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“Help! Help! Who Will Save Us?”

The New Media Landscape

1.1 Introduction

We all are caught in the greatest upheaval our industry and the institution of journalism has ever faced. (Robert Rosenthal, Managing Editor The San Francisco Chronicle, resignation memo)

Journalism is being turned upside down. It is on a roller-coaster ride that can be exhilarating but rather scary. Across the world thousands of journalists are losing their jobs. Hundreds have lost their lives. It is not a "safe" career in any sense now. So what? Detroit automobile workers have lost jobs, too, and aid workers don’t exactly have an easy time of it in places like Darfur or Iraq either. I think it matters because journalism has a social and political role. It can do something for you. It also matters because it is a global business that represents a huge amount of wealth generation. It is vital for the efficient functioning of economies, especially the financial markets. And without good information how are you going to run your complicated lives? How can you choose your children’s school or your next car? So, even if you don’t pity the poor hack, please think of your own interests.

What’s wrong with the news media business? Surely it is riding a wave of technological innovation? How can all these blogs and websites and clever gadgets threaten journalism? Why did the online editor of a massively successful British paper tell me this, off the record:

Over the next few years our shareholders are going to have to consider not taking a dividend. Or our owners will have to consider whether they can go for a few years without a profit while we restructure the business.
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What we are witnessing is not the impending obsolescence of a defunct industry. Even mainstream media such as newspapers cannot be compared to, say, the canal barge industry on the eve of the train age. But neither is it simply a step up in efficiency, from a typewriter to a word processor. Business models will have to be re-structured in a profound and thorough-going way that introduces a huge amount of risk into their economic strategies. Advertising revenues are disappearing far faster than new ones are appearing. Competition is swallowing up the gains of efficiencies. Consumers are transforming their tastes and habits and redirecting their purchasing power. And the producer, the human capital, will have to be completely over-hauled. This is not just a question of investing in new technology and new systems, because no-one knows which technology will be relevant in a few years time. It is about a revolution in the way that one of the planet’s most important cultural and economic forces is going to operate. And as we all know from our history, revolutions have a habit of being rather nasty and often end up going horribly wrong.

Since Polis (the new forum for debate and research into journalism and society at the London School of Economics and the London College of Communication) was founded in the summer of 2006, I have been talking to media leaders and practitioners about how their business will survive and thrive in the new media landscape. I like the metaphor of a journey through a landscape because it suggests how different the trip will be according to where you start from, the direction you take, and the scenery you pass through. Different media markets are moving at varying speeds. Individual journalists, news organizations, or audiences will take different routes and have different views.

During Polis sessions I have heard some highly innovative ideas for new ways to make money out of journalism by repackaging it in forms that just wouldn’t have been technically possible, let alone profitable, a few years ago. Some are directly derived from new technology, such as the local newspaper journalist who is turning an online soccer fanzine into a franchise for sports websites paid for by advertising. Other ideas look like “old” media but still profit from the new economic and consumer conditions that are emerging. For example, in an age where online news is cheap and plentiful there might be a market for a product that combines the tactile joys of old media with some good old-fashioned high-quality exclusive journalism. Why not sell a daily super glossy, star-writer-filled publication to the mega-rich for $10 a day? Or why not spend billions on taking over your nearest rival in a bid to overtake a global competitor? OK, so the last idea is hardly new. It is a
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traditional reaction by boardrooms to preserve thin margins, but it will be interesting to see which kind of strategy works.

Not all changes in the business models for journalism are made because of technological change. Take the rapid growth in “Lads mags” in the UK and their subsequent decline. This was as much about editorial, cultural, and economic changes in the make-up of a social sub group as it was about new technology. Magazines like GQ and Loaded exploded on to the market in the UK in the 1990s because of the growth in a post-feminist, cash-rich group of young men. They fell away recently partly because there was a growth in easily accessible pornography online, but also because they became a stale format. It is possible that they can rediscover some editorial verve. But the real problem is that their content and their audience has gone online. This is something that has not happened yet, in such as striking way, to the women’s magazine market, but that might just be a question of time as women increasingly go online. Women have always been put off by the Internet’s geeky image. But, to be stereotypical in the reverse direction for a moment, surely shopping and social networking are web strengths? My point is that it is about people, not programming. What is undeniable is that the fundamental shift in the economics of journalism is about the way that the technology is facilitating these changes in the consumption model for news.

And there is a parallel revolution occurring in the business models for news production. Look at how much easier and cheaper it is to be a journalist now than it was five or ten years ago. With a mobile phone, a hand-held video camera, and a laptop with Internet, journalists are now exponentially more productive than they were five years ago. A broadcaster like ITN in the UK reckons it has cut costs by 40 percent in the past five years, mainly by cutting people. This is how the man behind those savings at ITN describes the process:

The prime driver of this process has been digital technology, which has allowed journalists to do many of the tasks that were currently performed by specialists such as tape-editors, researchers, librarians – even cameramen. This process will continue but I see the next big quantum reduction in costs coming from easier delivery of picture: all the infrastructure associated with satellite picture delivery: satellite paths, technical coordinators, SNG vehicles, Master Control centres . . . are likely to reduce as file-based picture transfer takes hold and becomes common place and easy.

Having said all that – it’s just as well costs are coming down, because the requirement to have flexible budgets that can be used to cover any news
eventuality, from going live from melting icecaps to purchasing the latest schlock-horror video of a jailed LA temptress, has never been greater. The breadth of what constitutes news is wider than it has ever been. (Guy Ker, Chief Operating Officer, ITV News, ITN)

As Guy Ker says, efficiency savings have been partly eaten up by the new demands upon journalism. But it is now much easier and cheaper to deliver that journalism. Traditional media such as newspapers are now hugely more sophisticated but at a lower price thanks to new technology. It allows rapid edition changes, color printing, and journalists laying out their own copy. This has allowed old titles to survive and new ones to arrive.

The reduction in satellite costs and the expansion of digital spectrums means that the old oligarchy of the main terrestrial channels has been blown apart by a plethora of 24 hour and other digital news channels. And the Internet and other technologies now allow a panoply of platforms for the public to access news information. Newspaper, radio, and TV journalism is now distributed via computers and mobile phones. And that is before you start to count the ever-expanding array of blogs, web forums, and social networking sites that create their own news online.

This book will not go into the specifics of technological change, mainly because the pace of change will make anything written this month outdated by next year. I want to stress that this is about the dynamics of the journalism as it relates to the technology. This is essentially an economic question, but it should not be reduced to finances or management. In the short term news-media businesses will survive if they make the right decisions about staffing and marketing, but in the long term they will only thrive if they understand the larger social, political, and editorial dynamics at work. They have to know what kind of journalism is needed and wanted and how to deliver it.

The rise of online journalism presents a fundamental challenge to the present economic organization of the news media. But what form that challenge will take and how fundamental it will be is still very much up for grabs. Journalism is not a static resource like copper which depends on our ability to extract it from the ground. It can be made profitable simply by better manipulation of existing resources. But that is for the short term, at best. Investment in new technology and the efficiency gains that brings will not be enough for strategic success beyond the next few years. There have been heroic efforts made to get more for less from journalists over the past decades. It’s an imperative that drives any business. What we are
witnessing now is a more fundamental shift in the whole relationship between the news producer and the consumer. So anyone who wants to ensure that their news media business has viability beyond the next five years must attend to the fundamental shifts in the very nature of journalism and its usefulness and attraction to the audience. Just a few years ago YouTube and Google didn’t even exist, now one has taken over the other in one of the biggest media deals of recent times. They are among the most powerful players in media and increasingly influential in journalism. If you concentrate too much on the structure of the business as it is or the profit projections in the short term you will fail. It will be the idea of journalism, and in the future the idea of Networked Journalism, that will pay. And that idea is a good one.

The business of journalism promises relevant information that people can use to construct their lives. In increasingly affluent societies people will pay a premium for good information. They need it to make the myriad decisions that Governments now want to leave to the individual or family. From cradle to grave the news media helps you decide. Which maternity hospital? Which vaccinations? Which mortgage? Which college course? And there are all the lifestyle and recreational information that you need to plan holidays, change your diet, or choose your entertainment. People also appear to want to make their politics more personal and to decide for themselves the part they are going to play in issues such as climate change. Journalism helps people make those calls. This is a global phenomenon. Everywhere that incomes rise we see that people are expected to do more for themselves. Generally they seem to enjoy that freedom. But the best choices are informed ones, and journalism at its best helps provide the independent facts and analysis to do just that.

But people want more than just consumer journalism, important as that much-belittled form is to individuals and families. They also seem to want more opportunity to debate their world. And they also want a more varied and informed level of commentary upon it. They want to know more about the rest of the world as well as much more about themselves and their immediate environment. There is a global feeling that formal politics or politicians are held in disrepute, but this doesn’t mean that people are not interested in politics. The number of people active in community, interest, or pressure groups has risen as the membership of traditional parties has fallen. And in less developed societies, where political opportunities for engagement are offered, people take them. Look at the queues for elections in South Africa or Iraq. So while there is a decline in demand
for formal coverage of politics, such as the reporting of parliaments and congresses, there has been a growth in the interest in the reporting of all the other aspects of civic society. Much of this is cultural and social in subject matter but it has political consequences in that it still mediates morals, material decisions, and social organization. Conventional news media have been slow to recognize this shift in the interests of the public. So much of the media that talks about these issues is now generated by the citizen. Google and MySpace and Facebook have built vast business empires largely on the basis of that proposition.

So with all this demand for information and debate, why are the business models that deliver journalism in crisis? Why are the media business pages in the West full of talk of declining revenue and job cuts? And why are so many pessimists convinced that underdeveloped media markets such as Africa will never deliver?

I think this is partly because there is a tendency to look at the journalism business from two extremes. One says that we must defend the fine state of journalism as it is. The other evangelizes about the potential of New Media to obliterate the old guard and bring in a new dispensation. It may be that neither is correct.

1.2 The New News Media Landscape

The fundamental premise of this book is that it is impossible and undesirable to separate out New from Old Media. Take the example of print versus electronic news in the US. It is clear that most news websites get much of their primary information from the country’s 1,400 newspapers or from agencies such as Associated Press. In the last century we lost more than 1,000 of those titles in the US alone. That is still a lot of journalism resource but we will all suffer a diminution of the amount of journalism available if those “conventional” newsrooms continue to decline at the same rate. “New” and “Old” Media are already intimately linked and, as we shall see in later chapters, this is something that needs to be accelerated, not resisted. But it is important to try to understand the degree to which journalism is happening online and to begin to understand the way that it is happening.

The figures in the West are stunning. The last time I checked, Technorati was tracking around 100 million blogs. Some analysis suggests that 3 percent are consciously about politics. I make that 2.4 million political editorial voices that weren’t there before and those numbers are increasing all the time. There
is no precise definition of a weblog so it is difficult to describe exactly when they become news journalism rather than personal discourse. This is how Technorati attempts to define the difference:

Weblogs are different from traditional media. Bloggers tend to be more opinionated, niche-focused, and partisan than journalists, who strive for editorial objectivity. Blogs encourage dialog with readers, which is why many traditional journalists now also have blogs. The relationship between blogging and journalism can be characterized as symbiotic rather than competitive. Bloggers are often sources for journalists, and many blogs contain commentary and riffs on what journalists wrote that day. Frequently newsmakers use blogs to respond to what journalists write about them. And by linking to traditional media, weblogs can introduce new readers to journalists and their publications.10

As journalism goes online I think that distinction becomes increasingly blurred. I think it is more useful to think in terms of Personal Bloggers and Journalist Bloggers, who are in effect, Networked Journalists. Recent research11 indicates that about 40 percent of blog subject matter is “my life and experiences.” But even if you don’t want to include that within a definition of news, there is about 20 percent of the subject matter which is explicitly concerned with politics, business, and current affairs.12 As we will see in the next chapter, the debate is not whether this is journalism, but whether this kind of activity redefines journalism itself. But for now, never mind the semantics, just take note of the numbers. More than 1.1 billion of the world’s estimated 6.6 billion people are online and almost a third of those are now accessing the Internet on high speed lines.13 Mobile phones are seen as the next platform after TV and PCs. Mobile phone ownership is up to 3 billion around the world and it is expected that one billion handsets will be sold each year by 2009. The evidence is that the little hand-held screen is set to become a vital portal for Internet access.14 And while you can have that mobile phone for just a few dollars a week, so the cost of delivering the services to it is falling as well. The cost of delivering Internet and satellite services is plummeting, which means that the price of starting up a digital channel in the UK has fallen to as little as £100,000. And online TV is, of course, even cheaper. The cost of starting an IPTV channel like CurrentTV15 is not the cost of spectrum or licenses but mainly the cost of content. And the cost of making the actual programs has plunged. Even on terrestrial stations it has fallen by about a third in real terms in under a decade.16
This means that the little guy can get involved in production much more easily. However, that doesn’t mean that the business is not still dominated by the Big Guys. It’s just that they are different Big Guys. The largest media corporations in the world are now not just BBC, NBC, or Reuters but include Disney and Google. All the world’s previous media giants had journalism at the heart of their histories, however small a role it eventually played on the balance sheet. This is not true of New Media, where media outlets are often owned by massive holding companies, such as GE, focused on light bulbs or health-care rather than journalism. At the grass-roots level, purely journalistic New Media ventures are much rarer than the millions devoted to retail, social networking, pornography, culture, or sport.

Wholly online news sites were originally often very specific blogs or forums, usually devoted to a particular community and its needs. In the early days of the Internet this usually meant news about the Net. So Internet businesses devoted to news which are in direct competition with mainstream news media have been relatively unusual. They are now emerging. Some are very high-brow, such as the academically inclined openDemocracy.net, which publishes high-fiber analysis and reportage. Or they serve an informed elite group, such as the stylish and well-informed US political online magazine Slate.com, which targets political obsessives. Others are political with a small “p” such as the online video site Current TV, which is a moderated user generated content site with liberal backers. Some, such as Digg.com, act as user-controlled recommendation and linking portals rather than producers of content. These “pure” online news operations are still a tiny part of the overall news offering. There is far more news produced online by mainstream media groups who have taken to the Internet, such as the New York Times or the BBC. So there is a bigger threat to traditional offline journalism from non-News websites than there is from journalism originated online. But this will change. To ignore the journalism that works most innovatively online is to ignore the future. That is why “mainstream media” are right to take its fight for survival to the Internet.

1.3 Mainstream Media Fight Back

Much of mainstream media around the world have been relatively successful at coping with technological change. People are still reading newspapers, even in high-tech cities like London and New York. And they are still sitting
down to watch evening bulletins in front of TV sets in the new media metropolises like Seattle and Los Angeles. Global newspaper sales were up 2.3 percent in 2006, and rose nearly 10 percent over the past five years, with advertising revenue up almost 4 percent and 16 percent over the same two time spans. Of course, this has been helped by a boom in China (up 15.5 percent since 2002) and India (up 53.6 percent). But even in Europe, paid-for daily titles sold 0.74 percent more copies in 2006. Add in free dailies and it gives a 10.2 percent circulation rise. The figures are similar for TV. Take China. In the early 1980s, there were only 20 TV sets for every 100 households, but by 2005 there were 30 percent more sets than families. All that may give some comfort to those who do not want to abandon Old Media certainties. But what about those markets where the Internet is most prevalent?

In the US there have been dramatic drops in viewing figures for the main TV news shows, but recently it appears the decline may have at least slowed, according to the Pew Report for 2006:

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... 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.

So Mainstream media in the West are in part being sustained by the stickiness of the market. Not everyone has deserted traditional journalism overnight. There will be a place for mainstream news on mainstream platforms for some time. Surveys show that a majority still prefer getting news on TV or on paper. Not everyone wants to watch the news online or on their mobile phone. Not all wheels will need reinventing. If you are a commuter on a train then the newspaper can still be a very good way of consuming information in a pleasurable and efficient way. If you have just spent a hard day at the office then a half-hour news bulletin can be a much less arduous way to update yourself on the day’s events then having to sift through your RSS feeds online. Look at the way that radio has thrived in the modern world. The “wireless” is that most old-fashioned of broadcast media, redolent of the pre-computer age. And yet it is radio that is proving most adept at fitting in with our time-poor lifestyles and our multi-tasking leisure schedules.
Another reason for the continued strength of traditional platforms is because mainstream news media have the skills and the experience. The people that have been delivering journalism for the past 20, 30, or 40 years have got rather good at it. The “inventions” of formats for delivering journalism to a mass audience, such as the tabloid press, the TV presenter, or the radio phone-in, have all been honed over decades of increasing editorial and technical competition and development. As Martin Fewell, Deputy Editor of ITN’s Channel 4 News said: “My difficulty with the Internet as the tree of knowledge and the blogger as journalist is how good they are at finding things out. The greatest threat to mainstream media is not technological advance but the threat to our ability to provide a high-quality news product.”

Indeed, my old employers at Channel 4 News are a good example of how mainstream journalism can adapt and thrive. Channel 4 News is, in a sense, a very old-fashioned format. One hour of daily live studio-based news and analysis with live interviews and packaged films produced largely on the day in the UK and around the world. Channel 4 News has been at the forefront of presentational developments such as the use of standing presenters and a huge video screen in the studio. But it is basically the same kind of format that a presenter of the BBC’s Tonight program would recognize from the 1960s. And yet during the past decade of New Media revolution, this program has put on ratings alongside increased critical acclaim. This is partly because all concerned have worked very hard, with great imagination and dedication, to maintain standards. It has targeted and grown a niche audience of around 1 million people who want high quality news with an alternative twist. But it has also exploited new technology to slash costs and deliver new services.

When I joined, the program staff still had to do background research for stories by walking across the corridor to get yellowing newspaper cuttings out of paper envelopes stored in the “Information Library.” Since then a slightly larger editorial team has added two daily half hour programs to its output alongside an online operation that has video, podcasts, and blogs by the team. Soon it will deliver online radio news as well. Certainly, there were downsides. Many non-journalism jobs were lost. Some journalists and technical staff complained about the increased workload and pace and felt that they didn’t have as much time for investigative research or creativity. However, it has also given journalists the freedom and variety that was lacking under the old divisions of labor. Channel 4 News continues to win awards. And, crucially, it has allowed Channel 4 News to build the sense among its viewers that it is a community. When I joined the program it received about a dozen viewer...
letters per day (and strangely enough, some were written in green ink). Now it receives hundreds, if not thousands, of emails, often before and while it is on air. And where before the letters were usually pedantic or cranky complaints, now they are often a vibrant part of the news gathering process. Instead of just asking for viewer opinions, Channel 4 News recognizes that it has a very committed, intelligent, and informed audience who can often help create the news itself. The Channel 4 News website already publishes blogs, podcasts, and Jon Snow’s daily “Snowmail” email newsletter. It runs a popular online Factcheck tool that monitors and checks claims made by political organizations during election campaigns. New content will include user surveys, and a TV news service for mobiles. Interactive Flash bulletins will be introduced which will link stories to relevant maps, background information, and timelines. All this is free content as Channel 4 News acknowledged when it abandoned its paid-for Real Video service.

There is so much free video out there – from the BBC in particular – that there’s simply not a great commercial future in trying to charge people, however good or original your video is. Essentially this is an environment where people are used to getting most of their news for free on the net, and to get the traffic you have got to compete on those terms. (Martin Fewell, Deputy Editor, Channel 4 News)

So Channel 4 News has made it to the end of the first decade of the new millennium in great shape, but that issue about monetizing content is why it may not exist in another ten.

I am not suggesting that mainstream news media are about to be wiped off the face of the earth. As I will make explicit in the next chapter, I am convinced that there is a growing market for the core functions of journalism. Indeed, in an age of information overload, I will argue that there is in fact a growing need for the way that journalists can filter and package that information. Martin Fewell says that it may be that the programs that stress their journalism and their “live”-ness that will thrive:

Content is king. Our view of the future is built on a belief that we need to develop and enhance our reputation for original, distinctive television journalism – content – in a digital market that’s increasingly saturated with generic news. Live television news is better-placed than most forms of linear TV to cope with on-demand viewing. Research shows it’s less likely to be time-shifted than any other genre of TV. If we can maintain our originality, our impact, we’ll continue to stand out and be successful.
I am a great admirer of my generation of editorial leaders who have sustained journalism in all its forms. But there are fundamental forces at work which mean that the ability of mainstream news media simply to adapt at the margins is not enough, however excellent the core product. Channel 4 News, for example, which is made by ITN, has secured its immediate future because of its contractual arrangement with its public service-regulated commissioners at Channel 4. But the threat to advertising revenue on TV and the failure to monetize online platforms pose a medium-term threat. There is a technological tide and a generational shift of such magnitude that those of us who wish to perpetuate the best values of mainstream news media journalism will have to do more than simply reform the existing model. The heroes of the first wave of New Media assault have to realize that it is time to prepare for another onslaught. But this time they must get out of the trenches.

1.4 The New Threats to the News Media
Business Model

The fundamental problem facing the mainstream news media is that its audience is declining. This is not just the problem of it simply migrating to online news platforms. The deeper threat is that the audience is disappearing and it is not always turning up again elsewhere. Not all readers who stop buying newspapers, for example, transfer their attention to the newspaper’s online version. Indeed, they may not even stick with conventional news at all. And even if a journalism business can provide the online platform for its audience it can’t be sure it will still make money. First, there is a problem with the old methods of generating income such as advertising. Online banner or video adverts get in the way in a physical manner that interferes with the Internet experience. It is far less tolerable to the online reader than newspaper adverts or TV commercials. Second, there is a historic cultural problem with the Internet. After people pay for their broadband connection they don’t want to pay again to use the services online. With the exceptions of pornography and some sport, there is a universal expectation that, like the British National Health Service, the Internet should be free at the point of use. The third problem is that as people go online they have the audacity to provide much of the journalism for themselves. They use search engines to find information and RSS feeds to organize their own news consumption.
Some of them even do their own reporting or commenting on blogs. And a large number, especially young people, seem to go online and forget about journalism completely in the face of other attractions such as gaming, social networking, and sex.

1.4.1 Loss of audience

First let’s have a look at the reality of that loss of audience. This is how one former UK newspaper editor describes the dynamic:

Online consumption of news is absolutely galloping ahead with a 200 percent growth since 2001. An interesting fact that astonished me was that as broadband adoption goes up, there is a pretty sound scientific correlation to newspaper circulation. For every 1 percent of broadband growth, newspaper circulation goes down 2 percent, which would in turn see the death of newspapers by 2090, assuming a steady rate and that there are no more advances. (Richard Addis, Shakeup Media)\(^3\)

Here we are looking at a US/Western model because obviously the greater the Internet penetration, the greater the threat. The numbers change all the time but broadband homes are seeing big falls in the consumption of old media news, especially among young people. The audience of yesterday is thinning while tomorrow’s audience is simply not turning up.

So this is not just about the numbers. It is about losing a whole culture of paying attention to conventional news, it is about losing the audience’s interest. It has now become a badge of honor among some young, self-styled intellectuals not to use popular media, particularly television.\(^2\) Many parents – especially those in their 30s – brag about how little television their kids watch, and these parents now turn away from the “mainstream” networks to “spoof” programs for their own news. In the US it’s now a measure of your “cool” factor as a young urbanite not just to say “Did you see Jon Stewart last night”\(^3\)\(^5\) but also to say “I was listening to the podcast of Wait, Wait, Don’t Tell Me from NPR this weekend.”\(^3\)^\(^4\) This may be a small elite in the US, albeit a trend-setting group of opinion-formers. But there is a wider shift in the way that the next generation is assimilating news information.

Young people in connected communities are getting their news from online news aggregators, friends, and social networks, as opposed to newspapers or television. We know that those who are online watch less TV
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– that would seem common-sense. A third of all YouTube users, for example, said they watch less TV. And about 80 percent of US males aged between 18 and 24 say they use YouTube, so that’s a significant loss of eyeballs.35 The growth in wireless connectivity can only enhance this trend. If people can go online through mobiles, PDAs (personal digital assistants like Blackberries), and laptops then they will have fewer reasons to go to the TV. The evidence is that they become increasingly frustrated with conventional TV news because it lacks the accessibility, interactivity, and flexibility of online news platforms. They enjoy the new ways of handling information and sharing in its creation and distribution. This coming generation is using social networking sites like MySpace or Facebook. On top of the practical virtues that other platforms offer, they are fun, and provide a sense of community that transcends anything offered by mainstream media. They are, quite simply, redefining the way that a new generation communicates. And most frighteningly, we can’t predict where they are headed:

Flying blind is the unavoidable consequence of coming to terms with today’s most important demographic group: the tens of millions of digital elite who are in the vanguard of a fast-emerging global youth culture. Because of smartphones, blogs, instant messaging, Flickr, MySpace, Skype, YouTube, Digg, and Delicious, young people scattered all over are instantly aware of what’s happening to others like them everywhere else. This highly influential group, many of whom are also well-heeled, is sharing ideas and information across borders and driving demand for consumer electronics, entertainment, autos, food, and fashion. Think of it as a virtual melting pot. As the population of the young and Web-savvy grows into the hundreds of millions, the pot is going to boil. (Steve Hamm, Media Journalist)36

More on that in the next chapter, but suffice to say for now that it is a social shift that is reinforcing and consolidating that loss of audience and the loss of attention for mainstream media.

1.4.2 Loss of revenue

Even where mainstream media have innovated, they can still suffer. In the US some of the most innovative work has been done by local papers. Newspapers like the Miami Herald have worked hard to reach new audiences online, for example, by running a Spanish-language edition, something that might have been prohibitively expensive on paper. Sometimes this helps keep
up sales and means that when readers go online they stick with the brand. But the revenue doesn’t follow. As this media analyst suggests we just do not have the data to justify the value of online journalism to advertisers.37

Newspapers are hard-pressed to find concrete evidence of the benefits of online ventures. Despite optimistic claims, the Web brings in only 7 percent of revenue, and there is little documentation on the effectiveness of online advertising and the local reach of newspapers’ websites. (Mica Sawyers, The Editor’s Weblog)38

Revenue generation is made harder because with some rare exceptions people do not want to pay for online news. So it is not surprising that so far online advertising does not replace lost revenue. Local newspapers in the US, for example, have been particularly badly hit by free online sites, such as Craigslist, which have competed with them for classified advertising. So even where they have been able to hold up circulation, their revenues have plunged. The San Francisco Chronicle, in the Bay area where Craigslist first began, has had more time than most to reshape its business model and so far it has failed and could disappear as a newspaper and even as an editorial entity within a few years.39

TV has the same problem. People who watch video online watch much less conventional TV. That’s bad news for the Networks. Nearly as many people watch video on US TV Network Websites as watch video on YouTube. That’s good news for the Networks. But they are not making money out of it because there are fewer adverts and they charge less for them. So even when they chase the audience they lose the revenue.40

Online advertising revenues are growing rapidly but they are still a relatively small part of media sector income. TV revenues in countries such as the UK and the US may have stalled rather than plunged, but in a dynamic market economy, a lack of growth coupled with cost inflation is a recipe for medium-term financial disaster. It is the margins that make the difference. This is particularly a problem for journalism. While media is big business, news has rarely been a source of easy profits in itself. On mainstream TV, for example, news is a core part of network branding but does not often compete successfully for ratings with soap operas, films, or sport. It is helped by its relatively low production costs, but as margins are eroded there is intense pressure to both cut outgoings and improve ratings. That is usually a lethal combination for quality journalism. In the past, media organizations cross-subsidized their news divisions. But increasingly, the
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major media corporations are losing their spectrum monopolies. And in a world of fragmented consumption patterns, news can be seen as less important to defining a brand. In the UK, for example, BSkyB sells itself through its films, sport, and entertainment channels. Its excellent 24 hour Sky News channel gives it respectability but is not a growing part of the business.

1.4.3 Fragmentation

So we can see that the same diversity that has allowed thousands of new media businesses to grow also threatens profit margins. But choice has another impact on news in particular. Choice can also be described as fragmentation, the separation of audiences or communities into diverse and often distinct parts.

There is more choice than ever before in mainstream media as they go digital and online. Even before you consider the range of purely online activity there is no doubt that people have more news sources in their lives. The advance of digital transmission systems means that there is more airspace for more broadcasters. The reductions in printing costs have made newspapers much easier and cheaper to set up. Of course, many of these new outlets are owned by the same people, but, compared to 20 years ago, we now live in a genuinely multi-channel, multi-text news world. From the birth of CNN in 1980 to the launch of Al Jazeera English in 2006 we have witnessed an explosion of “choice.” And that is before we look at what is available via the Internet.

But more outlets do not always produce greater editorial plurality. In the UK the main commercial channel, ITV, has reduced its specialist religious and children’s programming significantly.41 If the pressure is on those public service elements of broadcasting then surely news will face reductions, too. We have seen the figures for the way that young people are using different media but it is particularly worrying for news. Have a look at the figures for news consumption in UK multi-channel households, which reflect trends in other countries. The viewing of young adults has been disproportionately affected by multi-channel television. Viewing of the main terrestrial channels by 16- to 24-year-olds fell 16 percent from 2001 to 2005, against an overall fall of 10 percent. Given young adults’ historical disengagement from news, this means that some key genres now have very low young adult reach:
• 24 percent for current affairs programming (44 percent overall);
• 12 percent for regional news (33 percent overall); and
• 34 percent for national news (60 percent overall)42

Ed Richards, the boss of Ofcom, the organization that regulates British broadcasting, recognizes the key questions go beyond media economics:

The drift away from news consumption, whether in broadcast or print media appears to be a secular trend that is accelerating, particularly among certain groups. Many get their news from other sources – notably online. But are they also changing the way that they absorb news? In other words, getting specific information about single issues that interest them as consumers rather than following news more widely as citizens. If so, how far does this matter for a healthy civic society?43

Ethnic minorities are the first to abandon traditional news for a diversity of satellite and digital offerings. The evidence seems to be that they are technologically adept at finding material that is most relevant to their cultural needs. This is good news for ethnic minorities, but bad news for mainstream broadcasters. It raises deeper questions about how society communicates with itself when groups within it are increasingly not watching the same news. We shall return to this issue in Chapters 2 and 4.

It is not just about social groupings going off in search of their “own” media. There is a more fundamental divide, which Markus Prior describes thus:

The new fault line of civic involvement is between news junkies and entertainment fans. Entertainment fans are abandoning news and politics not because it has become harder to be involved but because they have decided to devote their time to content that promises greater immediate gratification. As a result, they learn less about politics and are less likely to vote at a time when news junkies are becoming even more engaged. Unlike most forms of inequality, this rising divergence in political involvement is a result of voluntary consumption decisions. Making sure everybody has access to media won’t fix the problem – it is exactly the cause. (Markus Prior, Princeton University)44

Prior is certainly right to identify the problem, but to blame choice or access is defeatist talk. People have always had the alternative of being entertained rather than informed. It is just that now it is much easier to get much more
entertainment. As Guy Ker said above, news needs to define itself more broadly. It also needs to create a sense of why it matters to people and to show that it actually cares about and listens to its audience. One of the key challenges for the news media in the future is how it creates and sustains online communities around their work. We will deal with this in greater detail when we look at Networked Journalism, Editorial Diversity, and Media Literacy.

1.4.4 Loss of diversity

At the same time that there is a growing multiplication of the audiences, there is a danger of a lack of diversity in producers. All industries go through periods of change and retrenchment. Look at the car industry. But journalism is different. I would argue that we need a strong and plural news media market for a healthy society. So any decrease in the amount or plurality of journalism because of financial factors is worrying for more than economic reasons. New technology is saving time and so leading to job cuts. That is called efficiency. But it is clear that journalists are now being sacked, not because of innovation, but because of revenue reduction. Can a great newspaper like the LA Times really cope with a cut of 20 percent in editorial staff without cutting standards? And it is not just jobs that are going. The number of independent mainstream media outlets in the US is falling. There has been a trend for some time in the US of greater media conglomeration, partly driven by other forces, but certainly accelerated by the threat of New Media. Journalism is a highly competitive culture. It is an unusual business in that to produce a rarity (a scoop) helps build a mass audience. Having worked in both the subsidized and private news media sectors, I am convinced that it is vital that there is as much competition between news media organizations as possible. Market forces in journalism tend to increase the propensity to freedom. At the newsroom level, healthy competition makes journalists strive for exclusive and impressive stories. At the business level they encourage journalists to compete to build community with their readers, a role in society and a critical distinction from their rivals. Mergers, bankruptcies, and downsizing all reduce this healthy competition.

In the US we have already witnessed the reduction in choice through consolidation, although there is some evidence that the process is slowing. Globally we have seen Thomson take over Reuters, and although they are primarily financial market reporting organizations, that has also reduced competition in global news gathering. In the UK I would argue that with the 2012 switch-over from analogue to digital TV we are coming up to a watershed.
Greater digital choice should encourage greater competition but in practice it will mean the end of the public service subsidy for ITV and Channel 4, Britain’s main two private sector alternatives to the publicly funded BBC. That puts a question mark against their ability to continue to provide diversity.

I would suggest that similar processes are at work across continental Europe. Mainstream news organizations are being undermined by the drift online. In France, for example, the circulation of the premier newspaper, Le Monde, has fallen over the past seven years to a low in 2006 of 350,000 a day. The newspaper and its sister publications are expected to have a shortfall of €40m in 2007. And on the left of French news media Libération is losing millions of Euros and, some say, it’s Gallic soul:

It’s like the last days of the Titanic... or... something else tense and very unpleasant with possibly terrible consequences. The final hours have come [for Libération] – though they might last a very long time. (Claude Moisy, Media Analyst)

1.4.5 No such thing as a free lunch
This loss of revenue and loss of healthy competition has other consequences.

We see already how UK newspapers are abandoning journalism in favor of free handouts of old movies on DVD. Increasingly, the newspapers deal in features and lifestyle because, as one editor told me, they leave telling the basic news to the BBC and the Press Association. In the short term this has had some unexpected consequences.

In London there has been a forest-felling, tube-train-filling explosion in free newspapers. Around 1.5 million copies of four main free papers are handed out to commuters every day, and that’s just in the capital. Across Europe and the US independent and free versions of paid-fors are being given away.

For someone like me who started his career on a free local newspaper this is a potentially positive trend. I have no cultural hang-ups about a cover price. Thousands of people who didn’t read a newspaper now do so on their way to or from work. Hundreds of mainly young journalists have been employed to fill these newspapers. And if they are to survive and thrive then these newspapers will have to fulfill a demand. Their editors tell me that they will have to improve the product they make if they are to continue:

We will take on the readers of any of the paid for papers over any of our stories. We grab the time of the readers and provide information that matters...
to them quickly, and we do it well. It is the delivery method that has changed, be it free papers or online video, audio, interviews, interaction, and the like. You still need to go out there and find and break a story. There is still an audience to take it in but the major difference here is that there is a bigger world to market it to. (Kenny Campbell, Editor, Metro (London))

However, I think they are essentially a stop-gap measure. They are a way of delivering advertising to a certain audience with some limited journalism. This may be a marginal answer to the challenge of online media, but it is not the saving grace of the newspaper sector overall. From the evidence of the free newspapers so far, they have not yet answered the question of one veteran newspaper journalist turned academic: “How do you subsidize the cost of good journalism if the ‘paid-fors’ go free? The free papers are full of gutless, bloodless editorial that is lacking in good, investigative journalism” (Paul Charman, London College of Journalism).

1.4.6 Loss of quality?

All these trends would suggest a loss of quality. The former British Prime Minister Tony Blair spoke about it in the context of political coverage:

The media are facing a hugely more intense form of competition than anything they have ever experienced before. They are not the masters of this change but its victims. The result is a media that increasingly and to a dangerous degree is driven by “impact”. Impact is what matters. It is all that can distinguish, can rise above the clamour, can get noticed. Impact gives competitive edge. Of course the accuracy of a story counts. But it is secondary to impact. It is this necessary devotion to impact that is unravelling standards, driving them down, making the diversity of the media not the strength it should be but an impulsion towards sensation above all else. (Tony Blair, MP)

This speech got most attention for what I felt was an ill-judged attack on “feral beasts.” It came badly from a politician at the end of a career that had depended to a remarkable degree on adept and, some would say, dishonest, handling of the media. But few denied the general point: that journalism is under more pressure because of tightening profit margins and multiplying deadlines.

However, journalism is always accused of lacking quality. It is intrinsic to its production. It is the art of the possible, not a profession for perfectionists. There will always be a tension between the desire to reach as many people
as possible, and the need to invest in the best possible product. The very act of journalism is to debase or dilute reality. It is impossible to represent the world in all its rich complexity when you are up against a deadline. But the question is whether the pressure to protect profit or meet budget cuts is reducing the overall ability of journalists to tell stories well and to find things out.

Talk to experienced journalists and they will say that if you reduce resources – especially time – then editorial corners will be cut. This is something that has been ever-present in my working life, in print, public service TV and commercial broadcasting. Every year there have been fewer journalists creating more product. The managers would argue that it is a result of the efficiencies of new technology. They are right. But there does come a point where journalists are so efficient that they do not have time for the kind of networking, background research, and speculative effort that brings long-term rewards in terms of editorial quality. That is especially true in the context of the contemporary high-speed 24-hour news cycle. I think journalism is changing into a multi-skilled but layered process. Like a modern army, there are the front-line troops dealing with the constant combat, and then there are the reserves who are supposed to bring an extra dimension to the fray. Increasingly, those functions of immediate and then “quality” journalism are being separated out. There is a danger of it being lost altogether.

Some critics blame the culture of the media itself. People like John Lloyd, of the Financial Times, now at Oxford University, feel that the media’s competitive disregard for wider values has poisoned the well of public discourse:

Good journalism, of which there is a great deal, may be in danger of losing out to a journalism which pays little attention to facts, which insists on an underlying story of public degradation and political bad faith, and which encourages among its readers and viewers an attitude of either contempt or distrust – all the while excoriating public officials and politicians for presiding over a period of “voter apathy.” (John Lloyd, Reuters Institute)

Often these critics of current journalism are skeptical of the power of online news to do anything but worsen the situation. The theoretical assumption underpinning this critique is sound. It is based on ideas like that of the political philosopher Jürgen Habermas who believed that the media helped make up a structure of social discourse, a space for public democratic debate. Interestingly, Habermas has himself expressed ambivalence about the Internet:
Use of the Internet has both broadened and fragmented the contexts of communication. This is why the Internet can have a subversive effect on intellectual life in authoritarian regimes. But at the same time, the less formal, horizontal cross-linking of communication channels weakens the achievements of traditional media. This focuses the attention of an anonymous and dispersed public on select topics and information, allowing citizens to concentrate on the same critically filtered issues and journalistic pieces at any given time. The price we pay for the growth in egalitarianism offered by the Internet is the decentralised access to unedited stories. In this medium, contributions by intellectuals lose their power to create a focus. (Jürgen Habermas)

More on Habermas later and his fears about the dumbing down effect of the Internet, but one ex Silicon Valley entrepreneur is much more certain that the Internet is to blame. Andrew Keen is a one-man campaign to warn us of the evil impact of the Internet upon all that is civilized:

Old media is facing extinction... The monkeys take over. Say good-bye to today’s experts and cultural gatekeepers – our reporters, news anchors, editors, music companies, and Hollywood movie studios. In today’s cult of the amateur, the monkeys are running the show. With their infinite typewriters they are authoring the future. And we may not like how it reads.

Keen’s argument is that we rely upon journalists as professional gatekeepers to maintain the veracity of news. We simply can’t trust the Internet. Digital images can be faked, bloggers are biased and unaccountable. Citizen journalism is unverifiable and obsessed by the personal and the banal. They are:

An army of mostly anonymous, self-referential writers who exist not to report news but to spread gossip, sensationalise political scandal, display embarrassing photos of public figures and to link to stories on imaginative topics such as UFO sightings or 9/11 conspiracy theories. (Andrew Keen)

And his case is supported by some senior figures in the journalist establishment. Nicholas Lemann spent a lifetime writing for the US’s finest intellectual magazines and newspapers before becoming Dean of Journalism at Columbia University School of Journalism. His lofty distain is tangible:

The more ambitious blogs, taken together, function as a form of fast-moving, densely cross-referential pamphleteering – an open forum for every conceivable opinion that can’t make its way into the big media, or, in the case of the
millions of purely personal blogs, simply an individual’s take on life. The Internet is also a venue for press criticism (“We can fact-check your ass!” is one of the familiar rallying cries of the blogosphere) and a major research library of blooper, outtakes, pranks, jokes, and embarrassing performances by big shots. But none of that yet rises to the level of a journalistic culture rich enough to compete in a serious way with the old media – to function as a replacement rather than an addendum.62

These criticisms have some validity. It would be amazing if a vast public space like the Internet was only occupied by deep-thinking people making profound and revelatory journalism. Why should the Internet not reflect humanity in all its banality as well as its glory? What these critiques have in common is a curious nostalgia about the history of mainstream news media. Most of these accusations could and have been made at any time over the last century or so against the mass media.

Since journalism began there have been people lamenting its tawdry nature and the inevitable descent into trivia and sensation. The chronicler of post-war Britain, Anthony Sampson, was a critic from a classic elitist, albeit liberal, position. Yet he himself cites people going back to the age of Swift regretting the decline of the news media. He quotes this wonderful lyric by the nineteenth-century Romantic poet William Wordsworth written in response to the novel use of engravings within newspapers and magazines:

A backward movement surely have we here
From manhood – back to childhood, for the age –
Back towards caverned life’s first rude career.
Avaunt this vile abuse of pictured page!
(William Wordsworth, "Illustrated Books and Newspapers")63

Goodness knows what the Poet would have made of blogs. Writing back in the 1970s Sampson laments what he sees as the decline in classic, intelligent reporting: "Investigation has been almost abandoned. There are no new Orwells or Priestleys, to inspect the rest of the country . . . instead there has been an explosion of columns providing comment without facts."64

Sampson rails against a “retreat from the world” by the news media and complains that parliamentary speeches are no longer recorded at length in The Times of London. He fears that while the media used to battle against the Establishment, the media has now become the nearest things we have to
an elite governing clique itself. Contemporary critics of the Internet, such as Andrew Keen, share this world-view of a vibrant liberal civilization imperiled. Just because they are nostalgic doesn’t mean the doom-sayers are wrong. I would argue that it is the very nature of journalism to be continually struggling to define and maintain editorial quality. In that sense, journalism does reflect society. One person’s progress is another person’s decline. But those people who have examined media history in a more systematic way have found that it is possible to argue that journalism has improved in quality as well as quantity. Stuart Purvis is someone who has been at the top of broadcast news for a few decades now, before becoming a media commentator and professor. He gathered research that compared journalists’ output between 1965 and 2005. He found that the contemporary output of TV News and newspapers is much more in-depth and diverse and certainly more attractive:

Golden ages often look a bit tarnished when you look back at them later. And 1965 is no different. For instance a flagship TV news programme with one presenter, one interviewer, one voice-over, one pundit and one reporter is not much to get excited about. Peter Snow [the presenter] did very well to keep it all together. And the newspaper equivalents are similarly uninspiring by today’s standards. Viewing the programme and looking at the paper from ’65 frankly I found much of it boring in content and presentation. The “long view” must surely be that the technical revolution in production has made the news media more accessible, and yes, more attractive, too... rather than dumbing down, there’s a sector of the market in television and print that has smartened up in order to appeal to those post-war generation that got access to higher education for the first time in their family’s history. (Professor Stuart Purvis, City University)

A similar exercise found that two contemporary quality US newspapers were at least as good on “measurables” as they were in 1972.

There is as much “quality” journalism around today as there ever has been. Indeed, as news organizations invest in online services I would argue that there is far more. This is partly about the success of outfits such as The Economist, the International Herald Tribune, Channel 4 News, The New York Review of Books, the Financial Times, and, of course, the BBC. But as Purvis warns, we may see the glass as half-full now, but we are at a crucial moment: the pessimists may become right. And soon. I fear that we have already reached the “tipping point,” that crucial phase in the adoption of a new technology when its applications are determined for the immediate future, the moment
when society chooses how it will shape its effects. The examples I have
given of high-quality journalism are from organizations that can satisfy
an information-hungry elite who have the resources to fund more labor-
intensive journalism. Most of them are also the ones that are best exploiting
digital and online possibilities to build their brands. A world where good
journalism is only available to them is not one that will spread the benefits
of an informed public. The US has some of the finest magazines and peri-
odicals in the world which help satisfy the intellectual cravings of the US’s
vast educated elite. But what about the Network News shows? There is more
than enough pressure upon journalism to fear for the future.

1.5 What Is Happening to the Public Sphere?

This all matters because the news media landscape helps to define the world
we live in. Changes in the media have social impacts and in turn social changes
shape our journalism. The recent changes in the news media are not deter-
mined by technology in a simple mechanistic way. Technology changes as
much in response to societal changes as it causes them. We won’t understand
the future of journalism without realizing that this is more than a change in
gadgets and gizmos. It’s not just that a new generation is using strange
new games and websites in new ways. It is the fact that society has been
changing radically for the past 30 years for a lot of other reasons. And so
people want a different kind of media, which new technology can help
produce. That means we have to understand that not only is the business
model up for reformation, but so is the very reason for journalism itself. So
when we talk about the “dumbing down” or “decline” of the media, we are
talking about a moving target.

Another way to express this is to say that the public sphere is changing.
This is not the place for a detailed engagement with Jürgen Habermas’
central concept, but it is useful as way of understanding what we mean by
the space that media and society share:

By the public sphere we mean first of all a realm of our social life in which
something approaching pubic opinion can be formed. Access is guaranteed
to all citizens. A portion of the public sphere comes into being in every con-
versation in which private individuals assemble to form a public body. Today
newspapers and magazines, radio and television are the media of the public
sphere. (Habermas, The public sphere: an encyclopaedia article)
Of course, the point about Habermas’ public sphere is that he thinks that the ideal has deteriorated since its original state of virtue in the London coffee-houses of the late eighteenth century. There, he argued, matters of public interest were debated, not just by the landowning gentry, but by merchants and regular citizens. The aim was consensus, and the focus was on the power of the argument, rather than the social status of the speaker. Newspapers played a role as informers of the debate, publishing information that informed readers so they could participate in debates on the topics of the day. Habermas argues that this ideal public sphere was lost early in the twentieth century when newspapers stopped being vehicles for reporting and debate and become mere commercial interests. I don’t entirely accept this rather selective and almost naïve version of society and media. But I do share his aspiration for the role of media within politics. I agree that the idea of a public sphere that is both mediated through journalism and socially or politically constructed helps us to understand what we are going through now.

I do not want to pretend that somehow all this new information technology has reshaped the world on its own. I want to stress broader social changes. In the past 30 years we have witnessed global political realignments. And these have been accompanied by a more general shift in the way that people live their lives as individuals and communities. Any description on this global scale will be inaccurate in some places and contain sweeping generalizations. Well that’s journalism for you, so here goes. How about this for a list?: The End of Apartheid; The End of Communism; Privatization; Climate Change; Water Scarcity; The Rise of Political Islam; The Return of the Asian superpowers India and China; Growth of Asian incomes to Western levels; HIV Aids; Avian Flu; Immigration; DNA technology. All these have remade our world in the past 20 years. People are less deferential, they consume more globally, they live longer, are better educated, starve less, are less poor, and have much more control over their reproductive lives. This is simply not the same people or the same world that it was a generation ago, so why should the public sphere remain the same?

The concept is still very useful as theory but the media’s place in any understanding of the architecture of that sphere must change as the sphere changes:

The idea of the public sphere, preserved in the social welfare state mass democracy, an idea which calls for a rationalisation of power through the medium of public discussion among private individuals, threatens to disintegrate with
I believe that the Internet is fundamental to that “altered basis.” I will argue later in this book that a new Networked Journalism is the inevitable, or certainly the most desirable, response to this changing dynamic. As the public sphere is threatened journalism must change to sustain its core functions and value. So when we judge what is in decline and what is thriving, we must not assume it is a static object. Society is changing, so journalism must change too. Journalism is changing so society should pay attention.

1.5.1 Public service is in retreat

One measure of the threat to the positive role of journalism in the public sphere is the attitude to the public service element in journalism. Up to now states have been prepared to accept responsibility for helping to deliver social value through journalism, especially through broadcasting. Where private enterprise in its rawest condition does not deliver a sufficient amount of quality news journalism then the state or public bodies step in to subsidize it. This has been done on the basis of both “market failure” and cultural policy. In this I follow the definition of Gavyn Davies, economist and former Chairman of the BBC. He defines what he calls “Reithian” [after Sir John Reith, first Director-General of the BBC] broadcasting as a public good, or product. He says that ideally it should be provided by the free market but it isn’t. This is partly because there is no wholly free market in news media. Spectrum is limited by analogue technology, for example. He also points to the distributional failures of the private sector. By pricing the way it does, in a free market some parts of the population will not receive the services because they can’t afford them or they aren’t prepared to pay the price. As Davies says, the advent of digital technology means that many of the technological arguments for market failure are removed.

However, as Davies explains, there are other kinds of market failure that public service broadcasting must address. In the UK he says that is best done by the BBC but he does not exclude other models, if they can address his analysis of market failure. Fundamentally, he says, people want public service broadcasting in the same way they want a fire service or an army. Even if they don’t use it every day they believe it is a good thing to have around for the common good. This is a political and cultural question. And as those social values change alongside technological change, surely the
market conditions are also subject to review? Put simply, as market forces strengthen, current public service structures are threatened.

One thing is clear: the meaning and delivery of public service has changed. Take the example of Schoolhouse Rock,\(^\text{71}\) which taught millions of US schoolchildren about everything from government to grammar. This series of cartoon public-service announcements was shown on the ABC network during the ubiquitous Saturday morning cartoon shows in the 1970s. If you sing the words, "I'm just a bill" to nearly any American adult between 30 and 40, they will answer back: "sitting on Capitol Hill."\(^\text{72}\) This particular episode had a singing and dancing US bill, explaining the congressional process through which he becomes a law. "Generation X" Americans remember this process, not because it was taught in school, but because it was part of the media landscape in which they lived. The Schoolhouse Rock motto was "because knowledge is power!"\(^\text{73}\) So a generation of Americans grew up believing that knowing about news, politics, and grammar was important, because they saw it on TV. This sort of public service spot is largely gone from American television these days, replaced by heavy-handed "do the right thing" announcements that media-savvy young people ignore. This apparent failure could be because young people have become too sophisticated or because not enough resource or thought goes in to the messaging. Either way it is symptomatic of the fact that delivering pubic service has become a whole lot harder than it was in those pioneering days. In the US the public service sector has never been strong. National Public Radio's audience is small and its budget is getting smaller.\(^\text{74}\) The US possesses some of the finest newspapers and magazines in the world, but, as we discussed above, they are becoming more isolated.

Elsewhere, there is evidence of similar pressure upon public service. This is not just caused by competition from New Media. It is partly about new technology and deregulation. Digitalization and liberalization have allowed the proliferation of broadcasting outlets in countries such as Italy, Germany, France, and the UK, where governments have not continued the privileged position of the subsidized state media. In Britain the deadline for revolution is 2012 when public service TV effectively ends in its present form. The UK market is unique in that the Labour Government that took power in 1997 chose to reinforce rather than reduce the dominant position of the BBC with a long-term settlement that has enabled it to expand its digital services in preparation for the analogue switch-off in 2012. At that point the public service remits for Channel 4, Channel Five, and ITV, the BBC's main competitors, effectively ends. The semi-commercial companies will lose their spectrum...
“subsidy” which allows them to broadcast universally with little competition. The implication will be that if their revenue is declining then the regulators will not be able to insist that they maintain public service elements such as children’s TV and local news coverage. Of course, the BBC will continue, but it will not be able to replace the amount of public service journalism that will be lost. And as we discussed above, the quality of the BBC’s journalism very much depends on quality competition from other broadcasters. Plurality relies on having a number of broadcasters who share in some measure the public service values that are subsidized directly by taxation at the BBC. And with the competition gone and the BBC alone, the danger is that the public may question its uniquely privileged position.

In the UK Ofcom is considering a long term solution in the shape of a Public Service Provider (PSP), a fund that would finance public service broadcasting regardless of the producer, outlet or format. It could even transfer the resources to online journalism. This has sparked predictable outrage, which reflects the degree to which public service providers feel that the carefully constructed edifices that uphold the best values of broadcasting are being laid waste in the name of competition. It is difficult to imagine the genius that will create a PSP that manages to be fair, creative and clever enough to find the money to bridge the gap between the declining independent public service broadcasters and the yawning chasm in their accounts. This matters way beyond the shores of Britain. The challenge for the future of public service journalism will in part depend on establishing models like the Public Service Provider that can correct market failure and invest in socially useful news media.

There is a danger that public service journalism will effectively become a rump financed by the world’s more Welfarist governments, like the railways in post-war Britain or the postal service in Italy – dull, inefficient, out of touch with the latest technological developments, and servicing an ageing sector of the public. We will look again at this in the next chapter. But for now, let us go to another world, a happier world, a futuristic world, where start-up costs are tiny and anything is possible. It is a place where everyone from Reuters to Rupert Murdoch is looking for a second chance.

### 1.6 A Second Chance in Second Life?

As we have seen above, there is a real danger that the next generation will not learn the news habit. There is also a danger that journalists will not learn
the New Media habits that make their information palatable to the next generation. This is partly about the way that people communicate when online. It is much more individualistic and personal process than it is with traditional media. Our experience of communication online is a mix of the global and the immediate – often at the same time. We can create social networks that are not bounded by the usual confines of an office or family or even of reality. People use mobile phone texting, MSN messaging, and email alongside traditional methods such as speech or phone. They no longer privilege traditional communications platforms. They are as likely to watch a movie on a plane on a portable DVD or a laptop as they are on TV, let alone at the cinema. I am convinced that this is affecting the way that people consume news. So if you can’t beat them, join them?

It can go to the extreme that people are now getting their news through virtual reality. Second Life is a continuous social online game (see Figure 1.1). You pay real money to join up and are given in-game resources to create a second life for yourself online. So far, so Sims. But what makes this different is that the persona you create is not off the peg. You can develop your career, your personal life, and your lifestyle in a community with millions of other real people playing the same game. And it is not pure fantasy. There are conditions, one of which is money. Second Life has currency. You can exchange
the Second Life currency on Ebay for real US dollars. By the end of 2007 it is estimated that Second Life’s GDP could rank it above Granada, Gambia, and Samoa. And where money goes, so do politicians. At least three candidates for President in 2008 have a presence in Second Life.

Another condition of Second Life is information. It is an information-rich society where you play in public (or at least with other subscribers). Now Reuters and other media organizations are opening up a bureau in Second Life. The US online magazine Salon.Com has even embedded a reporter in Second Life. Wagner James Au has an impressive looking avatar which he is modest enough to put alongside a real photo. Recent assignments have included covering the latest in beachwear fashion in this virtual world, a review of the first Second Life “novel” and running commentary on Second Life’s first music festival. He tells me that being a journalist in Second Life has significant advantages over real world reporting:

You’re able to interview people from all over the world through their avatars, which gives them a level of protection and anonymity, and assuming you’re not already Jeremy Paxman, it encourages you as the reporter to ask provocative and potentially rude questions that would be difficult to pose in the real world. Of course, there’s an additional level of fact checking required, if you need to ask for specific real world details of the person behind the avatar, but that’s not insurmountable. (Wagner James Au, Salon.com)

Wagner James Au says that apart from the practical differences there are three different types of reporting that you can do on Second Life:

First, treating it as another channel for real world reportage, another tool alongside instant messaging, Skype, etc. For example I’ve interviewed a US Marine about the siege of Fallujah, Israelis during their last battle with Hezbollah, and Venezuelans regarding Chavez’s closing of a rival TV station, all within Second Life.

The second level, of course, is reporting on Second Life itself, as a noteworthy and emerging platform of user-created content in a 3D space with its own internal economy, which should have a million active users by the end of 2007.

The third level is less explored, which is sad, because it has so much potential, and there are so many stories in there: journalism by allegory, writing about the conflicts and dramas in Second Life as illustrative of essential human issues. That’s what excites me most, frankly, seeing how themes of politics, sexuality, religion, and so on, are recast in an alternate world. (Wagner James Au, Salon.com)
This is all delightful stuff. It may well have lessons for us that we can pick up on in the next chapter on Networked Journalism. But hold on just one minute. Second Life is a fake world. It is a virtual concoction. Reporting on Second Life is only really definable as journalism if you put it in a specialist category such as sports or the arts or describe it as creative writing. While Wagner James Au may have created an interesting online piece of journalism, the presence of news outfits like Reuters is more of a marketing move than a solution to their real world challenges. While there is evidence that more entertainment companies are turning to the Virtual World market, there are also signs that it is not a goldmine for real world media businesses. It seems that people go to Second Life because it is an escape from commercialism and so they are simply not spending enough real money while they are there.

The idea that Second Life offers anything but a metaphor for the rejuvenation of journalism is simply escapist fantasy. The news media is clinging to the edge of the window ledge of a burning building. It can’t jump and it can’t hang on for ever, shouting “Help, help, who will save us?” It is time for SuperMedia to come to the rescue.

Chapter Summary

- Journalism is going through a revolution of historic proportions.
- Journalism is as good as it has ever been but it has to change and it has to do that while coping with huge political and economic threats.
- There is a massive threat to the current business model for journalism.
- The audience is changing in its nature and its behavior.
- Production costs are falling but competition is increasing and so profits are threatened.
- Mainstream media has historic resources and a recent history of innovation but must reform itself again.
- There is a danger of audience fragmentation and a loss of diversity in production.
- There is a danger of a major loss of public service journalism and a drastic fall in the quality of mass journalism.
- Simply taking journalism online is not the answer.