



Summary of Meeting with Craig Westover

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Thursday, April 19, 2007

Guest speaker: Craig Westover , writer, contract columnist, *St. Paul Pioneer Press*

Present: Verne Johnson, chair (by phone), Lee Canning, Paul Gilje, Jim Hetland, and John Rollwagen

A. Context of the meeting — The Civic Caucus is reviewing a possible connection between availability of quality public affairs information and a strong representative democracy. Today the Civic Caucus is meeting a veteran writer on the Twin Cities area scene.

B. Introduction — Paul introduced Craig Westover, a free-lance writer who writes a weekly column for the opinion page of the *St. Paul Pioneer Press*. Westover also has worked in corporate communications for NCR and in strategic marketing and quality assurance for NCR/AT&T. His frequent letter-writing to the *Pioneer Press* led to different opportunities with the newspaper, and most recently he was offered a weekly column on the opinion pages. He characterizes himself as a libertarian/conservative. He was a psychology major in college

C. Comments and discussion — In Westover's comments and in discussion with the Civic Caucus the following points were raised:

1. Fruitful area of writing for specialized publications — As Westover was highlighting his past success in using newspaper articles as ideas for articles in

magazines, Lee Canning suggested that maybe the Civic Caucus would have some success in getting more coverage of its work by submitting articles to selected local publications.

2. Newspapers' business model no longer fits their core competencies —

The core competency of newspapers was and still is their ability to gather news.

However, advertising, not subscription fees, is what pays for the paper and accounts for profits. The business model is putting consumers in touch with advertisers.

The business model of newspapers has been a broadcast model—distribute paper and advertisers' messages to as many people as possible. The Internet, cable television, specialty publications and data mining for direct mail have made possible more targeted marketing opportunities for advertisers—fewer people seeing ads, but identified as people with interest in the advertisers' products.

Newspapers need to figure out how to take their core competency of newsgathering and exploit other outlets to narrowcast to specific audiences to attract advertisers.

In the 1980s the news was "broadcast" through the newspapers. Today newspapers still are following that model, although it is obsolete, and many more outlets for distributing the news exist. For example, the *Pioneer Press* could have a 6 p.m. newscast on the Internet. (It was noted that the *New York Times* already has such a newscast.)

Too many newspapers, faced with the need to provide major returns for investors, economize by cutting back on their core competency, news. They have failed to learn more about their subscribers for targeting purposes. Someone could subscribe for the newspaper for 30 years and all the owners would know is the individual's name, address, and length time that someone has been a subscriber.

Owners won't even know which parts of the paper are favored by different readers. On

an individual basis, newspapers collect data on readers by geographic area, but not down to the individual level—which is what targeted advertising requires.

Lee Canning noted that the *Star Tribune* made major changes in its format based on research. The *Star Tribune* decided it had to reach out to people under 40 to meet their business model. The result is a heavy load of entertainment news. The *Pioneer Press* has a strategy of emphasizing local news—news that can't be found at other sources. A problem is determining if a given piece of local news is important, or as Lee noted, more entertainment value.

3. Focusing on the business model, not the core competency —

Continuing the discussion, John Rollwagen summarized that the newspaper owners have decided to focus their survival on the business model, not trying to find a way to maintain their core competency. Westover agreed, saying that publishers of newspapers invariably come from the sales and marketing side of the business, not the news side. Newspapers lay off employees, trapped as they are by a business model from the 1980s—that a company can cut its way to profitability. That may work over the short term, but it ultimately makes a business less competitive in its core competency.

4. J-school student's comments on being disillusioned —

Westover cited an article by a student at Northwestern University in the March 2007 issue of *The Newspaper Guild Reporter* (<http://newsguild.org/gr/index.php?ID=3769>), who was complaining about a shift in philosophy of the Medill school at Northwestern. "I believed the school represented journalism as the voice of the people, the voice of justice and an arena for ideas. Instead, Medill is teaching about the market, the consumer and advertising," wrote the student, Loka Ashwood. This is the disconnect between the student's perspective and the real world business perspective, Westover said. It is also a disconnect between the newspaper's giving in-depth political information, and the business model.

5. Core competency can survive if newspapers take new views of their

audiences — Targeting audiences is key, and newspapers haven't yet figured out how to do that, Westover said. Look at the TV ads during the Sunday afternoon golf tournaments, he said. With Lexus and Cadillac ads, those folks know that older, wealthier, males are watching the golf tournaments. This is the "narrowcast", not "broadcast" view that is needed.

6. Too many "silos" in the newspaper — Westover said the news, the editorial opinion, and the advertising departments at the *Pioneer Press* are strictly separated.

For example, if the advertising department is seeking help in preparing an "advertorial" (an advertisement written in the form of an objective opinion editorial), the advertising department will get no help from the editorial-opinion department.

Later in the meeting discussion returned to the potential of advertorials—provided a financing approach could be found—as a possible way to gain coverage and circulation of information that otherwise would not be covered

7. News no longer a revenue producer — Lee Canning said that in heyday of newspapers, the split in income between advertising and newspaper sales was about 60-40. Westover said that split now is about 90-10 or even 95-5. Canning said the Audit Bureau of Circulation no longer counts circulation of newspapers on Mondays and Tuesdays because those are very poor advertising days.

8. A distinction between being overtly partisan and being political — As background for a direction that he thinks newspapers should go, Westover introduced the topic by addressing the issues of objectivity and transparency versus fairness and balance. Regardless of a newspaper's political leanings, it needs to be objective and transparent in its presentation of the news. Westover said he hopes to see some day a newspaper in the Twin Cities area with a libertarian political view. Such a newspaper would attract a group of readers with that political bent. But such a newspaper would

not rant and rave against views, as some overtly partisan bloggers do, he said.

Readers in a libertarian newspaper would expect objective, but not necessarily, balanced coverage.

Further, Westover argued, it isn't good to try to be so balanced as to distort the real truth an event. He remembers the "balanced" coverage of a debate between Rod Grams, Mark Dayton and a third party candidate, some six-seven years ago. The reporters dutifully provided concise statements of the positions of the candidates on the major issues discussed, even though, Westover said, it was obvious in the debate that Grams did a far better job on the Social Security discussion and Dayton did a far better job on social issues. When Westover writes, he said he works to write the truth, not just be balanced. He said his own bias plays into that and needs to be considered by the reader. Arguments ultimately stand on their own merit, regardless of bias, he said.

9. A new business model for newspapers — Westover believes the future lies with newspapers that are less concerned with fairness and balance and more with objectivity and transparency. The old business model is a broadcast model that wanted so many "eyes" reading the newspaper. Continuing his example of wanting a newspaper with a libertarian bent, he said that such a paper would have a narrow audience, an audience that, faced with many choices, would opt in to read that paper over others.

Further, he said, with a new business model, the newspaper would be trying to entice its readers to go to a website, where the paper would be able to learn much more about its audience and gain information that would enable it to do more "narrowcasting". There's no such thing as the "general public" any more.

10. Potential of reaching a narrow audience that craves good public

affairs information — Noting the decline of public affairs information in the mainstream media, Verne Johnson inquired about the potential of narrowcasting to serve the people

interested in public affairs. Westover mentioned the *St. Paul Legal Ledger*, a paper that runs legal notices (http://www.legal-ledger.com/about_us/index.cfm), and calls itself "the only independent newspaper dedicated to covering the Minnesota Legislature, politics and public policy." Subscriptions to the twice-weekly publication are \$104 a year. The point here is that the *Legal Ledger* is targeting a very narrow audience for whom the "news" is worth \$104 a year. An alternative might be patronage-sponsored news sources, much like the early days of journalism when political parties and specific newspapers were closely aligned, he said.

11. Limitations of some web based publications — Some information websites are simply finding information that others have collected. There aren't a lot of ways to make money on that model, because it is at the whim of what others are doing, Westover said.

12. Parallel between a subscription to a publication and a contribution to a non-profit organization — In discussion about whether an outlet would be a non-profit or a for-profit organization, it was noted that non-profit organizations like MPR receive taxdeductible contributions and other organizations charge subscriptions. The question came up whether subscriptions to media publications should also be tax-deductible. In the continuing discussion about MPR as a model for news coverage in the future, John Rollwagen clarified that MPR doesn't receive government subsidies any more, other than government grants sometimes are given to small towns for antennas to receive the MPR signal.

13. Electronic or print distribution in the future — Westover contrasted older people, who are digital immigrants, with younger people, who are digital natives. The long-term future clearly is with the internet, not with ink and paper, he said. Today newspapers still have the credibility. The internet has broken several good stories, but those stories gained legitimacy only when they were picked up by the mainstream

media, he said. Later Westover added to his comments by stating that the key is who are the people of influence, not what media do they use. That will be a key in who drives the media agenda.

14. "Marketing Myopia" — In discussing changes that need to occur, Westover mentioned 'Marketing Myopia' by Theodore Levitt, published in the *Harvard Business Review*, of which he was an editor. Its theme was that the vision of most organizations was constricted in terms of what they, too narrowly, saw as the business they were in. It exhorted CEOs to re-examine their corporate vision; and redefine their markets in terms of wider perspectives.

15. Example of radio station strategy — Westover said he worked with some radio stations on building better business models for the future. Rather than relying only on broadcasting, the strategies called for the radio stations to stimulate listeners to go to web sites, where with the skillful use of commercial offers, the stations were able to narrow their audiences. The group again made reference to MPR, where some had visited this past week. John Rollwagen discussed the development of public insight journalism (PIJ), a new program at MPR, with some 25,000 individuals who are feeding news-related ideas to MPR with its staff of 25 regular reporters, plus about six persons in its PIJ arm.

16. Relying too much on publicists for information — Westover, who writes frequently on offering educational choice, said he believes that the education reporters today receive 80-90 percent of story ideas from the press releases of the educational establishment. Other perspectives are not getting adequate coverage, he said.

17. Thanks —The group thanked Westover for meeting with us today.

***The Civic Caucus* is a non-partisan, tax-exempt educational organization. Core participants include persons of varying political persuasions, reflecting years of leadership in politics and business.**

A working group meets face-to-face to provide leadership. They are Verne C. Johnson, chair; Lee Canning, Charles Clay, Bill Frenzel, Paul Gilje, Jim Hetland, John Mooty, Jim Olson, Wayne Popham and John Rollwagen.

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