

# THE DIGITAL REVOLUTION: WILL IT LEAD TO THE ULTIMATE DEMISE OF NEWSPAPERS?

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## Summary

There has been a great deal of speculation about the potential impact that digital technology will have on existing media consumption. Undoubtedly, some elements of media behaviour will change through the advent of interactive television and the ever-increasing array of choices available via the personal computer. Included in this range of options are newspapers and magazines. More titles are becoming available on-line and some predict that screens could start to replace the traditional printed page for news and entertainment.

*"The future is in words, not in paper"*  
Nicholas Negroponte  
MIT Labs, USA

Are these predictions far-fetched? Do the public want to substitute the printed word with an electronic version or will these new media technologies simply exist alongside the more traditional ways of doing things?

This paper addresses these issues from the consumer perspective. It draws findings from *futura.com*; a three-year, UK panel study into social change with a core focus on the impact of new media technologies on consumer behaviour. In addition, a qualitative study has been undertaken, specifically for the Print Symposium, to investigate in greater depth the attitudes of young people towards newspapers and the Internet.

It concludes that while electronic media are attracting an ever increasing audience in the UK, they are not being used currently to fulfil the traditional roles of newspapers. It does, however, argue strongly against a complacent attitude by publishers and turns towards experiences in other countries as an indication of what the future might hold as electronic media develop further.

## Introduction

The technological revolution is no different to any other in that it is subject to intense speculation over how it will impact on consumer behaviour. Just as it was predicted that the telephone would reduce the need for social contact and that video would destroy the cinema, it is now thought by some that readers will move towards digital technology for the news and information traditionally accessed through newspapers.

To identify whether there are signs of any substance to this argument, the following analyses have been conducted:

1. Newspaper readership among Internet users and non-Internet users (*Target Group Index*).
2. Time spent with individual media amongst Internet users and non-Internet users (*futura.com*).
3. Incidence of on-line newspaper readership (*futura.com*).
4. A comparison of readership before and after Internet adoption (*futura.com*).
5. A focus on young adults aged 15 to 23 to identify current newspaper readership, use of the Internet and reasons for use (*Orvesto Consumer*).
6. On and off-line readership for a Swedish evening newspaper (*Orvesto Consumer*).
7. Media time-use by Internet users in the USA (*Jupiter*).

### A note about *futura.com*.

The *futura.com* study began in 1996 and is being conducted by The University of Leeds in a partnership with *The Independent Television Commission* and *Mindshare*. Additional commercial funding is provided by a range of major advertisers and broadcasters. Longitudinal data is collected from a continuous, nationally representative panel of over 4,500 households with panel boosts for both cable TV homes and Internet users. Twice yearly, the panel is surveyed on technology ownership and use, media habits, social behaviour, time use and opinions. Additional qualitative research is also undertaken regularly to add depth to quantitative results.

The overall objective of the study is to understand and explain social change and its impact on public behaviour and opinions. Emphasis has been placed on the media and new technologies as, it could be argued, they are major contributors towards current changes in society. There are, however, an exhaustive variety of other topics regularly measured in order to paint an accurate portrait of British society at the end of the 20th century.

### 1. Newspaper Readership Amongst Internet Users and Non-users.

The *TGI* was used to draw comparisons of users and non-users of the Internet. Due to the strong age and class bias in newspaper profiles, a demographic control was imposed. The analysis therefore examined ABC1's aged 15-44 years. Overall, there are very few differences in the newspaper penetration of both groups (Table 1)

	<u>15-44 ABC1</u> <u>Internet users (%)</u>	<u>15-44 ABC1</u> <u>non-users (%)</u>
<b>Heavy readers</b>	14.4	14.2
<b>Medium readers</b>	32.2	36.9
<b>Light readers</b>	42.1	30.0
<b>None</b>	11.3	10.0

*Source TGI '99*

Among quality newspapers, there are some significant differences between the groups both for general readership and by specific title. Interestingly though, quality newspaper readership is biased *in favour* of Internet users (Table 2)

	<u>15-44 ABC1</u> <u>Internet users (%)</u>	<u>15-44 ABC1</u> <u>non-users (%)</u>
<b>Heavy readers of qualities</b>	15.0	9.2
<b>Medium readers of qualities</b>	8.6	6.6
<b>Light readers of qualities</b>	38.4	32.2
<b>Daily Telegraph</b>	7.0	4.3
<b>The Guardian</b>	7.3	4.3
<b>The Independent</b>	4.9	1.7
<b>The Times</b>	7.2	5.4

*Source TGI '99*

On the other side of the coin, readership of the popular titles is biased in favour of non-Internet users (Table 3) suggesting that on-line behaviour may be driven by factors other than demographic characteristics.

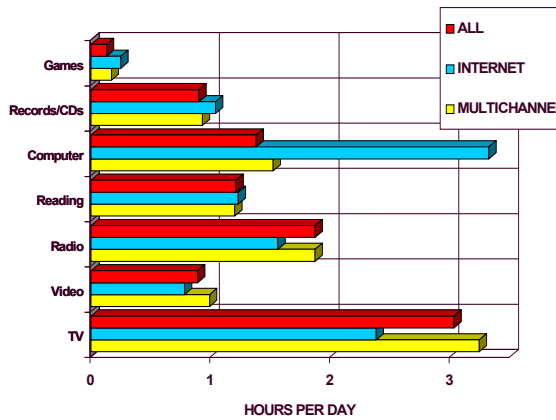
	<u>15-44 ABC1</u> <u>Internet users (%)</u>	<u>15-44 ABC1</u> <u>non-users (%)</u>
Heavy readers of populars	7.6	10.5
Medium readers of populars	11.3	19.3
Light readers of populars	29.6	29.5

*Source TGI '99*

**2. Time Spent with Individual Media Among Internet Users and Non-Internet Users.**

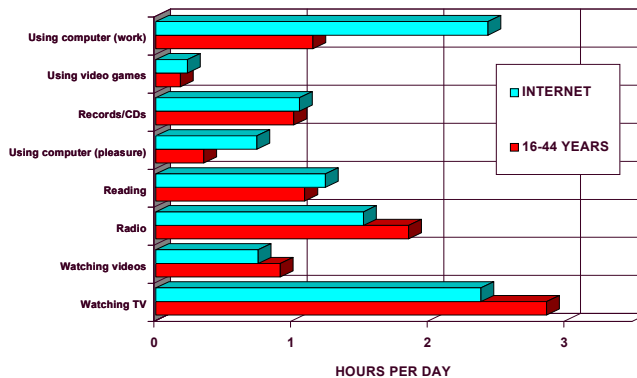
Respondents taking part in the *futura.com* study are regularly asked how much time they spend taking part in a wide range of activities, including media. Table 4 compares all adults with multi-channel TV homes and Internet users. While television viewing is lower amongst Internet users, time spent reading remains constant across the three groups.

**TABLE 4**  
**Use of time - all adults versus multi-channel homes and Internet users**

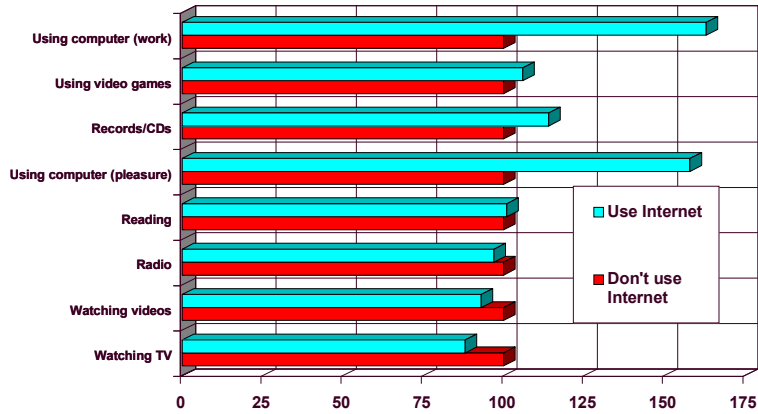


Of course, from this data, it could be argued that Internet users are likely to be young and upscale who, by nature, tend to be lighter viewers. To identify whether demographic characteristics are responsible for the differences, further analyses were conducted. Table 5 compares 16 - 44 year old adults with the Internet to those without and Table 6 is focussed on ABC1 men.

**TABLE 5**  
**Use of time - all aged 16-44 versus Internet users**



**TABLE 6**  
**Use of time - ABC1 men with Internet versus**  
**ABC1 men without**



In both cases the picture is the same, TV viewing is lower among users. This suggests that the Internet may be stealing some of the time normally spent watching television. Reading, on the other hand, is maintained in both cases and even shows an increase amongst young Internet users.

**3. Incidence of Readership On-line.**

Not surprisingly, there is a higher incidence of reading newspapers on-line for regular, as opposed to irregular, Internet users. However, intensity of reading via the screen does not appear to have a significant effect on reading in the traditional way (Table 7). And although the sample sizes are inadequate for deeper interpretation, time-use data from futura.com indicate that those who read newspapers on-line, spend, if anything, more time reading print than those who don't read on-line.

	<b>Regular Internet users</b>	<b>Irregular Internet users</b>
<b>Read newspapers on-line regularly</b>	<b>10.5</b>	<b>5.7</b>
<b>Read newspapers on-line occasionally</b>	<b>39.9</b>	<b>26.1</b>
<b>Regularly read a newspaper</b>	<b>74.0</b>	<b>72.3</b>
		<b>Source: futura.com</b>

These data seem to indicate that on-line newspaper readership fulfils functions outside those of printed material. The low penetration of regular on-line newspaper readers also suggests that the Internet is used mainly for purposes other than for news. It appears likely that on-line readership is used in addition to print, rather than a direct replacement for it. This theme is explored in more depth in the qualitative research section that follows.

**4. A Comparison of Newspaper Readership Before and After Internet Adoption.**

The benefit of a longitudinal survey such as futura.com, where the same people are tracked over time, is in being able to compare behaviour from the *same* individuals before and after events. To test the hypothesis that newspaper readership changes once the Internet has been adopted, an analysis was conducted to compare the reading behaviour of Internet users with a time when on-line media was not available to them (TABLE 8).

<b>TABLE 8</b>			
<b>People who use the Internet now (1999) but did not use in 1997</b>			
<u>Read daily in '97</u>	<u>Read daily in '99</u>	<u>Read Sunday in '97</u>	<u>Read Sunday in '99</u>
68%	73%	57%	60%
<b>Source: futura.com</b>			

Both for daily and Sunday newspapers, regular readership has increased among recent Internet adopters.

**5. Focus on Young Adults Aged 15 to 23 to Identify Current Newspaper Readership, Use of the Internet and Reasons for Use.**

In order to substantiate the findings of these quantitative analyses, further qualitative research was undertaken to investigate current newspaper readership and motivations for use of the Internet.

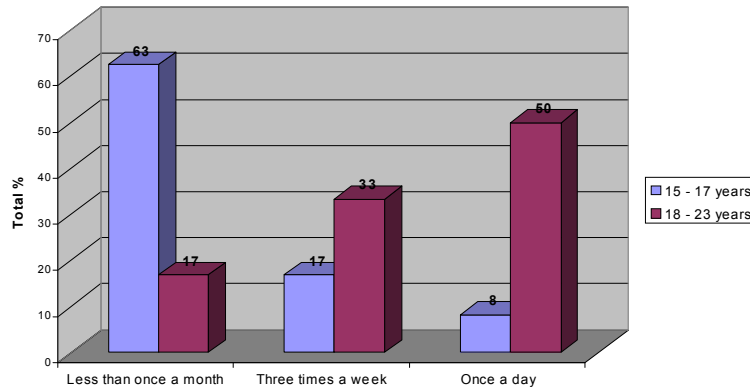
From a total sample of 60 contacts, 36 respondents aged 15 – 23 years were recruited as users of the Internet and were interviewed by telephone.

**Internet Usage**

The location of usage of the Internet varied by age reflecting developing lifestyles and availability of access. 15 – 17 year olds primarily accessed the Internet at school, 18 – 20 year olds accessed at home whilst for 21 – 23 year olds, work became an additional source of access.

Table 9 illustrates that frequency of usage increased with age; 63% of 15 – 17 years age group claimed to use the Internet less than once a month and only 8% once a day. However, 50% of 18-23 years age group claimed to use the Internet once a day.

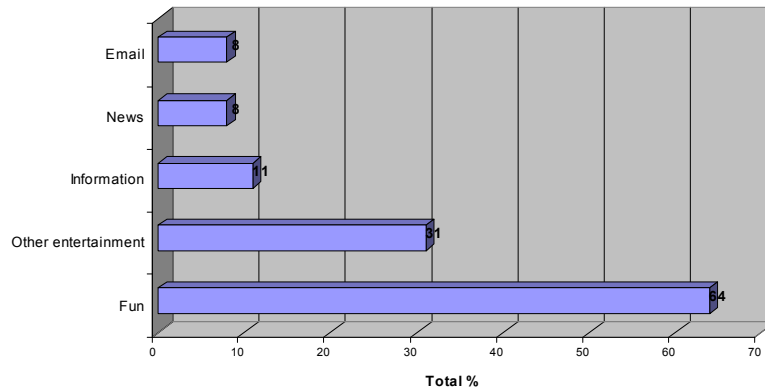
**TABLE 9**  
**Frequency of usage**



**Motivation for Usage of the Internet**

Table 10 illustrates that the main motivation for usage of the Internet for all age groups was for ‘fun’ and ‘other’ entertainment sites. Usage of the Internet for information and email increased for the 18+ age group. Internet usage as a source of news was minimal across all ages

**TABLE 10**  
**What do you use the Internet for?**



With the ‘other’ entertainment, pornography featured relatively strongly amongst 15 – 17 year old males (9%) and chat rooms for females (4%). Respondent’s favourite sites reflected their lifestyles and interests, namely movie stars, cult TV shows, dance music, clubs, PC games, football and low cost travel. Favourite sites included:

- |                        |                  |
|------------------------|------------------|
| Austin Powers          | Movies           |
| Leonardo di Caprio     | “                |
| South Park             | TV               |
| Cartoon Network        | “                |
| Africam                | Social Awareness |
| Kiss FM                | Radio            |
| Football               | Sport            |
| Games / free downloads | Leisure          |
| Low cost flights       | “                |
| Theatre listings       | “                |
| Studying               | Education        |

**Newspaper Readership**

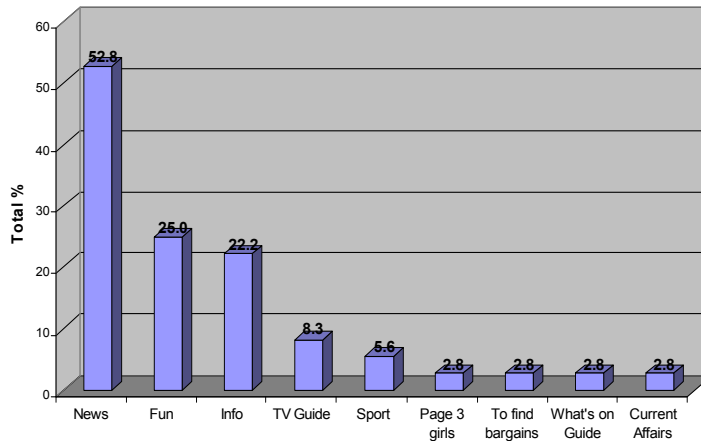
The majority of respondents (83%) claimed to read a newspaper regularly reflecting national readership levels, *The Sun* and *Mirror* gained the highest penetration amongst this group. Readership of local newspapers was relatively high, in particular within the 18 – 20 years age group.

61% of respondents claimed to read a newspaper, on average, once a day supporting the TGI analysis that demonstrated that Internet users tend to be heavier newspaper readers.

**Motivations for Reading Newspapers**

Table 11 illustrates that, unlike the Internet, news was the main reason for reading a newspaper, followed by ‘fun’ and ‘information’

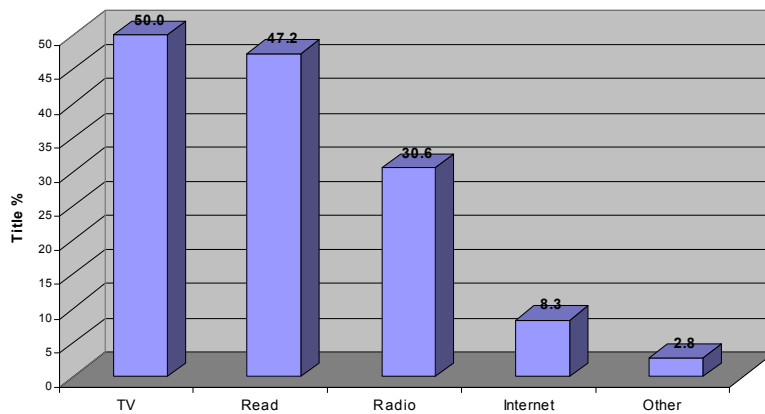
**TABLE 11**  
**Motivation for reading Newspapers**



**Sources of News**

In support of the evidence that respondents do not use the Internet for news, and in reflection of the relatively high newspaper readership levels, newspapers were second only to television as the main source of news. Internet usage was once again minimal.

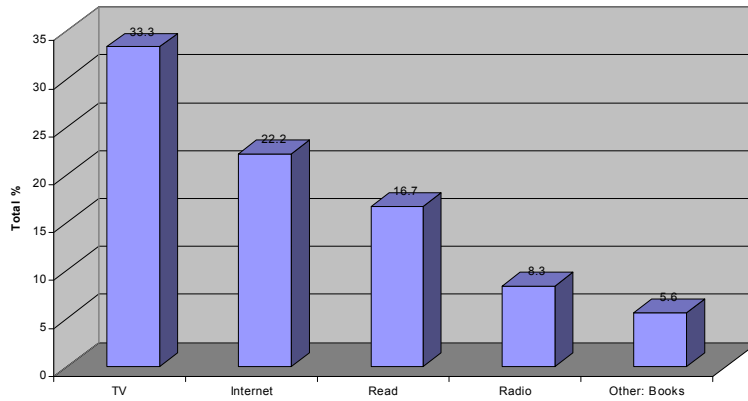
**TABLE 12**  
**What do you use when looking for news?**



**Sources of Information**

However, when considering sources of information, the Internet achieved higher penetration than newspapers (see Table 13).

**TABLE 13**  
**What do you use when looking for information?**



**Use of the Internet to Read Newspapers / Magazines**

Use of the Internet to read newspapers or magazines was minimal. Only 2 male respondents claimed usage of the Internet for this purpose. One aged 18 – 20 years, mentioned *FHM* magazine and the other aged 21 – 23 years mentioned the *Daily Star*.

**Interim Summary**

The evidence from this qualitative research study supports the quantitative findings. Currently, usage of the Internet is for fun and entertainment, whilst newspapers maintain their high penetration levels and remain a major source of news. There are, however, a few warning factors, in particular that the Internet is a preferred source of information for this young age group.

Penetration levels of the Internet access at home are relatively low in the UK, but as the market grows, the small numbers we have found who use the Internet to read newspapers or magazines may increase. In order to capitalise on this potential market, publishers will have to ensure their Internet sites are entertaining, provide information and, primarily for the 15 – 23 years age group, are fun to visit.

**So Everyone Can go Home Happy.**

From the evidence presented so far it appears, at least from the UK perspective, that newspaper readers are a contented group and that sales are not under threat from digital technology. In these circumstances, there may be a temptation to be complacent but publishers would do well to examine evidence from other markets where on-line technology is better developed. It could be argued that the migration of readers towards new media is simply a matter of time and that it would be wise to prepare now for potential shift from the printed page to the screen.



**6. On and Off-Line Readership for a Swedish Evening Newspaper.**

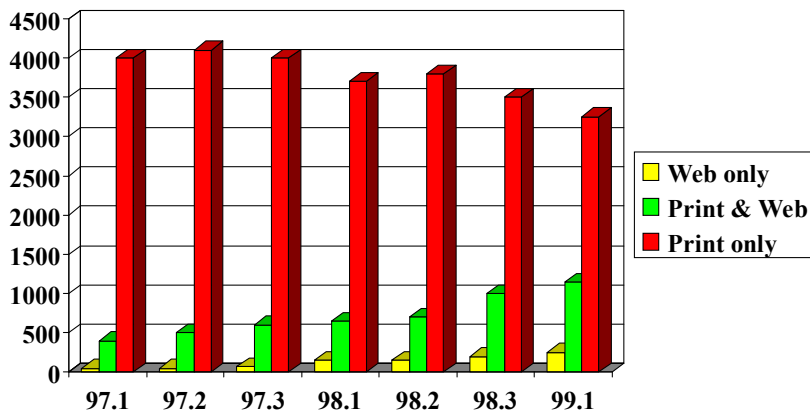
Scandinavia is one of the most sophisticated on-line media markets in the world. The Internet is well established and penetration is relatively high compared to other countries (Table 14).

<b>Denmark</b>	<b>46</b>
<b>Finland</b>	<b>48</b>
<b>Sweden</b>	<b>56</b>
<b>France</b>	<b>26</b>
<b>Spain</b>	<b>22</b>
<b>UK</b>	<b>32</b>

**Source: FutureTr@ck**

Evidence from Sweden suggests that an increasing number of readers are using on-line services to access newspapers (Table 15)

**TABLE 15**  
**Traditional versus on-line readership for a Swedish evening newspaper**



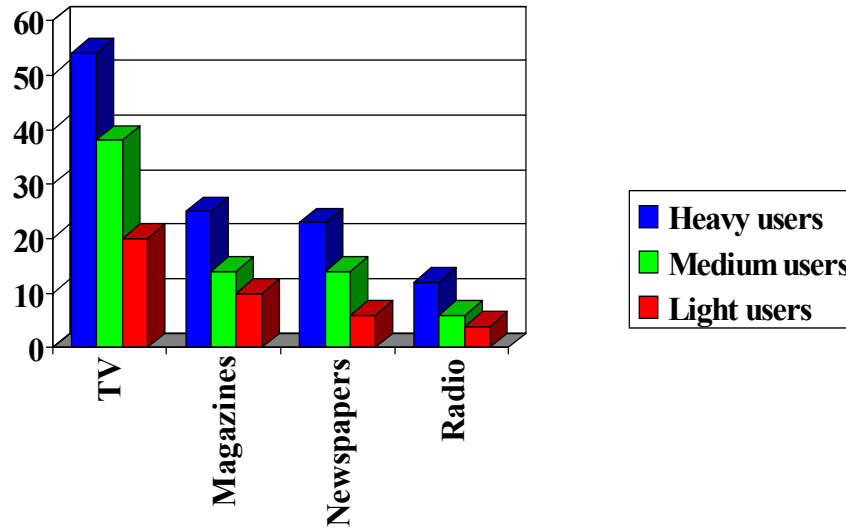
While the total number of ‘visits’ to the paper has increased marginally over the two year period, the proportion accounted for by print only has declined by 750,000. Meanwhile, the number of people using both print and web has increased almost 300%. And while the number of web only users may appear small at first sight, it is worth noting that the increase over two years is five-fold, albeit from a very small base.

**7. Media time-use by Internet users in the USA**

Finally, it is worth taking a look at the US as many the trends witnessed there are eventually repeated in other countries. The *Jupiter/NFO Consumer Survey (1998/99)* that looks at attitudes, behaviour and demographics of on-line users, has examined changes in media consumption due to the Internet. Its evidence will obviously cause concern amongst American media players but should also be noted by those outside the US.

Once again television suffers most from on-line cannibalisation but, unlike the evidence presented from the UK, there are also significant claimed losses for newspapers and magazines, particularly amongst heavy Internet users (Table 16)

**TABLE 16**  
**% decrease in media consumption due to Internet**  
**use by intensity**



Heavy users in the table are defined as spending eleven hours or more per week on line while light users spend five hours or less. 41% of all users claim to spend less time watching TV due to time on-line, while among heavy users, the proportion increases to 54%. Similarly, heavy users report a disproportionate media displacement of magazines and newspapers. Radio is the least affected most likely due to the ability to continue listening while also watching the computer screen.

These data provide excellent armour for the newspaper sales representative in competition with television for advertising revenue, but they also indicate that the overall proportion of readers of print may decline over time. The wise publisher therefore should be preparing strategies now, to attract both the traditional and the new form of reader in order to combat the potential competitive threat of increasing on-line behaviour in the years to come.

In the short-term it appears that an approach that delivers on-line fun and entertainment will be the most successful from a general public perspective. In the longer term, it could be more desirable to present total newspaper content on screen. **While old habits may die hard with traditional readers, tomorrow’s generations are more accustomed to, and comfortable with, reading on screen. When they grow up, they may not share the same reticence as today’s adults towards receiving editorial in this way.**