The Regional and Local Media in Wales

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The Welsh press is weak compared with UK media in Wales, with 85% of daily morning papers bought in Wales produced in England. The Welsh daily press is used as a source of news by only a minority of the Welsh population while the regional daily and local weekly press is seen as a key source of news about people’s area/locality by less than a third.

Among the Welsh press, free weekly newspapers appear dominant in circulation – but how much they are used and valued is questionable. Strongest in circulation among paid newspapers are weekly local papers. But the less impressive daily circulation of Welsh daily morning and evening papers has to be set against the fact that in an overall week, the daily press account for the most regional and local sales and advertising revenues.

The Welsh daily press is regional rather than national. The regionalised morning Western Mail (South Wales) and the Daily Post (North Wales) are joined by a series of evening papers serving a narrower regional community. A range of weekly newspapers, meanwhile serve more local communities.

Welsh press ownership is concentrated among large media corporations whose major commercial interests are outside Wales. Trinity Mirror is dominant. Its position as the largest UK regional publisher is echoed in Wales, where its newspapers account for 42% of total circulation.

Daily regional newspaper circulation has declined significantly, by nearly 40 per-cent since 1979 – but there are some recent signs of market stability. Circulation of the local weekly press has remained broadly stable in recent years. Local media is also a highly trusted medium, with local journalists trusted far more than journalists on UK national papers.

While the Welsh regional newspaper circulation has declined in recent years, profits have gone up. This
is because most profits – around 80 per cent – come from advertising revenue rather than from sales. The regional and local press have few advertising competitors and avoiding losing advertisers rather than readers has been its key commercial priority in recent years (although it can obviously not afford to lose too many readers or advertising will suffer).

There is very little evidence that supports Trinity Mirror’s explanation for the proposed job cuts. This is claimed to be due to ‘difficult economic conditions’, specifically, falling advertising revenues across four months in late 2005 and competition from the internet. But Trinity Mirror has continued to make high profits – approximately £200 million in 2005. Its regional press operation is among the most profitable and this is true specifically of its Welsh newspapers. In 2004, the Western Mail and Echo group made nearly £20 million, with a very high profit margin of 35.5%. Between 2001-2004, the group made over £50 million pre-tax profit with an average profit margin of over 30%. This suggests that the company in general and its Welsh operations in particular are in very robust health. It also suggests that the four-month drop in advertising revenue – which in any case was lowest among Trinity’s regional/local papers compared with their national UK ones – is cyclical rather than a sign of structural ill-health of the newspaper industry.

Equally, there is no evidence to support Trinity Mirror’s claim that their local/regional newspaper operation is under serious threat from the growth of the internet as a news and – most crucially – migration of advertising revenue from old to new media. In Wales, access to the internet is among the lowest in the UK – and figures for internet penetration actually declined slightly 2004-5. Well over half the population do not access the internet at all and it offers no immediate threat to the regional and local press’s advertising income. Their papers remain the only medium to reach the vast bulk of the population in these areas – and for this reason remain highly popular with advertisers Trinity, alongside other newspaper groups, are also building an impressive, complementary online presence. This means that in the long-term they are well placed to exploit the future growth of new media.

A recent audit in late 2005 of the advertising and circulation health of the regional/local press suggests there are grounds for considerable optimism about future trends in these areas.

While Trinity Mirror’s profits have increased over the last few years, some evidence suggests that editorial standards have suffered a reduction due to cost-cutting. Between 2000-2004 the number of employees at Trinity Mirror fell by a substantial 23%. The result of this declining level of investment is that, despite best effort from editors and journalists, serious journalism in the Welsh regional and local press is under threat, with content appearing to be increasingly dominated by more ‘tabloid issues such as crime, human-interest stories, lifestyle and entertainment.

A case study of the life and death of the Welsh Mirror (1999-2003) illustrates very clearly how dominant power structures outside Wales – namely Trinity Mirror and the City of London - have far more influence in determining the structure of the Welsh press than the people of Wales or Welsh politicians.

The same is true if Trinity Mirror’s December 2005 proposal to merge the Rhondda Leader with the
Pontypridd and Llantrisant Observer had been implemented. It would have resulted in fewer people reading less local and poorer quality news. For Trinity Mirror, this would have been compensated by the continued profits from advertising and the money saved by merging resources. While Trinity Mirror may have gained from such a move, the people – and journalists – in these areas would have almost certainly lost out.

The example of local commercial radio provides an important portent of the effects on locality that can occur without proper scrutiny. In Wales (as elsewhere) this sector is characterised by the dominance of large companies providing mainstream, centrally dictated popular music while speech, locality, diversity and public service are marginalised.

The shortcomings of the regional media are also accentuated, as in Scotland, by the fact that BBC Wales’s radio and television services are structured around the nation rather than localities. This places an increased onus – and importance – on the regional and local press to provide the quality, quantity and locality of journalism demanded by people in Wales.

Any further weakening of the regional and local press and Wales is likely to have a seriously negative impact on the health of the media ‘debating chamber’ that exists in Wales. It is crucial that Welsh regional and local papers are given the resources to effectively provide high quality journalism. This is not an argument in which public service and commercial self-interest should be seen as in conflict. For the result of such a strategy could be higher circulation, better journalism and a more informed public – and continued high profits for those that own the Welsh media over the long-term. Short term profit maximisation at the expense of investment in journalism will only weaken the long-term future health of the Welsh press.

The current – and potential – importance of the Welsh regional and local press should not be underestimated. They hold the main key to informing people about issues important to Wales, be they local, regional, national or global. The lack of coverage of Wales in the UK media makes a vibrant Welsh press all the more vital and the evidence clearly suggests that democracy in Wales will inevitably suffer with further cuts to the regional and local press. Democracy can gain – but only if the Welsh press is strengthened not weakened.

Introduction

This report examines the key features of the Welsh regional and local media. It explores the ownership, circulation, profit-levels and content of the regional and local press. It then examines the existing and future pressures on the regional and local press, the rationale for the recent changes proposed by Trinity Mirror and the possibilities of alternative approaches to sustaining and improving journalism in Wales. It also situates the experiences of the Welsh press within the wider media system it operates under, both in Wales and more widely.

It should be noted that while the National Union of Journalists commissioned this report, they imposed
Cardiff School of Journalism, Media and Cultural Studies regularly conducts reports for various organisations including the BBC, the ITC/BSC (Ofcom’s predecessors) and the Electoral Commission in Wales (see for example, Hargreaves and Thomas, 2002; Thomas, Jewell and Cushion, 2003, 2004a/b; Lewis, Cushion and Thomas, 2004; Thomas and Lewis, 2005). In common with the school’s work for the above organisations, what follows represents the independent research and opinions of the author and should not be taken to represent the position of those that commissioned it.

1 The regional daily and local weekly press: structure

Throughout the 20th century the Welsh daily morning press has been weak compared to its London-produced competitors. Today 85% of daily morning papers bought in Wales produced in England (Thomas et al, 2004a).

Among the Welsh press, free weekly newspapers on the surface appear dominant in circulation, with weekly sales of 767,865 in 2005. Strongest in circulation among paid newspapers are the weekly local press (weekly circulation: 427,844). The less impressive daily circulation of both the Welsh-produced evening (171,458) and particularly the morning papers (81,106) has often provoked discussions of its weakness.

But in an overall week, the daily press account for the majority of regional and local sales and advertising revenue, with evening papers selling just over one million (37%) and morning dailies selling 486,636 (18%) (Newspaper Society, 2005). Meanwhile the circulation strength of free newspapers (29% of all weekly sales) has to be set against the fact that these papers tend to be skim-read compared with bought dailies and weeklies.

The Welsh daily press is regional rather than national. The Western Mail’s circulation is concentrated in the South and has only a very limited penetration in North Wales, where the other morning paper, the Daily Post is bought. While not national, these morning papers have too broad a reach to serve a distinct local community. Despite its South Wales base, the Western Mail defines itself as ‘the national newspaper of Wales’. The Daily Post has a more identifiable North-Wales identity, visible most notably when it is articulating the region’s interests against the alleged domination of the South. But until 2003 it was simply a Welsh edition of the Liverpool Daily Post, where it was produced, before it was split into two separately produced editions with a commitment to more Welsh content.

These morning papers are joined by a series of evening papers serving a more geographically identifiable and narrower regional community around Cardiff (South Wales Echo), Newport (South Wales Argus), Swansea (Evening Post) and Wrexham (Evening Leader). Within – and outside of - their readership constituencies are a range of weekly newspapers serving more local communities.

2: The weakness of the Welsh press
The absence of a strong, agenda-setting set of newspapers is often contrasted with Scotland, where over 85% of papers that are produced there are consumed there. In Wales the situation is the complete reverse, with the in that over 85% of daily morning papers consumed in Wales produced in England. Welsh newspapers, for all their virtues, are regionalised, with limited financial resources, circulation and agenda-setting power.

**Figure 1: Sources of news about the 2003 Welsh Assembly Elections**

<table>
<thead>
<tr>
<th>Source</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate leaflets</td>
<td>71</td>
</tr>
<tr>
<td>Polling card</td>
<td>55</td>
</tr>
<tr>
<td>BBC 1 Wales</td>
<td>42</td>
</tr>
<tr>
<td>HTV Wales</td>
<td>25</td>
</tr>
<tr>
<td>BBC 2 Wales/ 2W</td>
<td>9</td>
</tr>
<tr>
<td>Welsh Mirror</td>
<td>9</td>
</tr>
<tr>
<td>Western Mail</td>
<td>7</td>
</tr>
<tr>
<td>Radio Wales</td>
<td>6</td>
</tr>
<tr>
<td>Daily Post</td>
<td>5</td>
</tr>
<tr>
<td>South Wales Echo</td>
<td>5</td>
</tr>
<tr>
<td>South Wales Evening Post</td>
<td>4</td>
</tr>
<tr>
<td>Newport Argus</td>
<td>2</td>
</tr>
<tr>
<td>Evening Leader</td>
<td>2</td>
</tr>
<tr>
<td>Any other newspaper</td>
<td>18</td>
</tr>
<tr>
<td>S4C</td>
<td>4 (9% among Welsh speakers)</td>
</tr>
<tr>
<td>Teletext</td>
<td>4</td>
</tr>
<tr>
<td>Ceefax</td>
<td>4</td>
</tr>
<tr>
<td>Radio Cymru</td>
<td>3 (9% among Welsh speakers)</td>
</tr>
<tr>
<td>BBCi Wales</td>
<td>1</td>
</tr>
<tr>
<td>Cymru’r Byd</td>
<td>0.2 (1% among Welsh speakers)</td>
</tr>
</tbody>
</table>
This is clear from the above table (figure 1). In the 2003 Welsh Assembly Elections the Welsh daily press was very weak as a source of election news. The (now defunct) Welsh Mirror was used by 9%, the Western Mail by 7% and the Daily Post by 5%, meaning that at least 80% of the population used no daily Welsh morning paper for election news. Candidate leaflets and polling cards were actually a source of election news for far more people.

On the other hand, nearly half the Welsh electorate in another opinion poll stated that they got some news about the election from newspapers and this higher overall figure probably points to the use people also made of local weekly papers as well as the Daily Welsh press, while a small number within this figure may have also got (very limited) news from UK press coverage of the campaign.

**Figure 2: During the election campaign have you…?**

<table>
<thead>
<tr>
<th>Activity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Read election coverage in newspapers</td>
<td>47</td>
</tr>
<tr>
<td>Saw any election coverage on TV</td>
<td>65</td>
</tr>
<tr>
<td>Heard any election coverage on the radio</td>
<td>29</td>
</tr>
<tr>
<td>Used the internet to access election information</td>
<td>5</td>
</tr>
<tr>
<td>Discussed the election with friends or family</td>
<td>49</td>
</tr>
</tbody>
</table>

This is partly confirmed by the first table above (figure 1) Evening daily papers were, individually, a source for between 2-5% of the total population (reaching in total, approximately 275,000 people), while ‘other newspapers’ - which refers mainly to local newspapers - were used by 18%.

However this does not disguise the weakness of national, regional and local journalism in Wales. This was also evident in a 2002 survey in which people in Wales were asked their sources of local news.

**Figure 3: Which source for local news do you most rely on?**

<table>
<thead>
<tr>
<th>Source</th>
<th>Wales %</th>
<th>UK %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>58</td>
<td>45</td>
</tr>
<tr>
<td>Local newspapers</td>
<td>30</td>
<td>39</td>
</tr>
<tr>
<td>Radio</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>National newspapers</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Internet</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Two main points are apparent from this. First is the surprising predominance – especially in Wales - of television for local news. This also replicated in other studies, which find that reliance on television in Wales as a source of ‘information about your area/region’ is higher compared with anywhere else in the UK except Northern Ireland (Ofcom, 2004, p.36). This is somewhat worrying given the obvious limitations of national television in covering local news.

Secondly, radio was also less used than elsewhere in the UK. One reason is the absence of a local BBC public service radio service, like those that exist in England. BBC Wales’s radio and television services are structured around the nation rather than localities and this, inevitably, does have negative consequences for the level of local news in existence. This is particularly given commercial radio’s weakness in this area (see below, section 10).

Focus groups in Wales, England and Scotland have also expressed a fear of an emerging ‘local news hole’ (Hargreaves and Thomas, 2002). People feel that they can find out exactly what is going on anywhere in the UK or the world but have no or little access to news about their local area. Opinion surveys similarly shows that satisfaction with news about the UK and news about the world is much higher than satisfaction with local news (Hargreaves and Thomas, 2002). This ‘news hole’ in Wales is national, regional and local. On a national level, it is exacerbated by regionality, limited circulation and power of the Welsh press and the dominance within Wales of media whose main, far larger audience lies elsewhere – namely in England.

One potentially worrying consequence of this is to feed suspicion and paranoia that news is being censored and covered up by those in authority. As one focus-group member noted, ‘They are hiding the news from us’ (Hargreaves and Thomas, 2002). Such a trend may, more generally, play some part in increasingly destructive anti-authority and anti-political attitudes to those in power perceived to be ‘covering up the news’.

More certainly, a clear gap already exists in the supply of serious national, regional and local news in Wales. Any further erosion of this will inevitably have potentially very negative consequences for the health of the Welsh media and the information available to the public.

3 The regional and local press: Ownership

While the Welsh press is regional and local in structure and circulation, its ownership is certainly not, with a concentration of ownership among large media corporations ‘whose major commercial interests exist outside of Wales’ (Barlow et al, 2004, p.46). By far the most dominant is Trinity Mirror, whose position as the largest UK regional publisher is echoed in Wales, where it owns 27 papers, accounting –in 2005 - for 42 per-cent of total circulation (Barlow et al, 2005, pp.45-6, 49).
Wales, in common with UK and global trends, has witnessed a concentration of newspaper ownership. In 1995 Trinity Mirror purchased the Western Mail and South Wales Echo from Thomson and at the time of writing now owns the many of the key Welsh newspapers, including the other morning daily in the North, the Daily Post, the Wales on Sunday and a range of weekly newspapers.

This has itself given rise to concern about the possible homogenisation of these paper’s political line, a point epitomised in journalist Patrick Hannen’s comments that ‘if you don’t write for Trinity Holdings, you don’t write’ (quoted in Williams 2000).

Other studies have, however, suggested a considerable diversity in at least the daily paper’s political contents, all aimed at different, non-competing markets (Cushion and Morgan 2002). Certainly there appears to be little unified political line or engagement between the Daily Post and the Western Mail. For they do not compete with each other given their separate regional markets but with the UK press, and see their main competitor as the Daily Mail.

A greater political problem is that these papers, aimed at geographically and socially distinct markets, do not provide readers access to a plurality of views or talk to each other to create a genuine sense of debate about Wales. And because they are owned by the same company, there is little economic rationale in them allowing these papers to compete with each other. It makes far more sense – at least in terms of profits – to allow the Western Mail and the Daily Post, for instance, to operate within distinct and non-competing geographical markets.

While there are clear political differences between these daily papers, one fear is that there will be increasing overlap of the paper’s general contents as moves are made to reduce costs and centralise resources. The same journalists, for example, could be expected to produce – from the same office – the same or highly similar news and lifestyle items that will be inserted into both the Western Mail and the Daily Post. Or journalists on the Western Mail might be expected to produce content for the South Wales Echo and vice versa. Clearly, this would reduce costs but it would also have a negative impact on the quality and commitment to locality of these papers. The process of sharing editorial products across various newspapers is already occurring in Wales and elsewhere. Election studies of the local press in the West Yorkshire area have demonstrated the sharing of editorial content across different newspapers within a newspaper group. This is true in other areas. Other production services are already centralised and may become even more so. If the economic rationalisation of the newspaper industry continues, it is inevitable that these processes of centralisation of resources and content will become increasingly common.

The recent example of the South Wales Evening Post is a telling one. Printing of the paper has been moved from Swansea to Gloucester. This means that its journalists have to submit their copy the previous evening. Any savings made through such processes have to be set against the impact on journalism, for they have a serious impact on the ability of local journalists to provide up to date local information (on other evening papers, the deadlines for copy submission for the last edition has moved significantly forward from late to early afternoon). It may well also be that any savings made will be a
false economy in the long-term, given the negative impact on circulation that such erosions of their locality will inevitably have.

While the regionality of the Welsh press has far deeper causes than a concentration of ownership, it means – in the context of concentration of ownership – that an all-Wales daily morning newspaper would be unlikely to emerge even if there is wide public demand for it. Trinity Mirror would not launch such a paper because it would jeopardise the substantial profits it makes from its two daily morning regional papers. It would require more investment than they are willing to make. And journalistic costs would be higher as they would have to pay wages comparable with national paper rates rather than the lower wages currently paid on their regional papers. It is also highly unlikely that any rival would make the investment necessary to enter this market. This is despite the fact that such a paper might be highly popular, would have better quality journalism and would significantly improve the quality and quantity of information available in Wales.

### 4 The regional and local press: declining circulation

The circulation for daily regional newspapers has declined significantly, by nearly 40% since 1979. Most dramatically, the Western Mail has lost nearly a third of its audience since 1997. In the North the Daily Post has lost a fifth of its readership since 1997, as has the South Wales Echo, although the latter remains Wales’s biggest selling newspaper.

**Figure 4: circulation of regional morning and evening daily press**

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1997</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Mail</td>
<td>94,000</td>
<td>61541</td>
<td>43247</td>
</tr>
<tr>
<td>Daily Post</td>
<td>50000</td>
<td>52000</td>
<td>40835</td>
</tr>
<tr>
<td>South Wales Echo</td>
<td>120,000</td>
<td>74246</td>
<td>57852</td>
</tr>
<tr>
<td>Evening Post</td>
<td>69,000</td>
<td>67185</td>
<td>56487</td>
</tr>
<tr>
<td>South Wales Argus</td>
<td>53,000</td>
<td>30597</td>
<td>30295</td>
</tr>
<tr>
<td>Evening Leader</td>
<td>35,000</td>
<td>31864</td>
<td>26331</td>
</tr>
<tr>
<td>Total circulation</td>
<td>421,000</td>
<td>317,433</td>
<td>255047</td>
</tr>
</tbody>
</table>

The South Wales Argus is the only Welsh daily newspaper to have stabilised its readership, no small feat in a declining market with Wales echoing wider UK and international trends. In 2003 only 50% of people in Wales were regular newspaper readers, with a concentration among older age groups (Thomas et al, 2004). However, there have been signs of late of a revival in the circulation of the daily regional press. The re-launch of the Western Mail has coincided with an increase in its circulation by 4.1% in
2004-5, bucking the overall general trend of decline in this period (-3.7% for the top-ten regional morning papers).

5 The popularity and importance of local newspapers

This circulation decline of the daily press has to be set against the greater stability of local weekly newspapers. Between 2002-2005, for example, there was only a 2.5 per-cent fall in circulation of ABC listed Welsh weekly newspapers, with 9 showing slight increases and sixteen showing slight decline.

These papers also have a greater balance of younger and older readers. This is partly because most people continue to define their lives around their locality, with working, shopping, schooling and leisure all taking place within a limited radius of around 14 miles (Newspaper Society, 2005).

Local identity and interest in local news is stronger than regional identities that tend to be served by Welsh dailies. Research shows interest in media that reflected people’s local city/town/village to be very high in Wales, at nearly 80%, with interest in a wider ‘region’ around 20 points lower (Ofcom, 2004, p.43).

Local media is also a highly trusted medium, with local journalists trusted far more than journalists on UK national papers. In a 2003 Yougov poll, 80% of people trusted BBC TV journalists, while second highest were local journalists, trusted by 65%. Declining levels of trust were reported for different types of UK newspaper journalists, down to a low of just 16% who trust tabloid reporters. Readers also rate local journalism as better at understanding local concerns and lifestyles.

The importance of local news is also evidenced by the development and continued strength of the papurau bro - Welsh language community newspapers. Between 1973-2001 68 were established, with three-quarters founded in the ten years after 1973 (Barlow et al, 2005, p.40). Growth tailed off after this time but over 80% of them remain in existence despite being totally dependent on volunteers. Individual circulations are often small, but their penetration in local Welsh speaking homes can be very high and in their mid-1990s their readership was estimated at 280,000 (Huws, 1995).

Their content includes stories of significance to the Welsh language community, news about local residents and institutions including sports clubs and societies, columns for children and younger readers, space for readers’ reminiscences and, like their English-language counterparts, reader reports of news from local areas. Unlike them, however, no space is devoted to court appearances and scandal.

These papers, produced monthly, grew principally out of an increased concern during the 1970s to safeguard the existence of Welsh-language speaking communities threatened by immigration and economic and demographic change. But again, what is interesting is that they reveal a clear demand for ‘local, local news’ in the communities that they operate in. This demand clearly exists among all Welsh citizens (and more generally).
6 Declining circulation … but increasing profits

There is a curious paradox about the regional press in Wales. Its circulation has declined markedly in recent years – but its profits have gone up. The reason for this is due to the peculiar economic structure of the press in Wales and elsewhere. Most revenue – around 80 per cent – actually come from the advertising that fills the regional and local press rather than from sales of them to people. This contrasts with national newspapers, where less than half total revenue – 46% - comes from advertising (Mintel, 2005).

The regional and local press’s ability to attract advertising revenue is boosted by its role as a key source for obtaining information and services, job-searching and purchasing products. And in contrast to the proliferation of competing news services at UK level, the local media has few competitors. And as section 11 notes, any serious competition from the internet remains some way off and the regional press shows signs of successful adaptation to that that does exist.

While the Western Mail has lost nearly a third of its audience since 1997, this has not led to falling revenue. Quite the reverse. The paper’s lack of advertising competitors, the additional advertising that establishment of the Welsh Assembly has brought, and increased cost-cutting by Trinity Mirror has ensured that its profits have remained high and have increased in recent years. Avoiding losing advertisers rather than readers has been its key priority in recent years (Williams, 2003). A similar advertising monopoly in the North is enjoyed by its Trinity sister, the Daily Post. Indeed, because daily newspapers – both morning and evening – make up the bulk of average sales in a week, they account for a major part of both advertising revenue and that gained from sales.

Trinity Mirror’s explanation for its proposed job losses in late 2005 were ‘challenging economic conditions’. Specifically, this entailed falling advertising revenues, down by 7.9% for the five months to November 2005. But the group – and its Welsh assets – are still making extremely high profits. Overall in 2004 Trinity Mirror made £250 million pounds profit. Profit in 2005 was again over £200 million. Among the most profitable are the regional papers in general and its Welsh papers in particular.

In Wales, the 2004 pre-tax profits on the Western Mail and Echo company was £19,634 million, up from £16,241 the previous year, giving a profit margin of 35.5%, up from 29% the previous year. These profits margins are among the highest in the industry. For instance, the profit margins of Johnston Press, a group much admired by Sly Bailey, is around 35 per cent, the same as that of the Western Mail and Echo. Across the last three years, Trinity Mirror’s Welsh publications have given the company a pre-tax profit of £50 million with an average profit margin of over 30%.

Figure 5: Western Mail and Echo group balance sheet 1994-2004
<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-tax profit (000s)</th>
<th>Turnover (000s)</th>
<th>Profit Margin</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>37</td>
<td>34,854</td>
<td>0.1%</td>
<td>799</td>
</tr>
<tr>
<td>1995</td>
<td>9,379</td>
<td>36,641</td>
<td>25.6%</td>
<td>799</td>
</tr>
<tr>
<td>1996</td>
<td>3,916</td>
<td>36,681</td>
<td>10.7%</td>
<td>862</td>
</tr>
<tr>
<td>1997</td>
<td>6,834</td>
<td>38,997</td>
<td>17.5%</td>
<td>920</td>
</tr>
<tr>
<td>1998</td>
<td>7,819</td>
<td>40,983</td>
<td>19.1%</td>
<td>974</td>
</tr>
<tr>
<td>1999</td>
<td>9,475</td>
<td>44,508</td>
<td>21.3%</td>
<td>990</td>
</tr>
<tr>
<td>2000</td>
<td>6,374</td>
<td>45,991</td>
<td>13.9%</td>
<td>974</td>
</tr>
<tr>
<td>2001</td>
<td>13,296</td>
<td>49,966</td>
<td>26.9%</td>
<td>821</td>
</tr>
<tr>
<td>2002</td>
<td>15,707</td>
<td>51,998</td>
<td>30.2%</td>
<td>796</td>
</tr>
<tr>
<td>2003</td>
<td>16,241</td>
<td>54,307</td>
<td>29.9%</td>
<td>826</td>
</tr>
<tr>
<td>2004</td>
<td>19,624</td>
<td>55,356</td>
<td>35.5%</td>
<td>751</td>
</tr>
</tbody>
</table>

From 1995 (when Trinity bought the newspaper group) to 2004, the Western Mail and Echo has generated £108,665 million pounds worth of pre-tax profits, 60 per cent of which (£64,868 million) has come in the last four years. Profit margins across the 1995-2004 period were high at 23.1% and, as noted above, have been higher still in most recent years.

One might, therefore understand the proposed job cuts if the paper was operating at a loss rather than a profit. But it is difficult, to say the least, to see what is ‘economically challenging’ about results that demonstrate such a consistently high level of total profit and profit margins over the last ten-years.

To add to this, it should also be noted that Trinity’s regional papers – including those in Wales – are those that suffered the least fall in advertising revenue in the second half of 2005. Reduction in advertising revenue was largest among the national papers - down by 14.4% - but it was in regional newspapers – down by just 4.9% - that most of the proposed job cuts were to be made. So even if one accepts the extremely questionable economic rationale for job cuts, then the bulk of these should have come from the national sector rather than the regional one that remains the most profitable.

Because it gets the bulk of its profits from advertising rather than sales, Trinity’s commitment to sustaining and developing good journalism in its regional and local newspapers in Wales (and elsewhere) is limited. In short, in their approach good journalism is dispensable but good advertisers are not.
This is evidenced by the fact that Trinity Mirror has in recent years significantly reduced staffing levels at its Welsh operations. Figure 5 illustrates a 23% reduction in the number of staff working for the Western Mail and Echo group between 1999-2004. The results are hardly surprising. Despite the best efforts of journalists and editors to ‘hold the line’ and retain standards, the inevitable result – as the section below illustrates - has been a lower quality, less local product that is bought by fewer people and produced by fewer numbers of largely poorly-paid reporters. The result of the latter is, inevitably, low morale and high staff turnover as journalists leave to work for more profitable media organisations. BBC Wales, which pays higher wages and offers better opportunities for quality journalism, is for instance a favoured source of journalist migration at the Western Mail).

7 Welsh press content

Overall, newspaper editors and journalists are struggling to maintain quality in the face of cost-cutting pressures that are inevitably affecting the standard of Welsh newspaper journalism.

Most analysis of Welsh press content focus on politics. They have documented its changing attitude to devolution from opposition in the 1970s to later support (Osmond, 1983; Williams, 2000). Others have suggested depoliticisation of content (Cushion and Morgan, 2003) under the impact of processes of popularisation and tabloidisation (Williams, 2003). Another finding reports more restrained coverage of asylum seekers than in the tabloids, but a focus that remains on official issues like cost and numbers (Speers, 2001). An analysis of front-pages across 400 local weekly and regional daily newspapers editions illustrates very clearly the key reporting theme of crime and social disorder, much of it alarmist and alarming.

Figure 6: front-pages of the regional and local press

<table>
<thead>
<tr>
<th>Front-page headline</th>
<th>Weekly %</th>
<th>Daily %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crime</td>
<td>34</td>
<td>40</td>
</tr>
<tr>
<td>Accident/human interest</td>
<td>25</td>
<td>13</td>
</tr>
<tr>
<td>Politics</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Area development</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Social Issues</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Health</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Entertainment and celebrity</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Industrial Relations</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Employment</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
May/June 2004

Examples included: ‘TEENAGE GANGS "OUT OF CONTROL"’ (Newport Argus 19 May 2004), ‘THE CITY OF FEAR’ (South Wales Echo 5 May 2004) and ‘ARE YOU AFRAID TO GO OUT IN OUR CITY’ (Evening Post 10 June 2004) The ‘imagined local community’ portrayed on these front-pages was a place to be feared, characterised by social breakdown, teenage criminals and drugs.

This corresponds with popular fear of crime and anti-social behaviour. According to MORI (2004), 44% of people believed crime in their local area had gone up over the last year, 37% thought it had stayed the same and only 8% said it had gone down. It is debatable how much this much documented divorce between perceptions of crime increasing, and the reality of falling crime rates is down to media coverage. But local crime reporting may have more immediate impact than the more geographically generalised discussion in the national media – or at least the two are likely to reinforce each other. One detailed study of media use in Welsh households certainly suggested a link with perceptions and behaviour, with local newspaper reports of crime, violence and drug-related incidents evoked as a rationale ‘not going out’ to places ‘to avoid’ or proof of a community’s ‘changed’ nature (Mackay and Ivey, 2004, p.58)

Another particular strong emphasis particularly in the weekly press was on human-interest stories. These usually detailed tales of accidental tragedy and misery - along with the odd tale of good fortune in the face of adversity. These stories complement crime coverage in depicting the external environment as a dangerous place where despair, personal disaster and potential heartache lurk at every turn.

On a more positive light, the weekly press in particular also paid particular attention to local development issues (both positive and negative), usually around potential new shopping centres, possibilities and threats to housing and leisure facilities. Similarly, the regional/local press provided valuable scrutiny of the positive and negative changes as regards key social issues such as public transport facilities and the health service. The local press also plays a key role in increasing awareness of and orchestrating campaigns around key issues of local importance. And it has the potential to do much more in this important area if it is given the necessary resources.

Meanwhile, 10% of stories in the weekly press and 12% in daily newspapers were devoted to politics across this period. While superficially quite encouraging, the sample included the 2004 local and town and community council elections in Wales. When one would expect their most scrutiny of local democracy, the overwhelming front-page attention still lay with other ‘softer’ issues.

This again reinforces the argument that while knowledge of UK and international issues is much easier to obtain, there is a comparative local news hole that contributes both to lack of knowledge of local councils and wider disengagement with the political process (Hargreaves and Thomas, 2002, pp.21, 62-66; Kevill, 2002).
A linked argument is that the coverage that does take place of local councils is largely negative, reinforcing their poor reputation and public cynicism. A 2002 MORI survey of UK media coverage of local government found only 6 per-cent was positive, compared with 48 per-cent negative and 35 per-cent neutral, with the report suggesting that repairing local government’s image problem was ‘like rebuilding the reputation of the US army after Vietnam’ (Page, 2002)

More detailed analysis (Thomas et al, 2004a/b) suggests a distinction between the dailies and weeklies. Daily press coverage of both the 2003 Welsh Assembly Elections and the 2004 local elections lacked overall prominence but was quite extensive, largely non-partisan and concentrated on constituency profiles and the general campaign process.

Coverage of the local elections in the weeklies struggled to gain much prominence even on the inside-pages, with the most space and prominence being reserved for reporting the results, which accounted for two-thirds of election front-pages. This proved better at telling its citizens who won than in informing them about the key issues that should have decided this. Little attempt was made at either small or big picture analysis that examined party records and policies, issues or explained the responsibilities of local councils. Instead a rather more basic, reactive approach included short biographies, pictures and lists of all candidates, general stories and details about how and where to vote. This was in all probability simply due to the very limited resources – a reporter/editor plus, perhaps a couple of trainee reporters – that these papers have at their disposal.

More widely, the weekly press has shown little engagement with devolution. Former head of BBC Wales Geraint Talfan Davies has argued that the legitimacy of Wales’s new institutions is ‘dependent on embedding them into the daily narrative of people’s lives through the regular reporting of constituency-based activities … and of the local impact of Assembly decisions’ (1999, p.18).

And Assembly Members certainly rate their local press as the most important media to be courted (Cushion and Morgan, 2003) and it often provides columns for local politicians. But it lacks the resources to provide more sustained scrutiny of the local impact of political decisions taken in Cardiff and Westminster. As the table below illustrates, there is a clear demand for local political news in both the regional and local press that currently is – for the most part – largely unsatisfied.

**Figure 7: Topics of interest in regional/local press**

<table>
<thead>
<tr>
<th>Topic of interest</th>
<th>Regional</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK national stories/current affairs</td>
<td>33</td>
<td>26</td>
</tr>
<tr>
<td>Social issues</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Local sport</td>
<td>30</td>
<td>17</td>
</tr>
</tbody>
</table>
This illustrates another important issue - the difference between what people get in their regional and local papers and what they want. As the table below illustrates, it is a blend of local, UK and international stories that readers – and potential readers – of the regional and local press are interested in.

UK national issues are actually top of the items of interest for both regional and local papers, with social issues also of high interest. Sport is of particular interest to regional papers and male readers of both dailies and weeklies. And as noted above, local politics also scores highly and – when combined with the above findings about political coverage – suggests a clear and largely unsatisfied demand in this area. The fact that national sport, international stories and television again score highly alongside community news, and local jobs again suggests a blend of interest in the local and the global that these newspapers need to cater to. At the moment, they are doing so with mixed success, unsurprisingly given their very limited budgets.

**Pressures on the press: Case Study A -**

**the life and death of the Welsh Mirror**

‘We’re not really a Welsh newspaper’

(Welsh regional newspaper editor)

Because the Welsh press is owned by those whose interests lay largely outside the country, there are serious questions about their commitment to the nations, regions and localities that they serve. At a recent seminar of senior media executives attended by the author, one editor of a well-known Welsh newspaper made the candid point that ‘we’re not really a Welsh newspaper’. The disbelief this comment produced, prompted the explanation that the editor in question was subservient to a power structure and decision making process in which the needs of Wales was subordinate to the wider UK and international
interests of the newspaper group in question.

A classic example of this process was the decision by Trinity Mirror to abandon the publication of the Welsh Mirror in 2003. The paper had been launched in July 1999, with the paper’s managing director stating that the decision to launch was ‘on the basis that Wales was part of the devolution process and is a very proud nation’. But in summer 2003 Trinity Mirror announced that the Welsh Mirror would cease existence. Seven of the 15 jobs the Welsh edition were to go as part of a drastic package of over 50 redundancies at the UK paper. Welsh readers were again supplied with the purely English-produced version.

The first point to be noted is that throughout its lifetime the paper’s relationship to its new Welsh identity was to prove rather more complex. In the first place, the ‘anti-Welsh’ stance of the Mirror and its political editor Paul Starling towards the Welsh Assembly in general and Plaid Cymru in particular aroused controversy and complaint. Indeed, in many senses the paper’s politics (it’s support for Alun Michael over Rhodri Morgan for example, and hostility to further devolution) reflected the position of UK Labour politicians rather than that of Welsh Labour.

Secondly, the paper’s Welsh content over the four years of its existence was, for the most part, minimal. On a day-to-day basis, the main differences were more Welsh sports coverage, with a touch of Welsh politics and more localised celebrity coverage (principally around Charlotte Church and the Zeta Jones’s rather than the Beckham’s). Only about 3-5 per cent of the main stories in the Welsh Mirror differed from that in the UK Daily Mirror. Throughout this period the Welsh Mirror remained a UK-style publication, topped with a sprinkling of Welsh content.

This also suggested that, thirdly, Trinity Mirror’s commitment to its ‘Welsh paper’ was half-hearted and – to some extent – largely disinterested. The paper’s final editor spent the bulk of his working week in London – although this did represent some improvement if rumours about the previous editor’s base in Scotland were correct! Indeed, discussions with senior Daily Mirror executives in London in early 2003 revealed the surprising fact that there appeared to be no knowledge at all about the controversy that surrounded the Welsh Mirror’s political content.

And the most obvious illustration of this was the decision to axe the paper. There was little sadness among the political elite. Newport Labour MP Paul Flynn may have spoken for many when he announced that he would ‘raise a glass of medicinal red wine’ to the paper’s death due to its mis-reporting of Welsh language issues, its ‘slavish support for New Labour rather than Wales’ and its ‘bully pulpit’ style of coverage. Flynn announced that he would buy the last copy of the paper, dig a large hole in his garden and cover it with a concrete slab with the inscription, ‘Buried without tears, may this never rise again’.

Such an approach was, arguably, rather short sighted. For whatever criticisms could be made of the paper’s coverage, perhaps the most important thing about the Welsh Mirror was simply that it existed, as a mass-market publication that contained some coverage of Welsh politics and reminded readers of their
Welsh identity. It also encouraged some debate with other Welsh newspapers such as the Western Mail and the Daily Post.

But this counted for little compared with the wider priorities of Trinity Mirror. The decision to axe the paper was not justified on the grounds of any consideration of the needs and interests of Welsh newspaper readers. Rather, it was an attempt by the new Trinity Mirror management (led by Sly Bailey) to demonstrate to the key pressure group, the City of London, that they were ruthlessly cutting costs.

It illustrated, in fact, that dominant power elites outside Wales have far more influence in determining the present and future structure of the Welsh press than the people of Wales or Welsh politicians. And it is unlikely that Trinity Mirror had the public interests of the Welsh press and Welsh people to the fore in a decision making process on this occasion that was based around profit-maximisation of a UK media company irrespective of public interest in Wales. Trinity’s recent proposed job cuts at the Scottish Daily Mirror and the decision to re-locate some of the paper’s journalists to London suggests a similar process of erosion of locality in other papers it owns.

9 Case Study B:

The proposed merger of the Rhondda Leader and Pontypridd and Llantrisant Observer

Local journalism is clearly under pressure as media corporations have sought to maximise profits at the expense of genuine locality and quality journalism. This section examines Trinity Mirror’s proposal in December 2005 to merge two of its weekly papers, the Rhondda Leader and the Pontypridd and Llantrisant Observer. Following pressure and protest from Welsh politicians and journalists, this decision was reversed. However, there are still good reasons to examine this because it illustrates the pressures that the local press are under in Wales and more generally.

The first point to note is that the rationale for this decision was not entirely apparent. In the first place neither paper has shown signs of decline. There was little apparent sign of any readership discontent and/or bottom-up pressure for the approach that Trinity was proposing.

In fact circulation of both papers has remained strong and stable in recent years and both are highly profitable for Trinity Mirror. Both papers have penetrations in their constituencies of around 50 per cent in their constituencies, reaching around 80,000 people in total. To get some perspective on how significant this penetration is, it is worth pointing out that Wales’s most popular newspaper, the Sun, reaches around 20 per cent of the Welsh population, less than half that of these papers.

Secondly, one rationale for Trinity Mirror’s proposed job cuts was increased competition from the internet for advertising. But whether this is applicable at the moment in general is debatable and it was certainly not relevant in this case. As section 11 illustrates, less than half the homes in Wales have internet access. And in the Rhondda Valley area, only a quarter of houses have access to the internet. Internet access across Wales has declined slightly across 2004-5 so it is unlikely that this has had any
current impact on the advertising revenues from these papers.

Thirdly, the demographic make-ups and geographical communities that these papers serve are entirely different. The Pontypridd and Llantrisant Observer serves those areas around Pontypridd, Llantrisant, Church Village, Pontyclun and Taffs Well that are relatively affluent. The Rhondda Leader, by contrast, has a much more working-class readership. Both papers have long-established, separate 100-year histories of over a century serving their communities. And these communities are entirely different. For the new proposed area under a merger is in no sense a recognisable local ‘community’. The Rhondda Leader serves an area that has a long, clearly established history and working-class identity (Williams, 1996; Smith, 1993). This is an entirely different community to that served by the Pontypridd and Llantrisant Observer.

While both communities come under the local authority area Rhondda Cynon Taff, they are united by precious little else. It is doubtful whether residents in, for example, Treherbert have any interest in reading about what is happening in Taffs Well and vice versa. The area that encompasses both would be defined as a regional rather than a local area.

And the interests of readers in these communities is not always at one and their papers sometimes reflect this. For example, the decision to place the Rhondda Cynon Taff’s council chambers in Clydach Vale rather than Pontypridd was supported by the Rhondda Leader but opposed by the Pontypridd and Llantrisant Observer. Such a commitment to local interests would be impossible under any new merged paper.

And as noted above, local identity and interest in local news is stronger than regional identities. Interest in media that reflected people’s local city/town/village to be very high in Wales, at nearly 80 per-cent, with interest in a wider ‘region’ around 20 points lower (Ofcom, 2004, p.43).

Of course interest in regional news is also visible in these areas as well. But this is not what people buy these newspapers for and that interest is served by the daily regional press. So if readers in Treherbert did want to find out about something important that had happened in Taffs Well, they would buy the South Wales Echo that also circulates in both these areas.

Following from the above point, the lack of any recognisable local community is evidenced by the fact that there are very few stories that overlap in these papers. A sample study of the 29 December editions of the Rhondda Leader and Pontypridd and Llantrisant Observer revealed that some interesting differences across various categories in the stories and items the two papers had in common.

The two main sports items were both about local rugby. However, it is likely that even this figure overstates the overlap in sports coverage due to the festive season. Indeed a comparison of several other back pages for both papers in December and January reveals virtually no overlap in sports coverage between the two areas.
There was very little overlap of news in the areas of local journalism, be it news and letters, sports or community news. Smallest difference was in news and letters, with the only two peripheral items in common being a council Christmas tree re-cycling initiative and a reader’s poem that featured as part of the letters page.

**Figure 8: Number of items/items in common in the two papers**

<table>
<thead>
<tr>
<th></th>
<th>Rhondda Leader</th>
<th>Pontypridd/ Llantrisant Observer</th>
<th>Items in common</th>
<th>% stories in common</th>
</tr>
</thead>
<tbody>
<tr>
<td>News/Letters</td>
<td>58</td>
<td>71</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Sports</td>
<td>19</td>
<td>14</td>
<td>2</td>
<td>11-14%</td>
</tr>
<tr>
<td>Community</td>
<td>16</td>
<td>16</td>
<td>2</td>
<td>13%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>27</td>
<td>28</td>
<td>20-21</td>
<td>74-75%</td>
</tr>
<tr>
<td>Television guide</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>100%</td>
</tr>
<tr>
<td>Advertising</td>
<td>209</td>
<td>208</td>
<td>203/4</td>
<td>98%</td>
</tr>
</tbody>
</table>

Community news, which is made up of correspondents situated in various local areas within the paper’s catchment area, again showed little overlap in the areas covered. The Rhondda Leader featured reports from areas such as Trehebert and Llwynypia in the Rhondda Fawr and Maerdy and Ferndale in the Rhonnda Fach. The Pontypridd and Llantrisant Observer included news from Taffs Well, Beddau and Tynant and Rydyfelin. There were just two overlap areas that featured in both: Tonypandy and Gilfach Goch.

However, while the above sections of the paper showed little in common, a different picture was visible when the entertainment section, television guide and – most importantly – the paper’s advertising were examined.

The entertainment section was clearly ‘networked’ – a process under which, stories are shared across more than one paper. The main item, and the first-two pages of the entertainment section featured exactly the same stories. The TV guide was exactly the same across both papers to the extent that it was not even (unlike the other sections) identified as a Rhondda Leader or a Pontypridd and Llantrisant Observer product.

The above process is, of course quite understandable and defensible, at least in covering areas like TV and entertainment where local news is less relevant. As is the biggest and most important similarity across both papers - advertising. Nearly all the advertising, from full-page spreads to small-adds, was the same across both papers. A veneer of advertising locality was attempted by running the few differing
advertisements across the front pages. But as the table above illustrates, it was simply this - a veneer.

The above process of sharing advertising space is, in many ways, quite logical and defensible. But it also produced a very clear economic rationale that was clearly driving the aborted attempt to integrate the two papers. Those at Trinity Mirror with either little knowledge of, or respect and interest in the localities these papers operated in would have spotted that advertising – the source of most profits - was almost totally shared across both papers.

In economic terms, therefore, it seemed to make sense to rationalise the papers into one operation, reducing the already small and over-stretched number of journalists manning these papers (even as it stands, this means that they share the same office base in Pontypridd, meaning that the Rhondda Leader’s geographical base is outside its circulation area). This was despite the fact that such a move would have had an entirely detrimental impact on the locality and quality of news, sports and community news that any new amalgamated paper would have been able to offer.

It is also highly unlikely a merged paper would have been able to sustain the circulation of the two existing papers given the impact on its journalism and a decline in readership interest. So fewer people would have been reading less local and poorer quality news in the new, amalgamated paper.

But – crucially – this might have been compensated by the continued profits from advertising that would have been generated and the money saved in a new amalgamated paper. So Trinity Mirror may well have gained from such a move, but the people – and journalists – in these areas would have certainly lost out.

**10 Case Study C: The lesson of regional and local radio**

Local news providers have been under threat in other media. Whereas England has local BBC radio stations, in Wales the national nature of BBC Radio Wales and Radio Cymru means there are no public service BBC local stations. This means that the onus to provide them rests solely with 14 Independent Local Radio stations along with one regional ILR service. These commercial stations tend to be a largely ‘forgotten medium’ (Barlow, 2003, p.83) in discussions about the media in Wales. But they provide an important portent of the effects on locality that can occur without proper regulation.

The most detailed work (Barlow et al, 2005; see also Bromley, 2001; Mackay and Powell, 1996) paints a depressing picture of ownership and decision makers located outside the locality, concerned with profit rather than public service commitments. Programming formats are homogenised, with music preferred over speech, while a restricted range of popular music dominates, aimed at the key audience of those aged 20-50 and ‘the 29 year old woman’ in particular.

The increasing habit of central ‘networking’ of ILR schedules at certain times of the day – that is, running the same programme across various sister stations across the UK - reduces costs and benefits advertisers but further reduces a commitment to locality. And the population reach of these ‘local’
stations varies considerably from between 65,000 and 887,000, with little reflection of recognisable local communities. Equally, some ILR stations have proved increasingly unwilling to offer programming in Welsh to reflect the linguistic make-up of their communities.

As far as local news provision goes, the reality is that it largely does not, with the bulk of local items usually being outweighed by UK or Wales-wide subjects. What local news that exists tends to be crime and human-interest stories, while local government reporting and politics receives minimal focus. For example, Wales’s regional ILR and largest commercial broadcaster Real Radio largely ignored the 2003 Welsh Assembly Elections, devoting just a minute of air-time to it until the eve of poll, most of which focused on quirky stories (Thomas, Jewell and Cushion, 2003).

Liberalisation of regulation has ensured that commitment to locality has not been in practice the chief factor in awarding or renewing radio licenses. The experience of the Bridgend ILR license, awarded in 1999 is typical. The application was won by a local group, Bridge FM, despite the fact that its commitment to local news was lower than the other two rival bidders and unlike them it promised no Welsh language content in a target area where 29% of the population per-cent speak Welsh (Bromley, 2001, pp.131-34). Within eighteen months, its localness had been further diluted, in content and personnel, when it was taken over by UK radio publisher Tindle Radio, which had a small ‘stalking-horse’ share from the start (Barlow et al, 2005, p.113).

The result is that local radio in Wales echoes a wider UK pattern (Crisell, 2002) in which a commitment to locality and public interest is reduced to the commercial success of broadcasters in attracting listeners and advertising revenue. The potential of local radio to empower citizens and democratise media is marginalised. The only alternative emphasising this, access radio, exists more in theory than in practice, with only one such station in Wales, GTFM based in Treforest, a joint venture between the local community and the University of Glamorgan.

11 Case Study D: the challenge of the internet?

It is sometimes claimed that local news is under increasing challenge from the growth of the internet as a source of news and – most crucially – the attendant migration of classified advertising to new media. But in Wales, access to the internet is among the lowest in the UK – with well over half the population not using the internet at all. It offers no immediate threat to the regional and local press’s advertising income.

The latest figures on internet penetration in Wales in 2005 show that 56 per cent of the population do not access the internet at all (either at home, work, or elsewhere), with the numbers declining slightly from 45 – 44 per cent between 2004-2005 (Richards, 2005).

The Welsh Consumer Council’s annual surveys of internet use (Richards, 2005) show how after an initial sharp rise in internet use in Welsh households from 10-35 per cent between 1999-2002, there was a much slower increase to 41 per cent by 2004 with penetration remaining static at this figure in 2005.
Wales, in fact, suffers from a double digital divide. Wales is the ‘wrong-side’ of a UK digital divide while there exists a serious and – it seems - growing divide in internet use within Wales. This is true across social grade, geographical area and age. Access is profoundly skewed across social grade, with three-quarters of the richest AB groups having home connection. They are three-times more likely to access it compared to those DE groups with the least income, just 22 per cent of whom access the internet. It varies across different regions in Wales, with around half of those in Cardiff/South East and the North having access compared with a third of households in the Mid West (composed of Powys, Ceredigion, Carmarthenshire and Pembrokeshire) and just a quarter of those in the valleys (namely, Caerphilly, Merthyr, Blaenau Gwent and Rhondda Cynon Taff).

Home internet access in these latter two regions, which are economically deprived and most remote, was actually lower in 2005 than it was in 2002. This is profoundly worrying in its implications for a clear and growing digital divide in Wales.

While there is little difference in male and female use, another key divide is across age. Younger groups are much more likely to use the internet than older groups. However, there has also been a marked rise in those in the youngest age groups who do not access the internet at all - from 34 per cent to 43 per cent among 16-24 year olds. This is again very worrying, given that these groups are also least likely to access national newspapers, television or radio - indeed, the media these groups are most likely to use is the local press.

The above figures tell us about levels of access but it is also the case that the internet is less frequently used than television and the press. For example as figure 1 above illustrates, in the 2003 Welsh Assembly Elections BBC Wales was used by over 40%, HTV Wales by a quarter and the Welsh press (national, regional and local) was used by around a third to a half of the population.

By contrast, BBCi Wales was only used by 1% (despite extensive coverage) and BBC’s Cymru’r Byd Welsh language service was even less popular (0.2%). This compared with Teletext, used by 4%, with Ceefax accessed by the same number, suggesting a remarkable resilience of the popularity of ‘old media’ in Wales despite the temptations of - and hype surrounding - the new media world. These figures would be little different in 2005.

What they also illustrate is the continued dominance of local newspapers as a key source of news. And the one source of news that younger groups access the most is local news through the ‘old media’ of the local weekly newspaper. The above findings also suggest that it is wrong to overestimate the highly conservative nature of media use across Wales and the - at times - limited impact that technological change can have on this.

The bottom line, therefore, is that regional and local newspapers remain the only medium to reach the vast bulk of the population – and remain highly popular with advertisers.

Of course, internet use and competition from online advertising will increase further in the longer term.
But regional newspaper owners have already established extensive online editions and complementary services. The regional press as a whole includes alongside its core newspapers over 400 magazines and niche publications, over 600 websites plus 20 radio stations and two television stations. As Mintel note (2005), ‘Although the effect of these is not seen in the circulation figures, their revenue stands the publishers in good stead’.

The Western Mail and Echo’s IC Wales site, for example, contains online news, details of jobs, property and cars for sale, along with a range of additional services such as e-cards, a ‘your Wales’ section, photo-sales, holiday searches, community services and an online 'expat club’. ‘What all these services have in common is that they are reaching out to a community of readers in a way that is not achievable with just a print newspaper, and with this development, they are potentially deepening the relationship’ (Mintel, 2005)

The threat of online advertising, meanwhile, has been addressed by the publishers with the launch of the fish4 service in 1999. It is run by the Guardian Media Group, Newsquest, Northcliffe and Trinity Mirror and it gives national coverage to the three main types of classified advertising (jobs, homes and cars). Trinity Mirror has, since then, made further acquisitions in the area of online advertising revenue, particularly in the area of recruitment (in 2005 it acquired gaapweb.com and thehotgroup.com and has also launched local job sites). It means that, ‘Overall the company is well placed to benefit from the shift to online advertising, since its commitment to digital media within its regional division has already become clear’ (Mintel, 2005).

It seems, therefore, that regional titles such as the Western Mail and Echo and their parent companies are already establishing significant online presence and will be well equipped to adapt to a world where new media becomes more dominant. And ultimately, the long-term success of attracting and sustaining both audiences and advertising on old and new media alike rests on essentially the same formula – a high quality editorial product.

12 Future Trends

A number of events in late 2005 seemed to suggest considerable industry pessimism about the future of the regional/local press. Perhaps even more worrying than Trinity Mirror’s announcement of job cuts was the decision by Northcliffe Newspapers to put their £1.5 million rated local newspapers – which they had owned for over 80 years - up for sale.

This produced renewed predictions about ‘the death of the newspaper’. These have, however, been repeatedly made since the 1920s, with every new media invention from radio onwards being claimed to render newspaper reading redundant. As this suggests, they have always proved to be seriously exaggerated.

And at the moment there is little reason to think that either the rise of the internet or any future establishment of local television services is likely to lead to the disappearance of the central role
regional and local newspapers still play in the media consumption of most people. For it remains the fact that the area where newspapers are strongest is in regional and local news. And newspapers are actually adapting to the new media world with a range of complementary on-line presences.

In the words of the most successful businessmen in the newspaper market over the last forty years, Rupert Murdoch, newspapers will be around for ‘many, many, many years’ (Guardian, 19 December, 2005)

Indeed a detailed audit of the regional/local UK press in late 2005 by the independent research group Mintel offered a much more positive picture. This suggested there was ‘every reason for confidence’ for the future of the regional press. The growing numbers of readers over 45 of the regional and local press meant that there existed ‘the most favourable conditions possible’ for the regional/local newspaper market because people in this age group were most likely to read a paper.

While the second half of 2005 saw a decline in advertising revenue, profits from the regional press remained high and the decline was, it appears, due to cyclical economic trends rather than due to internet-related competition. In any case, as the Mintel report noted, the decline in advertising revenue was least evident among regional/local newspapers:

Despite an industry-wide stagnation in advertising demand and growing competition from online specialists, the regionals are still faring considerably better than nationals in respect of advertising sales … Trinity Mirror in particular has also been active in taking over successful specialist online operators … Despite competition from other media channels there seems to be every reason for confidence in future advertising revenues, both display and classified, with already strong coverage reinforced by a range of complementary local media including online. This also gives enhanced content to readers and allows the targeting of specific sub-groups (Mintel, November 2005, my emphasis).

Equally, sales have held up well in recent years. Trinity’s sales revenues in the second-half of 2004 actually increased slightly. Over the period 2000-2004, sales of weekly newspapers increased by 4% in total. The apparent decline in daily newspapers across this period is to be explained largely by the removal of discounted sales and bulk sales from audited circulation data. And daily newspapers like the Western Mail have also shown signs of recent sale circulation stability and improvement following its relaunch. As the report also suggests:

Print newspapers offer a unique mixture of qualities compared with all the competitive media, while the regional press also offers an unmatched local focus. This coupled with innovation and development that has taken place in the sector will ensure their continued strength in the market. It seems probable that circulation decline should at least slow, and there are already instances of year-on-year circulation increases (Mintel, November 2005)

This clearly suggests there are, contrary to some of the reports in late 2005, grounds for considerable optimism about the long-term levels of advertising revenue and circulation health of the regional and
Conclusions

The key points of this report are contained in the executive summary at the beginning so they will not be repeated here. But what is clear from the evidence is that the Welsh regional and local press is currently a highly profitable media for Trinity Mirror and other newspaper groups.

This is despite the fact that, in some key areas, the content of the regional and local press needs improvement and increased investment. Declining numbers of people are buying Welsh daily newspapers and one of the reasons, quite simply, is that the quality of the product has declined. The weekly local press is in more robust circulation health. But, again, the evidence suggests that the quality of its product is under threat and with that, so too is its circulation strength.

This is extremely disappointing because the evidence suggests the regional and local media are highly valued by people and far more trusted than UK newspapers. These newspapers – in fact - have the potential to reach larger numbers of people than they are currently doing. This might well occur if the high profits generated by Trinity Mirror and other newspaper groups were re-invested more fully to improve the quality of journalism in Wales.

But the existing situation seems to be pointing in the entirely opposite direction, towards further reductions in the quality and locality of Welsh journalism. There have already been negative changes in these areas in recent years. Any further weakening of the regional and local press and Wales is likely to have a seriously negative impact on the health of the media ‘debating chamber’ that exists in Wales.

For there is an alternative and newspaper publishers should have the confidence – and the long-term economic sense - to embrace it. It is crucial that Welsh regional and local papers are given the resources to effectively provide the quality national, regional and local journalism that the Welsh public need and want. And this is not an argument in which public service and commercial self-interest should be seen as in conflict. For the result of such an approach would be better journalism, larger newspaper circulation, a more informed public – and high profits over the long term. Short term profit maximisation at the expense of investment in journalism will only weaken the long-term future health of the Welsh press.

The current – and potential – importance of the Welsh regional and local press should not be underestimated. They hold the main key to informing people about issues important to Wales, be they local, regional, national or global. The lack of coverage of Wales in the UK media makes a vibrant Welsh press all the more vital. The evidence clearly suggests that democracy in Wales will inevitably suffer with further cuts to the regional and local press. Democracy can gain – but only if the Welsh press is strengthened not weakened.

References


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