

Anyone bites the dust? Press Survival in a post-industrial crisis scenario

Eje temático: Estudios sobre periodismo

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Resumen

This paper assesses the current scenario of the Portuguese media for-profit journalism within a post-industrial changing context of news media system comprising new actors, practices, and platforms. Drawing on the daily and weekly national press over a 35 years-period, it analyzes different criteria related to both the ownership structure and business models in order to assess the different factors that account for the sustainability of the press. The findings of a closer insight into the local distinctive reality of Portugal shows it is still possible for new ventures to succeed in a scenario of creative destruction. Such an unprecedented study on an underexplored polarised pluralist Southern European country, somewhat comparable to Latin and South American press systems, is revealing that new startups, owned by diversified business conglomerates, pop up even in a crisis situation scenario.

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Introduction

This paper aims to present a systematic description of the evolving Portuguese newspaper market of newspapers and magazines after the establishment of democracy back in 1974 up to the post-industrial changing context of news media system comprising new actors, practices, and platforms. Beyond constituting an unprecedented mapping of the home press it can also be of interest and revealing for Latin America (Sparks, 2011) or new democracies in general (Voltmer, 2006).

Indeed, periods of transition from a dictatorial regime to a democratic regime are said to be conducive to the emergence of new publications for various reasons either related to the interests of the owners - to influence the opinion of political decision-makers, financial profit or both (Wanyanade, 1996: 59) – or the needs of the audience (Sparks, 2011: 29).

In the specific case of Portugal previous studies pinpoint a similar pattern to the Western democratic world (Sousa, 2001: 31). The main feature of the Portuguese market is that much of the press had been nationalized shortly after the revolution and was owned by the state, depending on public funding, but not operating as the traditional public service media (Doyle: 2002: 4). The press became a special case with “endemic characteristics” (Correia cited by Faustino, 2004: 3) that delayed the full entry into the era of the media industry, becoming too dependent on public or private patrons, more interested in themselves than in common objectives (Oliveira cited by Faustino, 2004: 3). However, the existence of only one television operator may have influenced the strength of newspapers “as a compensation for a restricted television fare” as was the case in Norway (Høst, 1999: 108).

Similarly to what had happened in the previous decade in other parts of the globe (Hollifield, 2006: 60), the privatization of the Portuguese media industry, in the end of 1980's, opened the way to the market growth, something which, in turn, facilitated the expansion of media companies (Faustino, 2004: 3) and led to the emergence of new

television channels that may have affected the performance of newspapers. "Some observers of newspapers mortality have suggested that (...) television and changing audiences lifestyle have made it difficult to maintain competitive papers in a single market" (Picard: 1997: 94). But while some kinds of newspapers have declined, others have grown (Høst, 1999: 108), becoming "larger and more general to specific, stimulating more competition in the market" (Kranenburg, 2002: 113), opening space for business, professional and niche consumer newspapers and magazines (Knee *et al.*, 2009: 21-23), sensationalist tabloids (Rey, 2007) and the development of free newspapers, that "constitutes one of the most remarkable pieces of news in the international communications market" which coincides with the stagnation of paid newspapers (Armesto *et al.* 2009: 121).

By the end of the 20th century and beginning of the 21st "newspapers have suffered catastrophic economic damage at the hands of the information revolution" (Fuller, 2010: 3) and it seems clear that the current global trend is that the press continues to lose readers to the Internet and the new media technologies (Cummings *et al.*, 2009; Sondeen, 2009; Kirchoff, 2010; McClure, 2010; Westlund & Färdigh, 2011; Phips, 2012). In fact, the traditional newspapers and magazines global business model is currently in crisis and the proprietors, managers and directors are experimenting with new business approaches, but there is no widely agreed-upon model to restore the link between newspaper content and earnings, which has been partially severed on the Internet (Kirchoff, 2010: 1).

This is not the first difficulty that the press firms are facing and, during the times, the proprietors and managers had to adapt their products to the technological, political, social and economic changes. Even with the announced death, the truth is that the newspapers continue to play an important role in the society. The hope rests upon the fact that there are still newspapers readers, even at high-tech spots like London and New York (Becket, 2008: 16) and there is also the widespread impression that ultimately there will always be space for the written press. The latter will most probably encompass titles

aimed at more specific audiences, which requires the companies to perceive their products "as valuable objects and collector's items, by exploiting the physical and tactile qualities of paper" (Ludovico, 2012: 154).

Is against this theoretical diversity and against a backdrop of constant change and evolution that we have developed the analytic model that allowed us to realize which were the startups that succeeded as well as to determine if there were common patterns during the whole period of analysis.

Methodological approach

To achieve the aim of the study, assessing the new entries on the market for daily and weekly generalist and specialized newspapers and magazines with a national range, in the country during the democratic era, a database was established. By so doing, it will provide a diagnosis of the process and factors that may lead to success in the press business in Portugal which is likely to have significant implications for both the field literature and the provision of information in the democratic societies.

The proposed database of all the new entries of newspapers and magazines with a national range in the Portuguese press market between 1974 and 2009 comprised a set of general categories that will allow us to analyse nine major dimensions: 1) Title; 2) Type; 3) Periodicity; 4) Segment; 5) Pricing; 6) Date of entry; 7) Date of exit (if applicable); 8) Ownership structure; 9) Printing and circulation figures.

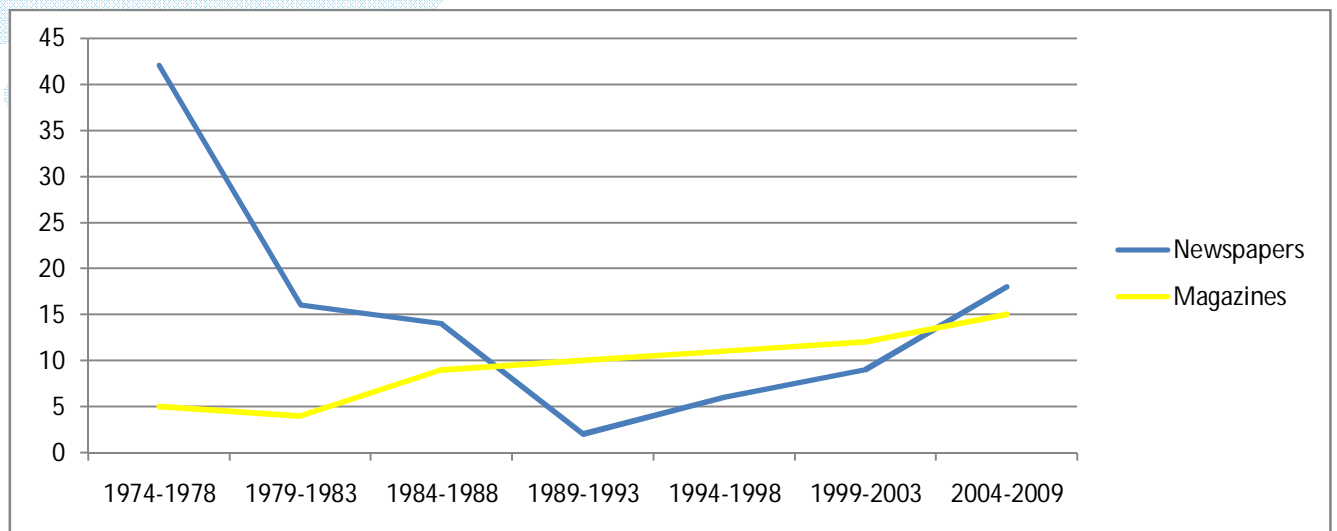
These categories were divided in multilevel formal and thematic variables listed in a codebook (Attachment I) aimed to allow a quantitative analysis from the establishment of a framework of analysis using the statistical analysis program SPSS. Besides being more complete and accurate, the new database also allowed to assess the tendencies and strategies used by the press owners to create new press titles and refer some of the most successful ones.

Furthermore, an in-depth chronological analysis based upon a subdivision into seven distinct five-year periods, was advanced, comprising: 1) 1974-1978; 2) 1979-1983; 3) 1984-1988; 4) 1989-1993; 5) 1994-1998; 6) 1999-2003; 7) 2004-2009;

Results

Figure I shows that the newspaper format, that dominated the market since the creation of the first Portuguese daily, *A Gazeta*, back in 1809 (Sousa, 2001: 20), entered a sheer drop and was supplanted by the magazine format, during the period 1984-1988. After hitting the bottom in 1989-1983, a slow recovery began that culminated in the last period, 2004-2009, when it became once again the favourite format for the newcomers. The tendency to create magazines remained stable with a somewhat sustained growth during the democratic era.

Figure I: Entries by type



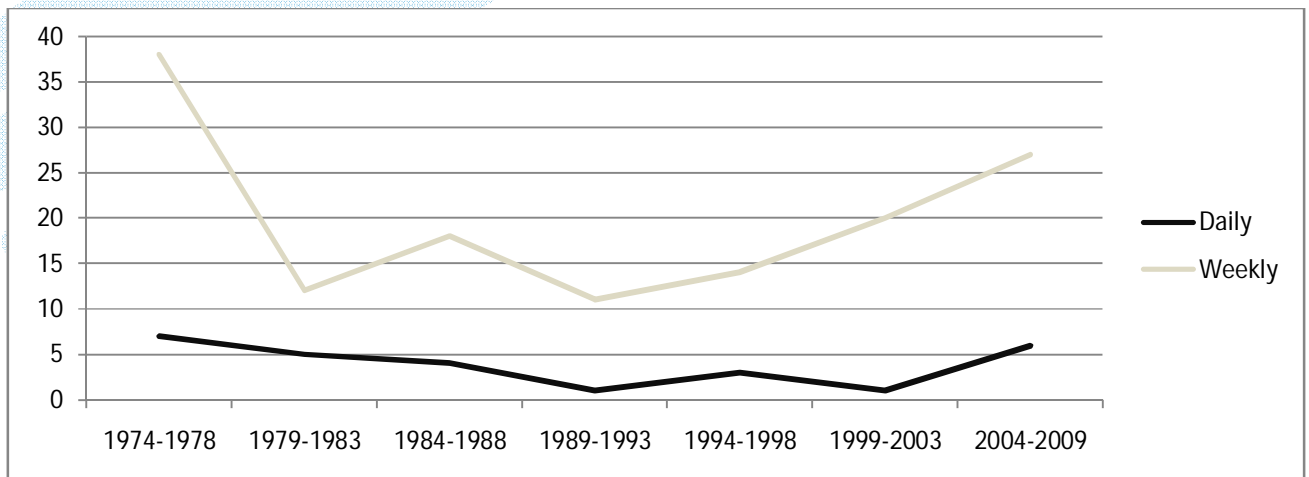
The period 1989-1993 proved to be one of the darkest periods for the newspaper format, not only with the creation very few new titles after the privatization of the media

sector and the appearance of two new open signal television channels, SIC(in 1992) and TVI (in 1993).

The preference for the magazine format, from the mid 1980s, can be justified by the attraction to the audiences of both the colour and the image of the magazines, which contrasted with the dominant “greyness” of the newspapers(Sousa, 2001: 10), although some of these, particularly in certain supplements and the first and last page have entered upon a strategy of “magazination”.

After reviewing the entries in the market by periodicity (Figure XVIII), we can point some important trends.

Figure XVIII: Entries by periodicity

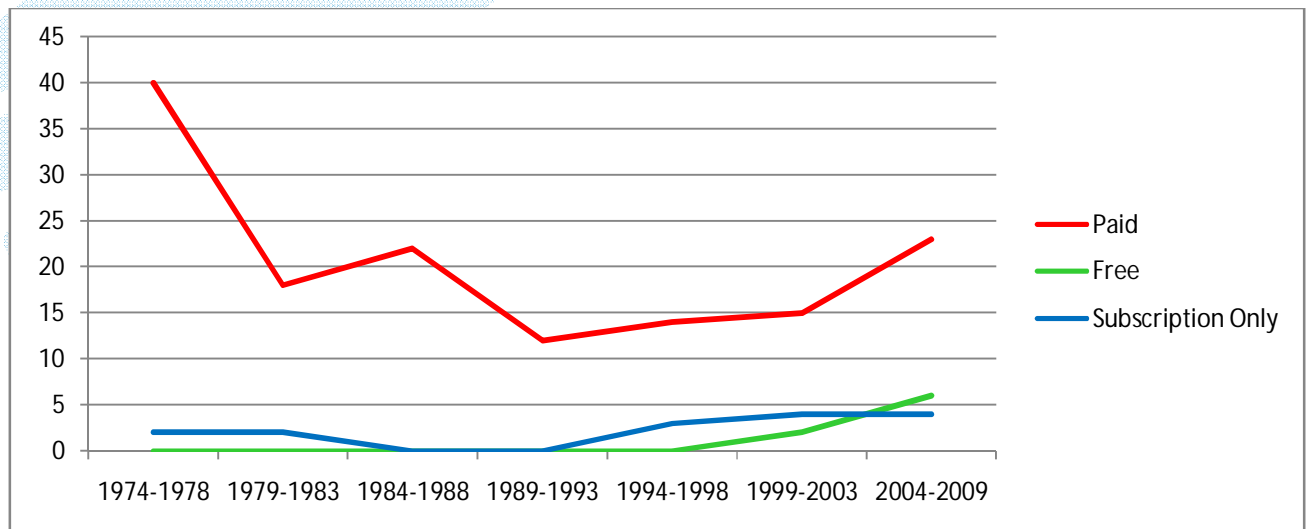


The first period, 1974-1978, was the “golden era” of the weeklies which were the preferred format for the startups by then. After a big decline in the second period, the weeklies experienced a period of oscillation, recovering from the mid 1990s when most of the publications entered the market. In contrast, the dailies were always in a secondary position in relation to the entries in the national range of the Portuguese press system. Interestingly enough, it was in the two extremes of the time frame of analysis, 1974-1978 and 2004-2009, that more entries of daily periodicals have occurred. The increasing of daily

newspapers in this last period, marked by many exits, can be explained by the multiplication of free daily newspapers. Of the six new entries registered in this period, four were free dailies, one was a economic newspaper and only one a general information newspaper.

Figure II shows that the paid format was always the favourite for the newcomers. The «subscription only» format, was only used in Portugal by periodicals devoted to specialized information and specific segments of the audience, and fell into disuse during the mid 1980s and early 1990s, although resumed in the middle of the decade.

Figure II: Entries by pricing



The great innovation introduced in the Portuguese daily and weekly national press was the free newspapers, that arrived into the market in 2001 (Vieira, 2006: 8) starting in the daily segment, multiplying and spreading up to the weekly and specialized ones. The emergence of free newspapers prompted serious concerns to the editors of paid newspapers who feared that the newcomers would cannibalize their outlets/news

products (Picard, 2001: 167). But contrary to other European countries, such as Spain and Italy (Arnesto *et al.* 2009: 122), the free format did not achieve the predicted success. In fact, some of the free newspapers demised shortly after their creation, following the general trend, regardless of being daily or weeklies. Nevertheless, this was the format with the highest survival ratio (63%).

Analysing the entries by segment and by period we also found some trends. The first period (1974-1978) registered the highest rate of entries in the following segments: «general information», «politics», «culture/shows», «unusual» and «humour/satirical». In the second period (1979-1983) emerged the «criminal information» segment, one title only that is still published. In the third period 1974-1988 we have noticed the peak of entries in the «economy/business/management» segment. In the fourth period (1989-1993) no segment stood out. On the contrary, in the fifth period (1994-1998) the segments «sectorial information» and «TV/games» reached the highest rates of entries. The same happened in the sixth period (1999-2003) with the segments «women's/fashion/society» and «foreign communities» and in the last period with the segments «sports/vehicles» and «culinary». Some segments registered the highest number of entries in more than one period: «culture/shows» (1974-1978 and 1984-1988), «technology» (1979-1983 and 1994-1998) and «religion» (1979-1983 and 1999-2003).

Figure III: General Information

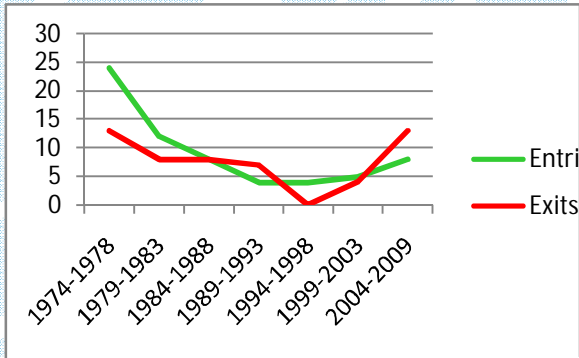


Figure IV: Politics

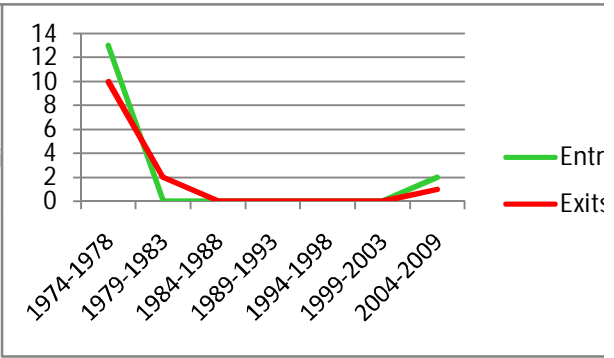


Figure V: Economy/Business/Management

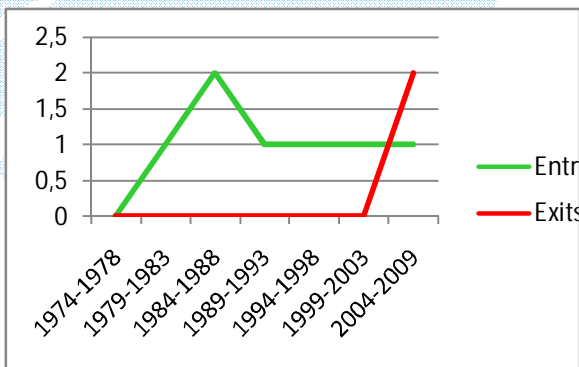


Figure VI: Women's/Fashion/Society

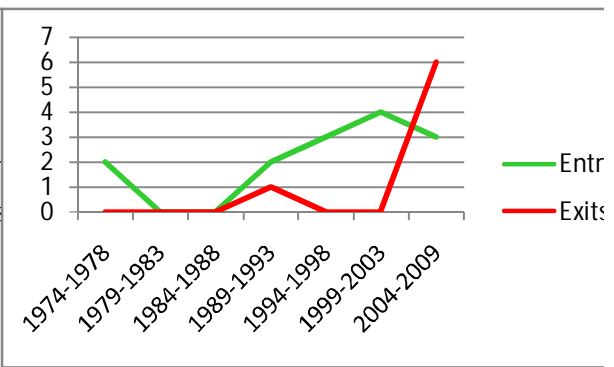


Figure VII: Sports/Vehicles

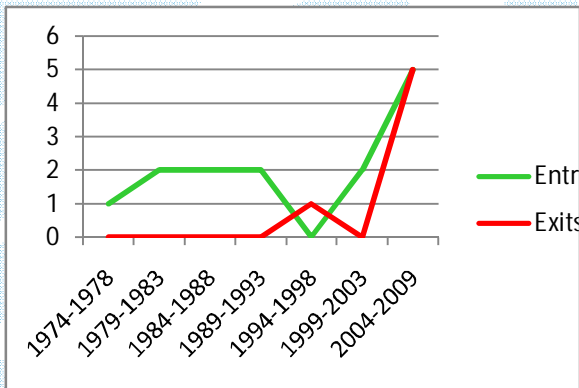


Figure VIII: Foreign Communities

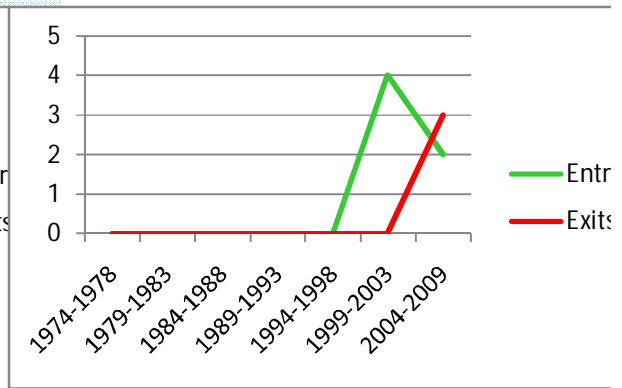


Figure IX: Religion

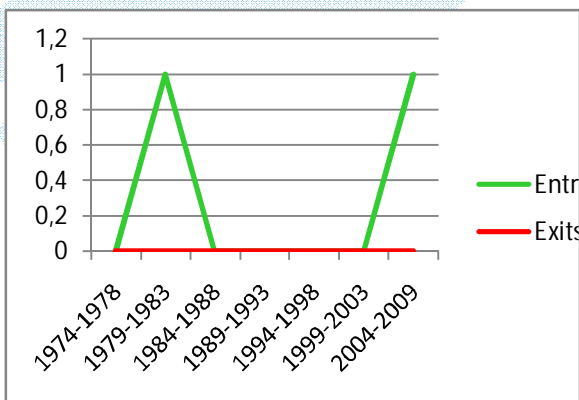


Figure X: Sectorial Information

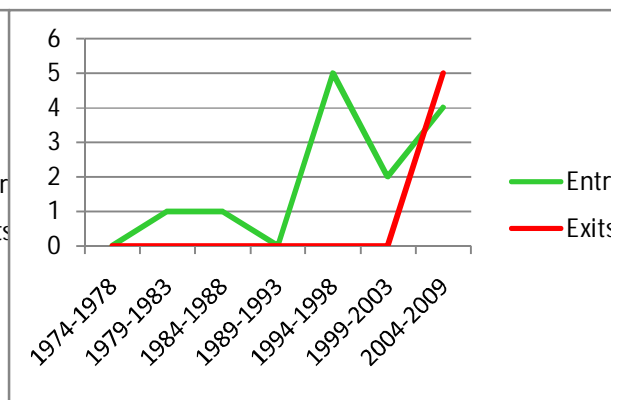


Figure XI: Culture/Shows

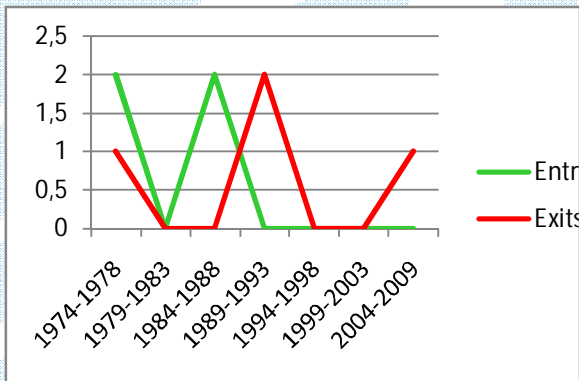


Figure XII: Technology

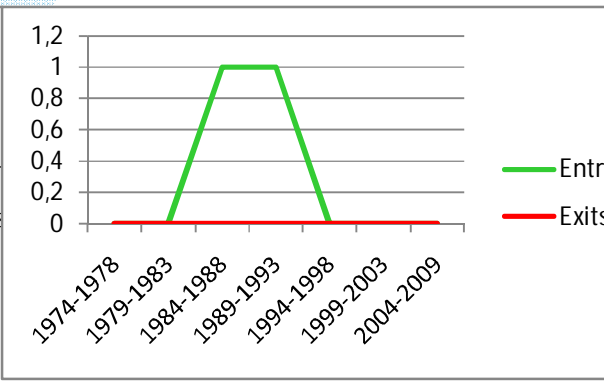


Figure XIII: Criminal Information

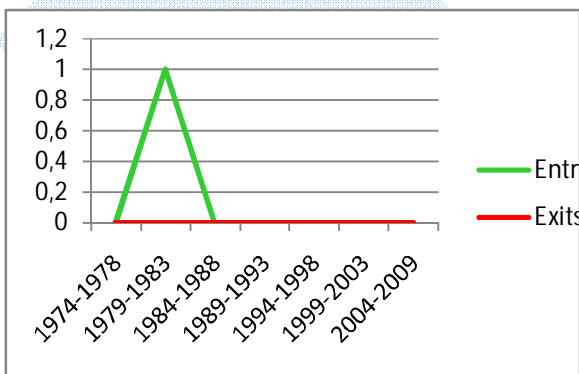


Figure XIV: Culinary

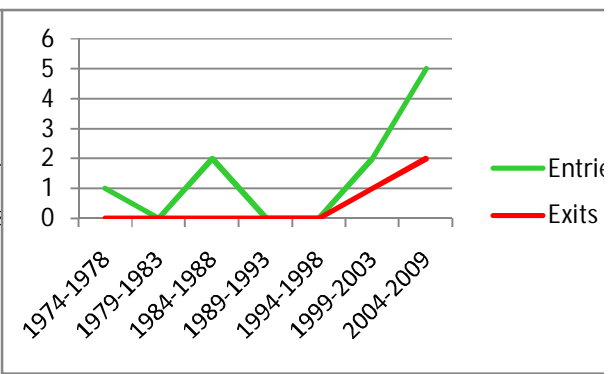


Figure XV: Youth

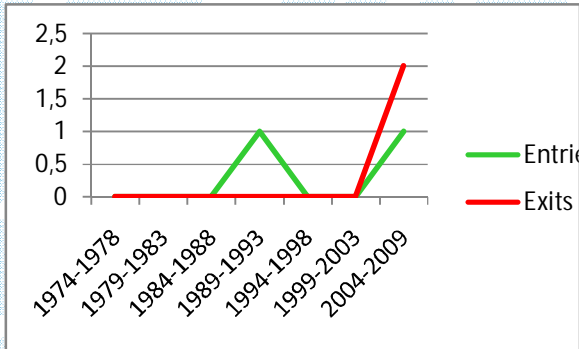


Figure XVI: TV/Games

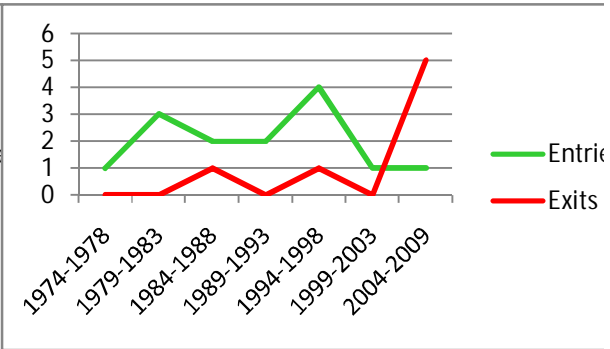
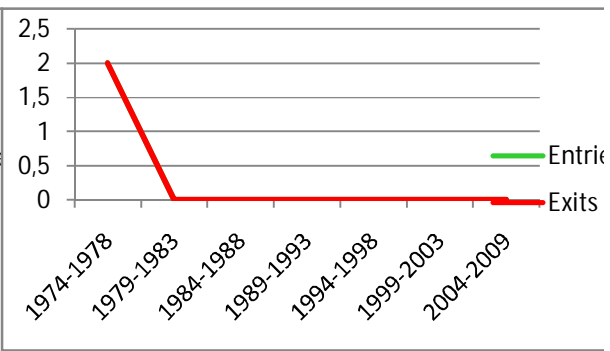


Figure XVII: Unusual



Figure XVIII: Humour/Satirical



Conclusions

The Portuguese press system has undergone major changes over the past 35 years. Many newspapers and magazines have asserted themselves as success stories, especially in some new segments that have hit the market during that time period. The sector of soft news and entertainment has continued to occupy a considerable market share, but the growth of the economic and business newspapers alongside the

newsmagazines give some hope for the future of journalism in Portugal, despite the general crisis of the sector.

Analysing the data we found 173 new entries and a number of different motivations for creating titles and investing in the Portuguese written press market:

- The dissemination of political ideas and the fight against the monolithic tone of the state controlled press. More visible in the years after the Revolution and before the re-privatization of the periodicals that were nationalized;
- The answer to the needs of a society in transformation eager for specialized information and new products which proved to be successful businesses;
- The expansion of the firms acquiring newspapers and magazines of individual companies or creating new titles in different segments. A widely used strategy by large companies after the market liberalization.

The business strategies have changed over time, with the newcomers proposing distinctive products trying to occupy open niches, but also copying successful models with great sales values, benefiting from the competition. This led to the coexistence of many similar products mainly in the sector of the weekly «women's/society/fashion» magazines.

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