

DECLINE OF PRINT NEWS

By

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In Australia and the world at large, customers are increasing developing interest in online newspaper; therein, threatening revenue existence of printed news. IBISWorld's Newspaper Publishing market research connects the decline of printed news to competition from new products, lifestyle, demographic and economic influences, distribution and supply chain factors and pricing policies ("The news is grim: Revenue falls as consumers increasingly shift to online platforms").

Over the last 10 years, distribution levels of printed newspaper have reduced as customers capitalize on online platforms due to their affordability and convenience. Customers are increasingly becoming uncomfortable with newspapers piling in their living rooms. However, online newspapers have limited space for advertising compared to printed sources; thus, industry revenues are expected to decline by 6.4% in 2014-15 to \$4.1 billion ("The news is grim: Revenue falls as consumers increasingly shift to online platforms").

The fall can primarily be attributed to inadequate investment as online content publication increases. In 2014-15 capital investment per dollar expended on labor is \$0.16. Content publishing requires intense labor. For instance, journalists, editors, newspaper printing, online publishers, salespersons and distributors must be paid well. For every \$1,000,000 spent on wages \$160,000 capital investment is needed.

The decline of capital intensity is hurting the printed newspaper industry in Australia. Investors are unwilling to take risk in an industry so uncertain nowadays. The industry started well, but is heading in a bad direction. Smartphones and tablets are killing printed newspapers as consumers go for the cheap online publications. In the next 20 years, printed newspapers will no longer be in demand. Investors want affordable labor and customers desire affordability, so the

industry is on a free fall. Nowadays there are hundreds of commercial apps that offer free news to promote the products they are advertising. Customers never think twice when it comes to something being offered for free (Janda, 5 Feb 2015).

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