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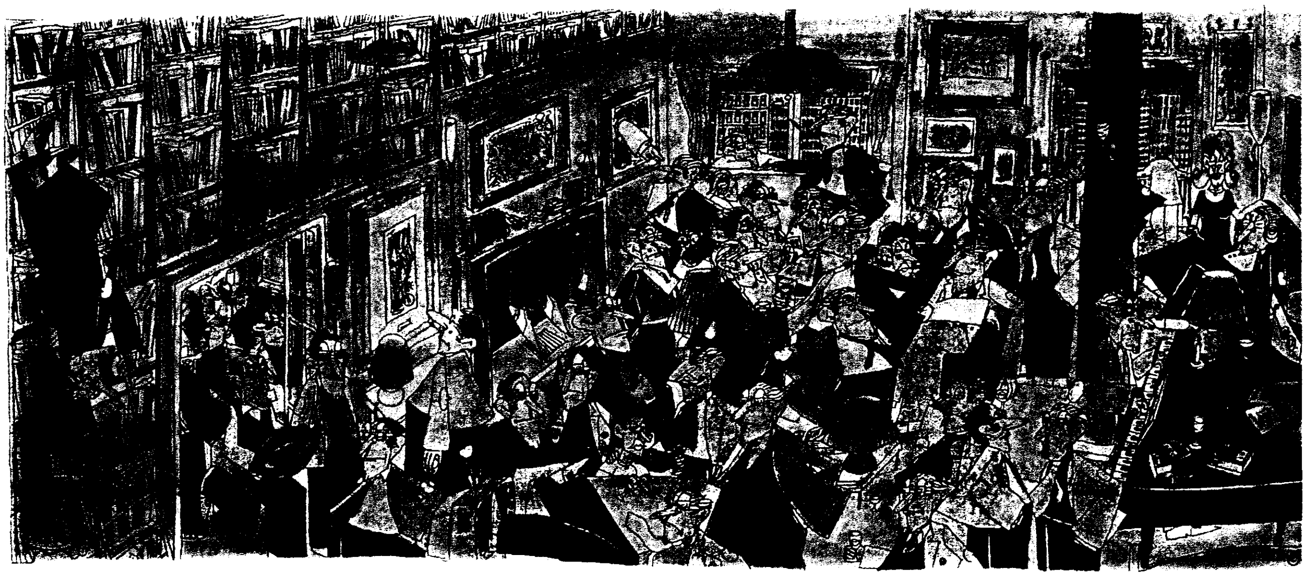

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ESSAY

Saving Journalism

How to nurse the good stuff until it pays

BY PHILIP MEYER

You have probably noticed by now that journalism is being phased out. Our once noble calling is increasingly difficult to distinguish from things that look like journalism but are primarily advertising, press agentry, or entertainment. The pure news audience is drifting away as old readers die and are replaced by young people hooked on popular culture and amusement. We used to think the young would pick up the habit and be more like us as they got older. They didn't. Newspaper habits are pretty much set by the time a person is old enough to be included in readership surveys.

Newspaper old-timers like me tend to blame the business side. All that is required to restore journalism to its golden age, we are tempted to say, is for the greedy investors and their bean counters to retire from the scene and allow themselves to be replaced by people more like the philosopher-king publishers of yore. Great journalism would draw great audiences again.

But those guys aren't coming back. Their business model has been irreversibly undermined by new technology. The only way to save journalism is to develop a new model that finds profit in truth, vigilance, and social responsibility.

The old model was beautifully simple. A newspaper publisher in a monopoly market in the twentieth century was like those counts of Savoy who built a castle on the rock of Chillon between the foot of a mountain and the edge of Lake Geneva. Travelers could swim the lake or climb the mountain, or they could pay a toll to the occupants of the castle. That arrangement kept the Savoys and their heirs rich and comfortable for three centuries.

Today, the castle is a museum. Technology has created other ways to cross the lake and the mountain. And so it is with publishers. They still own the channel along which information is passed between local retailers and their customers, but it's no longer exclusive. The competition did not start with the Internet. It became a concern right after World

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War II with the rollout of TV and the growth of FM radio, plus the development of cheap, high-quality printing to make direct-mail advertising and niche publications feasible.

As monopolists or near-monopolists, the publishers of the last century enjoyed abnormally high profit margins: 20 percent to 40 percent. Newspaper companies might believe that those abnormal margins are their birthright, but they're not. High-quality journalism is still economically feasible, but it will never again be as profitable. The real problem is adjusting to profit levels that are normal for competitive markets.

In the old model, monopoly made publishers wealthy and secure enough to indulge in personal pleasure, and some found pleasure in producing good journalism well beyond what was needed to keep the business functioning. Katharine Graham, James L. and John S. Knight, the McClatchy family all come to mind. (William Paley did the same for broadcasting.)

These philosopher-kings of journalism cared about results beyond their own career spans. They wanted to protect the long-term welfare of both their businesses and the communities they served. They recognized that a community is defined by both economic and social forces, and that a good newspaper is a meeting place where those elements come together to form a public sphere. As ownership has shifted to investor-owned corporations, that long-term orientation is rare. If your expectation as an investor is based on an industry's history of easy money, you feel justified in doing whatever it takes to keep the cash flowing.

The way out of this trap is not to curse the business side but to join it by finding a business model that rewards community service.

In 1978, when Jack and Jim Knight were still around, Hal Jurgensmeyer was put in charge of organizing a Knight Ridder team to respond to the looming technological threat by developing an electronic home information system, one of the earliest anticipations of the Internet. I was posted from the Washington bureau to headquarters in Miami to be its market researcher.

Jurgensmeyer articulated for me what had been the implicit model of the community-oriented Knight brothers. A newspaper's real product, he said, is neither news nor information. It is influence.

He described what I will call the Influence Model of journalism. A newspaper produces two kinds of influence: societal influence, which is not for sale, and commercial influence, which is for sale. The quality of the societal influence enhances the value of the commercial influence. An advertising message is worth more if it appears in an environment of credibility and respect. The appeal of this concept is that it provides economic justification for journalistic quality. If it's valid, then newspapers that sacrifice quality to prop up the bottom line are undermining their business model. With some proof, this is something that media companies could take to investors.

So, for the past three years, my students and I have been trying to validate this model, to quantify the connection between journalistic quality and the bottom line. There have been obstacles.

For starters, measuring newspaper business success is difficult because the companies are chronically secretive about their financial performance.

One available number is circulation as audited by the Audit Bureau of Circulations. By tracking the change in a newspaper's household penetration (its circulation divided by the number of households in a given market) over time, we can compare success across markets. Most papers are losing penetration in their home counties, but at wildly varying rates. So we looked for measures of quality that had some connection to slowing this loss. We found some:

- Credibility counts. Newspapers that are trusted by their communities do better than those that are less trusted. Credibility also correlates with higher advertising rates.
- Accuracy helps. Newspapers with low rates of reporter error are more trusted.
- Ease of use matters. Papers that are easy to read tended to have higher penetration.
- Staffing is important. Well-staffed newspapers resist the penetration decline measurably better than those that are thinly staffed.

Yet while all of this is consistent with the influence model, it's not absolute proof that quality helps the bottom line. Maybe successful newspapers produce quality journalism because they can afford to. Teasing out the primary cause is difficult enough in a stable industry. The newspaper industry is fading so relentlessly that we may never be able to do the time-series analysis that would let us say with certainty that quality is the dominant factor in the dance between it and business success.

Why? A Harvard professor, Michael E. Porter, author of *Competitive Advantage: Creating and Sustaining Superior Performance*, has described a last-resort business model for companies undermined by substitute technology. He calls it "harvesting market position." Managers do it by raising prices and reducing quality so they can shell out the money and run. I know of no newspaper companies that are doing this consciously, but the behavior of most points in this direction: smaller newshole, lighter staffing, and reduced community service, leading, of course, to fading readership, declining circulation, and lost advertising. Plot it on a graph, and it looks like a death spiral.

If we are to preserve journalism and its social-service functions, maybe we would be wise not to focus too much on traditional media. The death spiral might be irreversible. We should look for ways to keep the spirit and tradition of socially responsible journalism alive until it finds a home in some new media form whose nature we can only guess at today.

How to do that? The nonprofit sector shows promise. Newspapers have long relied on charity for some basic functions such as training, research, and development. When the Pew Charitable Trusts engaged in a ten-year program to develop the concept of civic journalism and paid news organizations to do experimental projects, many traditional journalists fretted that it was trying to exercise undue influence on their traditional roles and values. But the charity had no trouble finding takers, and the work, by and large, was sound.

Some of the best investigative reporting today is being done by foundation-supported nonprofits such as the Center for Public Integrity, which won a 2003 IRE award for outstanding investigative reporting in the online category.

National Public Radio is a workable model for nonprofit journalism. While subscriber support is an important source of its revenue, more than 40 percent comes from foundation and corporate sponsors. NPR keeps a policy manual that spells out the limits of permissible relationships with funders. It does not allow grants that are narrowly restricted to coincide with a donor's economic or advocacy interest. But, according to an analysis that Rick Edmonds has done for The Poynter Institute, funders can suggest broad themes, and the vice president for news puts out a wish list of projects that NPR would like to do if funders find them worthy.

Allowing charitable foundations to pay for the news might be risky, but it is probably no more dangerous than a system in which advertisers pay for it.

There is another way to preserve journalism's standards while we wait for the new business model to be born: rethink our chronic reluctance to self-regulate, as other professions do, on both morality and technical competence. We have no problem banishing the most egregious offenders of journalistic standards — the Jayson Blairs and Jack Kelleys — but we could make better use of our traditional weapon: public communication.

Certification is a form of communication. It tells employers and consumers alike that a practitioner has attained a minimum level of competence in some specialized field. In television, it has already become common for weather reporters to be certified by the American Meteorological Society and the National Weather Association. Timothy Johnson, as medical editor for ABC News, has argued for certification of medical journalists. Broadcasting this certification would have to start slowly, by using it to guide hiring decisions and efforts to build the paper's brand name. To suddenly start listing a reporter's expertise in a tagline would seem boastful, and could be jarring to readers. But if a reporter who also has a Ph.D. in environmental science is writing about drilling in the Arctic National Wildlife Refuge, it seems like something a reader ought to know. Certification would never, of course, be a prerequisite for practicing in a field, just as an accountant need not be a CPA to advise you on your income tax. But it is information worth having when you decide whom to listen to.

Journalists are realizing this, and journalism schools are responding to the market demand by offering midcareer certification programs in some substantive specialties, such as business reporting.

The healing light of communication also works in the moral sphere. When the American Association for Public Opinion Research receives a complaint of a violation of its Code of Professional Ethics and Practices, it holds a hearing and renders a judgment. But the only sanction is publicity. Nobody gets kicked out of the organization, nor are the investigations limited to members. The purpose of the procedure is to draw a clear line between legitimate practitioners and those who flout the standards.

As the line between genuine and pseudo-journalism becomes more shifting and blurred, we might be forced to do something similar, not to punish every charlatan, but simply to maintain journalism's professional identity. The Society of Professional Journalists took a baby step in this direction when it denounced the practice of certain television and radio stations of letting advertisers pay to be interviewed on shows that looked and felt like news programs. (That move would have been stronger if SPJ had named the perpetrators.) If we can't do this ourselves, it could be time for a foundation to step in and reincarnate the National News Council. It lasted from 1973 to 1984, and might get more support from today's less confident industry.

We need to keep genuine journalism alive long enough for the successful media entrepreneurs of the future to find a way to capture and sell the influence that traditional media are abandoning through their cost-cutting strategies. Those who understand the influence model and apply it to the new, more specialized marketplaces could start to look very much like journalism's philosopher-kings of the twentieth century. ■

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