

Ryan Pitts response to Brent Andrews re: profitability of SR Online:

There's an awful lot of conversation these days about whether newspaper websites ought to be free or kept behind a subscription wall. Our site, for several years now, has been a hybrid — to have access to every local story we publish, you have to be a subscriber. But we keep wire stories and web features (like HBO, for example) free for everyone. We're in the minority, though; a handful of papers are entirely locked down to subscribers only, but most newspaper sites are completely free.

I'd say most of people who work in online news don't much like the subscription model. This comes from a couple places. For one, the belief that traffic and engagement with a larger audience will pay off in the long term more than a subscription model (and smaller audience) will pay off in the short term. But also because most of us got into this business because, as corny as it may sound, we really believe that providing news and information to our communities is an important thing. And we want to see more of our community participate and feel empowered and informed, not less.

It's true, though, that the business model for news these days is pretty wrecked. That's not really due to declining subscription revenue, though. The biggest factor is newspapers' loss of classified ad revenue - it will never support newsrooms the way it once did. And second, display advertising on the web doesn't command the prices that display advertising does in print. Even though online advertising offers better tracking, more personalization, and plenty of other advantages. I suppose that's mainly because there's only so much real estate available for advertising in print, but there's an unlimited number of pages that can take your ad on the web.

The revenue problem is a tough one. Newsrooms used to take pride in keeping their distance from the business side of the newspaper, but that's not the case any more. There's much greater communication within our company (and at other newspapers too, I'm sure), and there's no lack of ideas we'd like to try.

Without getting into hard numbers, The Spokesman-Review *is* making profits from what we do online, and honestly our investment of resources is not that huge. We work hard to avoid duplication of effort, and as much as possible we fit online publication into the workflow of all the journalists here. We only have a few specialized online folks in the newsroom (two developers and a producer), and we own some servers, but really our online costs are just a fraction of what we spend to provide a print publication. Not investing in

the web would never have made a measurable difference in print. I'd argue, rather, that it would have absolutely killed us.

If you follow the research (check out <http://www.stateofthedia.org/2010/>), it's clear the audience for news is going online, more and more each year. I believe strongly, though, that the decline in U.S. newspaper circulation doesn't reflect a lack of public interest in the news. The research contradicts that idea - 70-80% of the public say they follow the news on a regular basis.

What we're seeing is a migration from appointment-driven news consumption (the morning paper, the evening TV news) to demand-driven news consumption (wherever I am, whenever I want it). That doesn't mean, of course, that we kill the print product. Right now it's still the core of our business, and I think there will always be a demand for it. As someone who started his career as a reporter at a small-town paper before the web was everywhere, that makes me happy. But there's no choice but to be online too, not if we want to maintain any credibility as an organization that covers this community. We have to be where the readers are: Online, on Twitter, on Facebook, wherever. My favorite thing about this: We have the opportunity to hear people's voices in a way we never could before. And participating in our community can't help but improve everything we do, print product included.
