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Upstarts

Sue Green

Print media is dying — at least, that's the conventional wisdom. Circulation figures show sales of major Australian newspapers have been in consistent decline. And that's a worldwide trend. In its State of the News Media 2015 report the Pew Research Center said: 'Newspapers continue to struggle as an industry.'¹ In the United States, newspaper advertising revenue is less than half what it was a decade ago and daily circulation is down 19 per cent over that same period.

Little wonder then that independent Australian fashion, music, art and film magazine *Spook*, founded by Nick Melin and Marcus Thompson as a print magazine in June 2009, relaunched as a digital publication in mid 2014. It now describes itself as 'a progressive cultural digital platform'.² It flourished in its early years, building a strong local community and its reach extending to 37 countries. But Melin, also publisher and editor, says its owners believed reconfiguring was essential. So, *Spook* has been a start-up twice and now competes with *Vice* and *Junkee*.

'It was inevitable that we would have to have an online presence, given the trends in the industry. We always had a blog but we did not really concentrate on it; we have moved from using it as a marketing tool for our print publication to using print as a marketing tool for our digital,' says Melin. It was 'a classic response to the rise of the online media — the idea that the online environment can carve spaces for niche organisations and perhaps monetise them in a sustainable way'.

That's also the view of media commentator Eric Beecher, publisher of *Crikey*, a former editor of *The Sydney Morning Herald* and former editor-in-chief of the *Herald and Weekly Times*. In an essay in *The Monthly*, 'The Death of Fairfax and the End of Newspapers', in July 2013 he wrote: 'The internet is at heart a niche medium. Even large websites, including social media sites, are built around small communities of interest and individual preferences.'³

At the same time, other media organisations were targeting Australian readers with online-only start-ups. In May 2013, *The Guardian* launched its third international digital edition here, saying it already had more than one million readers in Australia.⁴ *Daily Mail Australia* launched in 2014. And US new media and viral content site *BuzzFeed*, which began in New York in 2006, launched *BuzzFeed Australia* that same year. In its Sydney-based newsroom all staff are under 30, *BuzzFeed Australia* editor Simon Crerar says.

So, when publisher Morrie Schwartz launched quality weekly newspaper *The Saturday Paper* on 1 March 2014, he was certainly bucking predictions that the print newspaper was on the way out. For example, in January 2012, the demise of most US print newspapers within five years was tipped by Jeffrey Cole, director of the Center for the Digital Future at the University of Southern California Annenberg.⁵ Speaking of the questions raised by 'the impending death of the American print newspaper', he said

Circulation of US print newspapers continues to plummet and we believe that the only newspapers in America that will survive in print form will be at the extremes of the medium — the largest and the smallest.

Yet, *The Saturday Paper* is just that — paper. Risky? Perhaps, but Pew also noted: 'Despite widespread talk of a shift to digital, most newspaper readership continues to be in print.'⁶

In the lead-up to the launch, then 23-year-old *The Saturday Paper* editor Eric Jensen, who was without previous editing experience, wrote in *The Guardian's* media pages:

There is no doubt we are announcing *The Saturday Paper* — a sister to *The Monthly* and *Quarterly Essay* — in the lee of a storm that has battered newsrooms around the world. But we do so because we think this storm has created a panic which forced news organisations to abandon newspapers before they needed to. Panic has caused newspapers to respond to disruption in damaging ways.⁷

Says Jensen now: 'It was about saying that there is a kind of journalism that works in print, that can be sustainable in print and that can be done by an organisation that focuses wholly on it.' He's talking about long form journalism — *The Saturday Paper's* mainstay — yet the trend is to shorter news stories, with readers' concentration spans supposedly shorter. A Microsoft study in May 2015 found the age of smartphones had left humans with shorter attention spans than goldfish, at just eight seconds.⁸

But a *Columbia Journalism Review* study brought good news for Jensen and those of us who enjoy a good long read and are confident that there is an audience for quality long form. It reported:

Among our most remarkable findings is that readers finished 94 per cent of the long form pieces they started. It appears that a trusted name brings with it the warrant of quality; readers are more likely to invest their time in a story that comes from a media outlet they know rather than one they don't.⁹

Aiming for that trustworthiness from the outset, *The Saturday Paper* was a bold experiment: while Schwartz provided seed capital, it was set up to be self-sustaining. It had sold 10,000 subscriptions before the launch through special offers to sister publication subscribers, and broke even or made money from its first issue, Jensen says:

Our model is fundamentally predicated on the seriousness of people. The journalism we do costs quite a lot of money so people have to pay for it, this is the only way that we can live. Advertising is a big part of

revenues, but subscription is the bedrock that keeps us ticking over.

He believes that while the internet has fundamentally changed the business model for print newspapers, they have remade themselves in ways that don't necessarily help their businesses. But while larger media companies faced numerous pressures that had an impact on how they could reconfigure, a start-up did not. 'As an upstart company it was really about saying that while this model has changed fundamentally this model is not broken.'

Jensen likens this to 'jamming the gears' of the news cycle.

One of the key assumptions that we were challenging was about the disposability of news and that is why we were in print. We needed to find a way to say, this is not journalism that you churn through.

Sending that message meant taking account of all aspects of the publication, even the weight of its paper: 'We were very keen for us to be the kind of newspaper that you could read all week.'

This attention to quality — the look, feel and design — is essential, says *Spook's* Melin, whose readers also read *The Saturday Paper* and *Frankie*. His team has put increasing effort into these aspects of *Spook*: 'That's why we still want to continue doing print in some sort of format.' He references New York's *Rookie* magazine, an annual publication with a young readership, saying, 'there is still a market if you do it right. We feel we have still got an opportunity in that field. I am certainly an advocate of the multi-format publication process.'

Jensen, too, says the online environment is 'a terrific environment for us; lots of people pay for our news online'. *The Saturday Paper*, which offers print and digital or digital-only subscriptions, and with sales split 50:50 between subscriptions and news agencies, is experiencing huge growth from those who read it online and then come to the print edition.

A huge amount of our growth is people sharing our content online and then coming to the print title. Our web audience is bigger than our print audience.

Before the paper launched, he expected that in five or ten years it would have to move away from an edition-based model to feed an audience over more of the week. Not so now. 'It is certainly possible that in ten years' time it will be an online publication, but it will remain an edition-based publication.'

Expectations around young people have also been proved wrong. With half its audience aged under 40 and a big chunk aged 25–30 — much younger than the audiences for other newspapers — *The Saturday Paper* has bucked the traditional view that newspaper readers are older. For many it is their first print publication, people who never felt that a newspaper 'spoke to them'. Others use *The Saturday Paper* to fill the gaps in what they're reading elsewhere. And it also pitched to those who had once been newspaper buyers but had become disenchanted. Jensen says:

Launching *The Saturday Paper* was about trying to diagnose a whole lot of illnesses in the media and attempting to treat them. In diagnosing those illnesses it was largely about looking for underlying misconceptions about what audiences wanted and what journalism could be.

That challenges the assumptions that readers would not buy newspapers with 'difficult' front page stories — domestic violence, refugees, for example.

Tapping into stories of that kind is also how *Spook* covers politics — an area it did not tackle when it initially launched. Says Melin:

It certainly has been an area of late that we have found to be something that our readers are interested in. We never really started out to be an overly political-based publication but certainly over the last couple of years, since we relaunched, it has been a key component of our editorial offering and I guess why that is the case is

that we don't look at politics as governmental politics — what is going on in the cabinet reshuffle or the subtle points of budgetary policy — but we look at it more as the social issues that politics brings.

These include marriage equality, refugees and climate change. Audiences receive broader information about politics and elections because of the increasing range of options online, and there is greater scope for new voices, with the old allegiances with political parties and business groups possibly breaking down.

BuzzFeed, mostly read by teens and those in their twenties, may be better known for its lists and quizzes than its political analysis, but *BuzzFeed Australia* also covers politics. Crerar says it has invested in a Canberra-based political journalist: 'Young people really care about politics. People on the Internet can be tickled by something light and entertaining and something deep and meaningful.' So, when its news team was expanded in 2015, it decided to focus on gender-related topics, LGBT and Indigenous affairs. And it is creating innovative coverage — a periscope interview with the then-Federal Treasurer Joe Hockey, a Snapchat interview with Minister for Foreign Affairs Julie Bishop, for example.

Jensen, who lauds fragmentation of media ownership and believes competition is absolutely necessary, thinks the proliferation of websites has produced a diversity of opinion, but doubts whether the average reader is actually getting that. He sees *The Saturday Paper* as:

a sort of hybrid between an old kind of news weekly magazine and a newspaper and the reason that we are that way was that it was the only way to quickly and cheaply print the journalism that we do and find our way to the front of the shop.

Printed overnight, and sold on the one day when newspapers are still profitable, unlike most weekday papers, *The Saturday Paper* is, says Jensen, part of its readers' self-identification:

We would be a hugely insubstantial thing if we existed just on the internet because we want to be a part of people's lives and not just their lives in reading their phone on the way to work ... We saw an opportunity for a newspaper that said something about the person that was reading it, which is not something that newspapers do anymore. Certainly if you are reading *The Saturday Paper* in a cafe in Northcote, you are saying something about who you are.

Why so? Because so many aspects of our lives don't offer that chance for self-expression anymore, Jensen believes. But Saturday morning, from our choice of coffee to our shoes, offers the chance for a little self-indulgence, to carve out an hour to read the newspaper. It is about 'expressing your essential conception of yourself'.

Crerar sees parallels with readers sharing *BuzzFeed's* content on *Facebook*: 'People who are sharing our content or any publisher's content on *Facebook* are actually self publicising, or taking a position on who they are.' And *BuzzFeed's* renowned quizzes – think, 'Which Christmas song matches your zodiac sign?' or 'Where will your first kid be conceived?' — are also helping people who are trying to figure out their identities.

Jensen agrees:

For our audience to properly express themselves they need to share our content," he says. "The bulk of our additional audiences absolutely come from Twitter and Facebook. Facebook is bigger than Twitter for us."

And the longer and more serious a story is the better it performs on social sharing. More than 50 per cent of traffic to thesaturdaypaper.com.au is from social media — 60 per cent of that from *Facebook*, the rest from *Twitter*. 'Everything that appears in the paper will be shared multiple times on social media by us as well as other people.'

BuzzFeed Australia is also very focused on social media, which Crerar says drives most of its traffic — the homepage drives only a

tiny amount. Social media is ‘absolutely our distribution method’, with more than 65 per cent, probably more than 75 per cent, of traffic coming from that. An important piece of content has a social life of 1.5 to 4 times or even more:

So maybe 100,000 people have seen it on *BuzzFeed* but another 700,000 people have found it on *Facebook* or *Twitter* and then come to our site to see it and that’s like it’s been disseminated and travelled on the social web.

It designs its content around the online environment, seeing itself as an experimental laboratory, using analytics to take stock of those experiments and build on them. ‘We focus on social lift — content that people are sharing beyond the website. Very good content travels on the social web and that’s how people are finding it,’ says Crerar. ‘As a company we are intensely relaxed about people looking at our content not on our website.’

This data, while not the sole focus, informs decision making at the morning news meeting. And the emphasis on social lift also informs the headline writing. Some businesses that rely on click-bait, to try to get people from social media onto their site, offer disappointing content when those people arrive. *BuzzFeed’s* aim is to make good on its promises:

Our headlines are very, very explanatory, basically designed to get people interested and also to deliver on the promise when they get there. We work really hard to try to avoid people feeling the promise was not delivered.

BuzzFeed is creating content that lives on sites such as *Snapchat* and *Vine*, and has built a video business on *YouTube* and *Facebook* rather than direct hits on videos on *BuzzFeed*. Crerar compares *Facebook* and *Google* to a newsagent: ‘There’s a whole lot of content there and that’s where you go to get it.’ While you are there the newsagent will try to sell you other stuff and whether or not you buy it is up to you.

Spook republishes everything on *Facebook*, and Melin, who describes the *Facebook* algorithm as extremely frustrating, says: ‘We look at our business model and whether we publish things on *Facebook* first.’

While social media is an important driver for all three start-ups, native advertising — embedded in the publication, blending with the editorial — is also important to both *Spook* and *BuzzFeed Australia*. *BuzzFeed* is entirely funded by native advertising, although Crerar insists it is separate from the work created by its news teams. That success is enabling the growth of its news teams, with 400 journalists around the world. But, unlike some Australian publications, *BuzzFeed Australia* has a ‘division between church and state’ — that is, a separation between those producing the native advertising and the news reporters — to avoid ethical issues. ‘Our content management system is set up so that our reporters never see the native content themselves.’ Also, it is made clear what is branded content — transparency is essential.

Nonetheless, it’s a controversial issue. In October 2015, *BuzzFeed Australia*’s US parent announced it would offer sponsored content to political candidates in 2016, a move described by Jack Murtha and Chava Gourarie in the *Columbia Journalism Review* as potentially heralding ‘a new marriage between political ad spending and journalism’¹⁰ and tapping a large audience of young voters. They questioned viewers’ ability to distinguish untethered political news and fluff from ads designed to look like the real thing, saying the ability of the native ad to blend in was swelling. And although the native advertising team would be walled off from the newsroom, conflicts had arisen previously — in April 2015, a post critical of Dove soap, an advertiser on the site, was taken down, a move seen by some observers as a blow to the site’s credibility.

Melin says that when *Spook* sells packages to advertisers, native advertising plays a part, and that native content is also republished on *Facebook*. Often, *Spook* pays to boost it to reach its target, as does *BuzzFeed*, which Crerar says never pays for editorial content

to be promoted on *Facebook*. But while he says native advertising is responsible for his business's growth and is just an evolution of the advertorial magazines have offered for years, and Melin has no problem with it in niche publications such as travel sites, Jensen is scathing:

The fundamental problem with native advertising is that readers are suspicious of it, rightly so. People come to us and ask if we can find an audience for this thing that they have made which is fake news. The answer to that is f*** off. What is it we sell as journalists if not trust?

He predicts the demise of native advertising within 10 years and says businesses that are doing well — *The New York Times*, for example — make most of their money because they do good journalism. He believes native advertising does not work, a view Crerar takes issue with.

Melin says most of *Spook's* advertisers are lifestyle and services producers in line with the magazine's brand, so not many ethical issues arise in relation to native advertising, by comparison with political issues. But he concedes:

There's always going to be issues with that. There have always been issues with the media and sponsorship. I can see there are issues, but from our publication there have not been any worries.

But, with traffic to these new media startups driven increasingly by social media, the issue of distinguishing advertising from news becomes murky. Murtha and Gourarie note that while *BuzzFeed's* sponsored content is marked as such on social media websites:

... the notice does not jump off the screen. It's a rarely discussed problem inherent to social media shares, in which the source of a piece of content can be masked or obscured wood as it flies across the social web.

But here too, that contrary upstart *The Saturday Paper* is out of sync with its web-based counterparts. Jensen takes issue with the

‘church and state’ division advocated by Crerar for *BuzzFeed Australia*, because he sees no need for the church — that is, he is opposed to selling native advertising.

We sell our trust to readers. I don’t know why I would start carving off little bits of that trust and selling it to some huckster who wants to mislead the people who are reading my paper.

Endnotes

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- 7 E Jensen, ‘Print isn’t dead — and we hope to prove it’, *The Guardian*, 21 November 2013. Retrieved 7 December 2015 from <http://www.theguardian.com/commentisfree/2013/nov/21/print-isnt-dead-and-we-hope-to-prove-it>
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See also

Pew Research Center, www.journalism.org

www.thesaturdaypaper.com.au

www.spookmagazine.com

<http://www.buzzfeed.com/?country=au>