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Newspaper Without the Paper

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Newspaper Without the “Paper”

Microeconomics is the study of smaller-scale economics. Instead of looking at the economy as a whole, microeconomics looks at the individual decisions of the firms and households. Being enrolled in a microeconomics course this semester, I didn’t realize how relevant it would be to my everyday life. I was in the car with my father and we were talking about the newspaper industry. My father was saying that he thought the newspaper wouldn’t be around for much longer, and it really got me thinking in terms of microeconomics. If the industry was really going to fail—why? I knew there had to be more to it than just the fact that people simply do not buy the paper anymore…

As little as ten years ago I remember having to bring the newspaper inside the house every day on my way in from school. It was just a routine I had gotten used to and thought little about. However, ten years later, that is no longer a routine I take part in, because my father no longer pays to get the newspaper delivered to our house. This decision did not affect me personally, since I rarely ever read the newspaper—but why would I? Coming from a different generation than my father, I grew up being exposed to technology in ways he never dreamed of as a child. Once I was in high school, my go-to resource for finding out what is going in the world was not the local newspaper, but instead, the internet. Eventually, even my father starting relying more on the internet to find news rather than the actual paper, as well. This is a decision my father made that is
also being made by others nation-wide, and has been for quite some time, and newspaper companies are suffering because of it.

If someone as traditional as my father decided to permanently replace the daily newspaper by searching the internet instead, I can only imagine how many others are following that same routine. In a society where technology is constantly getting better, it makes it difficult to keep the traditional ways around when there are easier-to-access alternatives. That is the problem newspaper companies are dealing with. Ron Miller states in his article, *Can 20th-Century News Survive in a Digital World?*, that “People can get the news in many ways beyond the paper version of a publication delivered daily or weekly. As a result, newspapers and magazines are failing at an accelerated rate” (22). It make sense, though. Why would one want to flip through a bulky stack of papers when they could just as easily click on a link provided on their computer screen, or even their cell phones? Besides that, news found online is often free, which puts newspapers at an even bigger disadvantage.

The economy was a big reason why newspaper publishers believed their companies were failing, which seems like a logical assumption taking the recent recession into consideration. However, Miller states that, “it’s easy to think it’s [the decline of newspapers] a sudden phenomenon driven by the economic crisis… [but] the weakening of the news business has been an ongoing process for many years” (22). It makes one wonder how such a big industry was able to simply write off such failure as a result of the economy. Technology has been a big factor in the failure of other industries throughout history. Some examples are records, VCRs and home land-line telephones. Although they are not similar to newspapers, the idea correlates with how the newspaper
industry is being crushed by the alternatives offered by the constantly improving technology.

Due to having fewer subscribers each month, newspaper companies are losing revenue. If the customers don’t pay to read their paper, the publishers obviously won’t have as much income. They are going to have to reduce the number of papers produced so that there is not a daily surplus, while also trying to come up with ways to draw the lost subscribers back. Most news companies have online databases because of this, but even offering online alternatives does not mean that they are making that lost revenue back. Newspaper companies gained most of their money when they “charged large sums of money for display and classified ads—and they thrived” (22). However, this is not the case anymore because it is extremely cheap to advertise on the internet, where there are just as many, if not more, potential readers.

Some newspaper companies are blaming the internet in general for the loss in advertising revenue they are experiencing. The problem is that “Ad dollars have been moving to the internet for years” and that “The cost of content production and delivery on the web has plummeted to almost zero” (22). Websites such as Craigslist are beating newspapers, because instead of checking the classified ads—which people once paid a good price to advertise their products in—people are buying and selling items online for free. Some argue that even if you took such sites away, there would still be an uneven digital distribution putting newspaper companies at a loss either way. Miller states that, “Blaming craigslist is like blaming a competitor for beating you” (25). The problem is that the newspaper companies can’t make their advertisement spaces free, because then they would lose their primary source of income.
So what are the newspaper companies supposed to do with fewer subscribers and less advertisement income? That is a solution the industry is currently trying to come up with. The idea of having people subscribe to their paper online has been brought up. Customers would be given a trial then after a reasonable amount of time to check it out, they would be asked to give some sort of payment in order to keep accessing their news online. Miller states that, “The debate rages over whether people will pay for content in dribs and drabs in the form of micropayments or if consumers will prefer a one-time fee to access all content (or if they will pay at all)” (25). We are familiar with all scenarios: People pay for things such as a Netflix account monthly in the form of micropayments, or subscribe to magazines by paying a one-time yearly fee, or, of course, the other option of not choosing to pay for a service at all.

Obviously, whether or not the payment methods online work or not, the newspaper companies are going to be having to make adjustments to the changes going on without them, or they may be left behind permanently. Although the “paper” newspapers are not expected to be around in the long-run, there is a universal belief that the news will still be around, but adapted to technology. In Paul Steinle and Sara Brown’s article, “The Future,” they visited and recorded the ideas of fifty different newspaper companies (one per state) on what they thought the would happen to the industry. Most people’s thoughts were centered around the same idea, stated by Dennis Anderson of Kansas’ Lawrence Journal-World, being that “When we get together in our meetings… We’re thinking of Web first” (52). The newspaper will still be around, but not necessarily in the paper form.
When the paper news comes to an end completely, there will be changes because of it. First, the factories will have to shut down, and old equipment will have to be sold for new equipment. Instead of the printing press, they may have to buy more computers and more software to aid them in creating the new digital newspaper. With that, certain staff members are going to be let go slowly over time, as the demand for them decreases more and more. Why would you need someone to take care of filing papers and overseeing the printing press? Instead, there will be a higher demand for IT technicians, computer programmers, and a more technologically advanced staff in general.

Therefore, when my father said that the newspaper industry was failing, he didn’t necessarily mean that the news would no longer be around. What newspapers are having to do now is keep up with the economy they are surrounded by—which essentially goes hand-in-hand with the study of microeconomics. The opportunity cost for continuing to print high numbers of paper copies means that they will be having to deal with a surplus, because the supply is going to outweigh the demand due to people’s lack of interest in something that is seeming more and more and more out of date. Although we can expect to see less paper copies, we can expect to see more online news thanks to the ability of the industry to adapt to change.