

ONLINE READERSHIP A DOUBLE-EDGED SWORD FOR NEWSPAPERS

SAME TECHNOLOGY THAT ALLOWS MEDIA TO REACH WIDER AUDIENCE ALSO THREATENS ITS SURVIVAL, WRITES DANA ROBBINS



DANA ROBBINS
Column

It's about trust. Our relationship with our readers is built on transparency, honesty and integrity. As such, we have launched a trust initiative to tell you who we are and how and why we do what we do. This article is part of that project.

Perhaps the greatest irony of the crisis consuming the media world is that we reach a larger audience today than at any time in our history.

In other words, more people will read the content of the newspaper you are holding in your hands right now

than would have 20 years ago. The reason for that, of course, is that online readership of Canadian newspapers has exploded.

And that makes the irony of our crisis all the more, well, ironic. The very technology that allows us to reach ever greater audiences is also undermining our ability to sustain our business.

Readers tend to think of newspapers as a single business. But the truth is that we are a constellation of many different businesses, and each of those businesses has fared differently in the digital world.

Retail advertising, digital services, commercial printing, consumer shows, classified advertising, subscrip-

tion sales, flyer distribution ... are some of the businesses that sustain newspapers. Some segments, like flyer distribution, have been relatively unscathed by the digital revolution, but others, like classifieds, have been decimated.

For those of you who might be tempted to think 'decimated' is hyperbole or, heaven forbid, fake news, consider classified advertising, which historically has been one of the largest revenue streams for newspapers. Between 2000 and 2005, as the digital tsunami was gaining force, classified revenue fell by upwards of 10 per cent, lost to free competitors like Craigslist and Kijiji. Over the next five years, it fell by another 50 per cent. Over the following five, almost 60 per cent of remaining classified revenue disappeared. For our company alone, that accounts for tens of millions of dollars in lost revenue.

Those numbers always give me a chill because I remember an editor sharing with me a simple truism when I was a young reporter: "Classifieds pay for the newsroom."

The bottom line is that the newspaper industry has suffered a catastrophic loss of revenue. And that threatens our ability to deliver locally-generated news that is relevant to the communities we serve. We see the fallout of that crisis with the closure of local newspapers and the growth of so-called 'news deserts,' entire communities with no local news provider.

I came into this business 40 years ago with a profound belief in the importance of local journalism. The passage of time has only reinforced for me the relationship between healthy, vibrant communities and the availability of local news: the solid line between a demo-

cratically rich society and an aggressive press.

What's happening to local news is tragic, but it is doubly so when you consider that a giant American duopoly, Google and Facebook, is driving the proverbial nails into the coffin of Canadian journalism.

These giant multinationals suck up more than half of all digital advertising in Canada - by some estimates \$6.8 billion a year - yet they don't play by the same rules that Canadian media companies must observe. This is particularly true when it comes to taxation; our government essentially exempts these U.S. giants from any meaningful burden, even while diverting more tax dollars into digital advertising on these foreign-controlled sites.

The Competition Bureau recently announced it would investigate possible anti-competitive practices by

these giants. That's a start. But if we are serious about preserving local media, if we are serious about safeguarding our democratic institutions, so much more is required.

The tech titans are not only strangling traditional media, they are distorting the news all of us consume. We see evidence of that every day, the most egregious examples south of the border - everyone remember Russia? - but closer to home, as well. The spread of 'fake news' and misinformation campaigns on these giant U.S. platforms is indisputable. Our ability to truly understand what is happening in our communities, our province and our country is being held hostage by algorithms that none of us understand.

Dana Robbins is vice-president of community brands with Torstar Corp.

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