

charges to some municipalities for the right to operate. Cable restrictions may be loosened, but cable will remain largely a supplement to television.

Even if successful, cable television is unlikely to attract a large volume of advertising because the large number of stations and proliferation of television channels would fragment the viewing audience, tending to make newspapers more attractive for general audience advertising.

Also boosting newspaper advertising are expanding state and federal rulings concerning television advertising and sales techniques. Already the federal government prohibits cigarette advertising on radio and television, and requires certain factual information in advertisements for some products and services. Additional restrictions promise to make it increasingly difficult for some advertisers to prepare broadcast sales messages.

If certain facts are legally required in an advertisement, an advertiser will need to purchase additional broadcast time or reduce the promotional content of the advertising message. Frequently, only printed media offer enough space to economically present a full story in a single advertisement while meeting government requirements.

Television's share of advertising revenues appears to be stabilising; it is no longer rising at a rapid pace. Newspapers should, therefore, enjoy a greater growth rate.

Their competitive position may also be enhanced by economic advantages. As pointed out in a study by Arthur D. Little: "The newspaper industry in the next 10 years will deal successfully with inflationary forces and improve its cost performance and competitive position relative to competing advertising media (TV and magazines)."

Because of productivity increases and better managerial controls made possible by emerging technology, newspaper ad rates are expected to remain low enough to capture a larger share of the advertising dollar.

However, the competition for advertising dollars will continue to be intense and television will continue to push the expansion of local spot advertising. Because of the rising diversity of life styles, the media are becoming increasingly fragmented. For example, the tennis buff is more likely to purchase a tennis magazine than mass appeal magazines such as *Life* and *Look*, which have now disappeared from the marketplace.

The trend toward fragmentation will have a mixed impact on community newspapers. While fragmentation tends to adversely affect general interest media, the community newspaper has survived because of its wide range of content which includes something for almost every interest group. Therefore, it continues to be one of the few media reaching many specialised interest groups and a wide general audience. This capability should favour the growth of newspaper advertising.

Editorial competition

It is in the arena of editorial competition that a newspaper of the next decade will face one of its stiffest challenges. Based on public opinion polls — with the same questions used year after year — newspapers have declined in public esteem, both as a prime source of news and as a believable medium.

Ironically, adoption of new production technology has sometimes impacted reader confidence. Many newspapers installed new composition equipment before all the bugs had been ironed out, and produced a plethora of typographical errors. New computerised composition and makeup systems, properly programmed, will produce fewer typographical errors.

Measured by most opinion polls, public trust in the accuracy of news reporting in all media is

too low for editors' tastes. Many newspapers have been attacking the "credibility" problem through a variety of techniques.

Several papers have appointed ombudsmen to hear and act on reader complaints. Many publish columns or feature articles explaining problems of news coverage, and many more regularly run corrections of errors in news stories.

Future editorial success of newspapers will depend in great measure on newspaper efforts to improve accuracy, to communicate with readers, to inspire confidence in the accuracy of news columns and to convey a sense of fairness and even friendliness on every page.

The news content of large newspapers probably will be of more interest to readers in the future because of specialised sections for neighbourhoods or "interest profiles". However, readers will recognise inaccuracies even more readily than today because they are likely to be even more knowledgeable about topics which interest them.

In competition with other media, a newspaper should have an advantage in reader appeal. Its basic edition will cover international, national and local news of interest to the general reader. Specialised editions and sections will fill out news packages for readers in various interest groups.

Like newspaper advertising, newspaper editorial content is not subject to broadcasting's time limits. This is an enormous competitive advantage, particularly since a newspaper of the future will need to be increasingly tailored to comprehensively meet the needs of diverse readership groups. Displays of factual text and competing opinions are possible on a television screen, but not in any comprehensive way during the foreseeable future.

In much of its content the newspaper will be a medium of explanation. It will have moderated the historic emphasis on being first with spot news, recognising that broadcast media have an inherent time advantage.

But, investigative "scoops" will continue to be

a newspaper's preserve. And, a newspaper has sufficient space to explain the background and details of an event, relate it to other events or pending developments and present commentaries from a wide variety of knowledgeable persons.

At the same time, the newspaper of the future will have an improved capacity to report news quickly. Portable remote terminals have been developed which allow a reporter to prepare copy in the field on the keyboard of a device which rapidly can transmit copy directly to a newsroom computer by telephone.

This advance, coupled with rapid composition and typesetting systems, will permit a story which breaks near press time to be published almost as rapidly as it is broadcast, but in far more detail. Some day the remote terminal will also handle still pictures.

The future editor's control of a newspaper's content and appearance probably will be firmer than today. Because of computerised data banks of information and of travelling reporters equipped to transmit stories directly to the newsroom, editors will have a wider selection of stories from which to choose.

In addition, editorial affiliations may develop within newspaper groups or among independents which will provide whole sections, pages or inserts on a timely basis which are shared via satellite or microwave transmission in much the same way that wire service material is shared today.

Looking to the twenty-first century, newspapers will be marketing a wide variety of information which they now discard. This will take several different forms. Each day a newspaper receives many times as much information as it can publish.

In the future, news from wire services will be digitally encoded in computers, ready for manipulation into packages of data useful to special interest groups such as sports enthusiasts, business people and homemakers. Such packages could take the form of local

specialised publications issued weekly or more frequently.

Distribution

Of all the elements of newspaper operations, distribution presents the most nagging problems. No other industry creates and delivers such a complex product on a daily basis, or even tries to deliver such a modestly-priced item on such a rigid time schedule.

In most cases home delivery is no more expensive to a reader than buying a single copy at a news stand. Furthermore, final delivery usually still depends on a boy or girl.

The delivery system has been a great success and is unlikely to be discarded during the next decade. However, major changes will be well underway by that time.

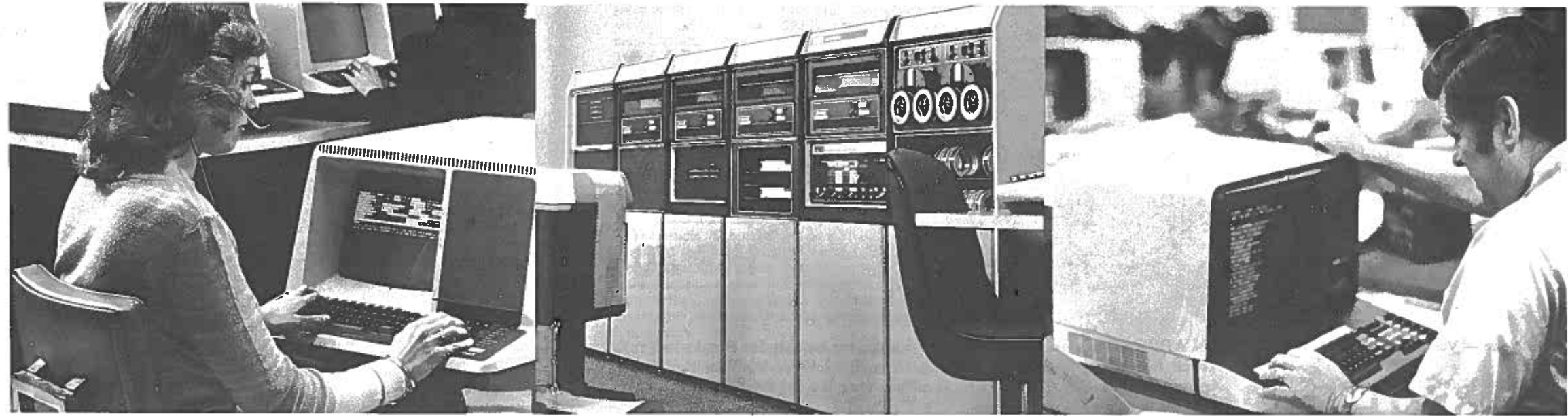
New ideas for newspaper distribution are being tried. The newspaper "mail" room already is partially automated, but more automation will come, particularly for insertion of special sections and preprinted advertising supplements into the basic paper.

New ideas for truck routing from the plant to distribution points are being tried, including the use of large trucks where a major traffic artery makes it feasible. This involves trucking to a distribution centre from which many smaller trucks can depart without getting into mid-town traffic. New types of energy-efficient trucks will be developed and used.

A newspaper with satellite printing plants around the rim of the core city will have fewer distribution problems at least from plant to distribution centre.

But juvenile carriers dislike early morning delivery and periodic collecting at night. More adults will be carriers. Also, most newspapers will use computers to bill all subscribers for direct payment, relieving carriers of the collecting chore.

Unfortunately, even a modern distribution system may not always help newspapers reach urban apartment dwellers and persons in high-



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crime, central-city areas. Security measures in some apartment complexes make it difficult for carriers to gain admittance. Despite the current economic disadvantages of in-home printers, some metropolitan newspapers eventually may utilise them — or even video cassettes — for reaching subscribers in locations where the carrier system is not feasible.

Newsprint supply

Future US newspaper growth depends upon adequate newsprint supply. Historically, periodic shortages have limited newspaper expansion. For example, in 1973 strikes in Canada greatly reduced the flow of paper to the United States. After the strikes, supply expanded but at a substantially higher price.

However, newspapers do have a major resource advantage — they utilise a renewable and recyclable resource — fibre pulp — which in the future may include both wood pulp and pulp from other, faster growing plants.

In addition, newsprint weight can be reduced further to conserve the pulp resource. By the late 1980s most US newspapers may be using 28-pound newsprint as opposed to 30-pound in 1975 and 32-pound in 1965. Today, European newspapers rapidly are adapting to newsprint equivalent to a 27-pound weight.

Most US newspapers are currently unable to economically use the 27.7-pound newsprint because over 60 per cent of US paper supply comes from Canada, and US tariffs are charged on newsprint with less than a 28.5-pound basis weight. This legal barrier to economic use of lighter weight newsprint probably will be repealed in the next decade, particularly if paper manufacturing technology improves the quality of lighter newsprint.

Meanwhile, improved forest management will ensure that trees used for paper-making are harvested only in replaceable quantities, and new technology may make non-wood-fibre newsprint economical.

A newsprint mill which will use sugar cane

stalks (bagasse) for pulp is under construction in South America. The American Newspaper Publishers Association Research Institute is studying newsprint made of "kenaf", a farm product which can be grown in most areas of North America.

Also, used newsprint is and will be recycled. While most recycled newsprint today is used for paperboard or other products such as insulation, an increasing proportion is being de-inked and used again to make newsprint.

Economics

The major economic problem for newspapers during the next decade is inflation. The cost of labour and materials will continue to rise, forcing up advertising and circulation rates.

However, emerging technology and improved management methods will help slow the rise of production costs. Productivity gains will occur primarily in pre-press production operations as a result of improved information-handling and typesetting systems. More efficient press operations, page formats and careful control will save newsprint. The latest information on street sales and subscriptions will be used to set press runs and reduce "overruns".

As a result of increased efficiency, newspaper costs and prices may not rise as fast as those of competitive industries. However, large newspapers will not achieve a competitive advantage without increasing distribution efficiency.

That efficiency may depend on advancing data transmission technology and satellite printing operations.

Newspapers will continue to enjoy a rapid growth of preprinted advertising inserts by being able to deliver the inserts more cheaply than bulk-rate mail or other delivery systems.

Newspaper employees

As a place to work, the newspaper is likely to become even more attractive than it is today. The hot-metal production facility of the past has been described as a combination of a dungeon