Development of the News Business

The news media are the organizations that:

- Gather
- Package
- Transmit the news through some proprietary communications technology.

Developed primarily as private business enterprises uncontrolled by government.

Early Papers

- Colonial times.
  - Publishing extremely expensive task.
  - High unit costs – the costs of transmitting a news product to each consumer.

- Printing process.
  - Time-consuming, labor intensive
  - Mid-1770s approximately twenty-five weekly newspapers were serving the colonies.

- Pamphlet -- most popular means of communicating.
  - Thomas Paine’s *Common Sense*.
  - Durable, reusable.
Early Papers

• With the emergence of the Federalist and Democratic-Republican Parties in the 1790s, commercial concerns directed newspapers toward party politics.

• Parties launched newspapers wherever they competed in order to advance their particular vision for the Republic.
  – Little objective reporting.
  – Required subsidies from parties to maintain themselves.
  – But also required audiences to justify the party’s support.

• Parties used these newspapers to:
  – Advocate their platforms and candidates.
  – Attack their opposition.

Andrew Jackson’s administration (1829-1837).
– Three journalists in his cabinet.
– Jackson had close relationship with the editor of the Washington Globe.
  • Gave Globe government printing contracts.
  • Appointed fifty-seven editors to patronage positions.
– But changeable fortunes of parties in election years provided a poor foundation for building a business.

The Rise of the Penny Press

• A larger audience was the main alternative to relying on a party subsidy.

• Businesses had an incentive to reach a mass audience (not just the party faithful).

• Market size depended on price (and that depended on unit price).

• With the combination of steam power and better presses, economies of scale were finally achieved.
  – The New York Sun was the first paper to enlist the new technology.
  – New York Herald sold for a penny (others still sold 6-cent limited editions).

The Rise of the Penny Press

• Success of the “penny press” related to the price, but just as much to the shift in what was considered “news.”
  – Human interest stories, crime, the weather, business, social events.
  – Political news was covered less, and in a muted fashion, as publishers sought to appeal to as broad an audience as possible.
  – Competition for a mass readership became more intense.
The Golden Age of Newspapers
In many ways the period between 1883 and 1925 was the golden age of newspapers.
- They basically held a monopoly over communication.
- National political news proceeded through their pages or not at all.
- Their monopolies centralized their editorial power.
Over the past half-century the extensive power of newspapers has eroded substantially.

Declining circulation figures.
Substitution of radio and television.

The Emergence of Radio and Television
- Enter radio and television and exit the glory days of the newspaper.

- In 1920 Westinghouse launched the nation’s first commercial radio station.
  - KDKA, Pittsburgh.
  - Soon there were hundreds across the nation.
    - Initially had little to do with civic affairs.
    - Brief announcements of the news.
      - Go to newspapers for the “whole story.”
  - Soon radio began to take advertising dollars away from newspapers.

The Emergence of Radio and Television
- Television, as an industry, did not emerge until twenty-five years later, at the close of World War II.

- Once a station was established (and consumers paid the initial high cost of a radio or TV set) the cost of delivering news was relatively low (the cost of receiving it nil).
  - And it was fast.
  - Instant news, no delay, more immediacy.

- Today, radio remains a significant but secondary source of news.
  - Talk radio format.

Regulation
- Rapid development of broadcast infrastructure.
  - Locally owned stations affiliated with one of three national networks.
  - Each major market also had an affiliate of the national public television network and one or two independent stations.
  - Essentially an oligopoly in terms of production and distribution.
    - This was very undemocratic. What if the few who controlled the output decided to influence elections?
    - Regulator apparatus was in place already.
Regulation

- *Equal time* rules prevented broadcasters from favoring one candidate over another with free or easier access to the airwaves.
- The *fairness doctrine* sought to assure that different points of view on controversial issues had access to the airwaves.
- Currently, the law also limits a company’s ownership to no more than 39 percent of the national television audience.
  - 2004 Viacom and News Corp.
    • Kept them from expanding beyond 39 percent, while not forcing them to divest their current holdings.
- FCC disallows cross-ownership of newspapers and local television stations.

News as a Consumer Product

- Unlimited news programming has not yielded a better-informed citizenry.
- Content.
  - Determined by targeted audience.
  - National or local.
  - Also determined by carrying capacity.
  - Amount of information a particular technology can economically provide its audience.
  - Focus on the “median” viewer.
  - Credibility.
    • Offers primary data, sound, and video images straight from the source.

Consumer Preferences

- Public likes to have multiple sources of news.
  - Access to several news providers makes consumers less vulnerable to the bias that producers might introduce in selecting and reporting news.
  - But public less inclined to worry about bias as much as convenience.
  - Television dominates and is the preferred source for news.
  - Drift of consumers from newspaper to television appears unlikely to stop.
  - Internet, however, may erode television’s predominance.
    • Change reflects changing composition of the news audience.

Infotainment programming: a blend of news and entertainments, such as talk shows, political comedy and even MTV shows up in surveys as a source of political information.

Is infotainment a good thing?
Newsmakers: Politicians and Public Officials

- When politicians engage in news making they are trying to influence the course of political events.
- Reporters must keep a keen eye on their audience’s interest in the proposed story.
- Interaction of politicians and reporters.
  - Different goals.
  - Tension between reciprocity and competition.
- Politicians and public officials participate in news making with two audiences in mind:
  - The public and fellow politicians.
  - Usually the means to communicate with fellow politicians and evoke a response.

Newsmakers: Politicians and Public Officials

- **Trial balloon.**
  - News strategy: politician “floats” a policy or some other idea with a reporter on the condition that the source of the story remain anonymous.
  - If it gets a favorable response, the politician then publicly announces the proposal.

Newsmakers: Politicians and Public Officials

- **Press secretary.**
  - Job is to generate favorable news about the officeholder.
  - President’s press secretary has the biggest job of all.

Newsmakers: Politicians and Public Officials

- **News leak.**
  - Discreet news-making strategy.
  - Giving strategically consequential information to the news media on the condition that its source not be identified by name.
  - Can provoke action.
  - “Deep Throat” and Watergate.
  - Mark Felt, second in command at the FBI, leaked information to *Washington Post* reporters Woodward and Bernstein.
  - Inoculating leak -- Kenneth Star and Clinton sex scandal.
Newsmakers: The Military

- Advantage if military can control news.

- Today, it is difficult for the military of a democratic country to control the news.
  - Contemporary war coverage.
    - Hundreds of journalists (print and broadcast) covering the action.
    - Unescorted and unconfined.
    - Satellite phones, video transmission backpacks.
    - 24-hour cable news.
  - All work to bring the war directly to the public.
  - Military respond with media strategy.

Reporters and their News Agencies

- The role of the reporter is so pivotal to making news that a professional creed has grown up around the job.

- Reporters make the initial decisions about a story’s newsworthiness: define its context/framework.

- They may even take on the role of the story’s advocate -- attempt to sell it to the editors.

- Pressure on reporters today:
  - Feed the monster.

The Beat

- Both newspapers and broadcast media cover the regular sources of important stories systematically by permanently assigning reporters to certain venues, traditionally called beats.

  The White House, Supreme Court, State Department, Congress, and so on.

Implications from the Beat System

- Beats encourage daily reporting (whether it is news or not).

- Those agencies of government that are not on a beat are less likely to generate news.

- The beat system encourages pack journalism, which increases the likelihood of similarity in news coverage across media outlets.
Politicians and Reporters

• Politicians and reporters.
  - Tension in their relationship.
  - If they could, each side would exploit the other.
  - Classic prisoner’s dilemma.

“The fact that we didn't do the back-of-the-bus stuff is only a function that you guys really wouldn't let us. Once the cameras demanded to be there, it became, What can McCain say that we can circulate on the hour and embarrass the shit out of him? So he just couldn't do it, and it wasn't a Bush hijacking or anything, it was recognizing reality. We were being mocked by the meta-narrative writers for being undisciplined, lacking a single central message.” – McCain aid, Mark Salter

The Numbers Game

• How many individuals have access to key information is important to reporters and politicians.
  – When comparatively few sources have numerous outlets for their messages, they enjoy an advantage in defining what information is reported and how it is conveyed to the audience.
  – The larger the pool of politicians and reporters, the more intense the competition.
  – Good example: presidential campaigns.
    • Large pool of reporters, limited sources of information.

Politician-Press Relations: Then and Now

• Good old days.
  – A few reporters organized themselves professionally to reduce cutthroat competition.
  • Close, chummy relationships with a few politicians who actively sought to influence the news.
  – Then (as now) the presidency was still the focus of most attention.
  • Press conferences – leveled the playing field, lessened competition.

• Today the relationship is viewed as somewhat strained. Some believe that Vietnam and Watergate changed this relationship.
  • Credibility gap.
    – Reporters put on guard; became watchdogs.
    – Have responded to efforts by politicians to stage the news with aggressive editing and editorializing.

• Today’s Washington contains a far larger, more diverse population of reporters who compete with each other. There are also more interest groups, politicians, and public servants trying to influence the news.
  • Modern, television-based journalism.
    – Soufflé journalism.
Bypassing the News Media

• Why don’t politicians ignore the news media and communicate directly with their constituencies?

• Well, often they do.
  – But it is expensive and it usually doesn’t reach as many people as they would like.
  – The franking privilege: gave members free access to the postal system

• What may help politicians communicate their message more directly in the future?
  – Better technology.

Communication: Fundamental to Democracy

• Democracy hinges on communication between citizens and their representatives.
• This is an essential role, and it is generally carried out by the news media.
• The Framers understood the essential role of news in politics.
  – Provided in the First Amendment for a free press unfettered by government policy.
  – As media evolved at each step, news became cheaper and more widely available to more citizens.
  – The trend continues with the Internet.

Conclusion

Questions?