

## **Newspapers Inc - State of the Nation**

Newspapers are on the rebound, says publisher Michael Muir in an upbeat assessment of the New Zealand media market.

“Our circulations and readerships are largely stable, advertising is picking up again and we are on the verge of exciting new media developments,” he said after the Newspaper Publishers’ Association 90<sup>th</sup> annual general meeting in Wellington.

He said the oft repeated predictions of the demise of newspapers were ill founded. The proof was in the resilience of a product that had been a cornerstone of communities and the nation for 150 years.

“There’s no doubt 2009 was a really tough year, not just for newspapers and the rest of the media, but for all businesses,” Mr Muir, NPA president and Gisborne Herald publisher, said.

“Even so, newspapers maintained their dominance in the advertising market, drawing \$700 million of the total \$2 billion.

“While the recovery is still patchy, this year we are seeing volumes increasing slightly. The Newspaper Advertising Bureau, a one-stop shop for agencies wanting to place material for clients, believes member newspaper bookings will lift by 5 percent in 2010.

“On the editorial front we have continued to do what our industry does best – good, honest news breaking, entertaining writing and connecting with our readers, no matter how that content is delivered.”

While major news events were reported first on publisher websites, the real context of the news and how it affected the lives of New Zealanders was explained in newspapers.

At the same time there was clear evidence that newspaper websites were not cannibalizing their print parents.

“Print and digital formats play a distinct role and complement each other,” Mr Muir said.

“Newspaper companies are effectively reinventing themselves in the digital age and are now providing a compelling, integrated experience for readers and advertisers alike.”

He pointed to a major research project commissioned by The Newspaper Works, Australia’s counterpart to the New Zealand Newspaper Publishers’ Association, that supported the view newspapers remain the most powerful choice for advertisers.

The independent research by carried out by the Celcius company found consuming print and digital news from major publishers was an “enriching experience” for 44 percent of respondents. Free-to-air television recorded just 14 percent in this score.

“There is no reason to assume the reaction would be any different in this country,” Mr Muir said.

“The Celcius findings support a Trust in Advertising study by ACNielsen a year earlier that found editorial, with 67 percent, and print advertising, with 60 percent, were more trusted than any other form of communication apart from personal recommendation.

“Such findings are immensely reassuring to us and are not lost on advertisers and readers.

“What we are seeing with the explosion of the Internet is a crying need to distill the blizzard of information and opinions, much of it unreliable, to make some sense of it.

“Newspapers and their digital platforms are perfectly placed to do that.”

There is no doubt the newspaper model is changing quite dramatically and that has created both stresses and opportunities, Mr Muir said.

“Publishers are searching for the optimum model and you can see that with the moves, led by Rupert Murdoch, to charge for online content,” he said.

“It’s not clear how that will pan out and there are a lot of different options being considered but one thing all publishers agree on is that news is not free.

“Credible, professional journalism comes at a cost.

“There are a whole new range of consumer technologies about to hit – from the iPhone to Skiff e-reader to iPad and Amazon Kindle to Blackberry and Google Nexus – and they have the potential to provide publishing formats for mainstream journalism and new revenue streams.

“Just as new digital delivery means will develop, so too will newspapers continue to evolve. We’ll still need to replace presses, probably with machinery that will enable newspapers to be printed in gloss and in more flexible formats. And new ways of distributing printed products to high-value AB readers will continue to advance.

“That new landscape will make the national news agency, the New Zealand Press Association, more of a mainstay of newsrooms as individual titles build on that core service with more specialized coverage and more local coverage, where they are virtually unchallenged.

“No other news or sales organizations has the same access to markets and audiences across New Zealand as newspapers. We have teams of people in most communities across the country. That is a real point of advantage.”

We will continue to be challenged and the business is never boring, but we are in good heart, Mr Muir said.