	0	2	9	7	0	3	
	100	100						100	100
100	100	100	100	100	100	100	100	100	

f. The collegiality of the newsroom

	15	13	Very important					15	15
9	15	16	20	11	12	15	11	13	
	31	33	Fairly important					37	26
39	27	25	40	29	25	34	35	25	
	30	31	Not too important					30	30

	30	31	32	33	34	35	36	37	38	39	40
29	33	29	27	32	28	29	34	43			
	20	18			Not at all important				14	25	
20	18	16	12	26	25	15	18	16			
	4	5			Don't know/refused				4	4	
3	7	14	1	2	10	7	2	3			
	100	100							100	100	
100	100	100	100	100	100	100	100	100			

Now, on another subject ...

Q.3 In your opinion, what is it about journalism that distinguishes it from anything else? That is, what makes journalism,

journalism? (OPEN-ENDED. RECORD VERBATIM RESPONSE. PROBE ONCE FOR CLARITY. INTERVIEWER NOTE: Q. REFERS TO JOURNALISM IN GENERAL)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL TOTAL	NATIONAL NATIONAL	Print	
	National	Local	Exe Sen Jour	Exe Sen Jour	Internet		
15	14	12	Valuing truth/honesty			18	10
	9	16	15	13	16	12	10
9	13	16	Provide information/inform the public			12	14
	22	18	11	13	25	20	9
8	13	8	Opportunity to record/witness history			10	16
	8	7	15	14	4	12	7
13	11	17	Diverse/unpredictable/new everyday			11	11
	21	16	11	9	10	14	23
14	9	12	Making a difference/be of service			11	7
	11	16	5	8	10	15	11
7	9	6	Opportunity for learning			11	7
	4	4	11	9	2	5	8
7	8	8	Provide previously unknown information			4	11
	10	4	9	8	5	8	10
4	8	7	Reporting accurately/factually			6	9
	10	9	7	8	7	8	6
7	8	5	Provides flexibility/no rigid rules			10	5
	3	0	8	10	4	3	6
14	6	10	Influence public opinion/shape attitudes			4	8
	7	0	3	10	9	12	9
	6	9	Cover issues important to people			5	6

8	10	9	7	3	10	8	9	7		
4	9	2	7	8	7	8	6	12	Reporting objectively/fairly	5 8
8	4	2	4	9	4	3	10	3	Watchdog/uncover wrongdoing	6 6
4	3	4	4	5	5	1	4	7	Opportunity for creativity/ self expression	6 3
4	2	9	3	4	4	6	1	7	Key to democracy/checks & balances	4 5
14	5	4	4	3	14	7	8	7	Chance to make world/community/ country better	3 4
2	8	4	4	4	4	5	7	3	Writing/communicating/telling a story	4 4
1	4	4	3	4	5	3	1	2	Immediacy/Knowing first/fast pace	2 5
4	2	0	4	3	4	0	4	2	Influence opinion makers/policymakers	2 4
2	2	4	1	4	2	2	2	3	In Constitution/1st Amendment	3 4
3	1	7	1	2	0	5	1	0	Cover international/global news	3 3
4	4	2	5	1	0	3	7	2	Provides personal fulfillment/job satisfaction	2 3
4	4	9	1	0	4	8	2	2	Build a relationship to/support community	2 3
2	4	0	3	2	0	5	3	3	Interesting stories that get attention	1 4
1	3	4	3	2	4	1	2	5	Affecting/Moving people's emotions	3 2
0	0	0	0	4	0	0	0	2	Gatekeepers	3 1
1	1	2	1	1	0	1	1	0	Be a voice for afflicted	1 2
	1		1						Cover national news	0 2

	1	2	3	4	5	6	7	8	9	10	11	12
1	1	0	3	0	0	1	1	0				
	1	*										
1	0	2	3	0	0	0	1	2				
	8	8										
8	12	5		11	13	3	4	10	9	8		
	6	4										
4	4	2	4	8	4	7	3	10				
	60	65										
66	65	70	52	62	63	74	60	66			54	67
	37	39										
34	43	39	37	36	42	48	30	44			29	45
	20	23										
30	16	14	17	25	23	20	26	28			19	22
	17	20										
21	18	32	11	15	18	26	16	20			18	16
	5	5										
2	7	4	5	4	4	6	4	8			4	5
	37	38										
36	39	27	41	38	26	31	49	30			37	37
	24	22										
19	24	25	27	23	28	22	18	16			27	22

Q.4 Now I'm going to read a list of reasons that people sometimes give for BEING journalists. As I read each one, please tell

me how important if at all you think it is for JOURNALISTS YOU KNOW. First, how about (INSERT ITEM)? Do you think this is

very important, fairly important, not too important, or not at all important for JOURNALISTS YOU KNOW? ... How about (INSERT

ITEM; ROTATE)? Do you think this is very important, fairly important, not too important, or not at all important for JOURNALISTS

YOU KNOW?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL	TOTAL	NATIONAL
National TV&Radio;	Local TV&Radio;	Exe	Sen	Jour
Print	Print	Exe	Sen	Jour
Internet	Internet	Internet	Internet	Internet

a. Having the chance to uncover wrongdoing

58	50	52									56	44
	46	48	55	48	51	49	54	46				

40	43 46	43 48	41 41	43 43	Fairly important	42 42	45 42	42 49	39	47
1	6 7	4 4	3 3	9 9	Not too important	7 7	5 5	3 5	5	8
0	0 1	1 0	0 0	0 0	Not at all important	0 0	0 1	1 0	0	0
1	1 0	* 0	1 1	0 0	Don't know/refused	0 0	1 1	0 0	0	1
100	100 100	100 100	100 100	100 100		100 100	100 100	100 100	100	100

b. Providing people with information

they need in their lives

74	70 78	76 77	71 71	67 67	Very important	75 75	74 74	78 78	69	67	73
25	26 20	23 23	28 28	25 25	Fairly important	23 23	26 26	20 20	31	28	24
1	4 1	1 0	0 0	7 7	Not too important	0 0	0 0	2 2	0	4	2
0	* 0	0 0	0 0	1 1	Not at all important	0 0	0 0	0 0	0	1	0
0	* 1	* 0	1 1	0 0	Don't know/refused	2 2	0 0	0 0	0	0	1
100	100 100	100 100	100 100	100 100		100 100	100 100	100 100	100	100	100

c. Becoming famous or well known

2	7 17	10 7	7 7	8 8	Very important	7 7	10 10	11 11	5	6	9
21	36 34	28 20	33 33	43 43	Fairly important	23 23	29 29	30 30	33	38	33
58	44 37	46 57	45 45	39 39	Not too important	56 56	45 45	43 43	56	44	45
19	11 12	16 16	11 11	9 9	Not at all important	14 14	16 16	16 16	6	11	11
0	2 0	0 0	4 4	1 1	Don't know/refused	0 0	0 0	0 0	0	1	2
100	100 100	100 100	100 100	100 100		100 100	100 100	100 100	100	100	100



100 100 100 100 100 100 100 100 100

d. Helping to create a sense of community

32 18 29 Very important 23 13  
 27 28 24 11 33 30 26 23

48 39 46 Fairly important 38 40  
 44 43 39 38 46 44 47 41

18 35 23 Not too important 31 39  
 28 27 32 39 19 25 24 34

2 7 2 Not at all important 8 5  
 1 2 1 12 2 1 3 0

0 1 0 Don't know/refused 0 3  
 0 0 4 0 0 0 0 2

100 100 100 100 100 100 100 100 100

e. Working to reform society

36 27 26 Very important 34 18  
 17 34 27 24 28 24 26 20

50 38 53 Fairly important 37 40  
 56 39 40 36 51 57 52 56

12 28 18 Not too important 24 32  
 23 18 27 32 18 16 19 20

2 5 3 Not at all important 4 7  
 4 9 2 6 3 2 3 3

0 2 \* Don't know/refused 1 3  
 \* 0 4 2 0 1 0 1

100 100 100 100 100 100 100 100 100

f. Being a witness to history

34 55 36 Very important 50 60  
 38 59 56 52 37 34 37 46

56 38 51 Fairly important 42 32  
 47 39 38 37 46 51 54 41

10 6 12 Not too important 6 6  
 13 2 5 8 17 14 7 10

0 \* 1 Not at all important 1 0  
 2 0 0 1 0 1 2 3

1 0 Don't know/refused 1 2

0 0 0 1 2 0 0 0 0

100 100 100 100 100 100 100 100 100

Q.5 Next, I'm going to read a list of things that are being talked about in journalism today. For each one that I read, please tell me

whether you think this development is having a positive effect on journalism, having a negative effect on journalism, or isn't it having

much of an effect. First what about... (INSERT ITEM; ROTATE)? Is this having a positive effect on journalism, having a negative effect

on journalism, or isn't it having much of an effect.

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet	
		TV&Radio; Print	TV&Radio; Print	Exe Sen Jour	Exe Sen Jour		
a. Buy outs of local newspapers							
by large newspaper chains							
10	7	9	14	7	4	Positive effect	9 4
	8	16	5	9	7		
59	70	61	50	76	75	Negative effect	61 81
	63	45	62	68	70		
28	18	26	32	13	15	Not much effect	23 12
	25	37	29	19	20		
3	5	4	4	4	6	Don't know/Refused	7 3
	4	2	4	4	3		
100	100	100	100	100	100		100 100

b. Buy outs of news organizations

by diversified corporations

0	3	5	7	7	0	Positive effect	1 6
	10	2	6	7	5		
70	73	68	57	69	80	Negative effect	74 71
	66	58	63	77	64		
25	23	22	34	23	19	Not much effect	24 22
	19	37	25	11	25		
5	1	5	2	1	1	Don't know/Refused	1 1
	5	3	6	5	6		

	100	100								100	100
100	100	100	100	100	100	100	100	100	100		

c. Tabloid television programs

like Hard Copy or Inside Edition

	4	3								3	4
3	2	2	1	6	5	2	2	12			

Positive effect

	85	84								85	85
82	86	91	84	84	72	88	88	72			

Negative effect

	10	12								10	10
14	12	7	14	8	21	9	10	16			

Not much effect

	1	1								2	1
2	0	0	1	2	2	1	0	0			

Don't know/Refused

	100	100								100	100
100	100	100	100	100	100	100	100	100			

d. Network TV news magazines

	35	46								31	40
29	60	30	39	35	33	43	54	36			

Positive effect

	41	30								43	39
41	21	36	43	42	35	38	22	38			

Negative effect

	22	22								24	18
28	18	34	17	19	30	18	22	25			

Not much effect

	2	2								2	3
2	1	0	1	4	2	1	2	1			

Don't know/Refused

	100	100								100	100
100	100	100	100	100	100	100	100	100			

e. The increasing number

of cable news outlets

	60	52								57	63
41	63	71	60	56	51	52	54	61			

Positive effect

	25	26								25	25
29	23	23	25	25	31	27	21	21			

Negative effect

	12	18								14	10
26	10	4	15	13	16	14	22	13			

Not much effect

	3	4								4	2
4	4	2	0	6	2	7	3	5			

Don't know/Refused

	100	100								100	100
--	-----	-----	--	--	--	--	--	--	--	-----	-----

100	---	---							---	---
	100	100	100	100	100	100	100	100		

f. Newspapers and TV networks

establishing their own web sites

	78	74							75	83
70	76	75	81	78	67	70	80	89		

	4	3							2	5
6	1	5	3	4	7	4	1	0		

	16	22							21	10
21	23	18	15	16	24	25	18	11		

	2	1							2	2
3	0	2	1	2	2	1	1	0		

	100	100							100	100
100	100	100	100	100	100	100	100	100		

g. The emergence of online-only

news pages and magazines

	61	51							55	68
50	52	55	61	63	48	49	54	93		

	14	21							15	12
25	18	11	15	14	19	18	24	5		

	18	24							20	16
22	25	23	19	16	26	28	19	2		

	7	4							10	4
3	5	11	5	7	7	5	3	0		

	100	100							100	100
100	100	100	100	100	100	100	100	100		

h. The ability of the public to bypass

the news media and go directly to

information sources

	50	30							43	57
23	36	43	54	50	25	31	32	74		

	29	38							33	26
47	31	27	33	28	35	38	40	13		

	16	29							19	12
28	29	25	9	16	40	28	24	8		

	5	3							5	5
--	---	---	--	--	--	--	--	--	---	---

2 4 5 4 6 0 3 4 5  
 100 100 100 100 100 100 100 100  
 100 100 100 100 100 100 100 100

Q.6 Do you think that there is such a thing as a true and accurate account of an event that most journalists could agree on, or do you think

that perceptions of an event are so personal that it is impossible to get a true and accurate account? (PROBE ONCE)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print	Internet	
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet			
79	79	73	79	68	75	71	79	80
16	10	21	19	24	19	26	9	11
3	9	5	2	6	5	0	10	8
2	2	1	0	2	1	3	2	1
100	100	100	100	100	100	100	100	100

Q.7 Do you think it is possible for journalists to develop a systematic method to cover events in a disinterested and fair way, or don't you

think this is possible? (PROBE ONCE)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print	Internet	
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet			
74	71	70	74	63	74	59	72	69
24	24	27	24	32	23	31	22	25
1	3	2	0	4	3	5	3	4
1	2	1	2	1	0	5	3	2
100	100	100	100	100	100	100	100	100

On another subject...

Q.8 I'm going to read to you a list of phrases some people apply to journalism today. For each one that I read, please tell me how well

if at all you think it describes journalism. First, how well do you think (INSERT ITEM; ROTATE) describes journalism today? Very well,

fairly well, not too well or not at all well? How about.. (INSERT ITEM; ROTATE)? Does this describe journalism very well, fairly well,

not too well, or not at all well?

TOTAL LOCAL	TOTAL NATIONAL	TOTAL LOCAL	TOTAL NATIONAL	TOTAL LOCAL	TOTAL NATIONAL	Print	Print
TV&Radio;	Print	TV&Radio;	Print	Exe Sen Jour	Exe Sen Jour	Internet	Internet
a. A business enterprise, accountable to shareholders, just like other businesses							
33	26	28	Very well	27	26		
	24	34 21 27	24 32 27	23			
48	50	47	Fairly well	51	48		
	46	46 60 45	46 42 51	44			
15	18	21	Not too well	15	20		
	25	16 16 19	23 21 19	25			
4	5	4	Not at all well	6	5		
	5	4 3 7	7 5 3	8			
0	1	0	Don't know/Refused	1	1		
	0	0 0 2	0 0 0	0			
100	100	100		100	100		
	100	100 100 100	100 100 100	100			

b. A public service, providing information to citizens for self-governance

40	25	30	Very well	28	21		
	22	21 27 25	37 28 29	23			
47	54	51	Fairly well	56	51		
	55	57 57 50	31 55 57	56			
	18	18	Not too well	13	24		

13	21	18	12	22	30	16	13	18		
0	2	2	3	2	2	1	1	2	2	3
0	0	2	1	1	0	0	0	1	1	1
100	100	100	100	100	100	100	100	100	100	100

c. A watchdog against corruption  
and abuse

39	25	27	27	23	35	25	24	17	31	18
53	58	61	55	59	51	58	61	62	54	62
8	14	7	16	15	11	17	14	18	11	18
0	3	5	2	3	3	0	1	3	4	2
0	0	0	0	0	0	0	0	0	0	0
100	100	100	100	100	100	100	100	100	100	100

Q.9 In your opinion, is increased bottom line pressure seriously hurting the quality of news coverage these days or is it mostly just

changing the way news organizations do things?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL TOTAL	NATIONAL NATIONAL	Print	Print
National TV&Radio;	Print	Local TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet		
46	49	46	39	44	45	53	53
47	40	46	53	49	42	38	38
2	1	2	3	2	2	0	0
3	9	5	3	5	9	9	9

	1	1	Don't know/Refused					2	0
2	0	2	1	0	2	0	2	0	

	100	100						100	100
100	100	100	100	100	100	100	100	100	

Q.10 I'm going to ask you a few questions about some criticisms made of the press.

For each, I would like to know if you feel this is a problem, or not.

First, some critics charge that (READ ITEM)...

Overall, do you think this is a valid criticism of the news media, or not?

Some critics charge that ... (INSERT ITEM)

Overall, do you think this is a valid criticism of the news media, or not?

TOTAL	TOTAL							NATIONAL	
LOCAL	NATIONAL		LOCAL		TOTAL				
	National	Local						Print	
TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet

a. The distinction between reporting and commentary has seriously eroded.

	69	68	Valid criticism					73	63
74	63	66	72	67	74	69	65	72	

	30	32	Not a valid criticism					25	36
26	37	32	28	31	26	31	35	26	

	1	0	Don't know/Refused					2	1
0	0	2	0	2	0	0	0	2	

	100	100						100	100
100	100	100	100	100	100	100	100	100	

b. News reports are increasingly full of factual errors and sloppy reporting.

	40	55	Valid criticism					43	37
48	62	36	41	41	60	50	57	54	

	58	42	Not a valid criticism					55	61
50	35	62	56	58	38	47	40	44	



	2	3	Don't know/Refused				2	2
2	3	2 3 1	2	3	3	2		
	100	100					100 100	
100	100	100 100 100	100	100	100	100		

c. Too little attention is paid to

complex issues.

	71	72	Valid criticism				67	76
68	75	62 71 75	77	72	68	75		
	27	28	Not a valid criticism				32	22
31	25	36 27 24	23	28	31	25		
	2	*	Don't know/Refused				1	2
1	0	2 2 1	0	0	1	0		
	100	100					100 100	
100	100	100 100 100	100	100	100	100		

d. The press is too cynical.

	53	51	Valid criticism				59	46
58	45	59 53 50	45	59	47	52		
	45	48	Not a valid criticism				39	52
41	54	39 44 48	53	40	52	48		
	2	1	Don't know/Refused				2	2
1	1	2 3 2	2	1	1	0		
	100	100					100 100	
100	100	100 100 100	100	100	100	100		

e. The press is more adversarial

than is necessary.

	34	33	Valid criticism				35	32
29	36	45 32 30	28	37	32	33		
	65	66	Not a valid criticism				63	68
70	63	55 67 68	70	62	68	67		
	1	1	Don't know/Refused				2	0
1	1	0 1 2	2	1	0	0		
	100	100					100 100	
100	100	100 100 100	100	100	100	100		

f. The press inadequately covers

positive developments.

	40	44	Valid criticism				47	51
--	----	----	-----------------	--	--	--	----	----

	49	44	Valid criticism				47	51
40	48	50	45	51	44	39	48	33
	51	56	Not a valid criticism				53	49
60	52	50	55	49	56	61	52	66
	0	0	Don't know/Refused				0	0
0	0	0	0	0	0	0	0	1
	100	100					100	100
100	100	100	100	100	100	100	100	100

g. Journalists have become obsessed with internal dynamics like being first with the big story and impressing their colleagues.

	58	65	Valid criticism				64	53
57	72	55	56	62	56	67	68	52
	40	33	Not a valid criticism				35	45
41	27	41	44	36	40	31	31	43
	2	2	Don't know/Refused				1	2
2	1	4	0	2	4	2	1	5
	100	100					100	100
100	100	100	100	100	100	100	100	100

h. News managers are not devoting enough time or space to correcting mistakes.

	41	43	Valid criticism				37	45
35	51	39	48	37	47	43	42	44
	57	54	Not a valid criticism				61	53
63	47	54	52	62	53	55	54	49
	2	3	Don't know/Refused				2	2
2	2	7	0	1	0	2	4	7
	100	100					100	100
100	100	100	100	100	100	100	100	100

i. Journalists have become out-of-touch with their audiences

	57	51	Valid criticism				63	50
57	46	52	64	54	49	61	44	62

	41	49	Not a valid criticism						35	48
42	54	43	36	44	51	39	55	36		
	2	*	Don't know/Refused						2	2
1	0	5	0	2	0	0	1	2		
	100	100							100	100
100	100	100	100	100	100	100	100	100		

On another subject...

Q.11 Some people say that in covering the personal and ethical behavior of public figures news organizations are only reporting the news.

Others say that news organizations are driving the controversies themselves, by devoting as much coverage to these stories as they do. Which

view comes closer to your own?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet		
		TV&Radio;	Exe Sen Jour	Exe Sen Jour	Exe Sen Jour			
43	45	39	Only reporting the facts			54	36	
	36	41	56	40	56	29	39	51
52	49	56	Driving the controversy			39	60	
	59	52	33	58	37	65	58	44
3	3	4	Neither (VOL.)			3	2	
	4	0	4	2	5	5	2	2
2	3	1	Don't know/Refused			4	2	
	1	7	7	0	2	1	1	3
100	100	100				100	100	
	100	100	100	100	100	100	100	

Q.12 These days there are lots of people who appear on television or radio or write columns in the print press.

As I read a list of people who frequently do commentary, please tell

me if you think each one is a journalist, or not.

(First,) how about ...? (READ LIST; ROTATE)

BASED ON THOSE WHO COULD RANK EACH

LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet
		TV&Radio;	Exe Sen Jour	Exe Sen Jour	Exe Sen Jour	
	National	Local				Print
	TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet

a. Katie Couric

	70	65	Yes, a journalist				53	89
50	78	65 71 71	51	68	70	59		
	30	35	No, not a journalist				47	11
50	22	35 29 29	49	32	30	41		
100	100	100	100 100 100				100	100
100	100	100 100 100	100	100	100	100		

b. Don Imus

	5	4	Yes, a journalist				5	5
3	5	7 5 4	6	3	4	5		
	95	96	No, not a journalist				95	95
97	95	93 95 96	94	97	96	95		
100	100	100	100 100 100				100	100
100	100	100 100 100	100	100	100	100		

c. Matt Drudge

	28	34	Yes, a journalist				25	31
36	32	20 29 30	43	27	36	44		
	72	66	No, not a journalist				75	69
64	68	80 71 70	57	73	64	56		
100	100	100	100 100 100				100	100
100	100	100 100 100	100	100	100	100		

d. Howard Stern

	*	2	Yes, a journalist				0	1
3	1	0 0 1	5	0	1	3		
	100	98	No, not a journalist				100	99
97	99	100 100 99	95	100	99	97		
100	100	100	100 100 100				100	100
100	100	100 100 100	100	100	100	100		

e. George Stephanopoulos

	4	9	Yes, a journalist				3	5
7	11	5 4 4	12	7	9	8		
	96	91	No, not a journalist				97	95
93	89	95 96 96	88	93	91	92		
100	100	100	100 100 100				100	100
100	100	100 100 100	100	100	100	100		

f. William Safire

	79	87	Yes, a journalist					85	72
97	75	82 86 73	87	87	86	77			
	21	13	No, not a journalist					15	28
3	25	18 14 27	13	13	14	23			
100	100	100 100 100	100	100	100	100	100	100	

g. John McLaughlin

	34	60	Yes, a journalist					27	42
58	63	39 26 37	67	58	59	42			
	66	40	No, not a journalist					73	58
42	37	61 74 63	33	42	41	58			
100	100	100 100 100	100	100	100	100	100	100	

h. Arianna Huffington

	9	18	Yes, a journalist					10	7
23	12	18 8 5	17	15	20	19			
	91	82	No, not a journalist					90	93
77	88	82 92 95	83	85	80	81			
100	100	100 100 100	100	100	100	100	100	100	

i. David Gergen

	38	41	Yes, a journalist					38	39
41	41	33 28 48	43	39	41	53			
	62	59	No, not a journalist					62	61
59	59	67 72 52	57	61	59	47			
100	100	100 100 100	100	100	100	100	100	100	

j. Rush Limbaugh

	8	7	Yes, a journalist					7	9
7	8	14 4 8	12	8	5	8			
	92	93	No, not a journalist					93	91
93	92	86 96 92	88	92	95	92			
100	100	100 100 100	100	100	100	100	100	100	

k. Geraldo Rivera

	33	34	Yes, a journalist					28	39
24	43	32 34 33	30	41	32	43			
	67	66	No, not a journalist					72	61
76	57	68 66 67	70	59	68	57			
	100	100						100	100
100	100	100 100 100	100	100	100	100			
l. Tim Russert									
	91	88	Yes, a journalist					91	92
86	90	95 91 90	80	91	90	80			
	9	12	No, not a journalist					9	8
14	10	5 9 10	20	9	10	20			
	100	100						100	100
100	100	100 100 100	100	100	100	100			
m. Larry King									
	23	37	Yes, a journalist					23	24
32	41	32 19 23	35	37	38	34			
	77	63	No, not a journalist					77	76
68	59	68 81 77	65	63	62	66			
	100	100						100	100
100	100	100 100 100	100	100	100	100			
n. Paul Gigot									
	72	56	Yes, a journalist					75	68
65	45	67 78 69	62	63	47	67			
	28	44	No, not a journalist					25	32
35	55	33 22 31	38	37	53	33			
	100	100						100	100
100	100	100 100 100	100	100	100	100			
o. David Broder									
	45	39	Only reporting the facts					54	36
43	36	41 56 40	56	29	39	51			
	95	89	Yes, a journalist					99	90
97	78	100 96 93	85	87	93	86			
	5	11	No, not a journalist					1	10
3	22	0 4 7	15	13	7	14			
	100	100						100	100
100	100	100 100 100	100	100	100	100			

p. Clarence Page

43	45 36	39 41 56 40	Only reporting the facts 56 29 39	51	54	36
87	83 65	78 88 89 77	Yes, a journalist 81 71 81	85	86	79
13	17 35	22 12 11 23	No, not a journalist 19 29 19	15	14	21
100	100 100	100 100 100 100		100	100	100

ASK JOURNALISTS ONLY:

Q.13 How much do you think owners and top editors in your news organization share your professional values? A great deal, a fair amount,

not very much, or not at all?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL TOTAL	NATIONAL NATIONAL	Print
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	
27	38 26	26 -- -- 38	A great deal -- -- 26	--	47	29
58	46 52	55 -- -- 46	A fair amount -- -- 55	--	38	54
11	12 22	17 -- -- 12	Not very much -- -- 17	--	12	12
2	2 0	1 -- -- 2	Not at all -- -- 1	--	2	3
2	2 0	1 -- -- 2	Don't know/Refused -- -- 1	--	1	2
100	100 100	100 -- -- 100		--	100	100

ASK SENIOR EDITORS AND EXECUTIVES ONLY:

Q.13a How much do you think reporters in your news organization share your professional values? A great deal, a fair amount, not very much,

or not at all?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL TOTAL	NATIONAL NATIONAL	Print
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	

TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet			
38	53	31								A great deal	60	45
	24	57	51	--		30	31	--	--			
53	41	58								A fair amount	35	48
	63	36	44	--		61	56	--	--			
6	3	7								Not very much	3	3
	9	5	3	--		5	9	--	--			
0	1	1								Not at all	0	2
	1	0	1	--		2	0	--	--			
3	2	3								Don't know/Refused	2	2
	3	2	1	--		2	4	--	--			
100	100	100	100	--		100	100	--	--		100	100

ASK ALL:

Q.14 In deciding what stories to cover, how much do you think journalists should take into account what the public is interested in a great deal, a fair amount, not very much, or not at all?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print						
TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet			
52	62	49								Fair amount	63	60
	46	73	55	62		52	59	39	67			
2	6	3								Not very much	2	10
	3	4	7	6		7	2	1	7			
2	1	1								Not at all	0	3
	1	0	1	2		2	0	2	0			
0	0	1								Don't know/refused	0	0
	1	0	0	0		2	1	0	0			
100	100	100	100	100		100	100	100	100		100	100

Q.15 How good a job does journalism do striking a balance between the two goals of what audiences want to know and what's important for them to know? (READ CHOICES)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print			
TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet



TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	Frequency	
44	31	46	Great deal							35	27
	49	23	37	30	37	38	58	26			
4	4	6	Excellent							2	6
	7	7	4	3	2	7	6	1			
32	45	49	Good							58	
	47	51	59	40	43	51	53	46	33		
47	45	42	Only fair							36	54
	37	27	52	47	38	40	44	61			
7	4	3	Poor							2	
	2	5	5	4	5	9	0	4	5		
0	2	0	Don't know/Refused							2	1
	0	2	0	2	0	0	0	0			
100	100	100	100	100	100	100	100	100	100	100	100

## Questionnaire Part 2

Q.16 How good a job does journalism do making important events interesting to the public? (READ CHOICES)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL TOTAL	TOTAL NATIONAL	Print TV&Radio;	Print TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	Frequency	
6	12	11	Excellent							9	15
	16	14	9	13	11	13	10	8			
52	51	58	Good							50	
	52	64	57	56	46	58	55	61	49		
38	32	28	Only fair							34	31
	18	25	32	35	28	28	27	40			
2	4	3	Poor							5	
	4	2	2	3	5	3	4	2	3		
0	1	0	Don't know/Refused							2	0
	0	2	0	1	0	0	0	0			
100	100	100	100	100	100	100	100	100	100	100	100

Now, thinking about your own newsroom...

Q.17 How would you rate the quality of leadership in your news organization?  
 Would you say it is excellent, good, only fair, or poor?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print	Internet		
TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet
23	36 24	24 52 42 25	Excellent			39	31		
45	44 52	51 50	Good			43			
			39	44	46	47	55	49	43
20	15 22	21 5 13 20	Only fair			15	16		
			11	14	33	23			
7	5 5	4 3	Poor			3			
			2	1	9	0	5	5	2
0	*	*	Don't know/Refused			0	1		
			0	1	0	1			
100	100	100 100 100	100	100	100	100	100	100	100

ASK SENIOR LEVEL AND JOURNALISTS ONLY:

Q.18 If you have a problem or question about your ethics, values and responsibilities, who are you most likely to go to for help?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print	Internet		
TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet
44	31 49	46 23 37 30	Great deal			35	27		
			37	38	58	26			
54	57 46	50 -- 57 58	Your immediate supervisor			63	51		
			--	43	56	--			
25	20 18	21 -- 24 17	The top editors or producers			19	21		
			--	21	21	--			
16	19 19	18 -- 15 22	Your colleagues OR			15	24		
			--	18	17	--			
4	3 14	10 -- 3 2	Someone outside your news organization			2	3		
			--	15	5	--			
1	1 0	* 1	Other			0			
			--	0	1	--	1	0	--
	*	1	Don't know/Refused			1	0		

1 2 -- 1 0 -- 2 1 --  
 100 100 100 100 100 100 100 100  
 100 100 -- 100 100 -- 100 100 --

ASK ALL:

Q.19 Is there any on-going effort to address ethical issues in your newsroom, directed by your news organization's management?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	
82	81	72	98 83 74	88 77 60	79	81
	75	70	Yes			
18	19	25	2 17 26	10 18 37	20	19
	24	25	No			
1	0	3	2 5 3	1		0 0
	5	0 0 0	Don't know/Refused			
100	100	100 100 100		100	100	100 100
	100	100 100 100		100		

Q.20 Would you like to see more of an organized effort, less of an organized effort, or is the current effort about right?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	
40	35	43	32 32 39	32 38 53	39	31
	41	45	More			
2	2	*	0 1 2	0 0 1	2	1
	1	0	Less			
58	63	55	68 57 46	59		67 58
	52	68 67 58	About right			
0	*	2	0 5 0	0		1 0
	3	0 0 1	Don't know/Refused			
100	100	100 100 100		100	100	100 100
	100	100 100 100		100		

Q.21 In your opinion, to what extent do corporate owners influence news organizations' decisions about which stories to cover

or emphasize? (READ CHOICES)

TOTAL LOCAL	TOTAL NATIONAL			TOTAL LOCAL			TOTAL NATIONAL			
	National TV&Radio;	Local TV&Radio;	Print	Exe	Sen	Jour	Exe	Sen	Jour	Print Internet
4	11	5	8	A great deal			3			5 5
30	29	21	29	5	4	6	12	5	8	23 19
44	40	54	42	Not very much			49			55 53
21	16	14	19	Not at all			5			11 17
1	4	6	2	Don't know/Refused			5			6 6
100	100	100	100	100	100	100	100	100	100	100 100

Q.22 In your opinion, to what extent do advertising concerns influence news organizations' decisions about which stories to

cover or emphasize?

TOTAL LOCAL	TOTAL NATIONAL			TOTAL LOCAL			TOTAL NATIONAL			
	National TV&Radio;	Local TV&Radio;	Print	Exe	Sen	Jour	Exe	Sen	Jour	Print Internet
2	12	2	8	A great deal			5			2 3
14	20	19	17	A fair amount			31			19 20
51	49	45	50	Not very much			54			53 37
32	19	32	25	Not at all			10			24 39
1	0	2	*	Don't know/Refused			0			2 1
100	100	100	100	100	100	100	100	100	100	100 100

Q.23 In attempting to attract readers or viewers, are news organizations going too far in the direction of entertainment, or not?

TOTAL LOCAL NATIONAL

LOCAL	NATIONAL			LOCAL			TOTAL			
TV&Radio;	National Print	Local TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	Print
60	68 71	66 57 65 74	Too far in direction of entertainment						65	71
	27	33	Not too far in direction of entertainment						27	26
39	27	34 31 21	46	32	26	34				
1	5 2	1 9 4 5	Don't know/Refused						8	3
	100	100							100	100
100	100	100 100 100	100	100	100	100				

Now, on another subject...

Q.24 As I read from a list, please tell me whether you think this a core principle of journalism, or not. (First), how

about... (INSERT ITEM; ROTATE; ALWAYS BEGIN WITH ITEMS a AND b) ... do you believe this is a core principle of journalism,

or not?

LOCAL	TOTAL	TOTAL NATIONAL			LOCAL	TOTAL			NATIONAL	
TV&Radio;	National Print	Local TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	Print
a. Avoiding the use of the first person										
38	40 53	46 43 31 46	Core principle						33	49
58	58 43	50 52 68 53	Not a core principle						65	50
4	2 4	4 5 1 1	Don't know/Refused						2	1
100	100	100							100	100
100	100	100 100 100	100	100	100	100				
b. Always remaining neutral										
68	76 84	76 73 79 75	Core principle						68	83
30	21 15	22 25 16 23	Not a core principle						26	16
			21	25	20	48				

	3	2	Don't know/Refused						6	1
2	1	2	5	2	2	4	0	0		
100	100	100	100	100	100	100	100	100	100	

c. Getting the facts right

	100	99	Core principle						100	99
99	99	100	99	100	97	100	99	100		

	0	1	Not a core principle						0	0
1	1	0	0	0	3	0	1	0		

	*	0	Don't know/Refused						0	1
0	0	0	1	0	0	0	0	0		

	100	100							100	100
100	100	100	100	100	100	100	100	100		

d. Not publishing rumors

	86	84	Core principle						86	88
84	84	89	85	86	90	89	78	77		

	12	16	Not a core principle						12	11
16	15	11	12	12	10	10	22	20		

	2	*	Don't know/Refused						2	1
0	1	0	3	2	0	1	0	3		

	100	100							100	100
100	100	100	100	100	100	100	100	100		

e Keeping some distance from  
the people you cover

	84	76	Core principle						85	83
79	73	87	84	83	75	78	74	84		

	15	23	Not a core principle						14	16
19	27	11	13	17	21	22	25	13		

	1	1	Don't know/Refused						1	1
2	0	2	3	0	4	0	1	3		

	100	100							100	100
100	100	100	100	100	100	100	100	100		

f. Getting the story FIRST

	54	52	Core principle						59	49
64	41	48	54	57	33	51	63	47		

	46	47	Not a core principle						41	50
--	----	----	----------------------	--	--	--	--	--	----	----

35	58	52	45	43	65	48	37	51		
	*	1			Don't know/Refused				0	1
1	1	0	1	0	2	1	0	2		
100	100	100	100	100	100	100	100	100	100	100
g. Getting both sides of the story										
	98	97			Core principle				99	97
99	95	98	97	99	95	98	98	100		
	1	2			Not a core principle				1	1
1	4	2	0	1	5	1	2	0		
	1	1			Don't know/Refused				0	2
0	1	0	3	0	0	1	0	0		
100	100	100	100	100	100	100	100	100	100	100
h. Keeping the business people out of the newsroom										
	84	73			Core principle				83	84
70	74	80	76	90	63	74	76	74		
	14	25			Not a core principle				15	12
26	25	18	20	8	37	25	19	21		
	2	2			Don't know/Refused				2	4
4	1	2	4	2	0	1	5	5		
100	100	100	100	100	100	100	100	100	100	100
i. Making your (reader/viewer/listener) your first obligation										
	2	8			A great deal				2	3
2	12	0	1	3	7	6	9	5		
	80	81			Core principle				83	77
86	77	84	85	75	79	82	83	84		
	18	18			Not a core principle				16	19
12	23	16	12	22	18	18	17	16		
	2	1			Don't know/Refused				1	4
2	0	0	3	3	3	0	0	0		
100	100	100	100	100	100	100	100	100	100	100

j. Providing at least 2 sources to

confirm a story based on

anonymous sources

	TOTAL			NATIONAL			LOCAL			TOTAL	NATIONAL	
	83	85		86	83	82	81	87	85	82		
80	90										77	89
	16	14		14	17	16	19	12	14	18	22	10
19	9											
	1	1		0	0	2	0	1	1	0	1	1
1	1											
	100	100		100	100	100	100	100	100	100	100	100
100	100											

k. Providing an interpretation to news

	TOTAL			NATIONAL			LOCAL			TOTAL	NATIONAL	
	59	59		62	58	59	51	59	63	71	68	49
72	47											
	37	40		36	37	37	47	40	36	29	29	46
26	52											
	4	1		2	5	4	2	1	1	0	3	5
2	1											
	100	100		100	100	100	100	100	100	100	100	100
100	100											

Q.25 Do you feel that competition and the increased number of cable news media outlets has made journalism better, worse,

or hasn't it made much of a difference?

	TOTAL			NATIONAL			LOCAL			TOTAL	NATIONAL			
	National	Local		TV&Radio;	Print	TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	Print
	43	41												
35	45	55	47	37			30	43	45	51			36	52
	33	31		23	29	39		40	30	28	23		35	
30	33	30												
	17	23												
27	20	16	16	18			30	24	19	16			24	9
	6	3												
2	4	4	7	6			0	1	5	3			3	9
	1	2												
													2	0



3 1 2 1 0 0 2 3 7  
 100 100 100 100 100 100 100 100  
 100 100 100 100 100 100 100 100

IF "WORSE" (2) IN Q.25, ASK:

Q.25a In what ways do you think this has changed journalism for the worse?  
 (OPEN-ENDED; RECORD VERBATIM RESPONSE)

BASED ON THOSE WHO SAY "WORSE" IN Q.25 (N=172)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print	
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet		
13	17	40 18 4	9 23 13	0	9	17	Need to compete lowers standards
8	2	0 14 15	4 0 10	7	14	11	More interest in getting first than right
10	15	10 9 13	13 12 13	0	9	14	Too eager to be first
5	0	30 23 2	4 0 3	14	9	14	Mistakes due to speed
5	20	10 4 13	13 15 10	0	9	11	Ratings take precedence over quality
13	7	0 4 15	17 4 10	36	7	14	Sensationalism/scandal/shock value
13	7	0 14 9	4 15 10	7	12	6	Careless/sloppy/thoughtless reporting
3	17	10 4 11	0 15 13	0	14	3	Using unreliable/unverifiable sources
5	10	20 9 6	13 0 10	14	9	9	Lower quality/standards
13	10	10 4 9	4 23 6	7	7	9	Redundant/repetitive reporting/ pack journalism
15	7	0 9 9	13 4 16	7	9	6	Entertainment/shallow/sexy news
8	10	0 14 4	13 12 3	21	7	6	24-hour format reduces quality

10	6 5	8 0	9 6	Reporting rumors/innuendos/speculation	5 17	0 0	6 6	0 0	5	9
				Not enough consideration of context/ importance/meaning of story					9	0
8	5 7	8 10	0 0	6	4	4	13	7		
5	5 7	6 10	4 4	Narrow focus on fewer stories	7	0	19	0	7	3
				Fewer qualified journalists in/ entering field					2	14
3	8 7	5 0	9 9	9	8	0		7		
5	4 5	5 0	9 2	Not enough attention to complex issues	5	0	8	6	7	3
5	1 5	5 0	4 0	Accelerated deadlines	0	4	12	0	7	3
				Too many people without principles/ ethics working in the business					0	3
5	1 2	4 0	0 2	0	8	3		0		
5	1 0	2 0	4 0	Fewer talented/creative people in field	2	4	4	0	0	0
3	1 0	1 10	0 0	Speed unspecified)	2	4	0	0	7	0
6	2 2	6 10		Other	0	0	4	9	4	6
				0					0	
0	1 0	0 0	0 2	Don't know/refused	2	0	0	0	7	0
0	0 2	1 0	0 0	0	4	0	0	0	0	0
				Striving to be number one						
74	60 66	70 50	64 61	LOWERED QUALITY (NET)	67	70	69	71	71	51
33	40 51	42 60	36 37	COMPETITION (NET)	40	35	50	42	7	40
10	14 5	8 40	27 2	SPEED (NET)	12	9	12	3	14	17
10	10 10	10 0	14 11	QUALITY OF STAFF (NET)	5	13	15	3	7	17

ASK ALL:

Q.26 Do you feel that the emergence of the Internet has made journalism better, worse, or hasn't it made much of a difference?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet	
42	54	47	50	62	Better	50	60
	51	43	25	56	52	82	
12	12	8	16	13	10	12	7
	9	7	16	13	10	12	7
44	26	42	60	35	38	8	29
	40	36	27	22	60	35	38
3	5	2	3	0	2	5	5
	1	5	5	4	3	0	2
2	3	1	0	2	2	0	4
	1	0	5	2	0	2	2
100	100	100	100	100	100	100	100
	100	100	100	100	100	100	100

IF "WORSE" (2) IN Q.26, ASK:

Q.26a In what ways do you think this has changed journalism for the worse? (OPEN-ENDED; RECORD VERBATIM RESPONSE)

BASED ON THOSE WHO ANSWERED "WORSE" IN Q.26 (N=52)

LOCAL	TOTAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet	
--	21	15	--	--	COMPETITION (NET)	--
--	--	--	--	--	--	--
--	59	90	--	--	LOWERED QUALITY (NET)	--
--	--	--	--	--	--	--
--	17	10	--	--	QUALITY OF STAFF (NET)	--
--	--	--	--	--	--	--
--	10	10	--	--	SPEED (NET)	--
--	--	--	--	--	--	--

ASK ALL:

Q.27 Do you personally have direct access to the Internet at your job?

TOTAL, TOTAL, NATIONAL,

LOCAL	NATIONAL		LOCAL			TOTAL			INTERNET	
TV&Radio;	National Print	Local TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	Print
100	98	95	Yes							97
	96	94	98	100	98	97	98	92	100	
0	2	5	No							3
	4	6	2	0	2	3	2	8	0	
0	0	0	Don't know/refused							0
	0	0	0	0	0	0	0	0	0	0
100	100	100	100	100	100	100	100	100	100	100

Q.28 In your opinion, compared to print, how difficult is it for television news to cover complicated stories? Very difficult, fairly difficult, not too difficult or not at all difficult?

LOCAL	NATIONAL		LOCAL			TOTAL			INTERNET	
TV&Radio;	National Print	Local TV&Radio;	Exe	Sen	Jour	Exe	Sen	Jour	Internet	Print
57	46	41	Very difficult							61
	28	50	41	47		58	32	40	51	30
31	43	40	Fairly difficult							32
	48	43	47	42		25	44	45	39	56
8	4	11	Not too difficult							3
	12	7	3	4		10	14	8	8	6
2	5	7	Not at all difficult							2
	11	0	7	5		5	8	7	2	7
2	2	1	Don't know/Refused							2
	1	0	2	2		2	2	0	0	1
100	100	100	100	100	100	100	100	100	100	100

Q.29 I am going to read a number of possible reasons why some types of news media have lost audience or readership. For each one, please

tell me if you think it is a major reason, a minor reason, or not a reason for this problem. First (INSERT ITEM; ROTATE?) Is this a

major reason, a minor reason or not a reason why some types of news media have lost audiences?... How about...? Is this a major reason,

a minor reason or not a reason why some types of news media have lost audiences?

...

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print	Internet
National TV&Radio;		Local TV&Radio;		Exe Sen Jour		Exe Sen Jour	
a. The public is not well informed enough to follow serious news.							
30	21 29	29 25	19 19	21 21	39 21	32 32	23 23
Major reason							
	20	23					
41	42 44	43 36	40 40	46 46	37 37	42 42	45 45
Minor reason							
	43	41					
28	36 27	28 39	40 40	31 31	24 24	37 37	22 22
Not a reason							
	35	36					
1	1 0	* 0	1 1	2 2	0 0	0 0	1 1
Don't know/Refused							
	2	0					
100	100 100	100 100	100 100	100 100	100 100	100 100	100 100
b. The press is too concerned with what goes on in Washington, DC.							
31	41 30	31 27	48 48	41 41	23 23	36 36	31 31
Major reason							
	40	41					
50	44 50	50 53	34 34	48 48	45 45	49 49	53 53
Minor reason							
	42	47					
17	14 20	18 18	17 17	10 10	30 30	15 15	15 15
Not a reason							
	16	11					
2	1 0	1 2	1 1	1 1	2 2	0 0	1 1
Don't know/Refused							
	2	1					
100	100 100	100 100	100 100	100 100	100 100	100 100	100 100
c. The press does not pay enough attention to stories that are meaningful to average Americans.							
46	41 39	42 36	40 40	43 43	33 33	47 47	43 43
Major reason							
	45	37					
44	40 36	40 48	34 34	41 41	44 44	33 33	43 43
Minor reason							
	40	39					

10	18 24	18 16	25 14	14	Not a reason			23 19	14	10	13	23
0	1 1	*	1	2	Don't know/Refused			0	1	0	2	1
100	100 100	100	100	100	100	100	100	100	100	100	100	100

d. The public is not interested in serious news.

24	22 27	26 21	21	24	Major reason			26	17	32	29	20	25
48	42 38	43 36	39	46	Minor reason			46	51	35	33	42	42
27	35 35	31 43	39	29	Not a reason			28	32	32	38	36	33
1	1 0	*	1	1	Don't know/Refused			0	0	1	0	2	0
100	100 100	100	100	100	100	100	100	100	100	100	100	100	100

e. The press lacks credibility with the public.

54	48 54	54 43	51	48	Major reason			47	56	56	51	50	47
40	42 37	39 41	37	45	Minor reason			44	37	37	44	42	41
6	9 9	7 14	11	7	Not a reason			9	7	7	3	7	11
0	1 0	0 2	1	0	Don't know/Refused			0	0	0	2	1	1
100	100 100	100	100	100	100	100	100	100	100	100	100	100	100

f. The public is increasingly able to contact information sources directly.

19	29 37	28 23	31	30	Major reason			23	30	30	23	26	32
--	48 --	49 --	--	--	Minor reason			--	--	--	--	48	47

58	41	39	49	50	54	47	48	52		
	22	22			Not a reason				24	20
23	21	36	17	20	23	21	22	23		
	1	1			Don't know/Refused				2	1
0	1	2	3	0	0	2	0	2		
	100	100							100	100
100	100	100	100	100	100	100	100	100		

g. Most Americans don't believe they have a civic responsibility to follow the news.

	34	39			Major reason				30	39
37	40	30	33	36	49	34	37	36		
	42	43			Minor reason				48	36
47	39	36	43	44	33	45	46	41		
	20	18			Not a reason				17	23
15	21	27	20	17	18	21	16	23		
	4	*			Don't know/Refused				5	2
1	0	7	4	3	0	0	1	0		
	100	100							100	100
100	100	100	100	100	100	100	100	100		

h. Specialized news outlets allow people to get only the news they want.

	40	40			Major reason				36	44
37	43	20	46	43	32	44	42	38		
	42	50			Minor reason				47	38
55	45	64	36	39	61	45	48	52		
	17	10			Not a reason				15	18
8	11	16	17	17	7	11	9	10		
	1	*			Don't know/Refused				2	0
0	1	0	1	1	0	0	1	0		
	100	100							100	100
100	100	100	100	100	100	100	100	100		

i. Americans feel overloaded by so much news and information.

	52	61			Major reason				55	47
65	57	46	52	54	56	62	62	61		

00	01	40	02	04	00	02	02	01	
	41	31			Minor reason			39	43
29	32	50	43	36	37	24	33	34	
	7	8			Not a reason			5	10
6	10	4	4	10	7	13	5	5	
	*	*			Don't know/Refused			1	0
0	1	0	1	0	0	1	0	0	
	100	100						100	100
100	100	100	100	100	100	100	100	100	

Q.30 Some people think that by criticizing political leaders, news organizations keep political leaders from doing their jobs.

Others think that such criticism is worth it because it keeps political leaders from doing things that should not be done.

Which position comes closer to your view?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL TOTAL	TOTAL NATIONAL	Print
National TV&Radio;	Print	Local TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet
Criticism from press keeps political leaders from doing their job					
2	5	2	9	5	4
16	16	3	7	14	6
Criticism keeps political leaders from doing things that should not be done					
96	87	87	88	84	91
	81	89	86	84	83
Don't know/Refused					
2	8	11	3	0	5
	3	8	7	6	11
	100	100			100
100	100	100	100	100	100

Q.30a Do you think that national news organizations have made too much, or too little of the Clinton-Lewinsky scandal, or

has the coverage been about right?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL TOTAL	TOTAL NATIONAL	Print
National TV&Radio;	Print	Local TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet
Too much					
49	57	44	60	48	56
	64	48	66	62	57



0	0	0	0	0	0	0	0	0	0	0	0
49	42	39	53	50	34	50	36	35	41	44	41
2	1	1	3	2	0	2	2	0	2	0	2
100	100	100	100	100	100	100	100	100	100	100	100

Q.31 How much trust and confidence do you have in the wisdom of the American people when it comes to making choices on election

day? A great deal, a fair amount, not very much, or none at all?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet	Print Internet
28	52	28	59	57	47	50	54
60	41	56	32	35	47	46	35
9	6	13	7	7	4	3	8
3	1	3	2	1	1	0	3
0	*	*	0	0	1	1	0
100	100	100	100	100	100	100	100

Q.32 Do you think the American public knows enough about the issues you cover to form wise opinions about these issues, or not?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet	Print Internet
59	65	54	52	75	76	55	44
6	7	6	7	3	9	5	9
	26	29		26		21	

30	20 36	33 41	18	19	33	49	32	39	31	21
1	2	1	Don't know/Refused						2	2
100	100	100	100	100	100	100	100	100	100	100

Q.33 When you meet someone for the first time and tell them where you work, do you generally feel proud, or do you feel

somewhat apologetic?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL TOTAL	NATIONAL NATIONAL	Print
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	
96	93 88	92 95	Proud			91
10	5 2	6 4 3 6	Somewhat apologetic			7 2
2	2	2 0 1 3	Both/Neither/Depends (VOL.)			2 2
0	0 1	* 0 0 0	Don't know/Refused			0 0
100	100	100	100	100	100	100

Q.34 Do you think most opinion polls work for or against the best interests of the general public?

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL TOTAL	NATIONAL NATIONAL	Print
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet	
100	98 96	95 94	Yes			97
55	57	56 59 60 55	Work for the best interests			61 53
31	26 33	32 23 25 27	Work against the best interests			21 31
14	17 10	12 18 15 18	Don't know/Refused			18 16
100	100	100	100	100	100	100

100 100 100 100 100 100 100 100 100

Q.35 How often do you think public opinion polls are right in reporting how people feel about issues? Would you say... (READ CHOICES)

TOTAL LOCAL	TOTAL NATIONAL	LOCAL NATIONAL	LOCAL LOCAL	TOTAL LOCAL	TOTAL NATIONAL	Print Internet		
TV&Radio;	Print	TV&Radio;	Exe Sen Jour	Exe Sen Jour	Internet			
4	4	3 3 6	7 5 3	5	5	5	3	
63	65	75 68 59	58 67 49	48	48	63	68	
30	28	18 27 32	33 26 44	44	44	28	27	
1	1	2 1 1	0 1 3	0	0	1	2	
2	2	2 1 2	2 1 1	3	3	3	0	
100	100	100 100 100	100 100 100	100	100	100	100	

PEW RESEARCH CENTER FOR THE PEOPLE & THE PRESS

FEBRUARY 1999 NEWS INTEREST INDEX

FINAL TOPLINE

February 18 - 21, 1999

N=1,203

NOW A FEW QUESTIONS ABOUT THE NEWS...

ASK FORM 1 ONLY: [N=603]

Q.20 Some people think that by criticizing leaders, news organizations keep political leaders from doing their job. Others think that such criticism is worth it because it keeps political leaders from doing things that should not be done. Which position is closer to your opinion?

Early	Late	Early	Feb	Feb	Jan	Jan	Aug
Dec	June		1998	1997	1994	1994	1989
1986	1985						

1988 1985

Criticism by the press keeps political

31	leaders from doing their job	39	32	24	18	23
26	17					

Criticism keeps leaders from doing

58	things that shouldn't be done	55	56	66	69	68
60	67					

11	Don't know/Refused	6	12	10	13	9
14	16					

100		100	100	100	100	100
100	100					

ASK FORM 2 ONLY: [N=600]

Q.21 Some people say that in covering the personal and ethical behavior of public figures, news organizations are only reporting the news. Others say that news organizations are driving the controversies themselves, by devoting as much coverage to these stories as they do. Which view comes closer to your own?

March 1995

24	Only reporting the news	20
72	Driving the controversy	74
1	Neither (VOL.)	*
3	Don't know/Refused	6
100		100

ASK ALL:

Q.22 In general, do you think news organizations get the facts straight, or do you think that their stories and reports are often inaccurate?

Early Early

July	Aug	Feb	Feb	Jan	Aug	Aug	May	Jan
1985	1998	1998	1997	1992	1989	1988	1988	1988

News organizations get

27	the facts straight	22	24	27	40	54	40	40	44
----	--------------------	----	----	----	----	----	----	----	----

55	37	the facts straight	33	34	37	49	54	40	48	44
		Stories and reports								
34	58	often inaccurate	58	63	56	44	44	50	43	48
11	5	Don't know/Refused	9	3	7	7	2	10	9	8
100			100	100	100	100	100	100	100	100

Q.23 I'm going to read you some pairs of opposite phrases. After I read each pair, tell me which ONE phrase you feel better describes news organizations generally.

If you think that NEITHER phrase applies, please say so. [ROTATE ITEMS]

				Jan	July	June
				1987	1986	1985
21	a.	Care about the people they report on, OR		41	--	35
67		Don't care about the people they report on?		45	--	48
9		Neither applies		9	--	10
3		Don't know/Refused		5	--	7
100				100		100
26	b.	Willing to admit their mistakes, OR	--	--	34	
66		Try to cover up their mistakes?		--	--	55
6		Neither applies		--	--	4
2		Don't know/Refused		--	--	7
100						100
40	c.	Moral, OR	--	--	54	
38		Immoral?		--	--	13
16		Neither applies		--	--	20
6		Don't know/Refused		--	--	13
100						100
59	d.	Growing in influence, OR	--	--	63	
32		Declining in influence?		--	--	17

	6	Neither applies	--	--	7
	3	Don't know/Refused	--	--	13
	100				100
45	e.	Protect democracy, OR	52	58	54
	38	Hurt democracy?		27	18
	13	Neither applies		13	17
	4	Don't know/Refused		8	7
	100		100	100	100
69	f.	Care about how good a job they do, OR	--	77	79
	22	Don't care about how good a job they do?	--		16
	6	Neither applies	--		5
	3	Don't know/Refused	--		2
	100			100	100
52	g.	Highly professional, OR	--	71	72
	32	Not professional?	--		13
	13	Neither applies	--		12
	3	Don't know/Refused	--		4
	100			100	100
41	h.	Stand up for America, OR	53	53	52
	42	Too critical of America?		35	28
	13	Neither applies		8	15
	4	Don't know/Refused		4	4
	100		100	100	100
56	i.	Politically biased in their reporting, OR	47	42	45
		Careful that their reporting is NOT			
	31	politically biased?		39	41
	8	Neither applies		7	9
	5	Don't know/Refused		7	8
	100		100	100	100

Q.29 Thinking back over the past year, what grade would you give the press for the way it has covered the investigation and impeachment trial of Bill Clinton?

Would you grade the press an A, B, C, D, or F?

13 A

26 B

28 C

17 D

14 F

2 Don't know/Refused

100

2.1 Mean Rating

Finally, I'd like to ask you a few questions for statistical purposes only...

Q.30 Do you use a computer at your workplace, at school, or at home on at least an occasional basis?

	Early	Early	Late	Early	Early	Early	Early	Late	Early	Early	Early	Early	Early	Early
	March	Feb	Jan	Jan	Dec	Jan	Sept	Aug	Aug	April	Jan	Nov	June	Sept
	1996	1996	1996	1998	1998	1998	1998	1998	1998	1998	1997	1997	1996	1996
68	Yes	69	64	64	66	66	61	65	66	60	59	56	56	58
61		60	59											
32	No	31	36	36	34	34	39	35	34	40	41	44	44	42
39		40	41											
*	DK/Ref	*	*	*	0	*	*	*	*	0	*	*	*	*
*		0	0											
100		100	100	100	100	100	100	100	100	100	100	100	100	100
100		100	100											

IF YES (USE A COMPUTER) IN Q.30, ASK:

Q.31 Do you ever go online to access the Internet or World Wide Web or to send and receive email?

BASED ON TOTAL RESPONDENTS:

Early

		Jan	Dec	Nov	Sept	Aug	Nov	July	
		1999	1998	1998	1998	1998	1997	1996	
June									
1995*									
14	49	Goes online	47	42	37	42	43	36	23
86	51	Does not go online	53	58	63	58	57	63	77
*	*	Don't know/Refused	*	0	*	*	*	1	0
100	100		100	100	100	100	100	100	100

[\*NOTE: The 1995 figure combines responses from two separate questions:

(1) Do you or anyone in your household ever use a modem to connect to any computer bulletin boards, information services such as CompuServe or Prodigy,

or other computers at other locations? (IF YES, PROBE: Is that you, someone

else or both?)

(2) Do you, yourself, ever use a computer at (work) (school) (work or school) to connect with computer bulletin boards, information services such

as America Online or Prodigy, or other computers over the Internet?



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## Authors and Collaborators

Many partners contributed to this report.

The chapter on newspapers was co-authored by Rick Edmonds of the Poynter Institute. Andrew Tyndall of ADT Research gave particularly close reads and copious suggestions on the Cable TV chapter. The rest of the chapters were written by the staff of the Project. Bill Kovach, the chairman of the Committee of Concerned Journalists, served as a consultant to the Report.

From the Project, researchers conducted the data aggregation and did initial drafting in the following areas: David Vaina for the network and online chapters, Gauri Malhotra for the cable and local television chapters, Niki Woodard for the radio and parts of newspaper chapters, and Dante Chinni, for the ethnic, alternative and magazine chapters. Banu Akdenizli, Michael Smith, Tricia Sartor, Kenny Olmstead and Jessica Golding worked on the Web site analysis under the supervision of Niki Woodard and Amy Mitchell. Jennifer Fimbres managed the budget and distribution.

Amy Mitchell, the Project's deputy director, and Tom Rosenstiel, its director, supervised the project, edited the chapters and wrote the analytical components.

The Web firm, Blattner Brunner designed the Web site. The Project's staff put the design into effect. The programming consultant Don Bell designed and programmed the Chartland component. He and Niki Woodard designed the Flash technology component of the Web site analysis. Pamela Nabholz took the photos that appear on the site. Wendy Kelly of WLK Design will publish the executive summary.

Evan Jenkins, a longtime New York Times editor who is now a consulting editor of the Columbia Journalism Review, was the copy editor.

More than twenty-five people served as readers of the chapters. Among them are: Charles Bierbauer, John Carroll, Sandy Close, Wally Dean, Bill Falk, Howard Finberg, Edward Fouhy, Mark Hanzlik, Mark Jurkowitz, Richard Karpel, Katie King, Bill Kovach, Scott Libin, DC Livers, Edward Schumacher Matos, Dick Meyer, Phil Meyer, Victor Navasky, George Niesen, Robert Papper, Atiba Pertilla, Juana Ponce de Leon, Deborah Potter, Adam Powell, Lee Rainie, Alan Seraita, Steve Shepard, Al Stavitsky, Roberto Suro, Tom Taylor, Andrew Tyndall, Bill Wheatley, Dale Willman and Judy Woodruff. Their thoughtful insights and suggestions greatly improved the chapters, but the readers are in no way responsible for the analysis or narrative accounts in this report. Moreover, the readers were not sources for information, unless explicitly cited in footnotes. In no case did a reader serve as an anonymous source for anything in the report.

Finally, the project could not have been completed without the extraordinary support, both financially and personally, of the Pew Charitable Trusts, particularly Don Kimelman, our friend and colleague, and Rebecca Rimel, whose idea this report was in the first place.

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## Methodology

The data for this study were collected in two parts. Much of the study is based on research conducted originally by other people or organizations. Other research, particularly the content analysis, is original work conducted specifically for this report.

For the data aggregated from other researchers, the Project took several steps. First, we tried to determine what data had been collected and by whom for the eight media sectors studied. We organized the data into the seven primary areas of interest we wanted to examine: content, audience, economics, ownership, newsroom investment, alternative news outlets and public attitudes. For all data ultimately used, the Project sought and gained permission for their use.

Next, the Project studied the data closely to determine where elements reinforced each other and where there were apparent contradictions or gaps. In doing so, the Project endeavored to determine the value and validity of each data set. That in many cases involved going back to the sources who collected the research in the first place. Where data conflicted, we have included all relevant sources and tried to explain their differences, either in footnotes or in the narratives.

In analyzing the data for each media sector, we sought insight from [experts](#) by having at least three outside readers for each sector chapter. Those readers raised questions, offered arguments and questioned data where they saw fit.

All sources are cited in footnotes or within the narrative, and listed alphabetically in a [source bibliography](#). The data used in the report are also available in more complete tabular form online, where users can view the raw material, sort it on their own and make their own [charts and graphs](#). Our goal was not only to organize the available material into a clear narrative, but to also collect all the public data on journalism in one usable place. In many cases, the Project paid for the use of the data.

For the original content analysis research conducted by the Project, the methodology follows.

### Web Site Analysis Methodology

As the Internet continues to change the news industry and the methods of production, circulation and consumption, it is ever more critical to understand the emerging trends and news outlets available online. Citizens must make daily choices about what sites to go to for various kinds of news information, but it is largely up to them to figure out which site can best fit their needs at the moment. And in many instances they may be making choices without fully understanding why.

The content analysis element of the 2007 Annual Report on the State of the News Media was designed to try to sort through the many different kinds of sites that offer news information. What do some sites emphasize over other things? Are there common tendencies? The creation of the study and the analysis of the findings was a multi-step process.

### Sample Design and Web Site Capture

To assess the range of news Web sites available, we selected 38 different Web sites that provide such information. The sites were initially drawn from the seven media sectors that PEJ analyzes in each annual report:

- Newspaper (9 sites from a mix of national, regional and local papers)

- Cable news (3 sites)
- Network News (3 sites, commercial and public; NBC's online identity is merged with that of MSNBC)
- Local TV (2 sites)
- Radio (2 sites, one national network and one local)
- Weekly news magazine (3 sites)
- Online-only news sites (10 sites ranging from aggregators to citizen-based sites to online magazines and
- Online blogs (4))

In addition, we included one foreign broadcast site (BBC News) and the site of one wire service. (Due to the language barrier, Ethnic, non-English language Web sites were not included in the study.)

The result was the following list of sites:

### **Sites Studied**

ABC News Com <http://abcnews.go.com>

BBC News <http://news.bbc.co.uk>

Benicia News <http://www.benicianews.com>

Boston Phoenix <http://www.thephoenix.com>

CBS11 TV <http://cbs11tv.com>

CBS News <http://www.cbsnews.com>

Chicago Sun Times <http://www.suntimes.com>

CNN <http://www.cnn.com>

Crooks and Liars <http://www.crooksandliars.com>

Daily Kos <http://www.dailykos.com>

Des Moines Register <http://www.desmoinesregister.com>

Digg <http://digg.com>

Economist <http://www.economist.com>

Fox News <http://www.foxnews.com>

Global voices <http://www.globalvoicesonline.org>

King5 TV <http://www.king5.com>

Los Angeles Times <http://www.latimes.com>

Little Green Footballs <http://www.littlegreenfootballs.com>

Michelle Malkin <http://www.michellemalkin.com>

MSNBC <http://www.msnbc.msn.com>

AOL News <http://news.aol.com>

Google News <http://news.google.com>

Yahoo News <http://news.yahoo.com>

New York Post <http://www.nypost.com>

New York Times <http://www.nytimes.com>

NPR <http://www.npr.org>

Ohmynews.com <http://english.ohmynews.com>

PBS NewsHour <http://www.pbs.org/newshour>

Reuters <http://www.reuters.com>

Salon <http://salon.com>

San Fran. Bay Guardian <http://www.sfbg.com>

Slate <http://slate.com>

Time Magazine <http://www.time.com>

Topix <http://www.topix.net>

USA Today <http://www.usatoday.com>

Washington Post <http://www.washingtonpost.com>

The Week Magazine <http://www.theweekmagazine.com>

WTOP Radio <http://www.wtop.com>

Web sites were captured by a team of professional content coders. At each download, coders made an electronic and printed hard-copy of the homepages for each site as well as the top five news stories. Prominence was determined as follows:

The biggest headline at the top of the screen is the most prominent story. It may or may not have an image associated with it. The second-most prominent story is one that is attached to an image at the top of the screen, if that is a different story from the most prominent story. If there is no image at the top of the screen, (or there are two significant stories attached to the same image) refer then to the next-largest headline. To determine the next-most-prominent stories, refer first to the size of the headlines, and then the place (height) on the screen. If two stories have the same font size and are at the same height on the screen, then give the story on the left more prominence.

Stories were defined as:

- Any headlines that linked to a landing page within the Web site rather than a specific news report were omitted, as were links to landing pages of other Web sites.
- We *did* include links to specific stories on other Web sites as well as video or audio stories.

### **Capture Timing**

Web sites were initially studied from September 18 through October 6, 2006. For that initial review, each site was captured and coded four different times. For two captures, the research team coded for the entire set of variables, both the homepage analysis and the variables related to the content of news stories. The other two rounds of capture were coded only for the variables relating to the content of the lead stories.

Each site was then studied again during the week of February 12-16, 2007, and coded separately. Results for the two time periods were compared. In cases where features had changed, we closely examined the site again to confirm the change or correct inconsistencies. Final analyses were based on the confirmed February site scores.

## Coding Scheme and Procedure

To create the coding scheme, we first worked to identify the different kinds of features available online — everything from contacting the author to quickly finding just what you want to receiving your news free — and how they could be measured. After several weeks of exploratory research, we identified 63 different quantitative measures and developed those into a working codebook (see list of primary variables below).

Coding was performed at the PEJ by a team of seven professional in-house coders, overseen by a senior researcher and a methodologist. Coders were trained on a standardized codebook that contained a dictionary of coding variables, operations definitions, measurement scales and detailed instructions and examples. The codebook was divided into two sections. The first was based on an inventory of the Web site's homepage. That was performed three separate times — twice in September, 2006, and once in February, 2007. The second component involved coding the content of news stories themselves. We included the top five stories for the variables related to the content of the news and took the average score for each variable.

Before coding began, coders were trained on the codebook. Excel coding sheets were designed and used consistently throughout the process. Meetings were held throughout to discuss questions, and where necessary additional captures took place to verify findings.

Coders followed a series of standardized rules for coding and quantifying Web site traits. Three variables deserve specific mention:

1. *Multimedia components* on the homepage: Coders counted all content items, defined as links to all material other than landing pages or indexes of some sort. Included were narrative text, still photos, interactive graphics, video, audio, live streams, live Q&A's, polls, user-based blogs, podcast content and slide shows. Next, the coders tallied the total number of content items on the page as well as the totals for each media form and entered the percentages for each into the data base.
2. *Advertisements*: In counting advertisements on the homepage, coders included all ads, from obvious banners and flash advertisements to the smaller single-link sponsors of a site. Self-promotional ads were also included in the total. The idea of this variable was to estimate the economic agenda of a given site based on the amount of advertising on the homepage. Advertisements on internal pages were not included in the tally. Because of day-to-day variance in the total number of homepage ads, the final figure was either the average based on all the visits to a site or, in cases where a site redesign had clearly occurred, the latest use of ads.
3. Also in the *Byline* variable, blog posts required special rules. In counting bylines, for instance, researchers coded a blog entry as if the entry was posted by the blog host—John Amato on Crooks and Liars, for example. If the blog entry was posted by a regular contributor or staff, the "story" scored a "2." And if the blog entry was posted by an outside contributor, not bylined, or consisted primarily of outside material (an entry, for instance, that simply said, "Read this," followed by an excerpt from another source), then the post received a score of "3," the lowest on the scale of original stories.

## Analysis

In analyzing the data, we were able to group variables into six different areas of Web emphasis: User Customization, User Participation, Multimedia Use, Content Branding and Originality, Depth of Content and Revenue Streams.

*Customization* includes

- Homepage customization (allows user to tailor page)
- Search options (simple or advanced search)
- RSS feeds — options and prominence
- Podcasts — options and prominence
- Mobile phone delivery options

*Participation* includes

- Users' contribution to content

- Scheduled, live discussions
- Ability to:
  - e-mail author
  - post comments
  - rate the article/post
  - take a poll
- List of most-viewed stories
- List of most-e-mailed stories
- List of most-linked-to stories

*Multimedia* includes

Percent of homepage content devoted to:

- Narrative
- Photos/non-interactive graphics
- Video
- Audio
- Live stream
- User blog
- Live Q & A
- Slide show
- Poll
- Interactive graphic

*Editorial Branding* includes

- Breadth of sources
- Editorial process
- Use of bylines
- Direction of story links

(internal or external)

*Story Depth* includes

- Frequency of updates
- Use of related story links
- Use of archive links

*Revenue Streams* includes

- Registration requirements
- Fee-based content
- Archive fees
- Number of homepage ads

(Self-promotional and external)

Codes within each variable were translated into a numerical rating from low to high for that particular feature. Then PEJ research analysts produced an Excel template to tally the scores (summing the variables) for each site within the six categories. Thus for each of the six categories, each site had a final score. The range of scores was then divided into four quartiles and sites were marked according to which quartile they fell into.

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## Source Bibliography

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