

Tablet Computers and Traditional Newspapers

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Abstract

Printed newspapers have declined consistently since the rise of digital mediums like the Internet. The variety of information available on the Internet has been the biggest challenge to newspapers, which are traditionally limited both geographically and by personnel. One key shortcoming of the Internet as a news medium, however, was its lack of portability. The mass popularization of tablet computers in 2010 significantly changed that balance. Lightweight and portable devices entered the consumer market with high-resolution screens, high-speed cellular Internet access, and a striking resemblance in form to a medium-sized book. Developers have been very quick to create newsgathering applications for these devices that vary widely in strategy. Some applications try to emulate an existing print publication, like the USA Today for iPad app. Others seek to bypass the idea of a newspaper altogether and create a virtual magazine by combining multiple news sources of the users' choosing, in a format that capitalizes on the strengths of tablets, utilizing colorful, interactive animations and videos. A third, nearly untested strategy, is the concept of a tablet-only newspaper, produced in similar fashion to a traditional newspaper. As the modern tablet market has only existed for one year, it is still difficult to categorically prove that tablets are significantly affecting the profitability of traditional newspapers.

Tablet Computers and Traditional Newspapers

Since the rise of the Internet as a news medium in the late 1990s, it has been a widely held opinion that traditional print newspapers were in a state of decline (The Economist, 2010b). The Internet offered a much greater amount and variety of information, that was capable of being updated much more quickly than traditional newspapers, which print, at most, a few times daily. The greatest disadvantage to news on the Internet was difficulty of access. Retrieving news from the Internet required Internet access from the home, the technical knowledge required to search for and retrieve news stories, and actual computer on which to view the news. Most computers lacked the portability to access information anywhere besides the desk in a home office. Not until recently have computers become portable enough to carry on a regular basis, but wireless internet access is still difficult to access without paying premium fees. In the late 1990s and early 2000s, several tablet computers were released to the market, but few experienced even modest success. Much of the early tablets' failures were attributed to shortcomings in the technology available at the time. Processors were slow and wireless Internet access was still impractical to use. In 2010, however, Apple, Inc. released a product that would not only redefine the computer market, but create a new one entirely.

Apple announced its iPad tablet in January 2010, and industry analysts were instantly convinced that Apple had created a "tablet market" where one had previously not existed. The iPad was touted as a direct competitor to dedicated e-Book readers like the Amazon Kindle, which were already seeing moderate success in the book industry. Apple promised to go beyond the capabilities of an e-Book reader by creating a device with a fast processor capable of delivering complex graphics, an extremely high-quality display, and affordable wireless Internet access built in to the device. The "all-in-one" nature of the iPad made it appealing to users

without significant technical experience, which was previously a barrier to entry for people seeking news on the Internet. Apple also ported its extremely successful App Store marketplace from the already-successful iPhone to the iPad, bringing rich, intuitive ways for users to retrieve information from the Internet (Apple, Inc., 2010). These apps have since blurred the line between the ideas of tablets as ways to access newspapers, and tablets redefining what the modern newspaper is to begin with. Apps for the iPad incorporate technologies like RSS, Twitter, and various blog networks to create one-stop news portals for their users. With iPad and tablet users turning to blogs and social media instead of newspapers, the competition between newspapers and tablets begins.

For the scope of this analysis, a newspaper must be loosely defined as a newsgathering organization that obtains the majority of its revenue through the regular distribution of a printed newspaper, usually limited to a single geographic area of distribution. Such a newspaper should not spend significant amounts of time or money on the creation of tablet-optimized apps or online versions of their printed paper. These newspapers serve a limited amount of news to a local audience, and are in direct competition with tablet news applications. There are three major categories of digital competitor to the traditional newspaper. The first is an existing newspaper organization that enhances its print product with a multimedia-rich adaptation of its paper to a tablet format. Although their printed newspapers may fall in circulation, these organizations could still remain profitable due to the success of their tablet adaptation. The second type of competitor is an alternative-format, digital-only application that aggregates news content and presents in a manner optimized to the tablet user. These applications and the organizations that develop them have no affiliation with a traditional print newspaper. The third type of competitor is an organization that uses a traditional news writing staff to create a digital newspaper or

periodical in a similar format to a traditional newspaper. These organizations should not produce a printed version of their periodical. Each of these competitors has unique advantages and disadvantages to traditional newspapers.

Newspapers have been a staple of the news industry since the journalism boom of the early 1900's, led by warring publishers Hearst and Pulitzer. Their demise, however, has been very long, as well. The rise of the Internet in the early 1990s changed the way that people thought about news. With the Internet, for the first time, people at home were able to get news from many sources—perhaps even some that weren't available where they lived. A family in Virginia could read the San Francisco Chronicle, usually for free, and at their leisure. In response to these trendsetting users, most newspapers today publish an online edition to accompany their printed newspaper. Papers have been met with limited profitability online, as the "haphazard and fragmented" reading habits of online readers are much less alluring to advertisers than the steady readership that printed papers enjoy (Economist 2006). Print newspapers that put their content online still receive less than 10% of their total revenue from Internet advertising. Combined with their obligation to continue in print, most newspapers are ill equipped to succeed with an online business model. With advertising lacking, many newspapers have resorted to charging users to view their content online. Major newspapers like Wall Street Journal, New York Times, and The Dallas Morning News have begun charging for their online content. It remains to be seen, however, if users will actually pay for the privilege to read content from these portals, especially when the Internet provides so many other options for content.

It is important to analyze the shortcomings of the Internet as a traditional news medium before entering the world of tablets, which are different entirely. Although newspapers struggle to make revenue with their online editions, tablets are currently a gold mine. In the cases of the

New York Times, WSJ, and Reuters—some of the earliest tablet adopters—advertisers will pay, "10 times or more what they pay these same newspaper sites to advertise on desktop or laptop editions" (Doctor, 2011). Much of this success can be attributed to early-adopting investors, who are taking significant risks by buying advertising space on the new tablet form factor. It remains to be seen if Newspapers that use the Internet as an alternate medium have found that their online efforts account for only 10 percent of their total revenue; clearly not enough to be significant for most organizations (The Economist, 2006). Many companies, however, are looking to the tablet platform as a viable medium to bring their content to digital audiences.

One popular paradigm being tested in the tablet space is the concept of "porting" a print newspaper's format to a tablet device. Some popular implementations of this idea for the iPad are the apps for USA Today, WSJ, and The New York Times. Each of these apps attempts to replicate the experience of reading their printed counterparts, with the philosophy that a printed newspaper is inherently enjoyable to read. These print-crossover apps embrace some of the limitations of the print medium to remain closely identified with the print industry, while still taking on the technological capabilities of their host devices. The USA Today app, for example, has interactive, animated charts and videos embedded directly within stories. The app also allows users to participate in reader surveys on the device. The object of these applications' reliance on print clichés is to reinforce the apps' alignment with the brand of their parent newspaper. These applications have the longest track record of most news apps, and The New York Times app was actually demonstrated to audiences before the iPad was available for purchase (Apple, Inc., 2010).

A second popular format for tablet newspapers mostly bypasses traditional news sources. Pioneered by apps like Flipboard and Pulse Reader, these apps use web-based features like RSS

to form an aggregate of news stories from a wide variety of sources, usually selected by the user. Many of these apps then borrow the same strategy used by print-crossover apps of mimicking the look and feel of traditional printed newspapers while displaying stories and headlines. These apps are more flexible in the news they are able to provide, and can be tailored exactly to a users' needs. Apps like Flipboard rely heavily on blogs and social media for their content, and as such essentially bypass the traditional news system. There is a noticeable lack of traditional journalism in this app, however, and the app's credibility suffers. Similar apps, such as Zite make heavier use of traditional news outlets, and display actual stories, as they appear on their original web site, in a web browser, thus giving the advertising revenue to a source newspaper's website. There is significant flexibility in this model, but as the companies that produce such apps are not related to the newspapers, a newspaper's chance for profitability in this model is hit-or-miss at best.

A third, more recent app model, competes directly with traditional news outlets. Pioneered by News Corporation, *The Daily* is an iPad-only news magazine run by a dedicated newsroom staff (The Economist, 2011). In practice, *The Daily* uses the same business model as traditional newspapers; as such, the cost of employing a staff of news writers is one its larger expenditures. Unlike newspapers or print-crossover apps, however, *The Daily* does not need to make compromises to fit content intended for another medium to the tablet platform; its news writers and producers create content specifically with the iPad in mind, and most fully embrace some of the iPad's unique user interface elements. *The Daily* makes heavy use of videos, gestures, and interactive graphics such as a 360° panorama of a foreign news location that the user pans around with their finger. These advanced features are expected to provide the missing link required to make reading the news "fun" again (The Economist, 2011).

In conclusion, Newspapers continue to see subscriptions fall, and need to find a way to remain relevant in the digital age, whether that means keeping their existing brand or creating a new one. Tablets provide a compelling platform for such a transition, and there are a number of formats that have already been pioneered by early tablet adopters. Advertising is currently very lucrative for the tablet platform, but the reliability of the user base compared to that of desktop and laptop Internet users remains to be seen.

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