

# Tomorrow's world is digital

*John Hill*

It's no secret that newspaper circulations are falling and have been for several decades. The decline, while uneven, appears to be relentless. Even though there are more newsworthy events happening in the world, the appetite for them among the general public seems to have diminished. It has been argued that people are now content to receive their news in electronic soundbites and are less inclined to require an explanation of events and their consequences. This would seem to indicate that there is widespread inertia on the part of readers that is not evident in their other activities. It is reported that the average time spent reading a newspaper is just over 20 minutes, whereas the time needed to read one fully would require several times that. So it appears that most of a newspaper's content satisfies only a minority of its readers.

If this is indeed the case, how can it be remedied? To begin with, it might be appropriate to recognise that people are becoming wealthier and as a consequence less inclined to accept goods or services that do not satisfy their particular needs and desires. Product manufacturers and service suppliers in other industries have responded to similar dissatisfaction within defined parts of their markets by modifying products or providing services that better fit the needs of those segments. These focused products often have the advantage of being able to justify a premium price as customers begin to appreciate their additional value.

As mass-market products, newspapers offer just one standard product in each publishing cycle. This one-size-fits-all philosophy was perfectly adequate as long as there was a non-discriminating market, but Britain is discriminating and newspaper companies could profitably consider the solution adopted by consumer goods manufacturers. Ideally, this means

providing each reader with the range and depth of stories in which they have expressed a personal interest. In short, the *me* newspaper. This personalised concept has been in fashion elsewhere for more than a dozen years, but has been dismissed by newspapers as impractical because traditional printing processes cannot be modified sufficiently to make it economically viable.

The problem is in two parts. First, printing presses waste considerable amounts of newsprint when running up to, or down from, their optimum printing speeds. Second, changing page content involves changing the printing plates and this is clearly impossible in the limited time available to newspapers. What is needed, and what is rapidly becoming available in the form of digital printing, is the capacity to change the printed image while running at speed. This would mean that either segmented or personalised newspapers, or both, would be available during one continuous press run.

The digital press is closely allied to present-day copying machines, which can be set to print many copies of one document – what printers refer to as *image-one-print-many* – or only one copy of a series of pages: *image-one-print-one*. Applied to digital printing, the first of these permits segmented newspapers; the second allows the personalisation of copies. As the press will print whatever is presented to it, there is no reason why there should not be a mixed flow of completed papers that matches the distribution needs of the circulation department.

But what of the editorial content? Editorial matter falls into roughly three categories: Sections that define the overall character of the newspaper – the front page, the leader pages and so on. Then, with regional newspapers there are news and sports pages that define the local character and, in the case of nationals, report what's going on in the world. Finally there are the feature pages. The first two categories are clearly *made* in-house; the feature pages are often *bought*. The one area where readers can exercise choice is in the features they would prefer to read – the newspaper's editorial management must continue to exercise control over the newspaper's identity and as readers cannot know of upcoming events, they cannot exercise choice over general or sports news stories.

In order to permit reader choice, each customer can be presented with a menu of subjects from which he or she may choose a selection up to a maximum number. The menu subjects could be allocated to editorial teams whose responsibility it would be to buy-in the necessary material from outside agencies or from local correspondents. These teams would also be responsible for the editorial make-up and for sending the completed pages to

a storage data-bank, from which it would be summoned when needed.

At the same time, the editorial-directed content – which would not change during specific press runs – would be forwarded to the press computer. In addition, there would need to be a general edition, designed for street and newsagent sales, where the features pages would be standardised. When “personal choice” pages and editorial-directed content are put together you have the personalised newspaper. And there is no reason why those readers for whom the paper is being custom-tailored could not change the features subjects of their choice almost instantly. Telephone access, a PIN number and a menu should be all that is needed to change the selection – and this need not even involve newspaper staff.

There is an intermediate step that could be taken on the way to the “me newspaper” – the segmented version. There are four main methods of basing segmentation: *geographic*, which already exists in the national/regional split of newspapers and in the editions most big newspapers produce; *demographic*, based on age, sex, family life, family size, income and so on; *psychographic*, essentially lifestyle; and *behaviouristic*, based on needs and preferences.

### *Extensive data building*

Geographic is the simplest to implement, as geographic boundaries are evident and circulation problems few. Demographic segmentation requires extensive data building and brings distribution problems, while the psychographic and behaviouristic options are probably far too expensive to implement, and their effectiveness in a newspaper context is problematical. Any form of segmentation entails the newspaper in researching, establishing and maintaining customer data-banks, activities that are comparatively expensive, whereas personalisation merely means storing the information provided voluntarily by each reader.

While I do not advocate digital printing as the only solution to the newspaper industry’s falling sales, it is the only process currently available that will permit close-focusing on specific groups of readers. Offset printing is increasingly being seen as having reached a development plateau, and research and development within press manufacturing companies seem to be concentrating on computer-to-plate technologies that can provide the flexibility publishers will need.

The overall effect of advances in printing technology on the British newspaper industry as a whole is likely to be quite dramatic. Currently,

newspaper production is clustered in London and in large regional centres. Few middle- and small-circulation newspapers can afford to have their own printing presses, but must rely for their print on other publishers or often within the groups to which they themselves belong. Many national newspapers have part of their circulations printed on the presses of large regional evenings.

These traditional presses require that the printing of one publication cannot begin before the previous one has finished. This has created restrictions on the number of newspapers that can be handled, particularly as distribution requirements have to be taken into account. A digital press that can handle a variety of publications – provided they have the same physical characteristics – by interleaving varying numbers of copies of each as required, should be capable of meeting distribution conditions and, at the same time, completing the total print run more quickly, as changeover time is eliminated. This means a press will be capable of handling a greater number of titles. This, in turn, will effect a greater concentration of printing capacity, and should also hold down unit costs.

The structure of the British newspaper market has three distinct layers and largely in only one, the national field, do newspapers compete directly with one another. Rarely do evening or weekly newspapers compete with others in their category, although there is some limited competition at the borders of areas with large evening newspapers. Most weekly newspapers are now in the control of regional newspaper groups and are forced to restrict their competitive activities. National and evening newspapers compete in the latter's circulations areas, and in the few regional morning newspaper areas that remain, the local morning goes head-to-head with the nationals.

So in whose greatest interest would be the ownership and operation of this new technology? Those newspapers for which a greater number of editions would add value – the nationals and regional evenings – would certainly benefit from access to this new printing process. And it is likely that national newspaper organisations would be less concerned about ownership of a printing plant than in having access to it. So it would be in the interests of the large regional groups to install and man the presses and in this way continue to dominate their markets.

Since the earliest days of newspaper publishing, access to printing at a reasonable cost has been the greatest barrier to entry for aspiring entrepreneurs. The chances are that the new technology will not significantly overcome this hurdle. Production will be slower – at present

presses can print in excess of 15 metres per second, whereas the new technology is unlikely to attain half that figure in the early stages of development. Even taking into account the massive time-saving achieved by not having to stop and re-plate the presses, the new technology will require 50 per cent more equipment than the existing technology.

But if newspapers are to survive and prosper, a new printing process is imperative. While the segmentation of markets as described is an early-stage option, it is unlikely to satisfy the reading public for long. The treadmill of progress will demand that newspaper companies set a strategic destination, such as the ability to produce the “me newspaper”, that is reached as soon as conditions allow. Eventually almost everything to which we have become accustomed in the operation of newspapers will change. Those papers that do not change, or which delay those changes inordinately, will disappear.

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