
Issue 1

Foresight



THE BREWERY

Media futures – an alternative view

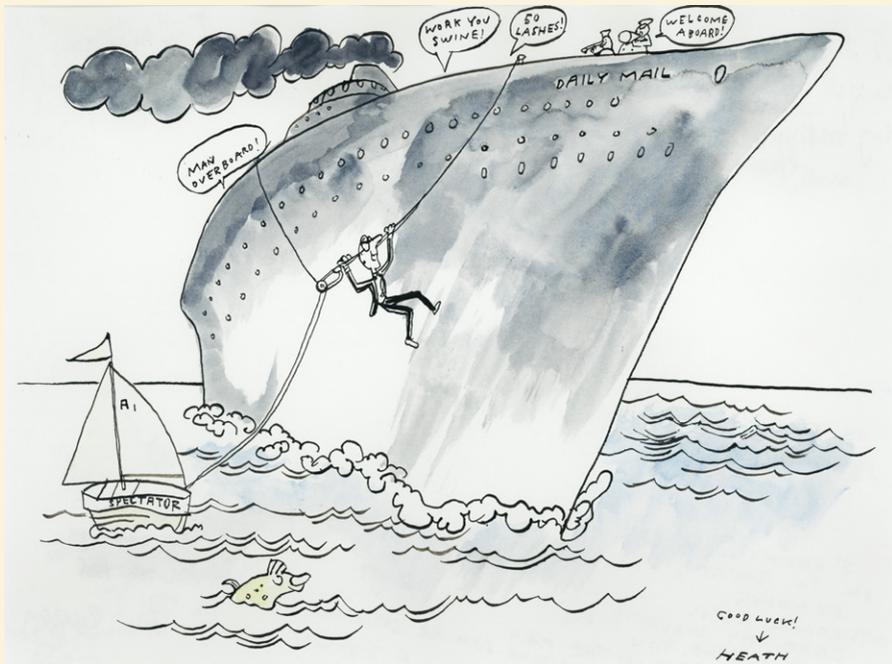
AN ESSAY BY ED AMORY, DIRECTOR, FREUDS

Prior to joining freuds four years ago, I worked for fifteen years in the UK print media. The following essay contains my reflections on its future, and on where power now lies. It has benefited enormously from advice from my colleagues at freuds, but the inevitable errors and omissions are my own. It was previously published on Roy Greenslade's blog on the British media.

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My first job was as assistant editor on the Spectator. I began my day meeting our editor, Frank Johnson, in the local coffee shop, at around 10.30am. He would be reading *Le Monde* and after a croissant we would make our way into work, where he would open the first bottle of champagne at around midday.

I had a room the size of a broom cupboard on the top floor of the office in Doughty Street, just a few doors down from Charles Dickens's London home. My colleague Bruce Anderson still wrote all his columns, word perfect, by hand.

There was a publisher, Kimberly Fortier, who attempted unsuccessfully, when not

“Meanwhile, 242 local papers shut between 2005 and 2012, with one calculation suggesting that the regional press has lost 40% of its workforce in five years.”

distracted by her private life, to drag us into the 20th century. But I had a seductive and civilised sense of stepping back in time. When, two years later, I moved to the *Daily Mail*, it was not so civilised, a ruthlessly professional institution that reinvented itself daily and was always commercial, but not exactly contemporary.

Paul Dacre, the editor, reveled in the possibilities of print journalism, but opined at the Christmas party in the year that I joined: “A lot of people say that the internet is the future for newspapers. Well, I say to that: bullshit.com”.

Fast forward a few years, and by the time I left the *Mail* in 2011, its online version had already become the world’s most

successful newspaper website, pioneering a free advertising supported model; Rupert Murdoch had insisted on the *Times* going behind a subscription wall; the *Guardian* had committed to a digital-first future; newspapers around the globe had seen their financial models collapse overnight and the *Huffington Post* had been sold to AOL for \$315m. Bullshit.com had triumphed.

Since then the race for digital has intensified. The *Daily Telegraph* has replaced its editor with a chief content officer, all journalists on all national papers have been forced to embrace Twitter, *Mail Online* has 126m unique users worldwide, and persistent rumours suggest that the *Guardian* might drop its print edition altogether.

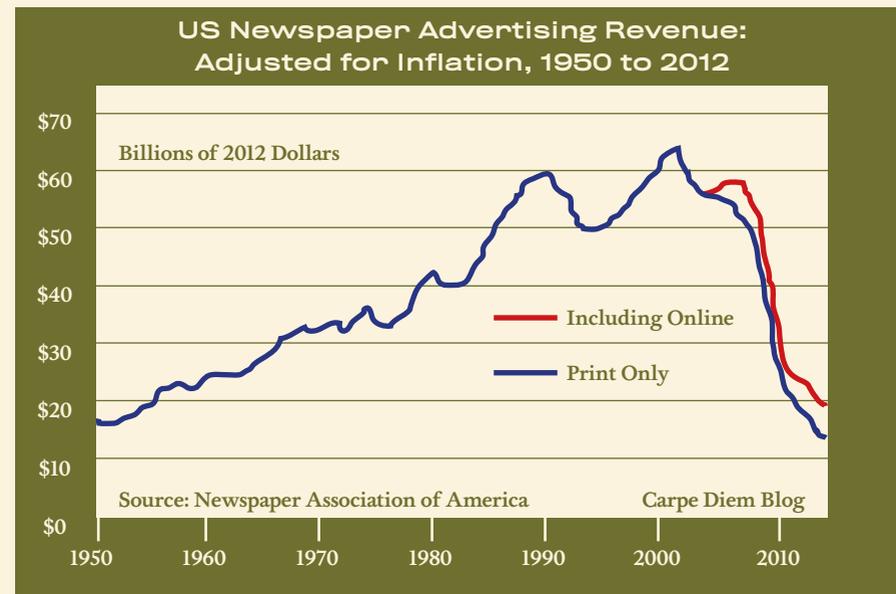


Figure 1

Meanwhile, 242 local papers shut between 2005 and 2012, with one calculation suggesting that the regional press has lost 40% of its workforce in five years. Now national newspapers are following suit; the already slimmed-down *Telegraph* is making another 50 redundancies, and the *Daily Express* has cut 150 journalist jobs. Meanwhile, the BBC news website is used by 47% of the population every week, 24% say that their main method of accessing news is through their mobiles, and 16% share a news story on social media weekly.

In the United States, the apparent dominance of new technology is even greater, accelerated because the classified advertising that supported their papers collapsed faster than the display advertising that underwrote the financial models of their UK counterparts. (Figure 1)

The *Washington Post* was bought by Amazon's Jeff Bezos. Mark Zuckerberg has promised that Facebook's news feed is going to become "the perfect personalised newspaper for every person in the world". The *Huffington Post* now has more readers than any US newspaper. Pierre Omidyar, one of the founders of eBay, has pledged \$250m to a new online-only US journalism website.

In many parts of the developing world, digital has simply leapfrogged a print sector that had never really got started

to become the engine of media growth. Protest movements like the Arab Spring saw the rise of citizen journalism often eclipsing the professionals.

This technological tsunami has been mirrored by a collapse in trust in traditional media. In the UK, the former editor of the *News of the World* went to jail for presiding over a culture of phone hacking, and the Leveson inquiry that followed that hacking has precipitated an ongoing row over the regulation of UK newspapers, exposing the once mighty British press to increasing legal and political scrutiny.

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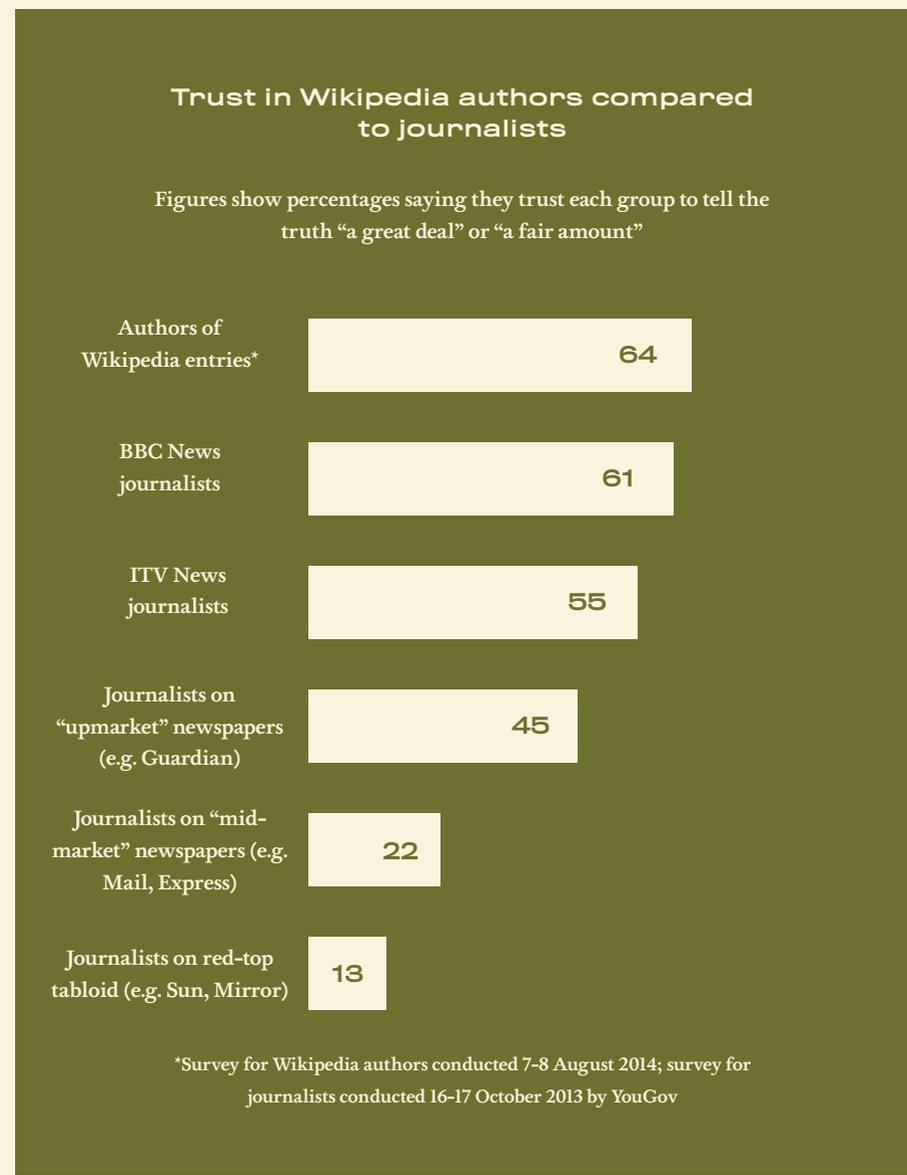


Figure 2

No wonder that YouGov polls show that trust in print journalists is low, ranging from 40% to 13% depending on the news paper, but eclipsed by trust in the crowd-sourced Wikipedia at 64%. (Figure 2)

Print newspapers are also at a particular disadvantage in Britain because of the BBC. Funded by £3.6bn of annual licence fee money, with an unassailable reputation for trust amongst the British public (its journalists are trusted by 61% of the population), its incredibly successful news website dominates the market with access to huge multi-media resources on a daily basis, making it more difficult for private sector competitors to make money in the digital space.

So take all this together and it appears uncontested the world has changed irrevocably and print newspapers have been eclipsed, in financial, political and social terms.

Except that it hasn't and they haven't. Not yet, not really, not in Britain. Last year's Deloitte report (figure 3) on media consumption in the UK found that half of Britons still buy print newspapers and a further 10% read papers bought by others, compared to only 31% who read stories online on newspapers' websites daily.

Meanwhile, 60% of us are regular readers of printed magazines, while only 40%

read magazine content online. Revenue at *Mail Online*, the most successful newspaper website in the UK, was £62m in 2014, compared to the print editions of the *Mail* and *Mail on Sunday* where total revenues were £536m.

At *The Economist* magazine, where editor John Micklethwait has just stepped down, his decade-long tenure has seen print circulation rise from 1.1m to 1.6m, and operating profits from £28m to £59m.

Of course, the long-term trend for print is irreversibly downwards, but in the UK at least it still dominates much of people's media consumption, and newspapers like the *Mail* and *Telegraph* are likely to see their profitability remain robust for many years to come.

Just as significantly, print journalism in the UK has retained its unique campaigning role, its ability to change the agenda, to frighten elites, to wield influence. Despite the declining significance of editors at some titles, they are still controlled by individuals with an agenda, whereas much online journalism in the UK is essentially edited by an algorithm, as editors follow the readers rather than the other way round.

Only an institution with the mindset of a print newspaper would have uncovered the child sex scandal in the Midlands, as the *Times* did, risked prosecution in order to

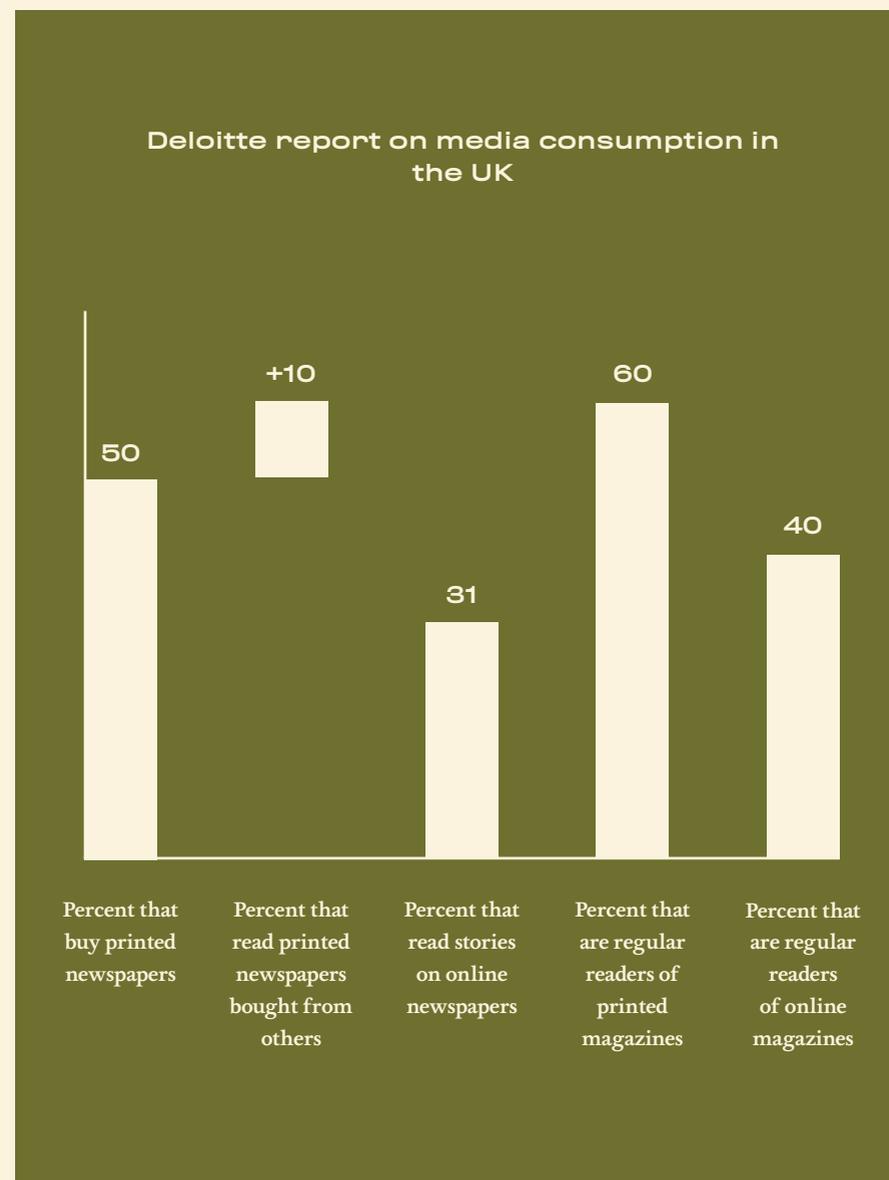


Figure 3

expose MPs' expenses abuse, as the *Telegraph* did, labelled the alleged killers of Stephen Lawrence as murderers, as the *Mail* did (figure 4), or revealed phone hacking at a rival paper, as the *Guardian* did.

Almost every major piece of investigative journalism in Britain recently has been undertaken by a print newspaper.

Even when the source of the information is leaks from new technology, as with Wikileaks and Edward Snowden, it took

print newspapers to agree to publish the material before it really had a significant impact. Many new media formats, like Twitter, are also dominated by traditional journalists working at print newspapers, because they break stories more often, and are trusted because of their umbrella brands.

As we enter the General Election campaign, the part of the media that political parties fear, as opposed to plan how to exploit, is the print media.

It's the passion and beliefs and ruthless investigative journalism of papers like the *Mail*, the *Times* and the *Guardian* that will decide on which battlegrounds the campaign is fought, and therefore play a key role in deciding who will win.

The same is true in the corporate world. Chief Executives care infinitely more about a downpage story in a national print newspaper than 100m impressions on social media. Partly, it's because many of them are not yet digital natives, but there is also a sense that social media interactions, perhaps because they are so easy, are also cheap and not so very meaningful.

Nor is it the case that interactive journalism, putting the readers or viewers at the heart of the story, has been invented for the digital

age. Good newspapers have had a dialogue with their readers at the heart of everything they've done for 100 years.

The letters page was at the heart of the success of the *Mirror* and the *Express*. Editors like Paul Dacre have built their success on reflecting the fears and hopes of their readers.

Finally, the days of the licence fee at the BBC may be numbered. As different media formats converge, the existence of a publicly funded category killer is becoming harder to justify, certainly in the eyes of some politicians.

Its news journalism is hampered by bureaucracy and timidity, hamstrung by fear of a political axe even before it has fallen. Formerly brilliant investigative programmes like *Panorama* are a shadow of their former selves, with big budgets but small ambition.

So it's true that anyone can now become a citizen journalist, that companies can and do publish their own exciting content, that the economic model for print newspapers is in decline, that online in some form is the incontrovertible future, that social media allows faster and more effective conversations to take place with the readers, that the convergence of media formats is changing the environment forever.

But it's also the case that print papers are still the dominant media power in the British landscape, and likely to remain in that position for some time to come.

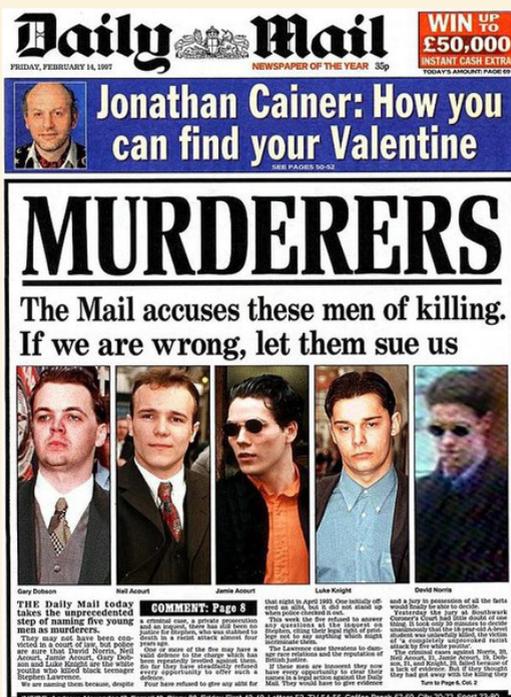


Figure 4

“As we enter the General Election campaign, the part of the media that political parties fear, as opposed to plan how to exploit, is the print media.”

