

MEDIA

Can the 'Daily News' Survive?

Positioning, not labor costs, will determine the paper's future

By Thomas Forbes



New owner Robert Maxwell will need to be as adept at marketing as founder Joseph Patterson.



When I was a kid in the suburbs 30 years ago, I couldn't wait for my father to get home with his briefcase filled with the New York City papers. I'd tear into the *Herald Tribune*, the *Journal American*, the *World-Telegram & Sun*, the *Mirror*, the *Post* and the *Daily News*, looking for my favorite comic strips.

My daughter, who is in first grade, couldn't care less about Brenda Starr, or any other comic strip character. She pops a cartridge into the Nintendo computer terminal when she comes home from school and guides Super Mario on another adventure. For her, Dick Tracy lives only on videotape.

This is only one of the obstacles that face Robert Maxwell, the British media lord who is the new owner of the New York *Daily News*. He seems confident that he can restore the paper's profitability now that he has the labor force down to fighting trim. But despite some obvious fat at the *Daily News*, its problems have had much less to do with labor practices than with the changing marketing landscape and management's inability to deal with it.

The *News* has been battered for years by two forces in post-World War II society: the flight of its readers to the suburbs, and the

emergence of television as the main source of news and entertainment. Four of the six papers mentioned above lost the battle years ago. The other two are down to their last shots.

The real test of whether mass-market media will survive the millennium in the U.S. will be played out at the *Daily News*. Forget about the declining number of network TV viewers. The nets will find a nice enough niche in demographic-land. But if ever there was a product created for the masses, it was the scrappy *Daily News*. It was designed to be bought at the newsstand and read on the subway. Its authority came from its irreverence. It began to lose that authority the first day that the words "demographic" and "psychographic" were taken seriously by its executives.

The *Daily News* advertising department had proved, after all, that the "mass" readership was as desirable as the "class" readership. One market research project in the early 1920s showed that brands such as Borden's, White Rose and Royal had a strong franchise in a ghetto where the *News* sold well. It concluded that a resident of the Lower East Side of New York actually had more money to spend than his counterpart in ritzier neighborhoods. "His surroundings, associates and social status spare [him] many of the expenses the rest of us take for granted and unthinkingly assume. Consequently," the *News* concluded and its ad-

vertisers came to believe, "he can splurge in many directions and the native born cannot."

But as these immigrants prospered and moved away from the city, the *News* went on the defensive. It attempted to hold on to the readers it had—and suburban circulation did rise initially—rather than aggressively pursue the new immigrants moving to New York. The loyal readers had, after all, acquired credit at the department stores, and the new immigrants presumably had not. The *Daily News* lost its direction as a paper that, as its first editorial promised, "will have no entangling alliance with any class whatever." It had become torridly entangled with the upwardly mobile. Like many a blue-collar worker who now drove a Buick instead of riding the "A" train, it put on airs of respectability.

The department stores met the population shift by opening massive stores in suburban malls. But the *Daily News* was in no position to build gothic revival skyscrapers in New Jersey, Long Island and the Hudson Valley. The news bureaus that the paper did establish in suburbia were the equivalent of rented storefronts in a strip mall. Over time they became pale competitors to local products like *Newsday*. Meanwhile, the suburban ethos seeped into the paper's news coverage, diluting its focus on New York City.

By the 1970s the city editor—who once ruled supreme over local coverage—reported to a "metropolitan" editor. About the same time, the *News* attempted to retain readers who had moved across the Hudson River by putting out a daily edition carrying 10 pages of New Jersey news. Then, in the early 1980s, it tried to woo upscale Manhattanites and suburban-bound commuters with an afternoon edition that proved to be a disastrous mix of kitsch and quiche.

On paper these marketing decisions undoubtedly looked like wise solutions to the problems of declining readership and an eroding retail base in the city. But both attempts at segmentation failed because the *News* was never meant to be a niche product. The paper's soul—feisty, entertaining and streetwise to the core—was never the same for the experience.

Thomas Forbes, former editorial director of ADWEEK'S MARKETING WEEK and editor-at-large for *NewsInc.*, got his first job at the *Daily News*, where his father worked for 43 years.

When Joseph Medill Patterson founded the *Daily News* in 1919, there were 11 established newspapers in New York City. He was given little chance of succeeding. But Patterson was a hands-on visionary. He rode the subways and went to movie theaters to stay in touch with his readers.

He was the inspiration behind such comic strips as *Dick Tracy*, *Winnie Winkle*—*The Breadwinner*, and *Gasoline Alley*, which reflected the common man's growing attachment to the automobile. The *Daily News* covered radio when the medium was in its infancy. Patterson embraced competing media and diversions. If it interested the people, it was news. If it entertained the people, it belonged in his newspaper.

As early as 1907, Patterson hailed the moving picture for its ability to bring drama to the masses. "Uncouth instrument though it may be," he wrote in the *Saturday Evening Post*, "[it] has enlisted itself on especial behalf of the least enlightened, those who are below the reach even of the yellow journals." It was those same people who, 12 years later, he would attract to a newspaper aiming lower than the yellow journals. But because his paper was as entertaining as the movies, it attracted readers from all social strata. Its famous trade campaign of the 1920s—"Tell it to Sweeney! The Stuyvesants will understand"—explains its editorial philosophy as well as it did its marketing pitch.

Today's newspaper reporters and editors take themselves seriously. They think of journalism as a profession, not, as the old-timers called it, "a game." News—the people's right to know—is paramount. I know I feel that way, and I cringed when I read that Maxwell's rallying cry for the *Daily News* would be "service, information and amusement." He did not say "hard-hitting news." But if the *Daily News* is to survive in this video age, Maxwell's formula may be on target. It was certainly the formula when the

paper was in its glory. Its news coverage was occasionally outstanding. It was usually credible and always concise. But above all, the paper was entertaining.

While Patterson's formula took the *Daily News* to a height that no newspaper will likely achieve again, he was by no means the only editor who had a feel for popular taste.

Arthur Brisbane, whom Patterson eulogized as "the greatest newspaperman of our time," never worked for the *Daily News*. Brisbane had made a fortune with William Randolph Hearst by offering to edit the failing *New York Evening Journal* in 1897 for almost half the \$15,000 salary he had been making as editor of the *New York Evening World*. The hitch was that he wanted a \$1,000 bonus for each 10,000 readers he brought to the paper. In June of 1898 alone, Brisbane's bonus was \$23,000. His formula was titillation and sensationalism.

Brisbane's genius, like Patterson's, was as a marketer. His elements of style were those of the advertising copywriter. "If you

don't hit a newspaper reader between the eyes with your first sentence," he said, "there is no need of writing a second one." All of the great mass-market editors were, in fact, great marketers without portfolio.

Marketing is no longer the responsibility of the newspaper editor. Like everywhere else, MBAs determine what the readership wants. Whom you sell to matters more than how many copies you sell. ZIP codes are important—extra editions are not.

Patterson didn't give a hoot about the social status of his readers, just as long as they coughed up two cents every morning. He wanted numbers. Then he looked at those numbers, put some flesh on them, and brought his story to Madison Avenue.

He got his numbers by producing a morning newspaper that read more like an afternoon paper. It included such p.m. staples as contests, special events, fiction, comics and personal-service features like dress patterns and household tips. The sports section was lively, the staff photography was world-renowned, the editorials were punchy. The paper involved

readers by offering a few bucks for submissions about embarrassing moments and kids' "bright sayings."

Most of these features are feeble alternatives to TVs, PCs, CDs and Walkmans. But Maxwell essentially will have to do it the way Patterson did 72 years ago. He will have to fashion a product vital enough to at least restore readership to pre-strike levels (cutting into the gains of *New York Newsday* and the *New York Post*), and convince advertisers that the readers he winds up with are worth having.

Is this too simple a formula for 1991? Perhaps. Then again, simplicity may be what saves the *Daily News*. Once again advertisers will have to suspend their disbelief in the purchasing power of those who have replaced Sweeney, and the new immigrants must feel a connection with a paper that, until recently, seemed to ignore them. And Maxwell will have to continue to believe with every obsessed, entrepreneurial cell of his body that if he builds it, they will come. ■

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DAILY NEWS
 NEW YORK'S PICTURE NEWSPAPER
 Wednesday, March 13, 1991

MAXWELL'S PLUM
 Press baron,
 unions shake
 on a deal
 to save the
 Daily News

Robert Maxwell wears Daily News cap as he announces a tentative agreement with the unions yesterday.

COVERAGE BEGINS ON PAGES 2 & 3