



**CHANGING CHANNELS:  
CHANGING CHANNELS:  
THE EVOLVING FACE OF  
MEDIA IN THE SOUTHEAST**



New digital devices and enhanced technology have given consumers a buffet of content to consume. Although consumers are the clear winners in this new media landscape, regional players in the communications field are scrambling to remain in the game.

There's never been a time when consumers have had so many choices for media content. And as the number of choices has gone up, so have consumers' appetites. Technology is at the core of this increased gorging on information. Instead of waiting for a once-a-day update from a newspaper or evening news broadcast, consumers can instantly access the latest Web reports from journalists or bloggers around the world. Instead of making a trip to the library to conduct research, students can instantly search online volumes of data much larger than what their local library once housed in print. Instead of making a trip to a video or music store, consumers can make instant purchases and immediately enjoy watching a movie or listening to a new music release.

But as consumers feast on all this content, the economic repercussions are sometimes swift and surprising. Consider Blockbuster, a national video chain that gobbled up regional video and music retailers like Atlanta-based Turtle's Records & Tapes to build an empire that peaked in 2004 with 9,000 stores and 60,000 employees. However, Blockbuster was slow to react to competitors and the rise of videostreaming, and by 2010 it filed for bankruptcy. Now all that remains in the United States are 50 franchise-owned stores.

While consumers are the obvious winners in this new media environment, its fluid landscape has resulted in tremendous uncertainty for those whose livelihoods are linked to communication, from journalists to retailers to advertisers to educators and students.

#### **What's catching consumers' eyes and ears?**

The average U.S. consumer spends 60 hours a week consuming content across an array of devices, according to the *U.S. Digital Consumer Report* published by Nielsen in February 2014. The study also notes that Americans now own four digital devices (such as smartphones and tablets) on average, and a majority of U.S. households also own high-definition televisions.

Television feeds a good bit of that consumption. Nielsen's television ratings include four Southeast markets, and each



shows the average consumer spending nearly 20 percent of the day watching programming (see table 1).

Radio, which has maintained a large audience, took a major revenue hit during the recent recession and is still recovering. Overall U.S. industry revenue for 2012 was \$16.5 billion, which is only 90 percent of what it was in 2008 (\$18.3 billion), according to figures from the Pew Research Center. What is disappointing for the radio industry is that 2012 should have shown a spike for political advertising in a presidential election year. However, the \$16.5 billion figure was only a 1.4 percent increase over 2011 (\$16.2 billion).

Still, consumers are listening to the radio more than two-and-a-half hours daily, notes the *Nielsen State of the Media: Audio Today 2014* report. Overall, Nielsen shows 242 million (92 percent) of Americans 12 and older listening each week to at least one of more than 16,000 radio stations nationwide, featuring 50 different formats. In the Southeast, recent Nielsen numbers show a slightly negative but reasonably steady trend (see table 2).

The big change in radio is the growth of the Sirius/XM satellite subscriber base, which jumped 27 percent between 2009 (18.8 million) and 2012 (23.9 million), according to Nielsen.

### Extra, extra, don't read all about it

The one piece of legacy media that doesn't seem to be keeping pace as well as television and radio is, of course, newspapers. Even with Americans increasingly pulling digital content, newspapers have not fared well. With the exception of Birmingham's, online readership

Table 1  
Daily Television Consumption in Four Southeast Markets

City	Live TV hours/minutes	DVR hours/minutes	Streaming hours/minutes	Total hours/minutes
Atlanta	4:39	0:38	0:06	5:23
Miami	3:59	0:24	0:04	4:27
Orlando	4:43	0:51	0:09	5:43
Tampa	5:02	0:34	0:07	5:41

Source: Nielsen U.S. Digital Consumer Report

Table 2  
Urban Radio Markets in the Southeast

Market	Percentage of estimated listeners age 12 and older		
	Fall 2011	Fall 2012	Fall 2013
Atlanta	94.6	93.7	91.7
Jacksonville	90.3	92.3	91.8
Miami	94.3	94.5	92.8
Birmingham	93.1	92.3	92.7
New Orleans	93.9	93.1	91.9
Nashville	93.6	92.1	92.3

Source: Nielsen State of the Media: Audio Today 2014 report

Table 3  
Decline of Southeastern Newspapers

Publication	Print Circulation Change 2007-13		Online Viewership Change 2007-13	
	Number	Percent	Number	Percent
Atlanta Journal-Constitution	-576,956	-27.5%	-38,779	-3.6%
Birmingham News	-51,756	-8.3%	186,364	93.7%
Florida Times-Union (Jacksonville)	-152,630	-21.6%	18,287	7.2%
Miami Herald/El Nuevo Herald	-446,919	-29.8%	108,433	28.1%
Tennessean (Nashville)	-186,330	-20.5%	106,687	49.2%

Source: Association of Business Information and Media Companies

of metro newspapers has fallen short of offsetting the decreasing demand for their print product, according to the Association of Business Information and Media Companies (see table 3).

In reaction to falling readership, the *Times-Picayune* in New Orleans and three metro newspapers owned by Advance Publishing in Alabama reduced their publishing schedule from daily to only three times a week.

As for the magazine industry, overall it held its own despite a continued downturn by newsmagazines. According to the Alliance for Audited Media, the total average circulation for the 386 U.S. consumer magazines reporting comparable paid and verified circulation was down 1.7 percent, with paid subscriptions down 1.2 percent and single-copy sales off 11.1 percent. However, Samir Husni, director of the Magazine Innovation Center at the University of Mississippi, attributes the industry's stability to the performance of niche magazines.

The biggest change for the newsmagazine genre is the decline in sales of single-issue copies.

While single-issue sales for the entire magazine industry fell by 8.2 percent in 2012, sales for newsmagazines declined almost twice that much (16 percent), with sales of *Time* magazine dropping 27 percent, according to the Alliance of Audited Media.

No publication better reflects the hard times encountered by newsmagazines than *Newsweek*. After merging with the Daily Beast website in 2010, *Newsweek* ceased publishing a print issue for 14 months. Under new owners (IBT Media), *Newsweek* returned to print in March. However, the 70,000 copies printed for the first issue are a far cry from two decades ago, when *Newsweek's* circulation peaked at 3.3 million.

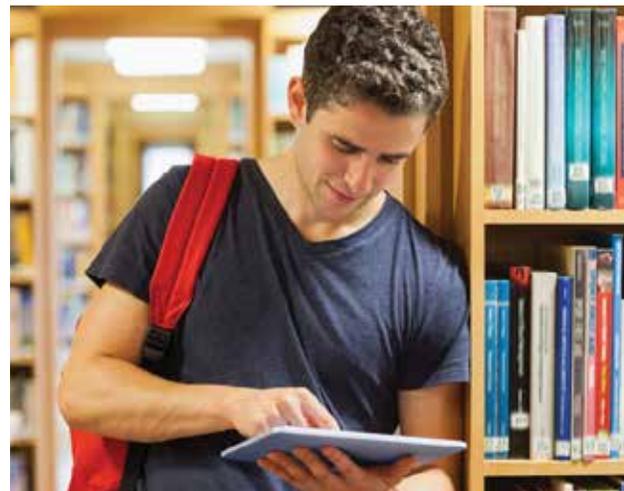
### What do these trends mean?

Advertisers are dogged in trying to maximize the exposure of their products or services to consumers. Recent trends show television and the Internet as the big winners. According to Nielsen's most recent *Global AdView Pulse* report, which covers the first three quarters of 2013, television has 57.6 percent of the media industry's revenue while still showing growth of 4.2 percent year over year. Meanwhile, digital advertising may have only 4.3 percent of the industry's total spending, but it easily has the highest growth rate at 26.6 percent year over year (see chart 1 on page 30).

While newspapers still pull 18.9 percent of advertising dollars, their performance (down 2 percent) in the first three quarters of 2013 continues a long, steady decline. Data from Martin Langeveld at Nieman Journalism Lab show newspapers attracted 37 percent of the nation's advertising spending in 1949 and accounted for a larger share of ad revenue than television until the early 1990s. A significant loss for newspapers was the migration of classified ad revenue to services such as Monster.com, CareerBuilder.com, Craigslist.org, and other online entities. And the magazine industry has seen ad pages decline for six consecutive years, according to the Alliance for Audited Media.

### What does this mean for the workforce?

One of the most visible shifts in the communications labor force has been at newspapers, where the Pew Research Center noted that cutbacks in 2012 put the industry down 30 percent since 2000 and below 40,000 full-time professionals for



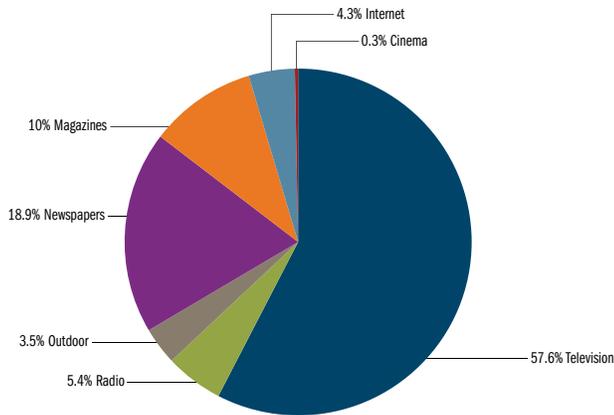
## Millennials: Out with the Old, in with the New (Media)

This issue of *EconSouth* examines the economic challenges facing millennials—those ages 18 to 31—and explores changing media-consumption patterns among the general population. But how do millennials' lifestyle choices affect the way they consume media?

It's apparent that millennials—like a vast percentage of the general population—are never without their cellphones, which provide not only phone service but Internet access, music, e-mail, and a host of apps for everything from restaurant choices to local retailer discounts.

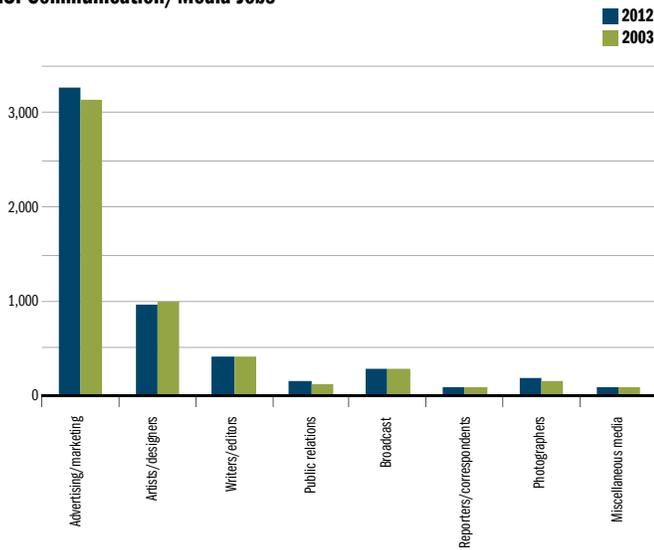
A 2012 Pew Research study found that millennials as an audience have far less interest in traditional news than do earlier generations. Whereas baby boomers spend 77 minutes a day watching, reading, or otherwise consuming news, the study notes, millennials spend only 46 minutes. And another Pew survey of more than 1,000 technology stakeholders and critics notes that by the year 2020, new technologies will give media consumers—especially tech-savvy ones such as millennials—the “ability to search effectively for information online and to discern the quality and veracity” of information they find. ■

Chart 1  
Media Industry Revenue



Note: Data reflect the first three quarters of 2012.  
Source: Nielsen Global AdView Pulse report

Chart 2  
U.S. Communication/Media Jobs



Note: Data indicate thousands of jobs.  
Sources: U.S. Bureau of Labor Statistics and author's calculations

the first time since 1978. Newspapers in the Southeast are consistent with national trends:

- *Times-Picayune* in New Orleans announced in June 2012 that it would lay off 201 employees (32 percent of all staff) that September.
- Nashville's *Tennessean* reduced its staff by 16 in August 2013, leaving the publication with fewer than 170 employees.

### Media Revenue Growth Rate

Television	4.2%
Radio	-0.9%
Outdoor	5.0%
Newspapers	-2.0%
Magazines	-1.9%
Internet	26.6%
Cinema	-5.9%

Note: Data reflect revenue in the first three quarters of 2013 over the same period in 2012.

Source: Nielsen Global AdView Pulse report

- *Miami Herald/El Nuevo Herald* eliminated 13 jobs and decided not to fill 20 open positions in October 2013. Four years earlier, 24 positions were eliminated.
- *Atlanta Journal-Constitution* cut its photography staff in half in October 2013, to five employees. Between 2006 and 2009, the Atlanta paper eliminated more than half of a onetime 500-member staff.
- *Florida Times-Union* laid off 9.5 percent of its staff in 2011 after having terminated 6 percent of staff in 2010.
- *Birmingham News/Press-Register (Mobile)/Huntsville Times* eliminated 400 positions in the three newspapers in June 2012.

A major question is whether the losses of legacy media jobs have been offset somewhat by jobs created by new media.

"I think the job picture is very muddy," said Ann Hollifield, head of the telecommunications department and the Thomas C. Dowden Professor of Media Research at the University of Georgia. "It's true that if you look at jobs in the legacy media, we have seen a large decline in staffs of traditional news organizations. At the same time, of course, we've seen an explosion of media through other kinds of outlets, many of which have jobs attached to those.

"We do know that one of the real problems that has occurred, particularly in news, is that a lot of the senior, highest-paid, most experienced people have been laid off in favor of younger, cheaper labor. That's a problem."

According to figures from the U.S. Bureau of Labor Statistics, the number of workers nationwide who have jobs identified with communication activity has actually increased slightly in the last decade, from 5.3 million in 2003 to 5.5 million in 2012 (see chart 2).

### Where are the job gains?

With job numbers sagging in legacy media, Hollifield points to two sources of growth: social media jobs within traditional companies and media start-ups.

"From an economic perspective, social media is in large part being driven by professional communicators who are working for companies that feed social media," Hollifield said. "There is a lot of chatter, but there is also an awful lot of structured communication going on through social media that's being driven by professionals. Companies aren't just leaving social media to take its own turn without their participation when it concerns

their company or their brand. That's a whole new type of job that's emerging in media that didn't use to exist."

Start-ups like BuzzFeed and Business Insider are the other part of the job creation equation.

"There are lots and lots of those around, but let's be realistic," Hollifield said, noting that a majority of start-ups fail within five years. "There are lots of media entrepreneurs and they are certainly producing jobs in the short term. But how many of them continue in the long term?"

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"As the dust settles from the wave of start-ups, it will remove a certain amount of competition from the marketplace. What does that mean for traditional media companies in terms of regaining some of their economic strength and being able to move forward in different ways? I don't think the industry will ever be as we knew it. I don't necessarily think that's a bad thing. But exactly where is it going to wind up? I wouldn't want to be held to my prediction five years from now," said Hollifield.

#### **Future communicators?**

Even though the job market may be uncertain and some schools, such as Emory University and the University of Colorado, are discontinuing journalism programs, there does not yet seem to be a shortage of new communicators wanting to enter the field. The recent hiring of communications graduates is trending slightly positively, according to the 2012 Annual Survey of Journalism and Mass Communication Graduates produced by the University of Georgia's James M. Cox Jr. Center for International Mass Com-

munication Training and Research. The report, in its 27th year, surveyed communications graduates from 82 communications schools across the country. In 2012, 56 percent of communications school graduates surveyed found full-time jobs and another 17.9 percent landed part-time work. This was the third straight year of incremental improvement over a low point in 2009, when only 46.2 percent found full-time employment and another 20.8 percent got part-time work. Still, the 2012 figure is far below the numbers in 2000, when 71.1 percent found full-time jobs while another 8.8 percent took part-time work.

#### **Economic implications of new media**

Regardless of their shape, the media play an important role for "all other economic processes," Hollifield contends. She said, "It is not a minor matter for our society when you talk about the breakdown of legacy media in terms of their ability not only to hold government accountable and keep government transparent, and therefore help reduce government corruption. Studies show that the media are directly related to the level of government corruption in countries around the world. And that the level of government corruption is directly related to the economic strength and development potential of countries. But on top of that, you also have the simple fact that an enormous part of the American media is actually business-to-business media, and they're feeding economic information to businesses that use it to make business decisions. We need a vibrant media." ■

*This article was written by Ed English, a staff writer for EconSouth.*

# SMALL BITES TO FILL BIG APPETITES

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