

## THE DEATH OF PRINT JOURNALISM

The question I have been asked more than any other since the title of this speech was circulated has been, "Why no question mark?"

The absence of the ? was not a subbing error.

I deliberately left it out because in the long run there is no question that print media is dying.

The past two years have been particularly brutal for print.

Only last week - and conveniently for the purposes of this talk - the NME announced it was ceasing to appear as a print publication.

Trinity Mirror's New Day launched in May 2016 closed after two months. The Independent shut its print edition and now exists as a website and app only.

Late last year the Wall Street Journal (WSJ) stopped printing in Europe - if you want to read the WSJ in the UK now, you can only do so online or on the phone.

Glamour magazine announced it was going digital only.

Conde Nast has reduced the number of issues it publishes of certain magazines from 12 per year to 6

Meanwhile, national newspaper circulations pretty much across the board are heading south.

The latest ABCs showed:

Telegraph -18 % year on year

Sunday Times -7%

Times -2.3%

Mail -11%

Guardian -2.5%

The situation is even more bleak for local papers. The regional press, once the training ground for young reporters, the life blood of the national papers, upholders of local democracy is facing an existential threat.

Since 2005 more than 200 local papers have closed in the UK and the number of regional journalists has halved to around 6,500, with staff cuts, centralised newsrooms, sub-editing and printers re-located miles from local communities, leaving press benches in councils and courtrooms increasingly empty.

An estimated 58% of the country has no daily or regional title and rural areas are increasingly reliant on London-based media and their own social networks for local news.

These are all examples of the pressures facing the print industry - changes which are structural and irreversible.

Even without these examples, you only have to look around to grasp the scale of the changes underway.

Next time you take a train, check to see how many people in your carriage are reading a print publication? My guess is you will be lucky to spot even one.

I regularly address groups of school children and when I do I always start by asking how many of them read a newspaper. I am lucky if more than a couple of hands go up.

On a recent trip to the New York Times, there was talk of “smothering print” such was the eagerness to embrace the digital future.

So, long term, there can be no question that the outlook for print media is not great. The important question to ask, however, is does it matter?

It's important to understand the backdrop.

Like so many industries, the print media has faced incredible disruption, not to say destruction in the last two decades - perhaps more so than any other affected by the digital revolution.

Why is this happening?

There are two factors at play

- 1) new competition for readers, and
- 2) new competition for revenue.

There was a time when a newspaper like The Times only really needed to worry about a handful of rivals – The Telegraph, The Guardian, The Independent and to an extent The FT and the Mail.

The fight was straight forward – whoever attracted the most readers, attracted the most advertising and so it was a simple slugfest to get the best scoops, the best columnists, the best sports coverage, etc.

That has all changed. Think of the new entrants to the news business that digital has allowed Vice, BuzzFeed, Snapchat, Twitter, Apple, Huffington Post, Politico and - most challenging of all - Facebook and Google - all businesses that have decided they want to be in the news business in some shape or form.

And these days we are not just competing against other news providers. We are competing for people's time. Netflix, Youtube, Spotify...

This is formidable competition for an industry that had a very settled business model for hundreds of years, one that barely changed from 1785 when the Times was first published.

Certainly, when I joined the Financial Times in 1990, this business model still prevailed. Incidentally, so little had changed that they were still printing the paper in the basement of the FT building in Bracken House in Fleet Street.

The model worked like this: newspapers reported the news, packaged it into a newspaper, and sold the number of people who bought it to advertisers.

That model has given way to a new and very complex one. Now you have to do all of the above, but then also sell the product not just in print but on your own platforms - smartphone, web, tablet - and other people's - such as FB.

And remember you are doing all this whilst having to compete not just with your traditional rivals, but with all kinds of newcomers who don't have the same legacy cost base as you do.

Not to mention the BBC which once firmly confined to radio and television is now a publishing competitor with its free to view websites for news, lifestyle, business, sport and so on.

What does this amount to in terms of figures?

Media analysts predict that £1bn of revenue will disappear from the UK newspaper industry between 2011 and 2019.

How so?

The big problem is that digital display advertising simply won't plug the gap from falling print advertising revenues - this is the brutal reality and the reason why so many papers are struggling.

In raw numbers what am I talking about?

A report from Enders Analysis last year predicted that print ad turnover in the UK will fall from £1.5bn in 2011 to £533m in 2019. By contrast, online revenue stood at £117m in 2011 and is only forecast to grow to £227m in the next two years.

Where is all the money going?

The FANGS - as they are known - FB, Amazon Netflix and Google absolutely dominate the realm of digital advertising. One US media analyst has estimated that 85% of all online ad revenue is funneled to either FB or Google – leaving a paltry 15 per cent for news organisations to fight over.

The result is a massive shortfall for publishers, with many more players competing for a slice of the pie.

Faced with this catastrophic decline in revenue, what has been the response of traditional media?

We have all been looking for new revenue sources. In our case we introduced a pay wall in 2010 and have worked hard to build a subscription model. This has provided the Times and the Sunday Times with a valuable new stream of income.

Others have gone down a similar route -  
the FT  
Economist  
NYT

Others took another view - remained free to read but then gradually started to introduce charging - eg Telegraph which now operates a metered paywall in which some “premium” content is behind a pay wall but the rest remains free to view.

What is now clear, however, is that nearly all legacy media are meeting somewhere in the middle around what is called a dynamic paywall.

The Guardian... the last hold out. I mentioned to an ex colleague from the FT that I was going to be making this speech and he said: “make sure you tell them that the Guardian is dragging us all down!”

I wouldn't put it quite so bluntly but it will be interesting to see whether the current system of asking readers for donations - while it has had some success - will be sustainable.

In addition, we've all had to explore other new revenue streams – we launched a membership scheme – Times Plus which includes White labelling, Native advertising and a Travel Businesses.

What, if anything, is the good news? Or if not good, not quite so bad?

Nationally, 11.5m people still read a newspaper in print - that's one in five adults, so whatever the trends, newspapers remain a mass medium. Print still matters - on the day after the Brexit referendum the Saturday edition of the Times sold an extra 100,000 copies. There remain national events where people want to sit and read a physical paper of record. We had similar bumps for the election, and for Trump.

We saw the launch last year of a new print product - the New European which has surprised everyone by lasting as long as it has and is still going strong.

So even if the long term prognosis is one of decline, print will be around for a while.

But - and here's the really important point:

I would argue that print or no print is not really the issue at stake. We, for example, don't care where or how you read us. Like other traditional print titles we have proved that we can translate to the new medium. Use of our phone app increased by 45 per cent year on year and is proving to be very popular with our readers. Although

more people read us in print than digitally, it will not be long before digital overtakes print.

Rather than obsessing over how much longer print will be around, we should be asking whether there is a future for the practices and traditions of print media - independent, verifiable journalism you can trust; correctly sourced, trustworthy reporting that does what the fourth estate is supposed to do - acts as a watchdog on the other estates, speaks truth to power and keeps the public properly informed.

Today, the two most powerful news publishers in human history, are not the New York Times and the Daily Mail, certainly not the Times or the BBC - they are Facebook and Google

And here is the essence of our challenge - neither Facebook nor Google accept that they are publishers.

What does this mean and why does it matter?

By insisting that they are distribution channels, rather than publishers, they bear none of the cost and shoulder none of the responsibilities of producing properly sourced news.

We are tech companies, they argue; platforms, pipelines, distributors for other people's contents – for newspapers that are willing to give us their content, to the posts of our users, to whatever and whoever else wants to post things up there.

And yet their reach is such that more and more people are consuming news via these tech giants. [It's worth noting that readers do not acknowledge original sources of news on Fb. They just say "oh, I read it on Fb"]. Even though Facebook is not a producer of news, 6.5 million UK internet users claim mainly to source their news from the platform.

Meanwhile revenue flow...

To some extent, the legacy publishers were complicit in allowing the likes of FB and Google grow so influential in the news arena.

When FB and Google came along we got excited. Here were distributors who could bring us millions of new readers. Through search and social media posts, our content would reach new, and ever bigger audiences.

And so we (actually not The Times) offered up our journalism for free to these new distributors in the false belief that they would drive readers and ad revenue back to our home sites.

That was a big mistake. What happened was that the tech companies moved money away from the traditional publishers to the search engines and the social media platforms.

Readers, delighted to see so much content aggregated in one place, got out of the habit of going to newspaper websites.

But meanwhile, who was bearing the cost of producing the news?

The traditional publishers.

Here I want to remind you just how expensive that is.

First, there is the cost of employing experienced, well trained reporters who know how to source stories, verify them, explain them and write them cogently and fairly. Specialist reporters that can explain complex issues in areas such as science, technology, foreign affairs, do not come cheap.

Picture editors

Sub editors

etc

All that cost before you have even considered the masthead responsibility of publishing a story that could have legal consequences if libellous.

Some of the big stories that the Times and the Sunday Times have produced have required huge resource commitment.

Take Oxfam.

It took ten months from the initial tip off to publication. The work was done by our chief reporter - a very experienced news hound.

The other costs were legal, digital, the use of our data team for important background research, the cost of sending a foreign correspondent to Haiti to report from the ground, and the cost of bringing in our politics team to cover the domestic political implications of the story.

We still send out award winning war reporter Anthony Loyd out into the field - with all the security and other costs that come with doing so.

And it's not just the cost of producing the news - publishers such as the Times see it as our duty to fight for transparency and openness. We employ lawyers who are constantly challenging efforts to stop information coming out.

They fight for open access to courts, through freedom of information requests to government, forcing out information that powerful players would rather keep under wraps - we do it because we believe in an open and free press.

Does Facebook? No. Remember it calls itself a platform not a publisher. Would The Times, or the Guardian or the FT get away with publishing fake news? No. We would, and rightly so, be challenged and forced to, at the very least, publish a correction.

Meanwhile, in a dangerous trend, a lot of publishers have become dependent on Facebook for traffic and revenue and at any point Facebook can switch its algorithm to de-prioritise news - something it did recently with catastrophic drops in traffic for those publishers that relied on Facebook for most of its traffic.

To sum up, as I said, the question we should be asking is NOT Can print survive, but rather, can the practices of print journalism survive?

How likely is regulation?

At the moment - not very. The European Commission has brought a couple of cases against Google but it is limited as to how far it can go.

The answer lies with you, and future generations - how willing are people to pay for independent, high quality, trustworthy news, for the best analysts, opinion writers, sports commentators, cartoonists - or any of the other elements that make a newspaper what it is?

Closing message is:

Independent, verified journalism that you can trust does not come cheap. It certainly does not come for free.



I would urge everyone to get used to the idea of paying for quality news, take out subscriptions, donate to the Guardian, encourage your children to follow suit. Do so.

One thing I know for certain - whatever your views of the British press, you will miss us when we're gone.