



ITJ Dubrovnik 2009  
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# EUROPEAN NEWSPAPERS: NEVER-ENDING CRISIS

# Some Questions



# Is the newspapers market sature?

Country	Daily papers copies per 1000 inhabitants
Japan	624
Norway	580
Finland	491
Sweden	449
United Kingdom	308
Germany	290
Italy	91

# Is it time for obituary?

- **IN LOVING MEMORY 1764 – 2009**
- The US newspaper business as we knew it has passed away after a long battle with falling advertising revenues, an ageing readership, internet-based competitors, inappropriate levels of debt, inflexible cost structures, over-lofty ambitions, the complacency that comes of monopoly positions, and a loss of nerve about putting a price on its content online.
- It is survived by the news business, a leaner, less indebted, more locally focused group of blogs, online newsrooms and a surprising numbers of newspapers - in print and online - whose expanding readership is demonstrating a continuing appetite for the journalism the newspaper business pioneered. (The Financial Times, March 16<sup>th</sup>, 2009)

# Did Vernocchi see well?

- Mario Vernocchi said two years ago: “L’Europa è diversa dall’America. In Europa la carta stampata vive una fase di riflessione e trasformazione più che una vera crisi. Internet non è solo una minaccia ma offre la possibilità di riorganizzare il business e di impostare un nuovo rapporto, più personale (e forse più paritario) con i lettori. I nuovi media generano opportunità che però richiedono profonde trasformazioni sia delle operazioni gestionali sia del giornalismo.” (Grazzini 2007: 96)

# Does Egan differentiate well?

- Timothy Egan, Pulitzer Prize winner, an expert for *The Worst Hard Time*, states: “It is a format of daily newspapers to be in crisis, not their substance.”

# Does Sorrell predict well?

- “Nei paesi sviluppati la tv rimarrà ancora dominante, ma dall'attuale quota di mercato attorno al 30-35% scenderà al 20-25%. Internet, oggi attorno al 12% salirà anch'essa al 20-25%. E quanto alla carta stampata, vedo anche qui una riduzione al 20-25%. Giornali e riviste sono i più esposti alla concorrenza dei media via internet.” (Sir Martin Sorrell, WWP's CEO, in an interview to *Corriere della Sera*, February 15<sup>th</sup>).

# Some Figures



# Italy – December 2008/2007 (Ads)

- *la Repubblica* – 15,2 % copies less
- *Corriere della Sera* – 8 % copies less
- *RCS Mediagroup* – € 1.100,000.000 debts
- *Il Giornale* – 6,4 % copies less
- *Libero* – 4,6 % copies less
- *Il Messaggero* – 0,5 % copies less
- *Il Sole 24 Ore* – 1,9 % copies more (but in January 2,8 % less)

# Italy 2009

- The state budget: € 261,000.000 for the press (€ 170,000.000 for party press and co-operatives) instead of € 527,000.000 a year before
- *Espresso* Group – *la Repubblica, L'Espresso* etc. – trying to obtain the “crisis status”
- *Qn* (Quotidiano Nazionale) – *Il Resto del Carlino, La Nazione, SecoloXIX* – fires 36
- *La 7* television fires 25
- *IlSole 24 Ore* decreased a price for a line from € 1 to € 0,90

# Italy – Incomes 2008 (Agcom)

- Advertisements – 50%
- Selling – 34%
- Other – 16%
  - (“Plus Products” etc.)

# France – Incomes from advertisement – *Le Monde*

- Sharing:
  - 40 % after WW2,
  - more than 60 % during the Seventies,
  - 20 % in 2008
- Budget:
  - € 100,000.000 (2001),
  - € 50,000.000 (2008)

(Éric Fottorino, "À nos lecteurs", *Le Monde*, April 19<sup>th</sup>, 2008)

# France – Incomes from advertisement – *Le Figaro*

	2003	2007
Sum Total	€ 120,000.000	€ 80,000.000
Classified Advertisements	€ 97,000.000	€ 25,000.000

# France – Dailies Sold

- 3,800.000 – 1974
- 1,900.000 - 2007

# France

- Les états généraux de la presse écrite
- € 600.000.000 of state support in 3 years
- Printing of the *International Herald Tribune* in Paris is 65 % more expensive than in London or Madrid
- *Le Monde* – debts > € 150.000.000, fired 130

# England – December 2008/2007

- *Average* – 2,7 % copies less
- *The Sunday Times* – 5 % copies less
- *The Financial Times* – 2,8 % copies more

# Germany, Spain

- *WAZ* budget decreased 30 % in 2009
- *El Mundo* crisis diminished the RCS' value

# TV retreats too

- USA: In the last ten years the population increased for 30,000.000, but the TV audience decreased by 2%
- France: TV audience decrease from 2006 on
- France: The people between 18 and 34 spend less time for tv

# Trends (and Simplifications)



# Chaos period (Garfield)

- Long lasting disaffection
- Distrust of the young public, collapse of its interest towards
  - the newspapers and newsmagazines
  - the general and/or political information
- High price of fabrication
- Concurrence of other media
- Focusing of advertisement on other media

# What do Advertisement Agencies want from Media, and what do Media Sell to Them?

- A content?
- A space/time?
- An audience?

*Ads go where the audience is*

- Feedback: Who has seen my ad?
- Inter-activity: What does he mean, how does he react?

# Experimentation *tous azimuts*

- Free newspapers
- Delocalization, mobile work, outsourcing
- Internet (subscription, ads)
  - 100 employees staff for 830.000 monthly = 8,300.000 visitors a month (NYT 21,000.000 with 1200 persons staff; *Le Figaro* 4,200.00, *Le Monde* 3500.00) e-Books
- e-Paper
- Specialization
  - (*The Economist* sells 80% out of UK)

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Should we check the trends here, one of this years?

