

## Paul Conti on Future of Newspapers



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*This is an interview by OurBlook with Paul Conti, instructor in communications at The College of Saint Rose in Albany, N. Y.*



**What do you think of the idea being bandied about that governments as a last resort should bail out failing newspapers?**

PC: Bad idea. I do believe in newspapers. I believe that free journalism (unrestricted reporting) is essential to democracy. But having the government pay to keep the press afloat is just a bad idea. How can you report on what the government is doing when they are responsible for your paycheck? Even if there is some sort of "firewall" to protect the newspaper from influence, how do you dispel public suspicion? As a former working journalist (30 years), I am committed to continuing the craft, but not by government intervention. Newspaper owners must find the new business model.

**In the event governments decide to do it, should they attach conditions as is being done for other bailout loans and grants or should it be a blank check?**

PC: Again, I'm really against it, but if they were foolish enough to take the money, it would have to be unconditional. Look what happened to public TV during the Bush administration. In the first term, the Bush team tried to wrestle program control away from the people running the Corporation for Public Broadcasting because, according to them, the viewpoints were too liberal. I believe they used the words "unbalanced" but that's what they meant. Whether they were or not was irrelevant. The fact that they tried to affect program content is evidence what happens when you take the government's money in a media business.

**Philanthropic groups also are being mentioned as a possible savior for newspapers. What do you think of that as a possibility?**

PC: Sure. Why not? If they think it's a worthy cause, then they can donate, but it doesn't solve the fundamental problem and that is that the business model is dead. It doesn't work any longer and giving them money to "tide them over" the recession will not address that issue. It will only postpone having to make the tough choices. Is there a so-called "Perfect Storm" of a changing business model and an economic downturn? Yes. But what's

happening to newspapers would have happened in any event. It's just happening more quickly. The money may do more harm than good if it postpones reshaping the business model.

I don't have a problem, philosophically, with charitable donations to newspapers. You could potentially run into the same problem of having to bite the hand that feeds you with a news story that focuses on mismanagement of the group. You have to report on the government every day. You don't read stories about philanthropic groups all that often.

**You previously were news director of NBC affiliate WNYT. Are TV stations facing the same problems as newspapers to the extent that some or many of them might go out of business? What kind of experience was it for you to work there?**

PC: To some extent, yes, TV stations are facing the same pressures and are confronted by the same business issues. In newspapers, their core audience is dying, literally, and newer younger consumers do not choose to read newspapers. In TV, the issue is that the audience is scattering. Newer (younger) consumers do watch or consume their product. They have far more choices, so the audiences are getting smaller. In the end, it leads to the same basic problem.

The TV stations cannot sell enough ads to make the money they want to make to support the business long term. Their solution is to change their budgets by reducing costs. It makes the bottom line look better for a short period of time, but the content becomes bland and meaningless, which means it becomes less useful to viewers and the viewers start using other choices. Keep in mind the profit center for a local TV station is their local news product. The most successful TV station in any metropolitan area in the country is the one with the "best news ratings."

Having fewer reporters or less experienced reporters (who will work more cheaply) necessarily means less content for the viewer. It also means the content you get is less meaningful. Enterprise stories or investigative stories which take time to adequately report are impossible to gather. The reporters are dispatched to cover fires, car wrecks and other crime or public safety related stories. Those are easier to gather, but less meaningful to a larger audience. It fills up the time in the newscast or space in the newspaper, but it's like Hamburger Helper. It fills up the plate without any nutrition. If the content of the newscast is less compelling, then fewer people watch. That means ad rates cannot increase or the ad rates go down. In the end it's the same cycle as the newspapers. You can continue to cut staff to make your books balance in hopes of riding out the recession. Still, the basic issue is the business model is dead.

Historically, TV stations and newspapers sell on a cost per thousand basis or CPM. It's a "wide net" theory of marketing and advertising. When consumers had fewer choices, audience sizes were bigger and the ad would reach enough people to generate a demand for the product being advertised. Audience sizes for individual media shrank over the last decade. The rate they are shrinking is accelerating. That means the cost per thousand is increasing even if the ad rate stays stable, which it cannot. Since fewer consumers are seeing or reading the individual ads, there are less consumers motivated to buy or use a product or service promoted in the ad. Newspapers and TV need to find a new business model, one that does not rely on CPM.

As far as my personal experience goes, I saw the storm clouds gathering when I left the industry. I am not an economist, but I knew the industry that paid me the previous three decades was about to suffer greatly. I sat through collective bargaining sessions with labor forces that became increasingly contentious and I did not have the stomach to watch the news staff be disassembled. There were certainly financial pressures during my last several years as news director of the TV station, but nothing like today. Fortunately for me, I had a plan. I went back to school, got an additional academic degree and The College of Saint Rose invited me to teach as an adjunct. That led to a full-time teaching opportunity. I'm am very glad I did not stay longer even though I loved the day to day process of news gathering.

### **From your years of experience in journalism and teaching it, is there anything newspapers can do that they're not doing to improve their chances of surviving?**

PC: Lots of theories. Not many good ideas. The conventional wisdom is that they will have to rely more on the Internet and new media for revenue. Here's what I'm telling my students. The content engine for new media is old media. Take away old media and what do you do with your I-Pod or where do you go with your browser? New media forms generate pennies. Old media forms still generate dollars even though the dollars are shrinking. Frankly, my students want and expect everything "on demand." They are not specifically loyal to media brands. They do not care what the source of their media content is as long as it entertains or informs them. If I were running a newspaper's city room, I'd be sprinting to create more "TV News Stories" that people can watch on their web sites. A few newspaper companies are doing this, but the vast majority simply send one of their "print" reporters out into the field with a substandard consumer camera to record a news conference. Yes, that's content, but it isn't good content and it won't attract younger readers. They need to mimic the styles that TV reporter do with visualizing stories. Every story in the newspaper should have a companion video version available on demand.

The one small piece of good news out of Internet monetization is that web users consider a 10- or 15-second ad that precedes watching a video to be a fair price to pay for free content. They ignore most banner ads. They ignore the fly outs on web sites. They click away from "cover over" ads. They will sit and watch the 10- or 15-second ads that precede video. If I were newspaper companies, I'd be looking at ways to hire some of the TV reporters and producers who have been laid off. That's their expertise and many of the victims were very experienced. I realize many newspapers are in no financial condition to do it. Frankly, they should have been moving in this direction three years ago.

**With the prospect now that many newspapers across America are on the brink of bankruptcy, what do you think the effect will be on our society if they don't make it?**

PC: I think it's very bad news for democracy. Americans may love to hate their media (depending on their mood) but they rely upon it to report the best AND THE WORST of what happens each day. It is a favorite trick of elected officials to make media the scapegoat for just about anything, but Americans still rely upon it to be their impartial voice, even if they complain about media bias. If some newspapers and local TV stations go out of business, the demand for their product will shift to different venues. Independent and small journalism "stores" will spring up without the legacy costs of the old media businesses. They may sell their product to TV stations that remain or use it directly on the web and find sponsor support directly.

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