

USA News Media Landscape Trends

June 2021



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Google has not supplied any additional data, nor does it endorse any estimates made in the report. Where information has been obtained from third party sources and proprietary research, this is clearly referenced in the footnotes.

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Estimates of newspaper revenues are based on a composite of public and proprietary sources. The key sources are the Advertising Association/ WARC Expenditure Report and the Global Media and Entertainment Outlook. This aggregate information was also tested against Accenture’s proprietary datasets and publicly available company-level information and reporting. Where equally reliable and authoritative estimates varied from one another, an average of the available data is reported.

All figures in the report are quoted in the local currency.



Executive summary

The American media landscape has fundamentally changed in the past two decades. The internet democratised how content is created and consumed, enabling new channels of communication between businesses and consumers.

These changes have significantly disrupted traditional newspaper revenues, which have fallen by half as the market for printed classifieds advertisements has all but disappeared.

In the fifteen years to 2018, newspaper revenues fell by \$30 billion. More than half (53%) of this decline was from the loss of classifieds revenue, which once contributed \$18.4 billion to newspaper coffers but by 2018 contributed just over \$2 billion. Classifieds advertising now happens on several pure play online sites: digital-only businesses which host listings for a specific niche such as job advertisements, second-hand cars and household items, or real-estate listings. These businesses are often supported by local investors, including news publishing businesses.

Over the same period, more than half of Americans report their overall consumption of news has increased significantly or somewhat. The decline in print readership has been more than made up for by the increase in online readership. Americans are also increasingly willing to pay for that online readership. This has supported a stabilisation of circulation revenues and increase in digital subscriptions.

In the meantime, nearly three-quarters of the growth of online search advertising has come from new growth rather than displacing the existing markets of traditional advertising. These new advertising dollars are coming in part from changing readership patterns and also the rapidly growing participation of small and medium-sized businesses in advertising spending, as they are now able to choose from a more diverse array of advertising platforms.



1

What caused the decline in US newspaper revenues?

US newspaper revenues have declined significantly over the last two decades

US newspaper revenues have fallen by 52% from \$57.4 billion in 2004 to \$27.4 billion in 2018.

In 2004, newspaper revenues totalled \$57.4 billion across online circulation, print circulation, online advertising, and print advertising. Revenues peaked in 2005 at \$60.2 billion, before falling significantly during the global financial crisis.

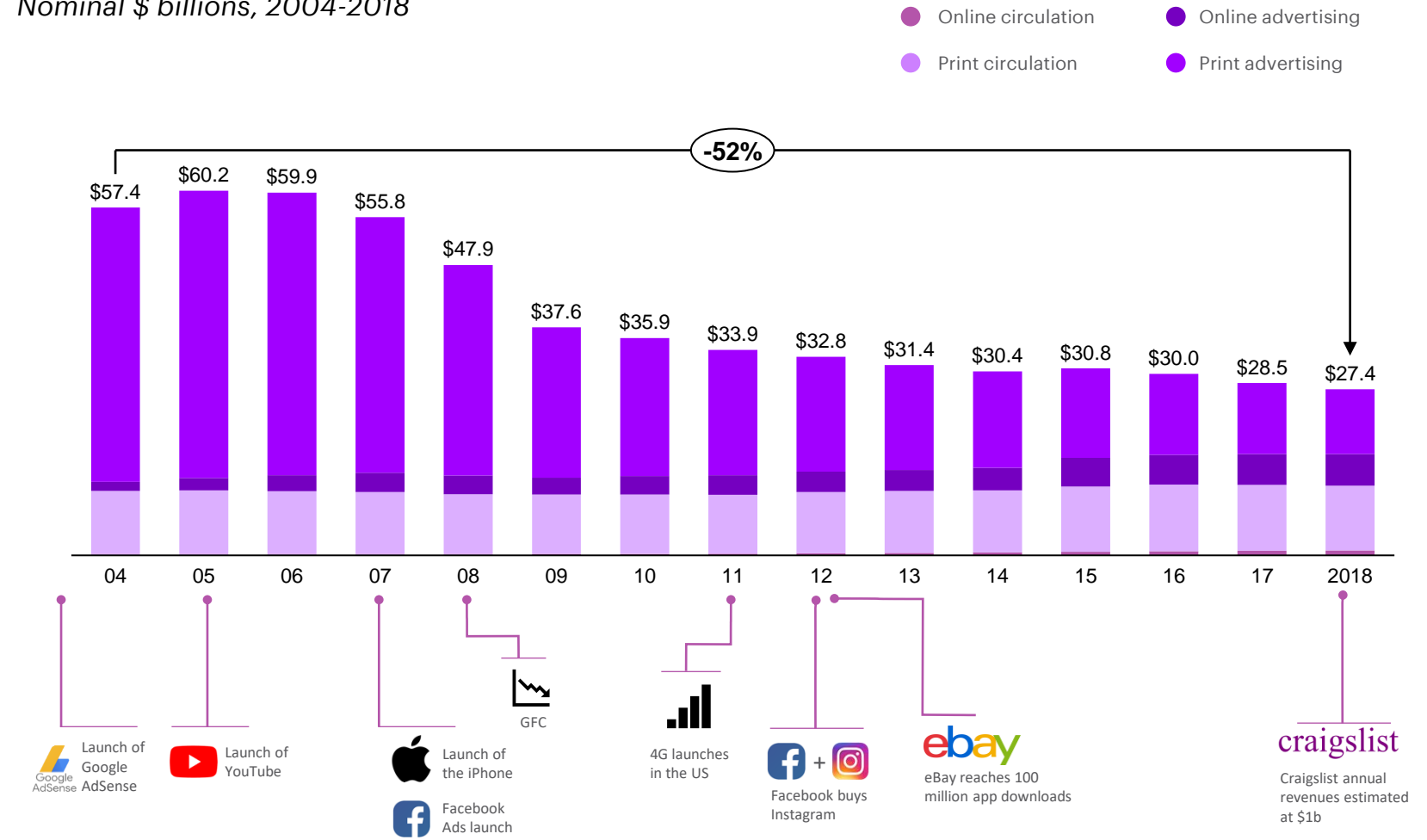
Between 2004 and 2018 total newspaper revenues fell by \$30 billion, to \$27.4 billion. This amounted to a 52% fall.

This period was characterised by significant innovation with the launch of the iPhone in 2007, the growth of mobile technologies and devices and the advent of ubiquitous high speed mobile broadband.

Audiences fragmented during this time, seeking out news and information from more publications (e.g. global or interstate publications), niche sources (e.g. special interest publications), as well as personal networks (e.g. for classifieds content like job advertisements or personal announcements).

US newspaper revenues over time

Nominal \$ billions, 2004-2018



Sources: OECD, PEW Research Centre, PwC, CNBC, eBay, Accenture analysis.
 Note: For the years 2007 to 2014, segmentation of the total been calculated based on trend. Latest available complete data is 2018.

The decline in spending on classifieds ads accounts for 53% of the overall newspaper revenue decline

The overall \$30 billion decline in newspaper revenues between 2004 and 2018 reflects significant change across the segments of newspaper revenues.

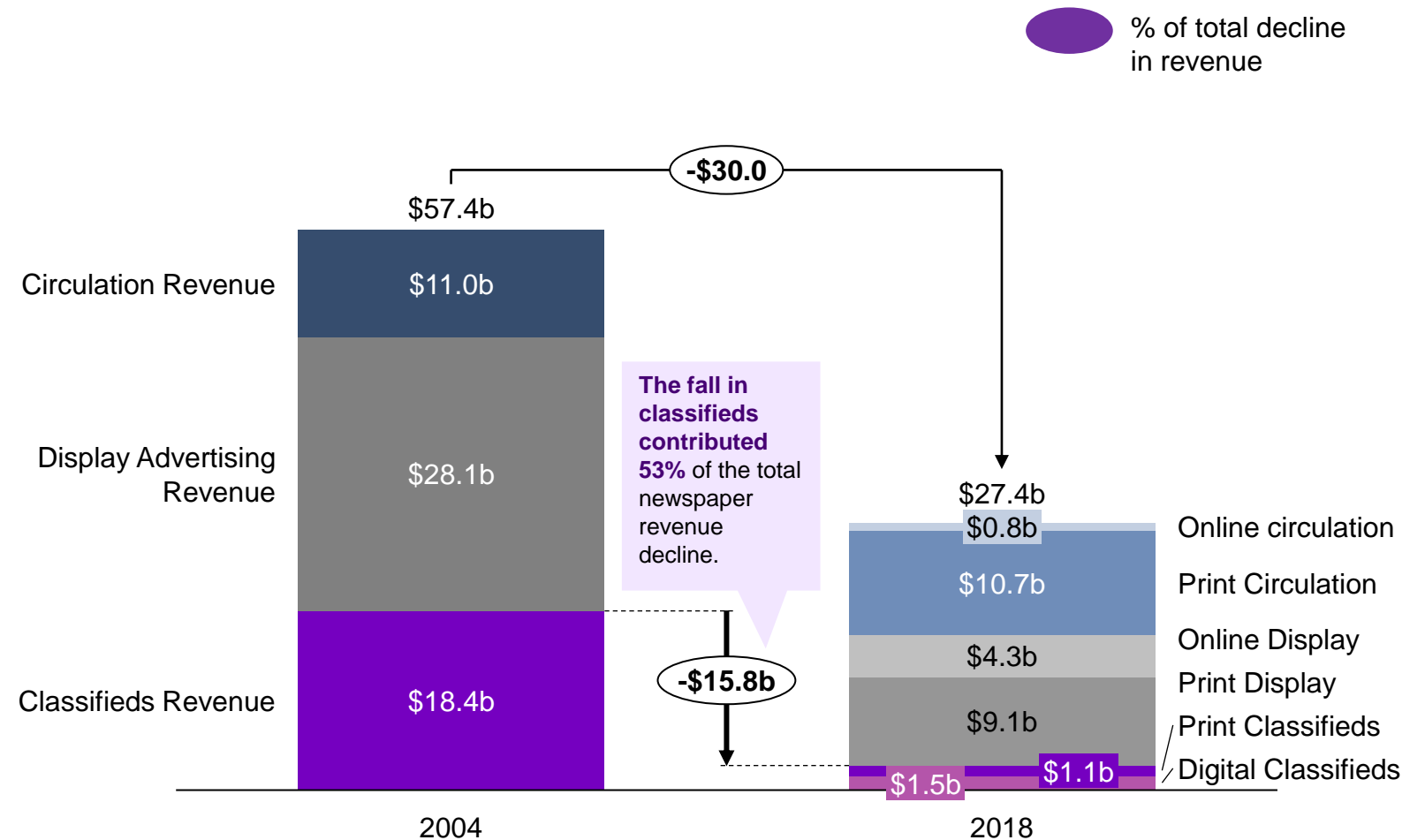
Circulation revenues increased slightly from \$11 billion to \$11.5 billion between 2004 and 2018. Print circulation declined from \$11 billion to \$10.7 billion, which was offset from online circulation revenues increasing to \$0.8 billion.

Display advertising revenues decreased from \$28.1 billion to \$13.4 billion between 2004 and 2018. This involved a \$19 billion decrease in print display advertising, offset by an additional \$4.3 billion from advertising on online news sites.

A large chunk of the overall \$30 billion decline has come from the loss of newspaper classifieds. These small, pay-per-line advertisements contributed \$18.4 billion – just under a third – of newspaper revenues in 2004. But by 2018, newspaper classifieds generated just \$2.6 billion, accounting for 53% of newspapers’ total revenue decline over the period.

US newspaper revenues

Nominal \$USD billions, 2004-2018



Note: Components may not sum exactly to totals due to rounding.
 Sources: OECD, PEW Research Centre, PwC, Accenture analysis.

Newspapers have lost classifieds revenue to “pure play” classifieds websites

Expenditure on classifieds advertising has shifted from newspapers to ‘pure play’ and other websites dedicated to small-scale advertising.

In 2004, newspapers held 81% of classifieds revenue. By 2018, newspapers accounted for only 11% of the market.

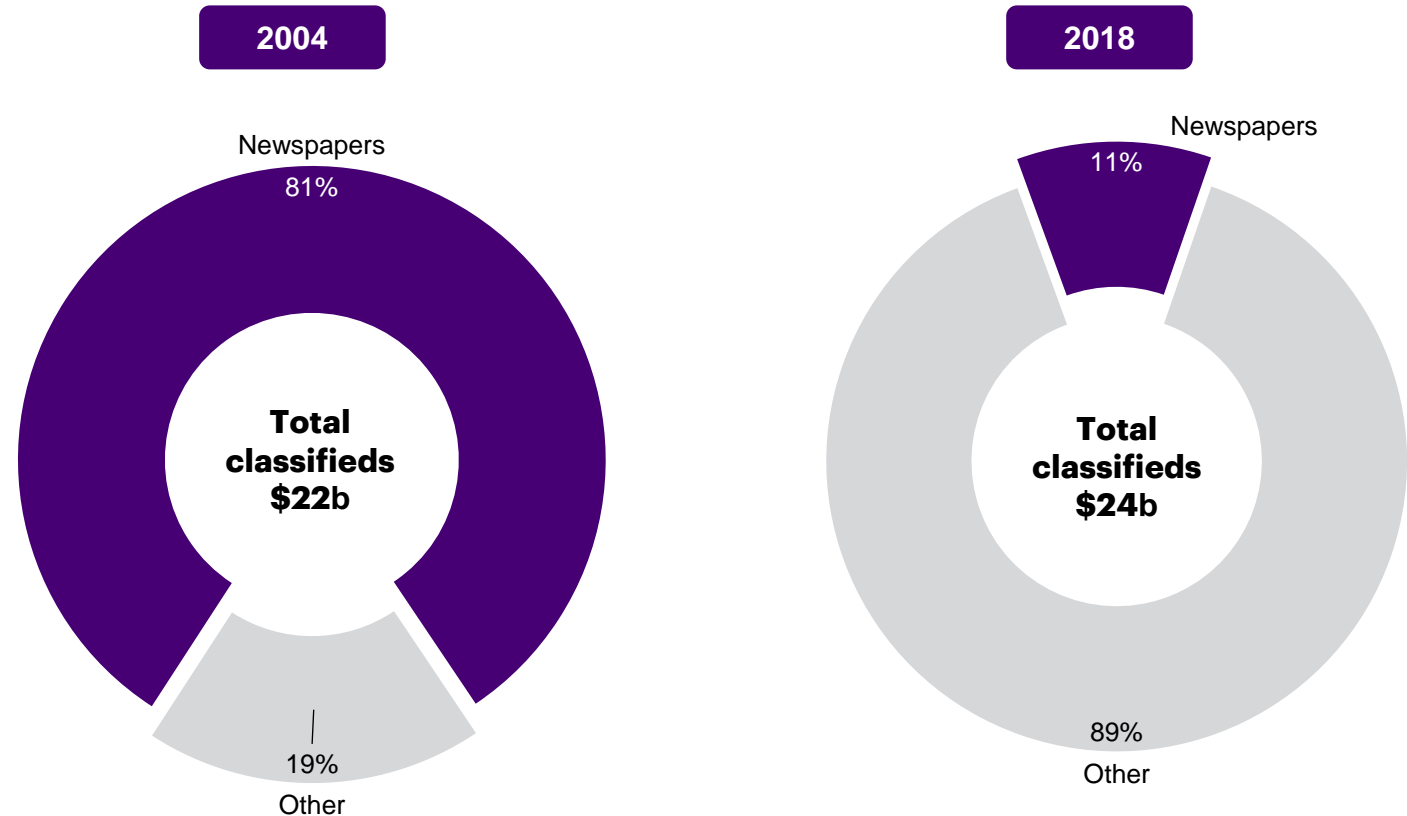
This likely understates the significant change in the classifieds market and the volume of classifieds activity that now occurs through other forms of classifieds listing. For instance, classifieds advertising revenue data would not capture classifieds activity that attracts a transaction fee, rather than advertising fee.

This explains why the overall classifieds market is estimated to have grown only slightly despite a significant expansion of the US economy in the same time period.

For example, where a jobs website may charge employers a listing fee, another may rely on a subscription model among job searchers. The latter’s revenues would be excluded from data on classifieds revenue, even though it too effectively represents advertising activity that once would have happened in the pages of the nation’s newspapers.

Classified advertising revenues

Nominal \$ billions, 2004 – 2018



Source: SP Kagan, Accenture desktop research including company reports.

Newspaper classifieds revenue has fallen \$15.8 billion, while traffic to online classifieds sites skyrockets

The loss of classified advertising has been a major driver of total newspaper revenue decline.

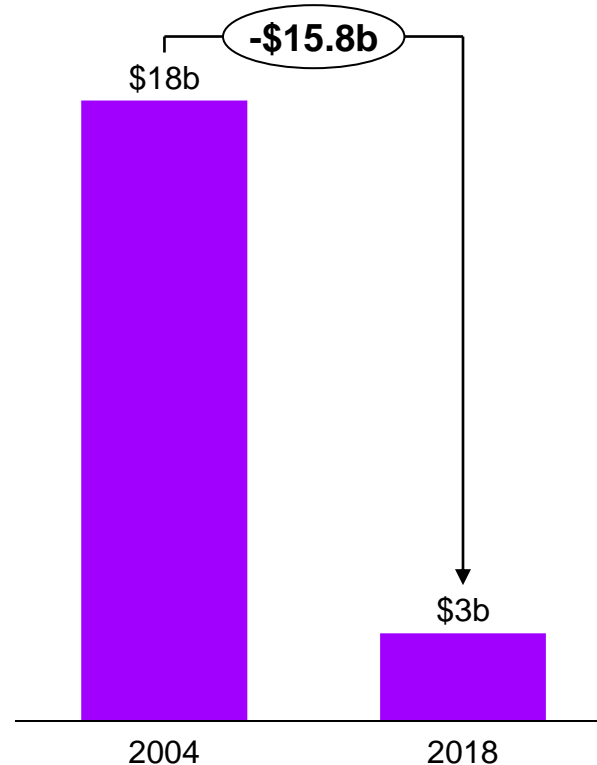
Classified advertisements include short, highly targeted advertisements that may be posted by either businesses or individuals in a specific section of newspapers or on specialised listings sites such as eBay, Craigslist or Zillow.

From 2004 to 2018, newspaper classifieds revenue decreased by \$15.8 billion. The practice of posting classifieds did not disappear, but instead shifted to online platforms where sellers and buyers could interact directly and post or browse advertisements in real time.

The traffic to the leading digital classifieds businesses online has far outpaced traffic to the major news titles online. The monthly traffic of Facebook Marketplace in 2020 has been estimated to have been 4 times higher than that of the NY Times.

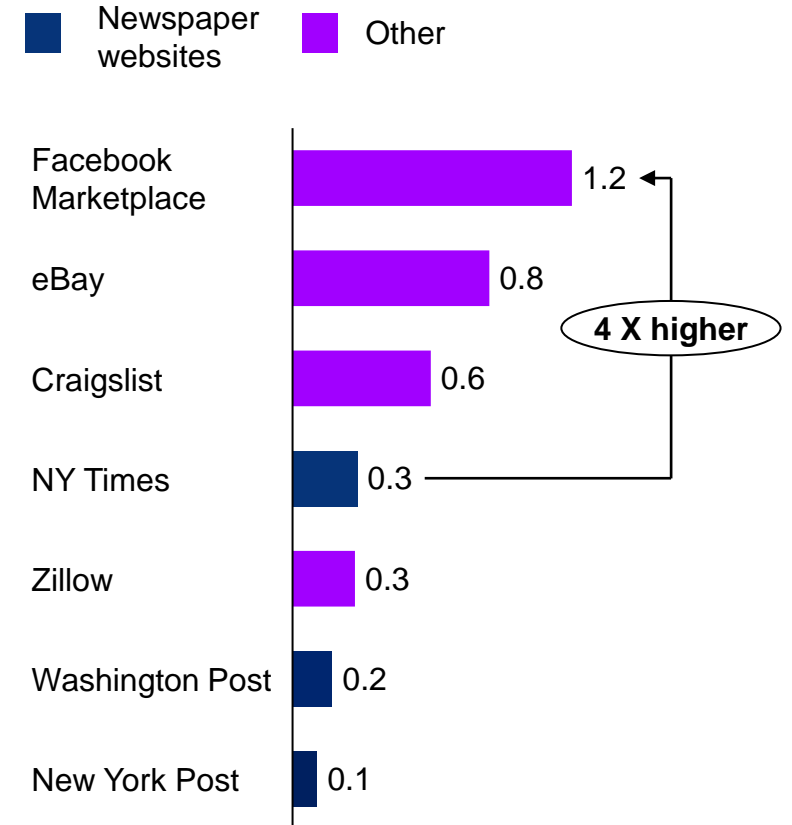
Newspaper classified advertising revenues

Nominal \$ billions, 2004-2018



Select websites with classifieds - traffic

Monthly traffic, billion, 2020



Source: PwC, SEMrush, SimilarWeb, Facebook. Facebook Marketplace monthly traffic is calculated as the number of monthly Facebook traffic, multiplied by 1/3rd as Facebook estimates more than 1 in 3 people on Facebook in the US use marketplace each month to buy and sell things. We note that Facebook replaces classifieds outside of Facebook marketplace, through a persons ability to post about personal events such as births, deaths and marriages.

Readership and publisher circulation revenue increased, while consumer costs decreased

Circulation revenues for newspapers increased by \$490 million between 2004 and 2018, with digital growth offsetting declining print revenue.

Print circulation fell \$0.3 billion from \$11 billion in 2004 to \$10.7 billion in 2018 – the reduction in print readership was almost offset by a raise in the cover price for print copies.¹

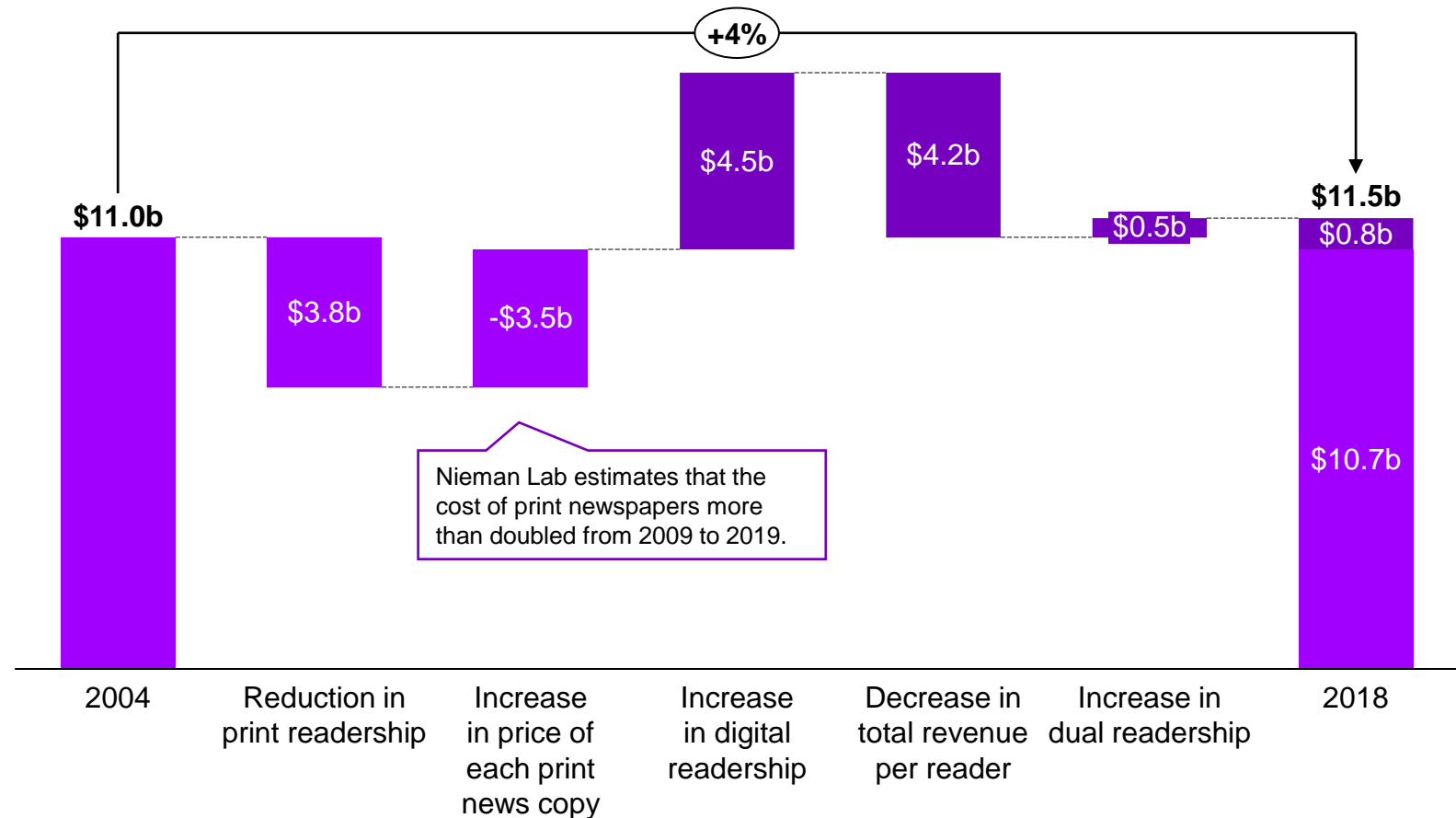
Meanwhile, digital circulation revenue grew \$0.8 billion, offsetting the print decline. This includes \$0.5 billion from dual readers, who subscribe to both digital and print sources.²

The remaining \$0.3 billion was gained from readers transferring to digital subscriptions.³ The increase in digital readership was significant, and could have accounted for up to \$4.5 billion in revenue increases if price per edition was held constant, however, the average price is lower for digital subscriptions so around \$4.2 billion of this was not captured.

Newspaper circulation revenues totalled \$11.49 billion in 2018, comprising \$0.79 billion (7%) from digital and \$10.7 billion (93%) from print.

Changes in newspaper circulation revenues

Nominal \$USD billions, 2004-2018



¹ PwC; ² Nieman Lab. Note: Decomposition of circulation revenue is indicative due to data limitations. Components may not sum exactly to totals due to rounding. Sources: PwC, Nieman Lab, Accenture analysis

Newspaper display advertising revenues have declined year-on-year since 2006

Newspaper display ad revenues decreased by \$14.8 billion from 2004 to 2018.

In 2018, newspapers generated a total of \$13.4 billion in display advertising revenues, including print advertisements and advertisements displayed online.

As digital display advertising proliferated on the web, revenue from print display advertising fell rapidly from 2004 to 2018. Yet these losses were partially offset by the rise in digital display advertising which has been found to cost less than equivalent print advertising.¹ As more consumers access the news on their computers and mobile devices, newspapers' digital advertising revenues have grown.

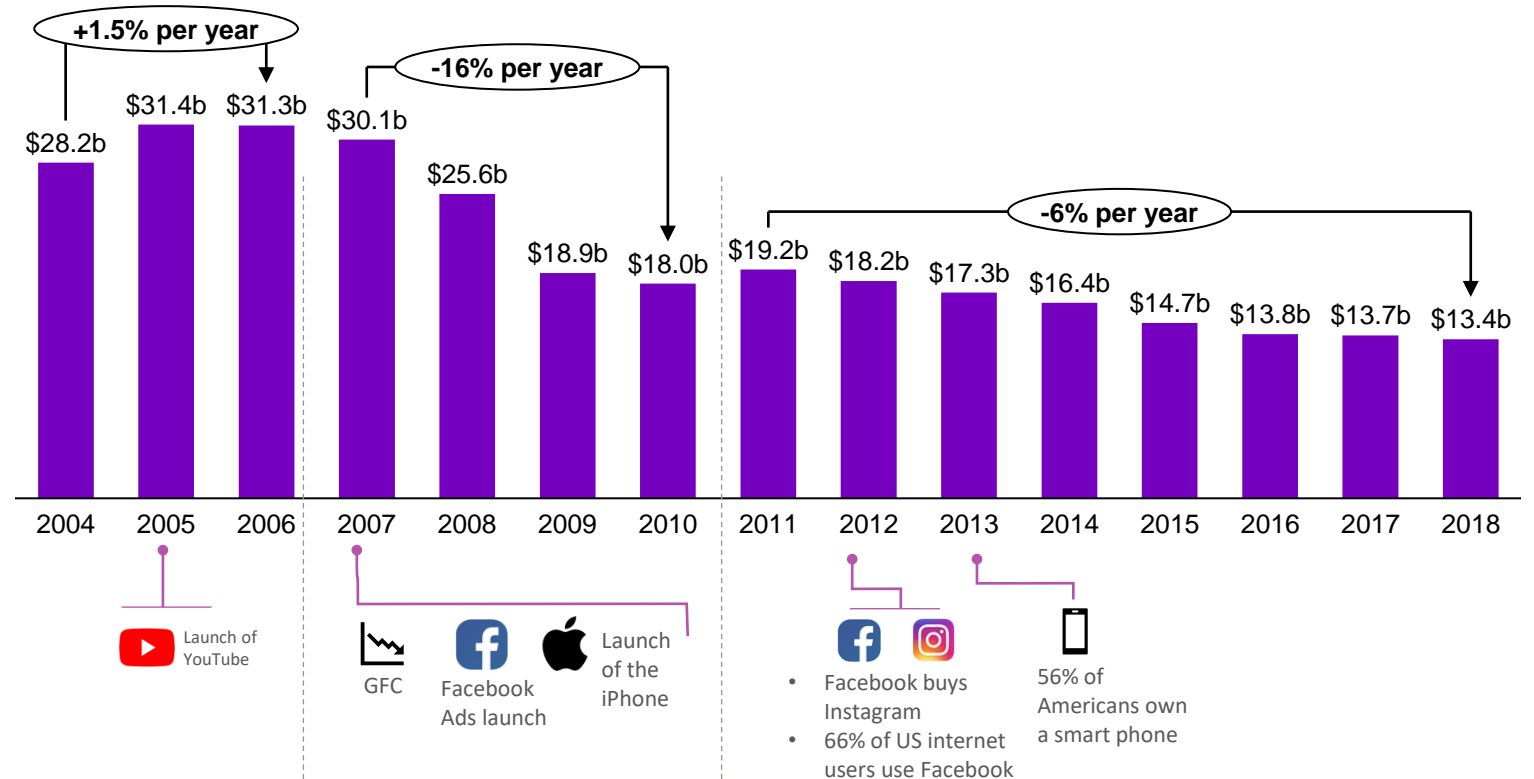
Digital newspaper display advertisements have grown from nascency in 2003 to a revenue stream that generated \$4.3 billion in 2018. Online advertisements accounted for 32% of newspaper display advertising revenues by 2018.

Sources: PwC, OECD, PEW research centre.

¹ progressive policy institute (2019), *The Declining Cost of Advertising: Policy Implications*

Newspaper display advertising revenues

Nominal \$ billions, 2004-2018



Stability

- From 2004 to 2006, newspaper display ad revenue grew slightly, with an increase of 1.5% per year.

Combined shock

- The combination of the GFC, the rise of Facebook ads, and the launch of the iPhone set the scene for a decline in newspaper display advertising of -16% per year.

Step decline

- Over 2011 to 2018, newspaper display revenue continued to decline at a per year of -6%. This was accompanied by a general decline in newspaper advertising due to the growth of online users, and therefore online advertising opportunities.

2



Where did the growth of online revenue come from?

The overall advertising market has grown significantly since 2004, increasing by more than 40%

The total US advertising market grew \$75.7 billion from \$179.2 billion in 2004 to \$254.9 billion in 2018.

Underneath this headline growth rate there was reallocation across the major components. Many of the established broadcast segments such as television and magazines grew modestly. Television advertising revenues increased from \$65.3 billion to \$70.4 billion. Magazine advertising revenues expanded from \$12.2 billion to \$15.6 billion.

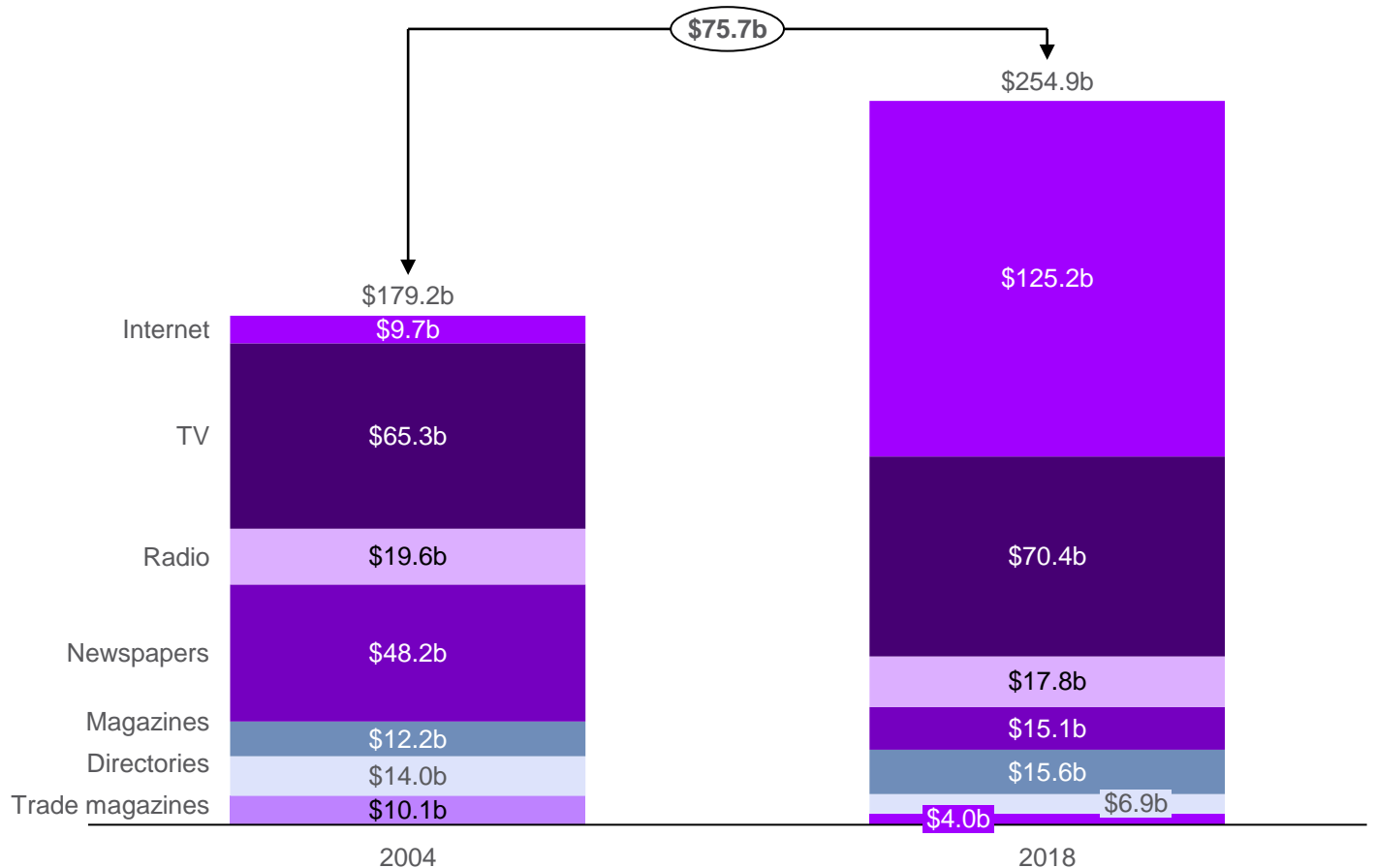
On the other hand, several established print segments fell over time. Directories and trade magazines fell from a combined \$24.1 billion to \$10.9 billion. Newspaper advertising revenues fell from \$48.2 billion to \$15.1 billion.

This was offset by rapid growth in online segments. The total internet market including online search, display and classifieds grew from \$9.7 billion to \$125.2 billion.

Advertisers have cited the increase in efficiency and cost-effectiveness of online channels as key reasons for shifting to digital advertising. In fact, the growth in the nominal size of the advertising sector has occurred despite declining prices.¹

Total advertising revenues in US

Nominal \$ billions, 2004-2019



Sources: Accenture proprietary market data, PwC, Nieman Lab, Accenture analysis.

Notes: 2004 figures for newspaper, consumer magazine, and trade magazine advertising expenditure may include some website advertising revenue as these were not separately reported. In 2018, all online advertising revenue is captured in search, display and classifieds; i.e. each other category data represents revenue from traditional streams.

Search advertising has grown \$51.4B, predominantly from new opportunities

The value of online search advertising has grown significantly over the past two decades to \$55 billion in 2018.

Online search advertising grew \$51.4 billion in between 2004 and 2018, which amounts to a CAGR of 20%. Almost three-quarters of the growth (\$38.1 billion) came from new opportunities as the overall advertising market grew. In other words, search won market share over other categories of advertising, but did not reduce the absolute value of advertising spend in these other categories.

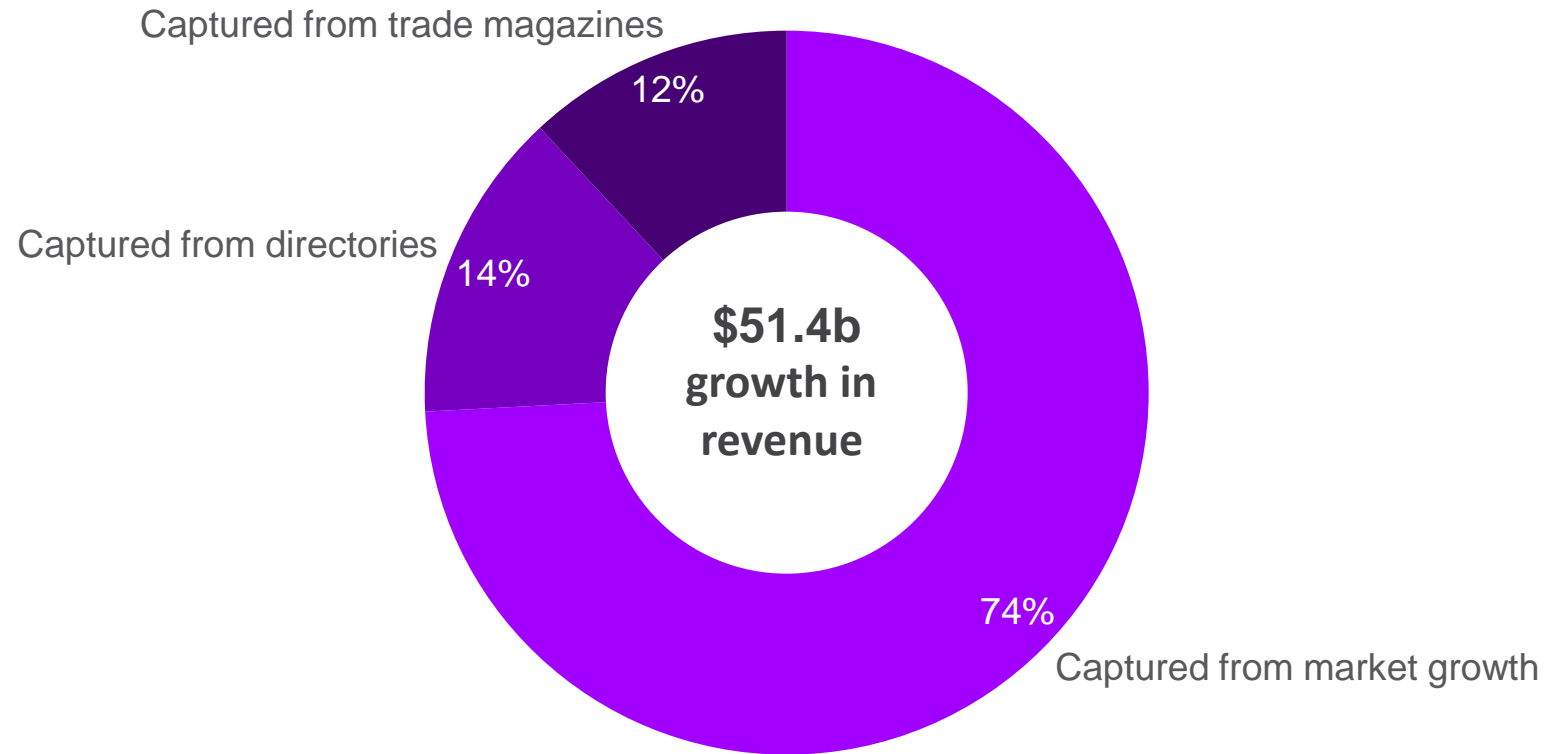
Online search has represented an entirely new way for advertisers to connect with their clients that is scalable and cost-effective. Furthermore, small businesses are focusing more keenly on how much they spend on advertising, and have been steadily increasing this amount over the past few years.¹

The remaining \$13.3 billion of online search revenue growth was captured from print directories and trade magazines. No other category of media advertising has declined materially in absolute value since 2004 that is attributable to online search.

¹ [Small Biz Trends \(2018\) "How much do small businesses spend on the advertising and marketing?"](#)

Sources of growth of search advertising revenue

%, share of growth



Sources: PwC, proprietary Accenture data, Kagan, Accenture analysis.

Notes: 1 In order to provide a conservative estimate of "new market" growth, it is assumed that all of the decline in print directories was captured by search advertising whereas in actual fact a significant share of this spend is also likely to have been captured by digital directories. 2 This value reflects market growth capture resulting from share gain vs. other media advertising categories (i.e. relates to growth other media could have captured if they held share, but does not include any actual reduction in absolute value of ad spend in other media)



3

How have reader preferences changed over time?

Globally, paying audiences for news continue to grow, driven primarily by digital circulation

Print circulation has remained stable over the five years to 2018, while paying digital audiences have grown rapidly.

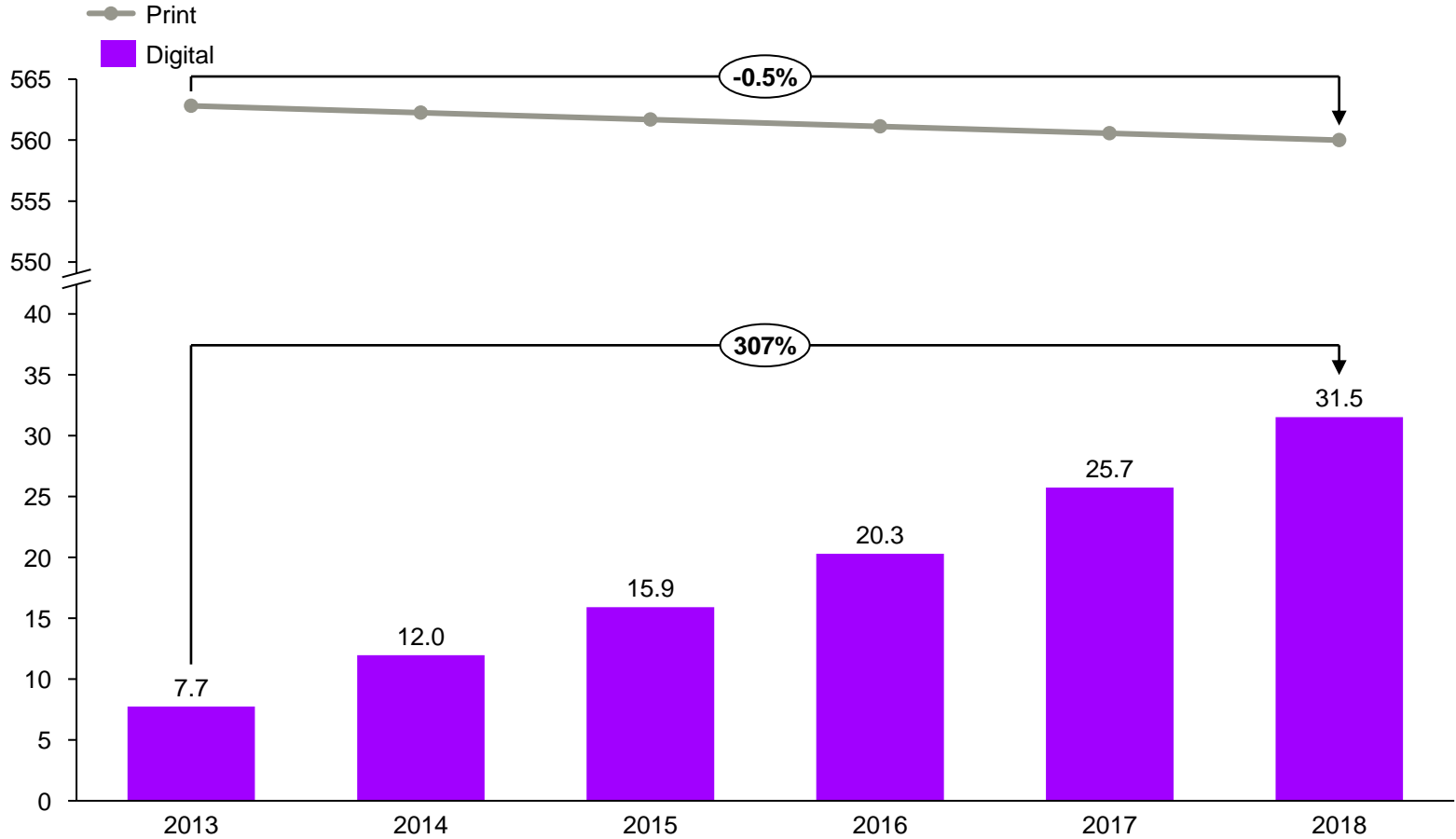
Global print circulation figures remained relatively stable between 2013 and 2018, falling by just 0.5%.

However, paid digital circulation has grown rapidly as publications deploy new payment models and content strategies. Data shows that consumers are willing to pay for digital news. Between 2013 and 2018, digital circulation volumes increased by 307% to reach 31.5 million paying subscribers.

Across all news publications globally, the fall in paid print subscriptions has been more than offset by growth in paid digital news subscriptions. Between 2013 and 2018, the number of paid print subscriptions fell approximately 3 million while paid digital subscriptions increased by 26 million.

Global average daily print and digital circulation

Millions of units daily, 2013-2018



The growth in online readership in the US has been nearly 2x the decline in print readership since 2015

The underlying demand for news is strong. Data shows that more Americans are reading news, with 8 million more paying for news than in 2015.

Total newspaper readership has grown, with US newspapers serving a total of 62 million paying readers as of 2018, up from 54 million in 2015.

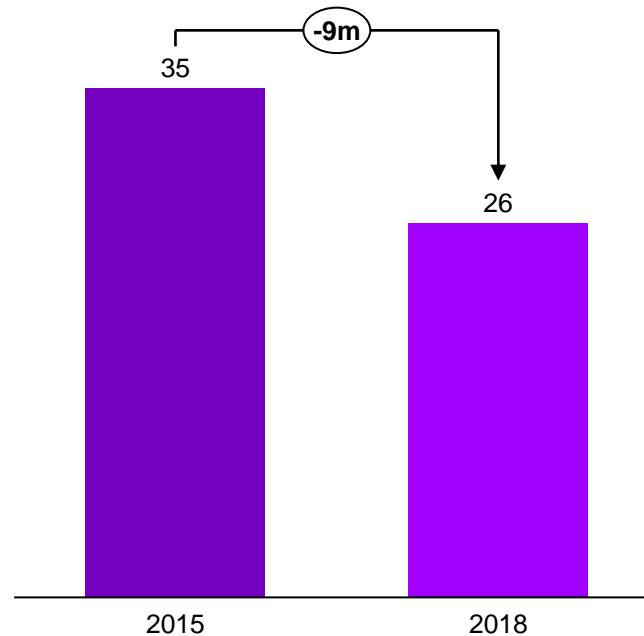
The incidence of purchasing an online subscription among American readers is also rapidly increasing. In the three years to 2018, the number of people who purchased a digital news subscription increased by 17m.

Between 2015 and 2018, major titles including the New York Times, the Wall Street Journal, the LA Times and the Boston Globe increased their online subscribers from between 60-183%.

Moreover, recent trends show that readers are increasingly turning to local news outlets. Six in ten Americans (61%) reported they were following news of the coronavirus outbreak at both the national and local level equally. And a quarter (23%) said they were paying closer attention to news at the local level.¹

Persons who pay for print papers in the US

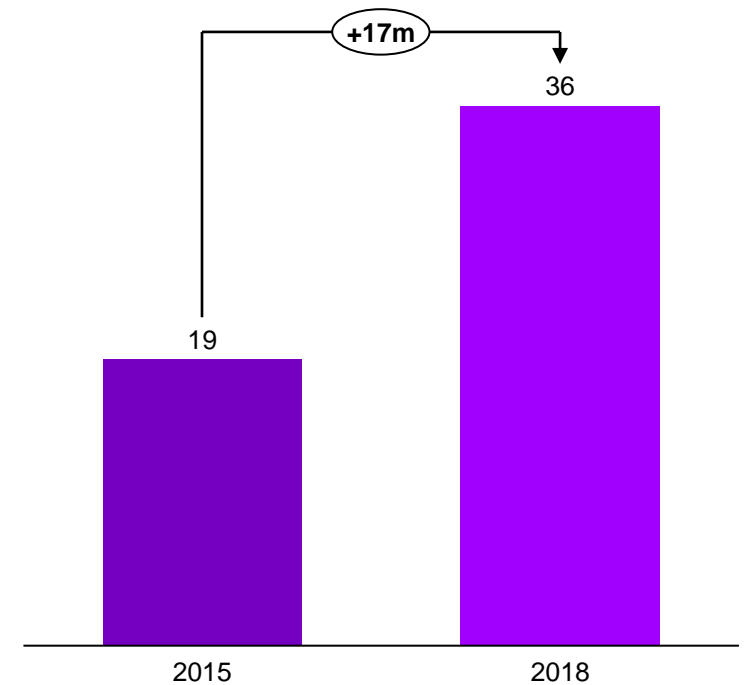
Millions of people



Persons who pay for online news in the US¹

Millions of people

Increase in digital subscribers 2015 to 2018	The New York Times	WSJ	LA Times	The Boston Globe
	+183%	+143%	+150%	+60%



Source: Statista, Reuters, Neiman Lab, Poynter, Vividata, Accenture analysis.

Note: 1 This figure has been calculated based on the Reuters Digital News Report survey results that 16% of internet users paid for news in 2018. The number represents those who have paid for news content in the past year, rather than those who are regular subscribers.

¹ Pew Research Centre: <https://www.pewresearch.org/fact-tank/2020/07/02/local-news-is-playing-an-important-role-for-americans-during-covid-19-outbreak/>

A majority of Americans have increased their news consumption in the past five years

A full 54% of Americans reported increasing their engagement with news over the period, with 24% reporting a significant increase in their news consumption.

It is important to note that this increase in consumption has largely occurred online. Decreases in the amount of minutes Americans are spending with print newspapers have likely contributed to the reduction in advertising spend in the print medium.

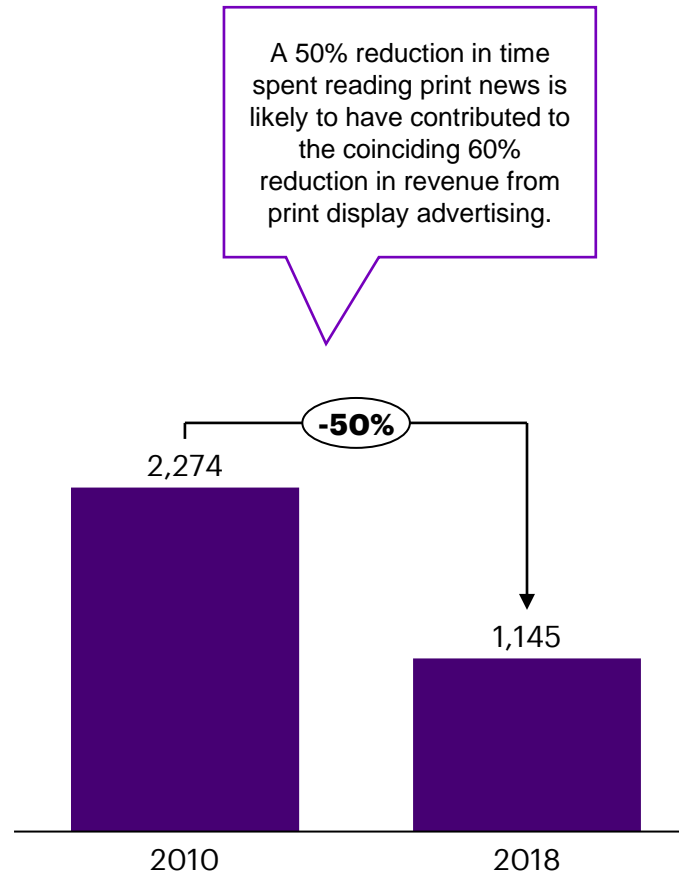
For most Americans, online news is becoming an increasingly favoured way to access the news. While television holds the top spot as most preferred news source with 44% of Americans preferring TV, 34% now say they prefer to get news online through websites, apps or social media.¹

As audiences move online, they are also becoming fragmented. As more sources become more available to more consumers of news, audiences are getting their news from a more diverse set of sources than before.

Social media has become an increasingly prominent source of news. In 2018, one in five Americans said they often accessed news via social media.

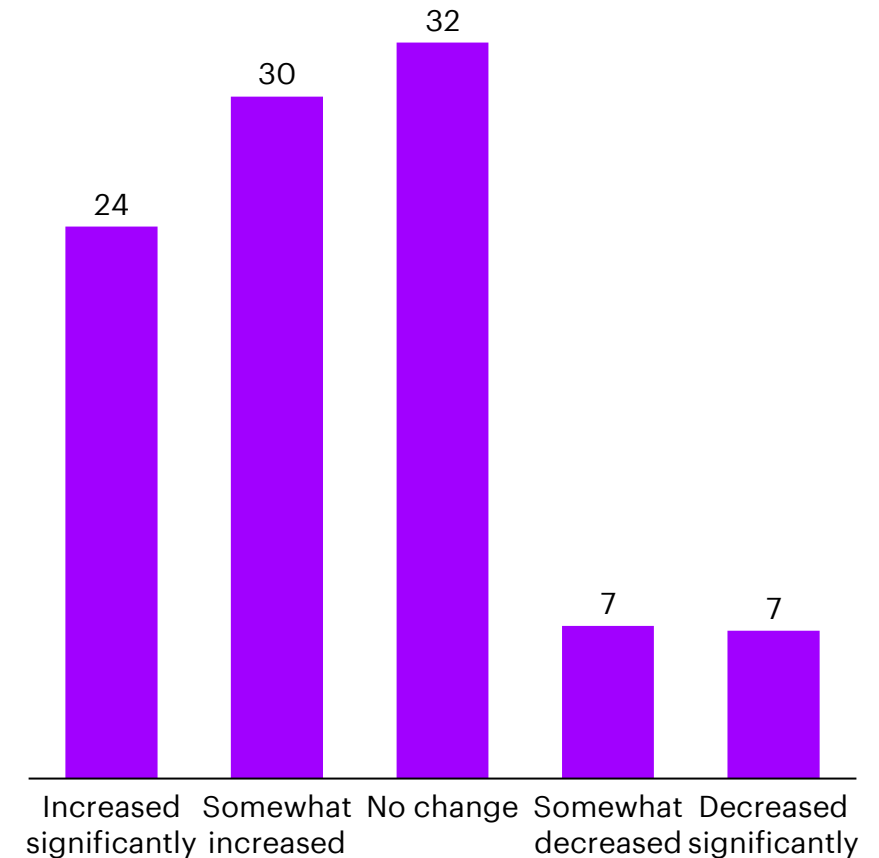
Time spent reading print newspapers

Billions minutes/year



Change in news consumption by Americans over time

% response to the question 'how has the amount of news you read, watch or listen to changed over the past five years? Has it...', 2020



US news preferences have changed with online growing while print is in decline

Almost half of Americans who consume news use social media as a source, with TV and print sources losing share to social media over the past seven years. Online news sources are the most popular way to access the news.

Print newspapers have seen a significant decline in their position as a key access point for news since 2013. The share of adults using print news declined 27ppts, with only one in five still using the format to access news.

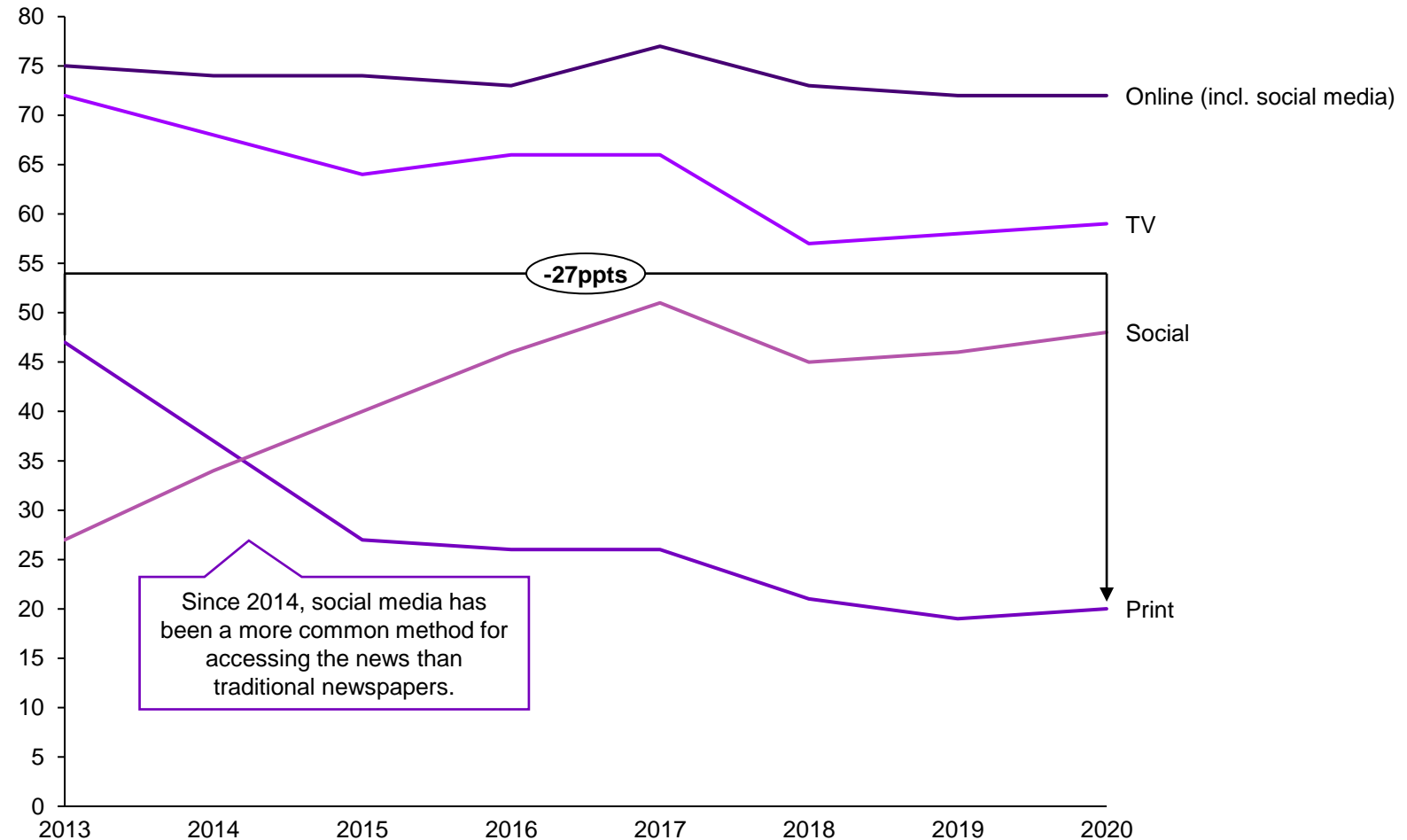
News readers are shifting to other formats, with social media seeing strong growth. Social media as a source of news has shown the strongest growth over this period with an increase of +21ppts from 2013.

TV remains a popular source of news despite a 13ppt decline in popularity over the seven years. Both online sources and TV play a critical role in informing the nation on current events.

The increased readership of news online is of course not just an American phenomenon and global online audiences provide a potential source of growth for US news publishers.

Use of media to access news in the US

% of adults surveyed who access news by format



Source: Reuters Digital News Report 2020.



Appendix

Glossary and notes

“Newspaper revenues” refers to total income earned by print and digital news products. It is not an estimate of total corporate revenue of the parent companies of news organisations. For example, some newspaper companies also earn revenue through investments in live events, technology platforms, or ‘pure play’ websites. In keeping with statistical standards, these are not counted as part of newspaper revenues.

“Display advertising revenue” is earned from the placement of visual display advertisements in print papers or on websites. They are traditionally larger than classified advertising, and include greater variety of image or font designs.

“Classified advertising revenue” is earned from the listing of predominantly text-based notes in print papers or on websites. They are traditionally smaller than display advertising, and tend to be of more uniform size and design. They most commonly advertise small businesses, second-hand goods, real estate, jobs, or personal notices.

“Circulation revenue” is earned from fees paid by readers to access the news. They include the cover price of print newspapers, recurring subscriptions for online access, or any other fee-to-read model.

Estimates of newspaper revenues are based on a composite of public and proprietary sources. Key sources are the Global Media and Entertainment Outlook and Pew Research. This aggregate information was also tested against Accenture’s proprietary datasets and publicly available company-level information and reporting. Where equally reliable and authoritative estimates varied from one another, an average of the available data is reported.

All figures in the report are quoted in local currency. Estimates from some sources were provided in foreign currencies, in which case they were converted to the local currency at the appropriate rate: as either provided in the source, or the annual average at the time of the source being compiled. All figures are quoted in nominal terms.

Calculating classified share of the newspaper revenue decline

This report estimates that 53% of the total decline of newspaper revenues between 2004 and 2018 comes from the decline of classified revenue. This is calculated as a simple fraction where the difference in classified revenue between those years is divided by the difference in total revenue over the same period.

Calculating source of online advertising revenue growth

This report estimates that 74% of the online search advertising market in 2018 comes from new market growth. This is calculated by assuming that search advertising was responsible for all of the nominal decrease in traditional categories of small advertisements (such as trade magazines). Any growth of search advertising above and beyond the decline in these traditional segments is inferred to be from new market growth. The declines in the relevant traditional segments represent just 26% of the growth in the search advertising market – as such, the remaining 74% is estimated to come from new market growth.