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Local TV News and the New Media Landscape: Part 4

NEWS THE FUTURE OF LOCAL TV NEWS

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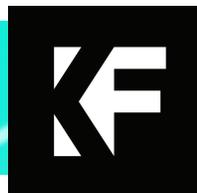
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The views and analyses in these reports are the authors' alone. All analysis of data commissioned from Nielsen by the John S. and James L. Knight Foundation was performed by the researchers, independent of Nielsen.

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THE PATH TO THE FUTURE CAN NEVER BE CERTAIN, and that's certainly true for local media. But right now, the numbers look far better for television than for newspapers or hyperlocal online sites.

KEY FINDINGS KEY FINDINGS KEY FINDINGS

- **In the end, it will come down to money — as it always has. Local TV is almost certain to remain profitable for at least the next decade — aided by increasing retransmission revenue, increasing political revenue and industry consolidation.**
- **The audience has become increasingly harder to measure and track. We do know that local TV news viewership is declining as a percentage of all news consumers; however, there's no reliable way to determine if overall viewership of content produced by local TV news operations is up or down or flat.**
- **Local TV news shines in crisis — whether natural or self-inflicted. But it must be better and more relevant day in and day out. Some newsroom leaders are embracing enterprise and investigative strategies and trying to develop innovative approaches to daily newscasts, but those efforts are not yet permeating the industry.**

Even as television suffers some of the same audience decline as newspapers, three things have taken place to differentiate the economics of the two industries:

- 1. Newspapers lost classified advertising revenue.** Classified went from \$19.6 billion in 2000¹ ... to \$3.5 billion in 2015.² You can blame that drop on the internet.
- 2. Retransmission fees became the classified revenue for television stations.** Escalating at a surprising clip, those fees now account for a quarter of TV station revenue.
- 3. The U.S. Supreme Court in 2010 opened the political advertising flood-gates with the Citizens United case.** That ruling increased an already lucrative political advertising bump to \$2.65 billion in 2016. Expect about \$2.25 billion in 2018 and quite possibly over \$3 billion in 2020. And that's just local TV's take.

"I tell my broadcast clients, 'Thank God, you're not in newspapers,'" says Mark Fratrick, senior vice president and chief economist at BIA Kelsey. "There really isn't a substitute for what local TV news does, and that's not true for newspapers. Video is part of that. That's not to say that there isn't an issue with younger people who don't consume much news, but TV has more ways to reach them than newspapers do."

That leaves local TV news as, potentially, the last local news medium standing. Local TV appears to have the only revenue model likely to sustain itself to be able to cover local news. The 2017 numbers show two-thirds of local stations that run local news making a profit on that news.

That's the highest level since 72 percent reported making a profit in 1996. In fact, only 4 percent report a loss, and most of those are small news operations. TV news directors report that 55 percent of station revenue comes from news, although less than a quarter of the broadcast day involves broadcasting news.

Even as print has struggled to build digital advertising up to \$5.3 billion in 2016, local TV has done little to see its digital advertising increase to an estimated \$2.1 billion in 2016. Note the relationship between daily visitors and revenue dollars is virtually identical between newspaper and TV. In other words, both newspapers and television are getting the same amount of advertising money per online visitor.



SNL Kagan recently released (September 20, 2017) its latest 5-year projection for local TV revenue. The S&P Global Market Intelligence company projects local TV ad revenue to grow at a 3.0 percent compound annual rate from 2017 to 2022. The company expects a decline in ad revenue in 2017 to \$21.38 billion but a jump to \$23.43 billion in 2018.

The drop in 2017 was due primarily to little political money and no Olympics. Kagan projected retransmission revenue to increase to 30 percent of station revenue in 2017 and 33 percent by 2022. Their projection for station revenue in 2022:

Advertising <i>(excluding political and digital)</i>	\$19.08 billion
Political advertising	\$ 2.72 billion
Digital/web	\$ 2.99 billion
Retransmission	\$12.40 billion
TOTAL:	\$37.19 billion

“TV, because it’s visual and already digital, has been better equipped to move into digital. Even in places where stations haven’t seen a monetary return, they’re still maintaining a strong presence,” SNL Kagan Senior Research Analyst and Media Consultant Justin Nielson said. Combine that with a local station’s ability to inform the community and you have a valuable asset, according to Nielson. “Local news puts stations in a strong negotiating position on retransmission negotiations.”

Scripps’ News Vice President Sean McLaughlin says his company sees the ongoing challenges in an ever-changing business model. “The industry is going to have a much more complex revenue stream in the future, so we need to identify all possible streams. We’re looking at it all, and we’ll continue to be aggressive and monetize all we can.”



IS THERE A FUTURE FOR LOCAL NEWS?

It's still unclear what will happen with millennials and younger Gen Xers. The biggest question is whether they'll consume much local news at all.

We've known for more than a decade, for example, that there is a link between age and news consumption habits. In 2006, in the largest observational media use study of its kind, researchers recorded participants' media use — including news. While the exact percentages have likely changed since then, it's unlikely that the relationship between age and news consumption has changed.

INCIDENCE OF TOTAL NEWS MEDIA USE BY AGE (per day)

AGE	18-24	25-34	35-44	45-54	55-64	65+
INCIDENCE OF NEWS USE	55.3%	73.9%	84.9%	83.3%	97.7%	96.8%

The good news from that 2006 study was that a majority of even the youngest group consumed at least some news. The bad news was that they didn't consume much:

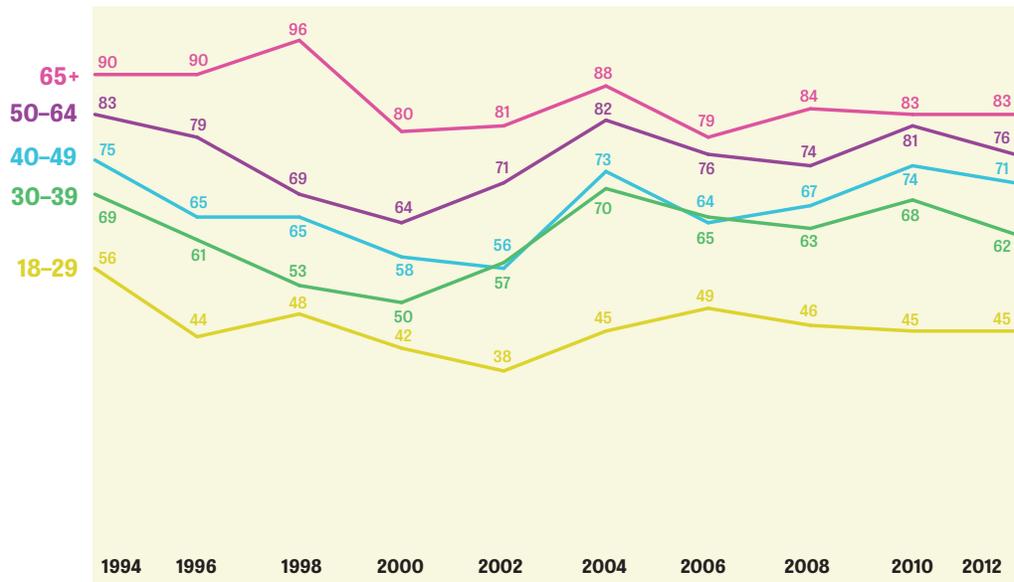
The big difference by age is how much news each age group consumed (per day, in minutes):

AGE	18-24	25-34	35-44	45-54	55-64	65+
AMOUNT OF NEWS USE	37.4	58.1	83.8	93	165	184



More recent research uncovered similar findings about the amount of news consumption. A Pew Research Center study from 2012, "Section 1: Watching, Reading and Listening to the News," included a table on time spent with all news by age ... over time.

AGE AND TIME SPENT WITH THE NEWS (average minutes yesterday)



The general assumption, or at least prayer, among news media professionals has always been that as people get older, marry, have children, pay taxes, have kids in school, etc., they will increase their consumption of news. We can test that, however imperfectly, in the above chart by looking at average news consumption by each group as they aged into the next cohort (18 to 29-year-olds becoming 30 to 39 years old; 30 to 39 year-olds becoming 40 to 49 year-olds; and 40 to 49 year-olds becoming, more roughly, 50 to 64 year-olds).

Complicating matters in tracking audience is that changes in technology mean that TV audience measurement hasn't caught up with changing media consumption. A study by Omnicom Media Group, released in late September 2017, found that 47 percent of U.S. adults 22 to 45 years old are watching "absolutely no content on traditional TV platforms." Instead, the study found, they're watching TV content and video on streaming platforms. "That doesn't mean they aren't watching TV content or even that they aren't seeing ads," the study notes. "They're just consuming it in places where ad models vary, audiences are fragmented and measurement is harder."

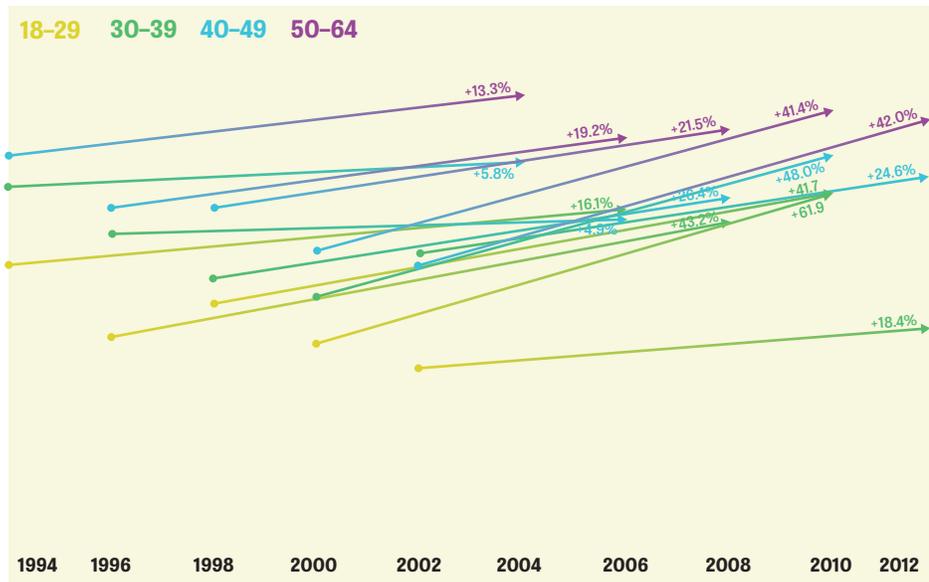


While the increase varies quite a bit, news consumption consistently rises as people get older.

Note that while the increase in news consumption varies quite a bit, it is consistently up, and that offers considerable hope.

AGE GROUP	STARTING IN YEAR MIN	NEXT COHORT IN AGE MIN	PERCENT CHANGE IN NEWS MIN
18-29	In 1994: 56	In 2006 at age 30-41: 65	+16.1%
18-29	In 1996: 44	In 2008 at age 30-41: 63	+43.2%
18-29	In 1998: 48	In 2010 at age 30-41: 68	+41.7%
18-29	In 2000: 42	In 2010 at age 30-41: 68	+61.9%
18-29	In 2002: 38	In 2012 at age 30-41: 45	+18.4%
30-39	In 1994: 69	In 2004 at age 40-49: 73	+5.8%
30-39	In 1996: 61	In 2006 at age 40-49: 64	+4.9%
30-39	In 1998: 53	In 2008 at age 40-49: 67	+26.4%
30-39	In 2000: 50	In 2010 at age 40-49: 74	+48.0%
30-39	In 2002: 57	In 2012 at age 40-49: 71	+24.6%
40-49	In 1994: 75	In 2004 at age 50-64: 85*	+13.3%
40-49	In 1996: 65	In 2006 at age 50-64: 78*	+19.2%
40-49	In 1998: 65	In 2008 at age 50-64: 79*	+21.5%
40-49	In 2000: 58	In 2010 at age 50-64: 82*	+41.4%
40-49	In 2002: 56	In 2012 at age 50-64: 80*	+42.0%

**The grouping expanded to age 64*



KEEPING UP WITH CHANGE

The strongest impetus for change is current or impending failure or discomfort, and traditional local TV news has been suffering little of that. But that, too, can change.

The 42 television news managers we interviewed for this research appear cautiously optimistic about their future. We talked to leaders at the corporate level and in markets both large and small. All of the newsrooms included in our study were selected for their commitment to innovation and/or digital delivery of news content. (See appendix for more on the methodologies used.) Among the top concerns of those interviewed: declining audience, maintaining or increasing revenue, reaching younger viewers, having the newsroom stay relevant to the audience and keeping up with the extraordinary pace of change.

“Clearly, there’s going to be the quick and the dead — those slow to react and embrace the new environment and existential threat,” warns Paul Alexander, news director at KRIS-TV in Corpus, Christi, TX. “It’s a challenge every day to remain relevant, but we must go to where the audience is and give them what they want. News consumers are now calling the shots.”

Many hope that their focus on local can help save them from extinction.

“Our expertise in local communities is really significant,” says Sean McLaughlin at Scripps, “but we haven’t been as strong in context and perspective. I get text alerts all the time telling me the news, but we’re too one dimensional. We need to be telling people things of real value. [TV news says that] everything is the most important thing, but it’s not, and people see through that.”

Adjusting to the on-demand world puts strain on local TV news organizations, which have always run lean.



Historically, those not getting TV via cable, satellite or telco spend more time watching local channels than those who have all the extra choices that come with large cable, satellite or telco bundles.

“We need to think about how we’re going to produce a story for the whole day,” notes long time KNOP-TV news director and anchor Jacque Harms in North Platte, NE. “That’s different than it was five years ago; than it was three years ago. When we cover a story, we need to think about what elements will go in what newscast and on what digital platforms. We just don’t do one version of the story. We try to find different ways to tell it, with new information, as we progress through our news cycle.”

In addition to lengthening the news production day, technological change is forcing newsrooms to be constantly evolving.

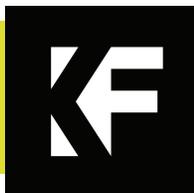
According to eMarketer, in 2017, more than 22 million U.S. adults will have canceled cable, satellite or telco service — up from 15.4 million at the end of 2016.³ But cutting the cord isn’t the same as swearing off television.

Historically, those not getting TV via cable, satellite or telco spend more time watching local channels than those who have all the extra choices that come with large cable, satellite or telco bundles.

“Of course, it helps local TV stations as these cord-cutting households/individuals might not have the cable networks to choose from, thus reducing competition for local TV stations,” notes Mark Fratrick of BIA/Kelsey. “On the other hand, these cord-cutting households may be moving to only streaming services and thus the amount of uptick to local TV stations may be minimal. Which is a long-winded statement of saying we do not know.”

Local news managers echo that uncertainty.

“How do we keep ourselves relevant 1, 2, 5 years down the line?” asks Brian Gregory, news director at KWCH-TV in Wichita, KS. “Even a year ago, we discussed where [among possible platforms] to put stuff. Now we put it everywhere.”



A majority of the news managers we spoke to believe local TV has an advantage over most competitors on all digital platforms.

Part of that, clearly, involves the need to reach younger people who are not big TV news viewers and may not even be big news consumers. “Sometimes the youngest person in the [news]room can lead the way,” notes Mary Vorsino, digital content director at KGMB-TV in Honolulu, “because they know where people are and what they’re doing.”

And a majority of the news managers we spoke to believe local TV has an advantage over most competitors on all digital platforms.

“Compared to newspapers, once digital started to take over, we were always better equipped to deal with that because we do breaking news and video better. That’s what we do,” said Matt Kummer, news director at WBAY-TV in Green Bay, WI. Kummer points out that five years ago, the local newspaper had the top website in Green Bay. Now, he says, it’s WBAY. (Easycounter confirms that WBAY-TV’s website has almost 50 percent more daily visitors than the local newspaper.)

“Newspaper seems to be ceding Facebook and social media, and focusing more on Twitter,” notes Kathy Hostetter, news director at WTHR-TV in Indianapolis. “That’s great for us because we treat [Twitter] like a newsfeed, but [newspapers are] not on the map in Facebook. I think maybe it’s too late for them.”

Still, everyone we spoke to does feel a sense of urgency to evolve and suspects that feeling will only get more intense.

“The winners will be those that can adapt and bounce back,” notes Dennis Milligan, news director at WBTV-TV in Charlotte, NC. “We may look back in 20 years and say this was the golden age of television.”

But the fact that local TV news is in the strongest position for future success does not in any way guarantee that outcome.



LOCAL TV NEWS MUST GET BETTER

As with many seminal events affecting the nation or the world, Hurricanes Harvey, Irma and Maria proved that television can rise to the occasion, but the medium will have to do better journalism day in and day out to ensure its future.

Surviving a declining audience isn't enough. TV needs to build audience by becoming a more critical part of people's lives, and that isn't going to happen by focusing on petty crime stories that affect a handful of people and ignoring business stories that affect thousands — just to give one unfortunate example of TV news' many shortcomings.

Harry Jessell, co-founder of NewsCheck Media and editor and co-publisher of TVNewsCheck.com, recently printed his list of criticisms of local TV news:⁴

- Journalistic shallowness
- An obsession with crime, accidents, fires and other mayhem — the low-hanging fruit of journalism
- A format that hasn't changed in decades and that seems consciously designed to drive away young viewers
- Uninspired writing
- Makeup, hair and dress that add 10 to 15 years to young anchors
- Anchors dressed for fancy cocktail parties at 5 o'clock in the morning
- A sometimes permeable wall between editorial and sales
- Flashy graphics as a substitute for true innovation
- Too much weather
- Bumping local stories for sensational stories from far-off locales
- Insipid on-set banter
- A tendency to relegate public affairs to a Sunday morning talk show



Innovation and audience engagement are critical to the survival of local TV news, but that survival will matter little if the journalism gets lost.

Of course, he produced that list as the start to a column noting the “irreplaceable role” local TV was playing in the wake of Hurricane Harvey in Texas. Local TV news tends to distinguish itself in the midst of disaster — whether natural or man-made.

But local TV still tends to be a headline service with periodic forays into meaningful investigations. Some stations have made significant gains in daily enterprise reporting, but the efforts tend to be spotty. Part of the problem is that local newsrooms are shoring up TV ad revenues by producing more hours of local news and requiring their staffs to post to the web and social media as part of an already jam-packed day.

Innovation and audience engagement are critical to the survival of local TV news, but that survival will matter little if the journalism gets lost. Station and corporate leaders we spoke to for this study described a wide range of efforts they hope will help improve local broadcast journalism and better serve local citizens.



EXPANDING INVESTIGATIVE & ENTERPRISE REPORTING

Many of the new and reinvigorated efforts station managers detailed concentrated on investigative and enterprise reporting. At KGMB-TV in Honolulu, newsroom leaders have altered schedules to free up reporters to give them more time to dig deeper — rather than having to get packages done every day. “We’ll let someone with a good idea have more time to work and develop projects,” according to assistant news director Nicole Bento. This isn’t for every reporter every day, but reporters with good ideas and concrete leads can get extra time to develop stories. The station has also worked with reporters to help them generate more and better story leads so they come to morning meetings with real ideas instead of waiting to be handed an assignment.

News managers at KRIS-TV in Corpus Christi, Texas, KTVU-TV in San Francisco/Oakland and WDIV-TV in Detroit say they’re focusing on producing more relevant and important content instead of focusing on what’s easy. Paul Alexander, news director at KRIS-TV, says they’re trying to take a “big picture mindset” to the news, running fewer crashes and minor crime stories, going deeper on stories than they used to. It’s an investigative mindset, Alexander says. “A lot of times TV does wrecks and fires because they think it’s being on top of things, but it’s just the easiest thing to do.”

This push toward creating content that matters is not new, but it’s showing signs of expansion and sustainability. In 2015, the RTDNA/Hofstra University Survey found that investigative reporting was the number one change in news content at local TV stations, with 60 percent of stations reporting that they were placing more emphasis on investigative work. It’s clear that that trend has continued. In 2016, in addition to the stations mentioned earlier, WLS-TV in Chicago, KWCH-TV in Wichita, KS, and WBTV-TV in Charlotte, NC, all noted more emphasis on investigative work.



HIRING & TRAINING EMPHASIS

Stations have also become more deliberate about hiring people with strong journalistic backgrounds, and there appears to be an uptick in on-the-job training. Managers for KLTN-TV in Tyler, Texas, and KNOE-TV in Monroe, LA, talked about hiring more seasoned employees. KNOE-TV was able to bring back some more experienced people to Monroe, which they say has helped elevate some of the younger, less-experienced people. KLTN-TV (and a number of other stations) hired a former newspaper employee to improve the newsroom's journalism, even though that person had no TV experience. "She's taken our young MMJ staff to another level; she makes sure they are doing journalism every day," said the assistant news director.

WRAL-TV has stressed beat reporting and specialized expertise. "We designated one of our web folks as an education reporter," notes WRAL's Rick Gall. "We have a doctor, an investigative team, a legislative team, an education reporter, a business editor, tech wire, high school sports website. One of our legislative reporters spent a year as a Harvard Fellow and came back an expert in public records research."



At KTVB-TV in Boise, Idaho, general manager Kate Morris says training dollars are finally flowing again. “We’ve spent a lot of time focusing budget around training of our employees and hiring and recruiting really strong writers. In the last year, we have focused on social video and social media training and different ways to improve our content visually.”

Jacque Harms at KNOP-TV, market 209 in North Platte, Neb., recently sent multiple journalists to an IRE workshop. In fact, Harms sent almost half of her staff.

Skills training is only part of the push at local news stations. “We are focused on constant training here and constantly teaching people to be critical thinkers, and that’s a harder thing to teach,” said WHNS-TV news director Kelly Boan in Greenville, S.C. “Teaching proper grammar is one thing; developing critical thinkers is a whole other level.”



QUALITY & ACCURACY FOCUS

Critical thinking skills are also essential to station efforts to raise the standards of quality for the work they've always done. Take KPLC-TV in Lake Charles, LA, for example.

"I started implementing a policy of managers reading every script, anything created by a reporter or producer that goes out on the air," said news director Jenelle Shriner. "That wasn't exactly in place anymore; often producers read a script but no one else. My thought is that the management team has the most experience, so I'm making sure my team has a set of eyes on everything we broadcast."

News director Amber Eikel, at KTVU-TV in San Francisco/Oakland, says her station is emphasizing journalistic purpose in every show. "We don't save stories for the 11 p.m.," notes Eikel. "We don't tease a big story coming up; we give them the best that we have every newscast. You can't treat the audience with teases." That could be why, in spring 2016, when KTVU-TV added a new newscast at 11 p.m. (the Fox station's main news was on at 10 p.m.), the newscast almost instantly became number one in the time slot. "We're journalists, and it's about producing content," says Eikel. "It's about delivering news and facts ... it's about tackling difficult stories ... and it's making sure everyone [in the newsroom] has that focus."

And though competition from digital news platforms can sometimes have stations scrambling, it may also be pushing some to be better. At WLOX-TV in Biloxi, Miss., the digital director says social media is forcing station personnel to be more thoughtful in their reporting.



Fortunately for local TV news, most assessments of credibility across various news platforms continue to rank local TV highest.

“Social has helped everyone keep in mind that broadcasting the story isn’t the end of it; there are consequences for the way things are worded,” Renee Johnson said. “There will be people who will disagree; there will be comments with people picking apart your language or suggesting new sources, but that just makes you more aware of your duty as a journalist, and you’ll be called out if you aren’t.”

Few TV news stations have ever been overstaffed, so the addition of digital platforms has stretched some already lean reporting operations. For that reason, local TV news operations face real challenges in maintaining high standards.

“Right now, there might be too much emphasis on being quick and first, and that gets in the way of a lot of quality digital storytelling,” said Autumn Hand, digital video and syndication manager at The E.W. Scripps Company. “It’s a bit of a battle to make sure journalism isn’t lost.”

Big concerns right now for all news media organizations, including local TV, are the issues of fake news and a mistrust of journalists.

Fortunately for local TV news, most assessments of credibility across various news platforms continue to rank local TV highest.

“Local TV is still producing a valuable asset that revolves around community involvement,” notes Nielson. “Local people can see those local anchors and reporters, people they’re familiar with.” That’s part of building — and maintaining — trust.



CHANGE OR DIE?

Is local TV news up for the challenge of reinventing itself? TV will “change when it has to change,” says NewsCheck Media’s Jessell, but more and more people in the industry think that time is rapidly approaching.

“We need to stop doing what we’re doing,” notes Tegna’s news vice president Ellen Crooke. “We say in our company that it’s the 80/20 rule. Now, maybe 20 percent (of what we’re putting on air) is really interesting, and 80 percent is the commodity part of news — the standard crime and car crashes. We need to switch that around so that 80 percent is the really interesting part.”

Scripps’ McLaughlin says everyone in the TV news business should be asking themselves some tough questions: “How essential are we? What’s the role of the newscast when people already know the news?” It’s like having a restaurant where the people who come in have already eaten. You better get good at desserts really fast.”

TV newsroom employees “come in every day and produce news that they don’t consume and their friends don’t consume,” notes Crooke. “If we’re going to survive, as an industry, we need to listen and do things differently and make changes.”

She says those young employees have the answers. “We need to give them a voice and funding ... and support their ideas. We need to let them move the industry forward.”



“I’m very pessimistic in the short term and optimistic in the long term,” says McLaughlin. “We can have an investigative team that does a dozen great stories a year, and we’re terrific at handling the big, breaking news. But day in, day out, a lot of what we do has to change. It’s not good enough. We’re all chasing the same things. We’ve been over-consulted, and we have to change that sameness. We can’t all look the same. But the number one priority right now is that we have to get the content right. The quality and content have to be better. What we’re doing now is not the answer.”

One idea is to narrow the focus of local newscasts.

“I think half hour shows need to stop trying to tell people everything that has happened in a community and become more niche in those half hours,” suggests Crooke.

McLaughlin thinks more differentiation is coming. “It used to take a 15 rating to be first; now you can be first with a one. There are a lot of paths to a one. There will be more specific targeting. But somebody has to be local experts and the champion of communities. Call letters still mean something. Our business will look very different in five years from what it is now. I’m not sure exactly what it will look like.”



REINVENTION RECOMMENDATIONS

There are no easy fixes for local TV news. Market forces, government regulation or deregulation, technological developments and changing audience tastes have the potential to create new and ongoing challenges, but we believe there is a path forward for the industry. The stations and station groups in this study see a future that capitalizes on local TV's innate strengths but acknowledges the business has been and will continue to be redefined. Based on our analysis of the data available and the expertise of our interview subjects, we offer three primary recommendations.

DIVERSIFY

No one we spoke to for this project was willing to bet on the 6 p.m. newscast airing forever, so every news leader we spoke to seems to be banking on a future that includes a major focus on digital delivery of news content.

"Ten years ago, we did journalism with what's going to make a good TV package," said Chris Kline, news director at KNXV-TV in Phoenix. "Now, we're looking beyond that to what will play on each platform, and in doing that it makes us think about different ways to present the information on our newscasts and every platform."



We also heard these leaders say that it's unlikely every TV newsroom in operation today will be viable in the long run, so developing new products or capitalizing on new delivery systems is imperative. Among the myriad of opportunities, we found stations most often investing time, staff and money in social media, their own websites, OTT and mobile apps.

But diversifying is a gamble because the return on investment isn't always there, even when the audience is.

"From a business perspective, we've conditioned consumers that news is free, but newsgathering isn't," notes Steve Ackermann, Vice President, News at Raycom Media. "Facebook is building a business on the backs of those who create content, but it's also a most effective marketing tool for that content."

"There's significant viewing on social," said Louis Gump, CEO at NewsON Media, an OTT service that allows users to see local news broadcasts and video clips from TV stations across the United States. "We're still working on revenue models, but any social outlet that is responsible should be ensuring that local TV producers are compensated."

That's the hope we heard, that someone other than advertisers will start to pay for all the content local TV news stations are distributing on digital, whether that's the audience through technology like apps and OTT or the big social players like Facebook and Google. Of course, it's the absence of that development that has contributed so heavily to the plight of today's newspapers.



INNOVATE

Developing successful products for more digital platforms requires innovation as well, and more than three-quarters (78 percent) of TV news directors in the RTDNA/Hofstra University Survey said they were doing something new and important online. For most, that meant leveraging newer social tools, such as Facebook Live, or creating web, mobile or on-air products that targeted younger audiences.

“We’re making sure that we never take our foot off the pedal of innovation,” said KNXV-TV’s news director Chris Kline. “The world is constantly changing, and we need to change with it to be able to find new audiences.”

Technological innovation is playing a part in station strategies for the future, too. WRAL-TV in Raleigh, NC, for example, is already broadcasting in ATSC 3.0, a new broadcast standard that could better support a number of innovations, including mobile television news.

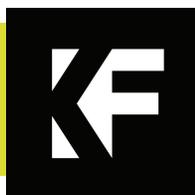
Unfortunately, what our research and our interviews highlighted is that very little of the innovation taking place in television newsrooms is happening on the air. Though we heard some station leaders talk about the need for newscasts to dump “commodity news” and focus on creating quality niche products, few, if any, are doing it. Even a TV market’s news also-rans appear unwilling to jeopardize the revenue from newscasts that look like every other newscast.



IMPROVE IMPROVE IMPROVE IMPROVE

NewsCheck’s Jessell is right in his criticism of TV’s “obsession” with crime, accidents, fires and other mayhem.” Most of those topics get covered because it’s cheap and easy. Education, health care, jobs and the economy, retirement/pension funding, clean air and water, taxes and services, traffic and transportation mean more to people in local communities, and TV stations need to find a way to proactively cover them, rather than simply react to events.

The news leaders we spoke to say they understand that most of the audience will already know many of the day’s headlines before tuning into a newscast, so they see a need for stations to focus instead on enterprise reporting.



In the end, if local TV stations can transform into local news and information services, they still have multiple advantages over the rest of the field.

“Create really interesting shows with great content. Now, too often, we’re spewing out commodity crap. Great journalism could be done in those shows,” says Tegna’s Crooke. “Take that commodity burden off of every newscast that we do.”

And while many stations have been doing a first-rate job blending a mix of stories on social media — things of human interest with things that are meaningful, especially for the local community, too often that effort fails to extend to the newscasts. However, a new commitment to connect with communities is something we heard time and time again.

“Local news gets criticism that it’s all crime and controversy and that we never cover the good,” said Scott Wise, director of interactive media for WTVR-TV in Richmond, VA. “We have developed franchises that force us to tell positive, good, heartwarming, compelling stories from our community. The education franchise “Building Better Minds” is highlighting the school system weekly, “Heroes Among Us” is focused on people doing good.”

But those efforts alone won’t be enough, and news leaders like Scripps’ McLaughlin acknowledge the need for increased enterprise and investigative reporting, and that requires hiring more experienced journalists and/or providing more newsroom training.

“We haven’t been producing the level of quality that we need to,” McLaughlin said. “We’re bringing back more high-quality people. In the recession, the industry got rid of a lot of higher-priced people and hired MMJs, but we sacrificed quality too often. Now, there’s been a big resurgence in investigative. We really need to up our game because people can tell. Quality matters a lot.”

Finally, for years the audience has been asking for greater transparency in reporting, and some stations are in the relatively early process of providing at least some of that. More would be better. A few stations have or are experimenting with open morning or afternoon news meetings, holding some audience call-in or text-in sessions with news managers and using Instagram and Snapchat for behind-the-scenes peeks into newsroom operations. Frankly, we don’t think it’s possible to go overboard here. The more a newsroom brings people into the news business, the better off most stations would be.



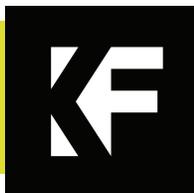
“Credibility and trust are the foundations of future success,” said Hank Price, general manager of Hearst-owned WVTM-TV in Birmingham, Ala. “They are the core values that underpin journalism. Without them, we are no longer journalists, and we are no longer in the news business.”

In the end, if local TV stations can transform into local news and information services, they still have multiple advantages over the rest of the field: revenue streams are expanding, they know video, they have regulators seemingly ready to make consolidation easier, and they are poised to get a new transmission standard that will allow them to offer better quality mobile reception, more multicasting opportunities and new business models to strengthen their overall revenue potential.



ENDNOTES

1. <http://www.stateofthedia.org/2012/newspapers-building-digital-revenues-proves-painfully-slow/newspapers-by-the-numbers/>
2. <https://www.statista.com/statistics/196470/classified-advertising-revenue-of-us-newspapers-since-2000/>
3. <https://www.emarketer.com/Article/eMarketer-Lowers-US-TV-Ad-Spend-Estimate-Cord-Cutting-Accelerates/1016463>
4. TVNewsCheck, "In Bad Times, Local TV Again Proves Itself," 9/1/17



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