

A DIFFICULT CHOICE FOR NEWSPAPERS: ADVERTISERS OR READERS?

Asst. Prof. Dr. Barış BULUNMAZ

Maltepe University Faculty of Communication

Department of Journalism

Istanbul

ABSTRACT

Almost entire advertisement revenues are acquired by newspapers in print media. Along with rapid technological developments and the intensive competitive climate in newspaper sector; the gulf between high cost and low revenue has widened, and newspapers are obliged to subsidize this deficit with advertisement revenues. Newspapers in Turkey have two separate groups of customers. The first one of those groups is the advertisers and the other is the readers of that newspaper. Due to economic reasons, this compulsory dependency on advertisement revenue causes newspapers to fall into a paradox between advertisers and readers. In this article we will firstly explain advertisement and its place in marketing; then give information about the advertising sector and the distribution of Turkish advertising pie among media. Later, the relation between advertisers and readers that place newspapers in difficult circumstances will be explicated in detail, analysis and assessments will be made regarding about it.

Keywords: Newspapers, Advertising Sector, Reader, Advertiser

GAZETELER İÇİN ZOR SEÇİM: REKLAM VERENLER Mİ OKURLAR MI?

ÖZET

Yazılı basın içerisinde çok küçük bir payı alan dergiler dışında, elde edilen reklam gelirlerinin neredeyse tamamına yakını gazetelerin elinde bulunmaktadır. Teknolojik ilerlemenin çok hızlı bir şekilde gerçekleşmesi ve rekabetin oldukça şiddetli olduğu gazete sektörü içerisinde, maliyetlerin yüksekliği ve gelirlerin düşüklüğü arasındaki uçurum yükseldikçe, gazeteler bu açıklarını reklam gelirleri ile desteklemek durumunda kalmaktadırlar. Gazetelerin reklamverenler ve okuyucular olmak üzere hitap ettiği iki ayrı kesim bulunmaktadır. Gazetelerin ekonomik nedenlerden ötürü, zorunlu olarak reklam gelirlerine olan bağımlılığı, gazeteleri reklamverenler ve okuyucular arasında bir paradoksun içine sokmaktadır. Bu makalede ilk olarak reklam ve pazarlamadaki yeri hakkında çeşitli açıklamalar yapıldıktan sonra, reklamcılık sektörü ve Türkiye'deki reklam pastasının mecralara göre dağılımı hakkında bilgiler verilecektir. Daha sonra ise bu veriler ışığında, gazeteleri oldukça zor durumda bırakan reklamveren ve okuyucu ilişkisi ayrıntılarıyla irdelenecektir.

Anahtar Kelimeler: Gazeteler, Reklamcılık Sektörü, Okuyucu, Reklamveren

Introduction

The press sector has begun coming under the domination and rule of holdings since the second half of 1980's, and today, almost all of the newspapers, which corner the sector and retain the power to create public opinion, are owned by the gigantic

holdings, such as Doğan Holding, Çalık Group and Çukurova Holding. For the reasons such as the expansion of holding establishments to all fields, horizontal and vertical media integration, the newspapers in the press sector both have difficulty in acting within the framework of the principles and rules required by their professions, and also they may get beyond their criteria concerning independence and objectivity, as an adverse return of the conditions that challenge them economically.

As with all the newspapers in the world, newspapers in Turkey have two separate groups of customers. The first one of those groups is the advertisers and the second one is the readers of that newspaper.

The advertisers place advertisements on column and centimeter basis, and in return for this, they pay a certain amount of fee, which is predetermined in connection with the circulation and prestige of that newspaper and accepted by them. As a result of this, newspapers earn substantial amounts of advertisement revenue and thus, are able to compete with their competitors and the advertising companies get a chance to reach the readers of the newspaper.

Newspapers primarily have to raise their circulation figures, that is, the sales chart of the newspaper and keep it within a certain range to be able to be perceived as more powerful and to be preferred by advertisers. Unstable and periodically varying sales figures are not perceived as reliable by the advertisers, therefore newspapers primarily have to achieve circulation stability and clarify their reader profile.

In another customer group of the newspapers other than the advertisers, there are readers who enable the newspaper to be a 'real newspaper'. The readers enable a newspaper to revive and to survive, and allow their continuity and ultimately are the most vital point of a newspaper. For that reason, newspapers have to keep hold of their own readers and meet their expectations, and at the same time, gain new readers and, increase their circulation figures. Although it is possible to increase circulation rates with periodic promotions, what really matters is to what extent the readers gained within the promotion period will enter to be among the loyal readers after the promotion period.

Newspaper readers identify themselves with the corporate and ideological identity of the newspaper, particularly in Turkey, and may immediately react in respect to news published in a newspaper, or in case of a change in newspaper management. The most significant reason for this is that readers make a connection with the newspaper, which is informal but significant in spiritual terms.

It is one of the leading most difficult and sensitive task for the newspapers to create a balance, or maintain the balance between the advertisers who provide advertisement revenues required for newspapers to economically survive and the reader, who enables the circulation by buying the newspaper. Newspapers which are able to walk a thin line between both parties are successful, while the ones that disturb this balance in favor of one of the both parties usually face problems.

This article aims to explicate the relation between advertisers and readers that place newspapers in difficult circumstances. For this reason, initially advertisement related information will be given, and the current status of advertisement sector will be assessed. Afterwards, the channels where the advertisement investments in Turkey are distributed and the share received from this distribution by the newspapers will be examined. Finally, the relationship between the advertiser and the reader will be assessed in detail within the scope of the ability to balance and the mutually created problems, which are the major problems for the newspaper.

Advertisement and Its Place In Marketing

It will be much better to briefly explain the concept of marketing at first for the purposes of more clear and healthy understanding of the definitions related to advertisement and to position advertisement within marketing based on the relationship between marketing and advertisement.

The purposes of foundation of the companies are to enable the consumers to use the goods and services they produce or sell as well as to maintain their existence and grow. The performance of these operations is under the responsibility of marketing management. The actual responsibility of marketing is to enable the profitable increase of the company endorsement. Marketing is to determine, develop and choose the market

opportunities, and set strategies to achieve superiority in the target market, even if not to achieve dominance (Kotler, 2003: 24). Marketing has been defined in many ways. One of these definitions describes marketing as follows: Marketing is generally accepted as creating goods and services for the consumers and companies, promotions of those goods and services and delivery of them (Çağlar & Kılıç, 2005: 3). In another definition, marketing is defined as the whole of human activities to determine, shape and meet the demands and requirements of the products, services, operations, individual, location, organization and ideas through the process of change. This definition, views marketing not only as an operation distinctive to the commercial and industrial profit making companies, but as an operation which may be performed by everybody, i.e. organizations and individuals (Tek, 1999: 5) and covers a very wide area.

We can go through the marketing operations under four headings. These are known as the 4 P's of marketing. These are place, price, promotion and product. Advertisement is a part of promotion, which is one of the four components. For this reason, advertisement acts in coordination with the individual sale, sales development and publicity (public relations) units involved in the promotion activities. Advertisement enables the consumer to be informed of the products and services. As being one of the most important promotion activities, advertisement has different aspects in addition to the similar ones to other promotion activities in respect of the methods used. Additionally, advertisement is also called as mass sale due to its ability to reach broad masses (Tayfur, 2006: 5-6). It may be seen as a result of the 'power' and efficiency of the advertisements that the advertisement is also called mass sale.

Advertisement is the most visible form of communication and the most important part of the communication mix for the consumer goods. Thanks to advertisement, the smallest consumer group which the mass media can reach may become accessible (Hollensen, 2003: 574). Today, advertisement has become an indispensable state of affairs as the other components of communication, for both companies and also consumers (Kocabaş & Elden, 2001: 13). Within the market structure where the competition conditions become heavier every day, the importance of advertisement is

an undeniable fact at the point of delivering the manufactured goods and services to the consumers.

Advertisement includes the operations for provision of messages or information with regard to any aspect of the goods, the services or the human activities (Ekelund & Saurman, 1999: 7). Advertisement is the operation where a product or service, a company, an individual or idea positively introduced and adapted to the public opinion through the mass media in provision for a fee, of which tariff has been predetermined by an identifiable responsible authority. (Çağlar & Kılıç, 2006: 127). The companies have to perform advertising activities to maintain their continuity, struggle against with their competitors, and achieve their desired objective in the market. The advertisement phenomenon is of great importance for both the manufacturers and the consumers because the manufacturers are to inform the masses of the existence of their products so they can sell them. And the consumers would like to know the specifications (e.g. price, quality, package, warranty, etc.) of the products before buying them (Tayfur, 2006: 6-7) and so they feel confident.

Advertising is performed to achieve the different purposes among companies. While some companies wish to increase their sales or their market shares, other companies aim to create an identity for their products or strengthen their brands. In general sense, advertisement is intended to achieve a series of objectives such as to increase the sales, to create a corporate and brand image, to develop the market, to support the sales force and distributors, to maintain the learning level and to introduce new products. The main objective of advertisement is to enable consumers to react positively against the products and services of the companies and convince them. The advertisement may also be deemed as a tool preparing the consumers to other marketing components (Çağlar & Kılıç, 2006: 128). Advertisement influences consumers, creates demand and even switches a demand from a brand to the other. However, advertisement is not an efficient tool on its own for the companies. Advertisement is to be supported with other marketing components (with individual sales, sales development and public relations involved in the activities of product, price, distribution and promotion). Advertisement should help introduce the user, the use, the product and the integrated

image of product (Zyman & Miller, 2000: 92). In brief, advertisement should not be considered as a method performed only instantly and expected to bring success, but as a whole package of activities performed for the product to have a ‘sound’ place in the consumer’s mind.

Advertising Sector and the Distribution of the Advertising Pie by Channels

This section will review the development of the advertising sector in Turkey and the distribution of the advertising investments today by media channels in general, and in doing so will examine newspaper advertisements in particular.

Advertisement is an activity gradually gaining importance in the marketing efforts of the companies. The effect of the television on the public, the developments in communication technology and the competition environment increasing depending on the growth of trade volume have all further increased the importance of advertisement today. Each company seeking to get a share from the market, now, considers advertising activities necessary for themselves. Advertisement is basically important in terms of its contribution to increase their sales through promotion for the companies producing goods and services. However, it would be wrong to say that only companies advertise. Non-governmental organizations, political parties, public bodies and organizations advertise, as well. Political parties run advertising campaigns for their candidates to be elected. Non-governmental organizations may apply to advertisements in such respects as environmental protection, family planning, prevention of smoking and alcohol consumption, energy saving, protection from AIDS, etc. Public bodies and organizations draw on advertisements to provide the support of the public and to raise the awareness through the public service advertisements (Fidan & Yılmaz, 1998: 16). In other words, advertising is performed not only to increase the sales of the manufactured goods or services, but also to inform and raise public awareness on certain issues.

The advertising sector in Turkey has entered in the marked improvement since the beginning of 1970’s. Another important point to be noted with respect to the development of Turkish advertising sector is that multi-national advertisers have entered the Turkish market (Gülsoy, 2008: 104). In relation to that, advertising in

Turkey in harmony with the globalization process of the world has shown quite rapid development in recent years in terms of both the money spent and also quality. This development means 10-20% actual growth of the market (except for the crisis periods) every year. The structure of the sector tends to develop from the conventional criteria to the standards of the market economy. The liberalization of the foreign trade has caused the world brands to enter into the Turkish market and to make production investment. The competition environment created with this development has brought forth the belief in the necessity of advertising, and the requirement for well-arranged media planning has brought along the scientific methods such as compilation and use of media data. A stage, where the contemporary methods are much more applied in the measurement of the efficiency of advertisement, has been achieved, and the respective developments have created similar results in the reorganizations of the advertising agencies. It can be said that Turkish advertising sector, today, is ahead of many other sectors in adopting and applying both EU and USA standards (Çetin & Duran, 2009). Significant ground has been covered in the recent years, especially in terms of the quality of the works performed and delivery of these to the consumer. Additionally, it is quite an important case that the perceptions of the advertisers related to the advertisement have changed. That is, the advertisers, now, do not consider the advertising budget they allocate as an extra expenditure within their budget planning, but as a necessity at the point of marketing and sale of their own products or services. However, it is not possible to say that such case is also applicable for the periods, when national or international crises are experienced. During crises, the leading expenditures that companies initially cut are the advertising expenses.

In the light of the information above, media investments in Turkey for the recent five years including 2006-2010 are shown at the following table separately in detail to cover all the channels and with their percentages within the total media investments.

The figures at the table above are the figures excluding VAT, which are determined by the Turkish Association of Advertising Agencies by calculation and verification of the average of the data collected from the media organizations and media agencies. It clearly presents the distribution of it between the amount of the advertising

market share and the mass media. The figures indicated in total on the table shows the net publication incomes of the measurable media. Beside these figures, the total of the other investments such as production, below-the-line transactions, incomes of the local channels and agency service fees etc., which are the immeasurable items, are expected to be approximately one-third of the net publication incomes of the measurable media. In other words, the immeasurable items are anticipated as the 25% slice of the total advertising pie.

Table 1. Media Investments between 2006 and 2010

Media	2006		2007		2008		2009		2010	
	Million TL	Share %	Million TL	Share %	Million TL	Share %	Million TL	Share %	Million TL	Share %
Television	1.442	52.32	1.760	53.20	1.687	52.05	1.442	52.11	2.018	55.85
Print Media	1.020	37.01	1.113	33.65	1.065,74	32.88	818	29.56	942	26.07
Newspaper	914	33.16	990	29.93	952,08	29.37	746	26.96	856	23.69
Magazine	106	3.85	123	3.72	113,66	3.51	72	2.60	86	2.38
Outdoor	160	5.81	235	7.10	242,37	7.48	198	7.16	252	6.98
Radio	101	3.66	111	3.36	111,51	3.44	88	3.18	104	2.88
Cinema	33	1.20	36	1.09	39,43	1.22	39	1.41	45	1.24
Internet	-	-	53	1.60	94,9	2.93	182	6.58	252	6.98
Total	2.756	100	3.308	100	3.240,95	100	2.767	100	3.613	100

Source: Turkish Association of Advertising Agencies (2011). Retrieved March 28, 2011, from <http://www.rd.org.tr/>.

Additionally, due to the expansion of use of Internet and the increase in Internet advertising, the share of the Internet has been specified as 53 million TL for 2007; 94,9 million TL for 2008, 182 million TL for 2009 and 252 million TL for 2010 beginning from 2007, only including display advertisements, except for the search engines and mobile applications. In this case, it shows that Internet advertising has shown a serious rate of increase every year in comparison to a previous year and achieved the highest rate of increase among all the channels.

As seen in Table 1, when we consider in terms of measurable media incomes, the highest share is received by the television exceeding the rates around 50% on average, and the televisions are followed by the print media, including the newspapers and magazines. In print media, a large share is covered by the newspapers, which we can

express with the rates around 90%. However, it is seen that the print media, where average share has gradually decreased for the last five years, fell down under 30% in 2009 and 2010. Additionally, that the total media investments go into a decline in 2008 and 2009 should be assessed as the direct reflection of the global crisis beginning at the last quarter of 2008 and quite deeply effective in 2009.

Doğan Group has the majority of the values related to the advertising pie seen on the table. A variety of companies within the structure of Doğan Holding operating on different channels hold a share of approximately 40%. The newspapers owned by Doğan Group which cover around 65% of the newspaper advertising pie rank in an indisputably leading position, especially thanks to the share of around 40% received by Hürriyet newspaper, the flagship newspaper of the group. Çalık Group ranks in the second leading position with the share around 18-20% it receives from both the total advertising pie and also the newspaper advertising pie. Çukurova Holding, which receives around 10% of the total advertising pie, is the third leading group; however, Çukurova Holding holds only 3-5% of the newspaper advertising pie.

The share that the newspapers receive from the advertising pie holds a serious rate of place within the total advertising percentage and suggests an idea about how much important the advertising revenues are. Although, the share and figures held by the newspapers are at a seriously good level, we cannot tell the same positive case with respect to the sale rates, that is, circulation figures of the newspapers. The circulation rate of around 5 million remains quite low in proportion to the population despite its better appearance in number compared to European countries, when we take the rate of circulation/population in consideration, we face with a rate in a range of 7-8% in our country, and we can say that we rank in the middle positions in the world ranking. However, this rate is quite high as 50% in North European Countries. Switzerland, Austria, Germany and England at the level around 30% among European countries, and again in Asia, with a rate above 50%, Japan are the countries attracting attention and at the top ranks in respect of the rate of newspaper sales per capita, that is, the proportion of the total newspaper circulation rates to the population (Balding, 2008).

Because of promotion campaigns, especially in the second half of 1990's, it is seen that the circulation rates in Turkey are above the levels around 5 million. With the effect of the high competition, the newspapers went in for a race to get more advertisements by increasing their circulation rates, and accordingly, to gain more advertisement revenues. However, newspapers gave up their promotion campaigns with the effect of the crisis in 2001, and as a result of this, they experienced loss of circulation by losing a substantial number of their readers. The circulation rates reduced to the level around 3 million, and the newspapers suffered a considerable damage.

Today, the promotion campaigns run by the newspapers have been banned as a result of various regulations, and only the promotion campaigns for the specific products are permitted. After these regulations apply, the newspapers have set off on a quest for various alternative ways to increase their circulation rates by increasing the number of their readers, and accordingly, to gain more advertisement revenues. What is the most standing out among these searches for the alternative ways is that the newspapers distribute a variety of supplements mainly on the weekends. Newspapers, whose objectives are to address the different masses and fields of interest by generally concentrating on certain thematic issues thanks to these supplements, seek to increase their sales rate by this way. Additionally, these supplements are perceived as more attractive for the advertisers to reach the target mass as these supplements are intended for certain fields of interest. Besides, the newspapers seek to increase the number of pages in order to increase the number of readers and gain much advertisement revenue. The 'big newspapers' which have previously consisted of 25-30 pages are printed in a range between 35 and 45 pages. Thus, they attract the attention of the readers much more and gain much advertisement revenue.

Paradoxical Relationship between Advertiser and Reader for Newspapers

The public sphere refers to a figurative space in which private citizens discuss matters of public concern. In literal terms, this space can be coffee houses, public squares, or mass media. The key point is that this public discussion represents the ultimate court of appeal in democratic society. The globalization thesis suggests that a global public sphere may be evolving, where private citizens of many countries are

concerned about matters of global public concern. There is some question, however, whether such a global public sphere exists, or if it does exist, whether it will be allowed to grow. The corporatization of media, represented above all by concentration of ownership, is resulting in counter pressures that threaten to replace public communication with commercial communication (Jacobson & Jang, 2003: 59). Some ascribe the trend toward advertiser-journalists cooperation to the increasing corporatization of media outlets, which are often owned by a conglomerate that itself is a major advertiser. The trend to corporatization has led to more attention to the bottom line, especially as the profit potential of newspapers has become apparent. Corporations buying newspapers at increasingly inflated prices began looking for ways to maximize their investment by cutting cost and boosting revenue (Edge, 2000: 204).

It is difficult to argue today that journalists are not bound to their primary responsibility toward their organizations. Richards (1999) emphasizes that, in addition to the technological challenges that journalism faces today, the continuing corporatization of media with a continuing concentration of power into the hands of a few corporations worldwide has become one of the most important factors that influence journalism and that will continue to influence it in the future. Richards (1999) asserts that most journalists are already finding themselves employed by these corporations and that, in ethical terms, their positions shift from individual professional responsibility toward their publics to become partially redefined by the organizations to which they belong (Vujnovic, 2008: 75). As corporations increase their power, they meld with the journalistic air and blend into the media atmosphere, so that a *de facto* corporate state appears to supply us with the oxygen we breathe. Under such circumstances, accepting corporate power seems natural and neutral; opposing it seems “ideological.” The corporatization of media is part of broader developments in public and private life. We’re invited to choose from choices made for us by wealthy and powerful elites. Democracy has very little to do with the process (Solomon, 1998: 155). The corporatization of media has also led to an increasing focus on earnings. And because revenue for news Web site advertising has fallen well short of offsetting the rapid and deep loss in revenue for print advertising, many news companies have responded with personnel and production cost cuts. Beyond the obvious closures, there has been much evidence of these troubling financial times (Mersey, 2010: 8).

The paradoxical relationship between the advertiser and the reader for the newspapers has begun to become effective since the earlier 1990's, when especially the economic factors were of quite importance for the newspapers, the competition increased, and the globalization phenomenon had gradually become widespread and begun to be effective on the sector.

The target customers of the newspapers currently consist of two groups. One of these are the advertisers and the other are the readers. The newspapers have to try not to switch the 'precision balance' between these two groups and stabilize the balance between them. Otherwise, the care to be switched to one of the both parties may either lead the newspaper into an economically difficult state, or take them into the processes, which may go so far to the loss of the mass of readers depending on the decreased feeling of trust.

There are things required to be done by the newspapers to demonstrate the ability to provide the precision balance between the advertisers and the readers. Otherwise, the failure to provide this balance may lead to irrecoverable consequences for the newspapers.

In Turkey, an important part of the newspapers in the print media sector are the institutions under the corporations support and continuing their operations under this power. Let alone making profit, there are newspapers keep operating only for the advertising of the operations performed in the other business units under the holding and for the elevation of the group's prestige before the public opinion, even if there is a substantial loss. Although this financial burden does not appear to be a problem for the holding, the conditions may change in time and these newspapers may be faced with being closed down. For this reason, the newspapers are to create the financial conditions to be able to remain standing and to keep operating with their own corporate identities, considering the possibility of the conditions and circumstances to change in the future, even if they are secured by holdings.

One thing that has remained a constant revenue source is advertising. Advertising has been the primary source of revenue since Gutenberg invented the printing press in

1440. No matter if the publication is The Hartford Courant, which was founded in 1764, or Sports Illustrated, which had its first issue published in 1954. If you have ever opened up an issue of Sports Illustrated the advertisements practically fall out of the magazine. The New York Times is no different. The Times has a vast amount of advertisements and the larger they are the more they cost. And keeping with the trends, there are also plenty of advertisements on their website as well. Most of these advertisements are completely annoying but they still remain an effective tool in revenue generation (Miller, 2011). In this sense, it is largely in direct proportion that the newspapers can survive with their own financial resources in the current economic business cycle and increasing competition environment to the revenues they gain thanks to advertising. The advertising revenues are of vital importance for all the channels involved in the media sector, and in a position, which we can call ‘sine qua non’.

The costs of paper and printing incurred by the newspapers are higher than the sales price of a daily newspaper with an average number of pages. In other words, generally the newspapers are sold to the readers with a price below the costs of paper and printing. This shows that the increasing sales chart means the rise of economic deficit for the newspapers, when other income resources (advertisement and publication revenues) are not taken into consideration.

Other than the costs of paper and printing, there are other administrative costs, the expenses such as human resources, power supply, water supply and telephone services, etc., and the costs incurred by the newspapers for their own advertising and marketing operations as well as unexpected costs, which we can classify as the other cost items of the newspapers. The total of these costs generally achieve a figure around one and a half times of the costs of paper and printing.

These high rates for the other cost items of the newspapers and the irrecoverable sizes of these with the sales revenues push the newspapers to involve in a variety of activities to gain advertisement revenues and increase their advertisement revenues, and this brings along various concessions made for the sustainability of the advertisement revenues in time.

Beside the advertisement revenues that are quite important for newspapers, there are the readers enabling a newspaper to be a 'newspaper' and buying that newspaper on the other side. The readers are the leading factor of top priority for a newspaper to exist, survive and to carry on its operations. The newspaper readers consider the newspaper a part of their own and cannot easily change their 'newspapers' depending on the routine for years. Therefore, it creates great adverse effects on the mass of readers and may lead to quite strong reactions to be engaged in the activities abusing the reader's trust.

At this point, let's talk about online version of newspapers. Most readers of newspapers predicted that online versions of newspapers will die easily. But surprisingly online newspapers didn't die but continued publishing on cyber space. In fact, the researcher found out that the online version is different from the print. A study conducted in the University of Columbia gave details that majority of the subscribers of the print version also wants the online version that's why they subscribed. Another finding was that those prefer the reading newspapers online likes it better because they can easily choose the type of news they wanted to read (Meneses, 2007). Harnessing new technology and paying attention to changing reader habits to turn old models of journalism into ones that fit how people get news today through social media referrals, search engines and, less and less frequently, direct visits to an organization's homepage (Brownback, 2010). The layperson is just one source of online news. There has been an explosion of alternative news sources. However, for different reasons, they aren't necessarily better. These include many traditional news organizations, who have moved online to chase lost advertising revenue. While operating online has fewer expenses (distribution and printing costs are eliminated), these news sources often lose their primary source of revenue: the paying reader. Suppliers of free news depend more heavily on advertising revenue for their profit. The same is true for many traditional print papers. In order to compete with their online counterparts, free print dailies are offered as well, and must use advertising as their primary revenue (Gogolewski, 2007).

Pew's Project for Excellence in Journalism has released a study on news consumption habits across platforms in 2010. According to the findings, Americans

want their news portable (33% of cell phone users now access news on their devices), personalized (28% of internet users have customized home pages) and participatory (37% of Internet users have contributed to a news story or shared it in some way). Americans today routinely get their news from multiple sources and a mix of platforms. Nine in ten American adults (92%) get news from multiple platforms on a typical day, with half of those using four to six platforms daily. Fully 59% get news from a combination of online and offline sources on a typical day. Just over a third (38%) rely solely on offline sources, and 2% rely exclusively on the internet for their daily news (McGann, 2010).

The realization that traditional business models and strategies to support journalism will no longer be sufficient in the digital age has resulted in new, increasingly desperate, attempts to find extra revenue streams. Gathering, packaging and disseminating the news is expensive. Some strategies, such as Search Engine Optimization (SEO) and premium content creation, have been aimed at finding new ways to bolster the longtime mainstays of advertising and subscriptions. Other efforts have involved creating new products that readers will be willing to pay for, such as personalized information created through database manipulation (Kaye & Quinn, 2010: 35). A study of the business models of online journalism also needs an analysis of the keys to success for the industry. As with any business, these keys are likely to change over time and the ability of a news outlet to keep up with the shifts is fundamental to its long-term success. For this reason, the elements required for success in online journalism are best organized chronologically from the past to present (Fusco, 2010: 6).

The increase in the mass of readers of the newspapers, that is, the rise in their sales; in other words, the increase in the circulation rates, is the primary leading reason for them to be preferred by the advertisers. The most leading criterion preferred by the advertisers is the wish that their own products or services are reached a larger mass and they are informed of these. Therefore, the newspaper's having high circulation rates highly increase the possibility of the advertisers to choose that newspaper.

Another criterion for the advertisers to place an advertisement on the newspaper is that the prestige of that newspaper, the general characteristic of the reader profile of that

newspaper and the possibility of the readers to choose their products or services are all higher. Depending on the level of income, the level of education or the general demographics, for a newspaper to have a pretty much certain mass of readers is highly important for the companies wishing to advertise a specific product and considering that the mass of readers of the newspaper they prefer is involved in their target market.

The newspapers have to achieve a minimum certain level of balance between the advertisers and the readers. If we consider the fact that the principal objective of the journalism is to inform and raise the awareness of the public, the newspapers primarily have to present the news in an objective, honest and neutral way to the readers. As the newspapers, however, are the companies established to make profit as all the other companies do, they have to make attempts accordingly by admitting this fact, as well. Since an approximately 65-70% part of the income resources of the newspapers are covered by the advertisement revenues, the relationships of the newspapers with the advertisers require a well-planned and serious understanding.

The order of priority between the advertiser and the reader, which is a quite thin line, requires the existence of a unity in terms of both the management staff and also the editorial department and editorial staff making the newspaper a 'living organism'. The inconsistency between the management staff and the editorial staff of the newspaper reflects on the general publication policy of the newspaper and the boss of the newspaper drives the news content as he wishes in the long-term. As a result of this distorted and improper regime, the loyal mass of readers of the newspaper lose confidence in their own newspaper, and may change their newspapers within a certain period of time, even if this change may be involuntarily.

Within this framework, the newspapers should both maintain their publication policy so that it will not shake the confidence of the reader, and also, maintain their relationships with the advertisers so that it will not affect their own corporate identity. Entailing a serious effort, this case is really important for the corporate identity of the newspaper not to be damaged and the continuity of the confidence and commitment of the reader. If, otherwise, the balance is disturbed by switching one of the both parties may lead to coming to a difficult economic dead-end, or facing with the risk of losing

the reader. The reduction in the mass of readers, that is, the reduction in the circulation rates eliminate the reason for choosing that newspaper on advertisers' part, and again bring along the financial difficulties. Therefore, it is required to perform operations not to disturb the balance between both of the customer groups to determine the level of the relationships with the advertisers and for the readers not to give up their continuing habits for years.

Conclusion

All the companies have to create a regular and steady income resource to survive and continue their operations under today's economic conditions. The newspapers involved in the media organizations that can be considered as a social organization primarily due to their properties of creating and molding public opinion have to make profit to continue their existence as all other companies do.

As the newspapers are the products consumed on daily basis and have one-day life-cycle, they are the companies, which draw on all the benefits of technology and have to integrate all the innovations to comply with the conditions brought with the competition due to their distinctive characteristics both during the production stage and during the process of reaching the readers.

The newspapers, knowing that it is necessary to be economically powerful to continue their operations and survive in the strong competition environment, are involved in various activities to enhance their revenues and to be able to exist in corporate terms. If we consider the fact that even the costs of paper and printing only other than the general expenses are above the sales price of the newspapers, the newspapers have to close this gap created between the revenue and cost items and switch into a profitable position.

Among the revenue items of the newspapers, the sales and sponsorship revenues hold an approximately 30-35% part of their total revenues. For this reason, it is almost impossible for a newspaper to survive without advertisement revenues.

The relationships with the advertisers and the revenues gained there from are of vital importance for the newspapers. However, the readers create the reason for

existence and the actual customer mass of the newspaper in addition to the advertisers. The newspapers have an 'agreement' created in years as a result of the dialogue with the readers and established between them but not written. The principal and indispensable basic factor of these ties of affection established between the readers and their newspapers is trust.

Newspapers have to maintain their objective and consistence news and publication policy to increase their advertisement revenues to be able to economically sturdiness and to maintain the sense of trust established with their readers. Entailing a really precise and difficult balance, this case is the most critical points of all the activities performed in short-, medium-, and long- term by the newspapers.

The extent of the relationships with the advertisers and their demands may occasionally damage the objective point of view of the newspapers, and this may be perceived negatively by the readers. It removes the 'attraction' of the newspaper to be preferred by the advertisers that the readers stop purchasing their newspapers, and accordingly the circulation rates reduce in time. As a result, the newspapers face with the decrease in their mass of readers and an economically inextricable case. For this reason, newspapers have to perform their operations so that they do not reduce the trust of their readers and do not confront with the requests beyond the journalism profession in their relationships with the advertisers.

Consequently, when we consider in terms of the behavior patterns of the newspapers, they have to maintain the precise balance in their attitudes towards the advertisers and the readers, maintain good relationships with the advertisers in parallel with their requirements for the advertisement revenues to maintain their economical existence, and maintain their news and publication policies so that they will not damage the trust of the readers, who are the reason for the existence of the newspapers.

References:

- Balding, Timothy (2008). "*World Trends in the Newspaper Industry - An Update of Print and Digital Trends.*" Retrieved January 28, 2011, from <http://www.slideshare.net/marek.miller/newspapers-are-a-growth-business>.
- Brownback, Abby (2010). "*A Web-Centric Approach to Traditional Journalism.*" Retrieved January 26, 2011, from <http://www.ajr.org/article.asp?id=4880>.

- Çağlar, İrfan & Kılıç, Sabiha (2005). *Pazarlama*. Ankara: Nobel Yayınları.
- Çağlar, İrfan & Kılıç, Sabiha (2006). *Genel İletişim*. Ankara: Nobel Yayınları.
- Çetin, Murat & Duran, Umut (2009). “Reklamcılık.” Retrieved August 24, 2009, from <http://www.tml.web.tr/download/Reklamcilik-Not.pdf>.
- Edge, Marc (2000). “And ‘The Wall’ Came Tumbling Down in Los Angeles.” In Marilyn Greenwald & Joseph Bernt (Eds.), *The Big Chill: Investigate Reporting in the Current Media Environment* (pp. 197-210). Iowa: Iowa State University Press.
- Ekelund, Robert B. & Saurman, Davis S. (1999). *Reklam ve Piyasa Süreci*. (Vural Savaş, Trans.). Ankara: Liberte Yayınları.
- Fidan, Metin & Yılmaz, Şahap (1998). *Reklamcılık*. İstanbul: Tutubay Yayınları.
- Fusco, Michael (2010). *An Analysis of the Competing Business Models of Online Journalism* [Lulu Reader version]. Retrieved from Lulu database.
- Gogolewski, Kathe (2007). “*Journalism and Ethics: New Challenges in a Wired Age.*” Retrieved January 25, 2011, from <http://mooramooa.org.au/bobrich/writer/kathe.html>.
- Gülsoy, Tanses (2008). “Reklamveren Reklam Ajansından Niye Ayrılır? Türkiye’nin En Büyük Reklamverenleriyle Anket Çalışması.” *Anadolu Üniversitesi Sosyal Bilimler Dergisi*, 8(2): 103-128.
- Hollensen, Svend (2003). *Marketing Management*. London: Pearson Education Limited.
- Jacobson, Thomas L. & Jang, Won Yong (2003). “Mediated War, Peace, and Global Civil Society.” In Bella Mody (Ed.), *International and Development Communication: A 21st-Century Perspective* (pp. 53-68). Thousand Oaks, CA: Sage Publications.
- Kaye, Jeff & Quinn, Stephen (2010). *Funding Journalism in the Digital Age: Business Models, Strategies, Issues and Trends*. New York: Peter Lang Publishing.
- Kocabaş, Füsün & Elden, Müge (2001). *Reklamcılık*. İstanbul: İletişim Yayınları.
- Kotler, Philip (2003). *Kotler ve Pazarlama*. (Ayşe Özyağcılar, Trans.). 3. Edition. İstanbul: Sistem Yayıncılık.
- McGann, Laura (2010). “*Loving Mobile and Print: Five Key Findings from Pew’s New News Study.*” Retrieved January 27, 2011, from [http://www.niemanlab.org/2010/03/loving-mobile-and-print-five-key-findings-from-pews-new-news-study/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:%20NiemanJournalismLab%20\(Nieman%20Journalism%20Lab\)](http://www.niemanlab.org/2010/03/loving-mobile-and-print-five-key-findings-from-pews-new-news-study/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:%20NiemanJournalismLab%20(Nieman%20Journalism%20Lab)).
- Meneses, Jamie Laine S. (2007). “*The Effects of Online Journalism to Society.*” Retrieved January 25, 2011, from <http://www.zupermia.com/2007/01/effects-of-online-journalism-to-society.html>.
- Mersey, Rachel Davis (2010). *Can Journalism Be Saved? - Rediscovering America's Appetite for News*. Santa Barbara, CA: ABC-CLIO.
- Miller, Jim (2011). “*The Struggle of a Curmudgeon Newspaper.*” Retrieved January 27, 2011, from <http://btmm1655.wikispaces.com/Jim+Miller's+Final+Paper?showComments=1>.
- Solomon, Norman (1998). “Big Media Myths.” In Peter Phillips & Danny Schechter (Eds.), *Censored, 1998: The News That Didn't Make the News - The Year's Top 25 Censored Stories* (pp. 153-164). New York: Seven Stories Press.

- Richard, Ian (1999). "Swirling Currents, Uncharted Waters: Journalism Ethics in the 21st Century." *Australian Journal of Communication*, 26(3): 127-138.
- Tayfur, Gıyasettin (2006). *Reklamcılık*. 2. Edition. Ankara: Nobel Yayınları.
- Tek, Ömer Baybars (1999). *Pazarlama İlkeleri*. 8. Edition. İstanbul: Beta Yayınevi.
- Turkish Association of Advertising Agencies (2011). Retrieved March 28, 2011, from <http://www.rd.org.tr/>.
- Vujnovic, Marina (2008). "Framing Professionalism and the Ethics of Journalism and Public Relations in the New Media Environment: The Case of Armstrong Williams." *Journal of New Communication Research*. Vol. II/Issue 2 - Winter 2007-2008: 73-90.
- Zyman, Sergio & Miller, Scott (2000). *Geleceğin Pazarlaması*. (Cumhur Güçer, Trans.). İstanbul: MediaCat Kitapları.