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TAKING THE PAPER OUT OF NEWS

A case study of *Taloussanomat*, Europe's first online-only newspaper

Neil Thurman and Merja Myllylahti

Using in-depth interviews, newsroom observation, and internal documents, this case study presents and analyses changes that have taken place at Finnish financial daily Taloussanomat since it stopped printing on 28 December 2007 to focus exclusively on digital delivery via the Web, email, and mobile. It reveals the savings that can be achieved when a newspaper no longer prints and distributes a physical product; but also the revenue lost from subscriptions and print advertising. The consequences of a newspaper's decision to go online-only are examined as they relate to its business model, website traffic, and editorial practice. The findings illustrate the extent to which the medium rather than the content it carries determines news consumption patterns, show the differing attention a newspaper and its online substitute command, and reveal the changes to working patterns journalists can expect in the online-only environment.

KEYWORDS online-only newspapers; journalism; convergence; business models; advertising

Introduction

The death of the printed newspaper is an increasingly common subject of speculation. Philip Meyer has predicted that print newspapers will "[run] out of daily readers late in the first quarter of 2043" (Meyer, 2004). Vin Crosbie (2008) believes that by 2021 "the few national [US] dailies" will exist in a diminished form "via the web and e-paper, but not in print." Others are more pessimistic still. Steve Bullmer, Microsoft's CEO, suggests a scenario in which printed newspapers do not survive past 2018 (Whoriskey, 2008); and the publisher of *The New York Times*, Arthur Sulzberger, thinks the paper's long history of print could be over in 2012 (Avriel, 2007).

Although here is a high degree of uncertainty about whether and when newsprint will cease to exist, online-only newspapers¹ have already started to emerge in the United States, Australia, France, and Finland. In October 2008 the *Christian Science Monitor* announced that, from April 2009, it would "abandon its weekday print edition and appear online only" (Clifford, 2008). In the same year the Madison afternoon newspaper—*The Capital Times*—stopped printing to concentrate on its online presence, www.madison.com; and *The Seattle Times* launched an online-only newspaper, www.crosscut.com. Australia's Fairfax Media launched online-only dailies in Brisbane—brisbanetimes.com.au—in March 2007 and Perth—watoday.com.au—in June 2008 (Tabakoff, 2008). In France Internet news sites Rue89.com and Mediapart.fr launched in 2007 and 2008, respectively.

In Finland, 2007 saw the launch of Web-only newspaper Uusi Suomi,² resurrecting a brand with a 100-year print heritage; and the financial daily *Taloussanomat* ending 10 years of print to concentrate solely on digital delivery, primarily at www.taloussanomat.fi. In common with newspaper markets in other developed countries³ the readership of

printed newspapers in Finland has been falling for several years. *Taloussanomati's* daily print circulation shrank from 88,000 to 72,000 between 2001 and 2006. In contrast, and in line with other Finnish news websites, *Taloussanomati's* website registered a 1180 per cent rise in weekly visitors over the same period (Tilastokeskus, 2007).

By dropping their print edition, newspapers eliminate the costs associated with the production and distribution of a physical product. Edmonds (2007) estimates that the resulting savings can be around 35 per cent. Others put the figures higher: Richards (2007) estimates 38 per cent and Grindley (2006) 66 per cent. It is not surprising then that in Finland and elsewhere the online-only newspaper business model has started to look attractive.

The Case: *Taloussanomat*

This study will explore the emerging phenomenon of the online-only newspaper model through a case study of the Finnish financial daily *Taloussanomat*. The newspaper was launched in 1997, published Tuesday to Saturday, and concentrated mainly on financial and political news. Its print version ceased publication on 28 December 2007 due to a declining readership and heavy losses. *Taloussanomati's* online version continued and is the second most trafficked financial news website in Finland; only beaten by *Kauppalehti*, which is online at www.kauppalehti.fi and retains a printed edition. Competition between two titles is fierce. In the first 40 weeks of 2008 *Taloussanomat* averaged 291,966 unique weekly visitors and is the fifth biggest online news site in Finland⁴ (TNS Gallup, 2008). It consists of the online-only financial newspaper www.taloussanomat.fi and two sites covering technology: www.itviikko.fi and www.digitoday.fi.⁵ The title also owns the Startel⁶ news agency.

Headcount is 41, 10 of whom work for Startel, five for www.digitoday.fi and www.itviikko.fi, and 26 for www.taloussanomat.fi. As of July 2008 16 people worked in *Taloussanomati's* newsroom: two editors, one news editor, three sub-editors, and 10 reporters. The other 10 *Taloussanomat* employees worked in marketing, technology, and administration. The editor-in-chief of *Taloussanomat* is former financial journalist Mr Juha-Pekka Raeste, who also acts as Chief Executive Officer. *Taloussanomat* is part of Finland's biggest media company SanomaWSOY and is located within its newspaper publishing division Sanoma Oy. SanomaWSOY is listed on the pan-Nordic Stock Exchange OMX and is regulated by stock market rules and regulations. The company does not disclose exact financial information about *Taloussanomat* and therefore detailed information about its finances are not disclosed in this study.

Research Methods

The data for this case study derive from interviews with editors and journalists at *Taloussanomat*, and a one-week period of observation in the title's Helsinki newsroom. Field notes were made on site and relevant documents collected. The following participants were interviewed formally between 23 June and 11 July 2008:

- Juha-Pekka Raeste—Editor-in-Chief and CEO, *Taloussanomat*.
- Hannu Sokala—Editor for Development and Strategy, *Taloussanomat*.
- Merja Saarinen—News Editor, *Taloussanomat*.

Informal interviews took place between 7 and 11 July 2008 with:

- Petri Korhonen—multimedia journalist, *Taloussanomat*.
- Antero Paavonen—News Editor, Startel News agency.
- Respondent 1⁷—experienced news journalist, *Taloussanomat*.
- Respondent 2—experienced sub-editor, *Taloussanomat*.
- Jaakko Kuivalainen—Technology Manager, *Taloussanomat*.

Observation took place during the main summer holiday period in Finland and this may have had some minor impact on the observations concerning news flow. Documents gathered on location provided data on website visitor numbers, reader demographics, revenue streams, and advertising rates. Some quantitative data was also collected concerning the length of stories in *Taloussanomat*.

Readership and Revenue Results

In this first results section we will present and analyse some of the quantitative data gathered during the study, looking at the changes to *Taloussanomat*'s readership, cost structure, income streams, and business model that came about as a result of the change from print *and* online to online-only distribution.

Some might expect that if a newspaper's content ceases to be available in print form, the title's website would start to register a significantly higher number of visitors. Although *Taloussanomat*'s visitor numbers have risen following their decision to go online-only, the rise has been faltering and markedly less than at some other online newspapers that retained a print edition.

Comparing the four weeks before *Taloussanomat* went online-only with the four weeks after⁸ we see a modest (10.7 per cent) rise in visitor numbers (see Figure 1). This rise is maintained for around five months until weekly visitor numbers start to fall: from 292,059 in early June 2008 to 185,714 in early July 2008—22 per cent lower than they were in the week before *Taloussanomat* went online-only.⁹ This drop was partly due to readers' initial negative reaction to a site redesign in May 2008 (Raeste, personal communication, 24 June 2008). Visitor numbers recovered between early July and early October 2008 to show a 13 per cent rise compared with the month before *Taloussanomat* went online-only. However, much of this rise can be attributed to: the global financial crisis, with the resulting increased interest in financial journalism; and a general growth in use of the Internet and online journalism. Indeed when compared with the websites of three newspapers who retained a printed version, *Taloussanomat*'s performance looks very poor indeed.

Looking at the performance of the UK's Guardian.co.uk and TimesOnline.co.uk between November 2007 and August 2008 shows that they achieved, respectively, 32 and 60 per cent gains in unique users (ABC Electronic, 2008). Finland's Web and print *Kauppalehti* saw an 18 per cent rise in the same period whereas Taloussanomat.fi registered a 0.26 per cent drop.

Page Impressions

When measured by page impressions *Taloussanomat*'s performance is slightly better (see Figure 2). A 30 per cent increase in the four weeks after going online-only compared

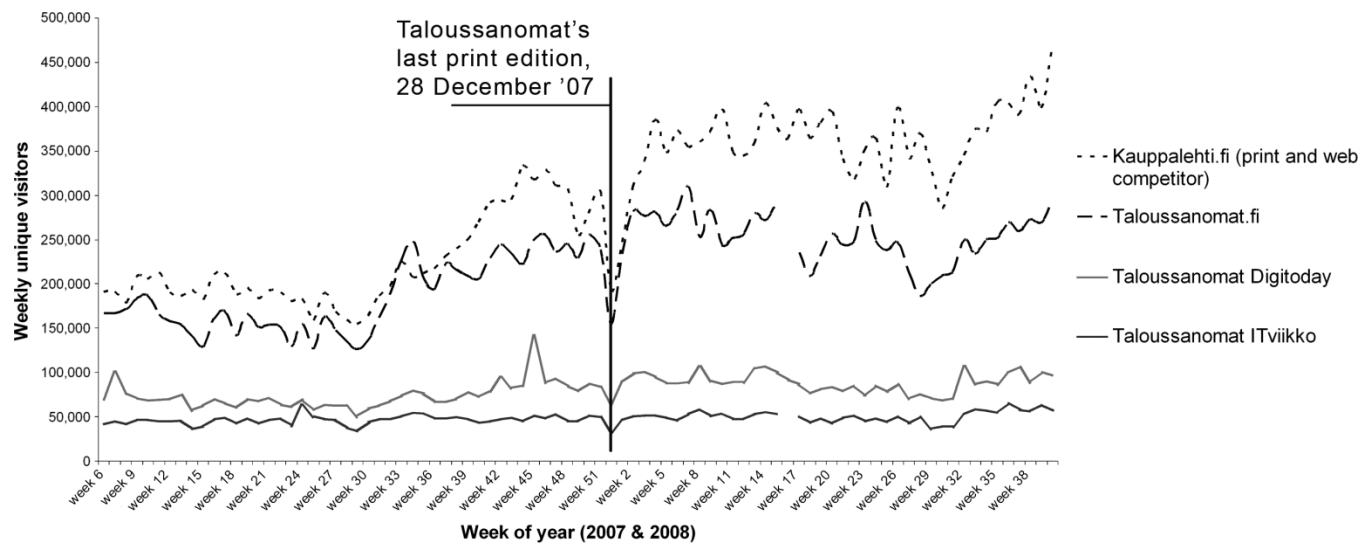


FIGURE 1

Weekly unique visitors to *Taloussanommat* and *Kauppalehti*, 2007–2008

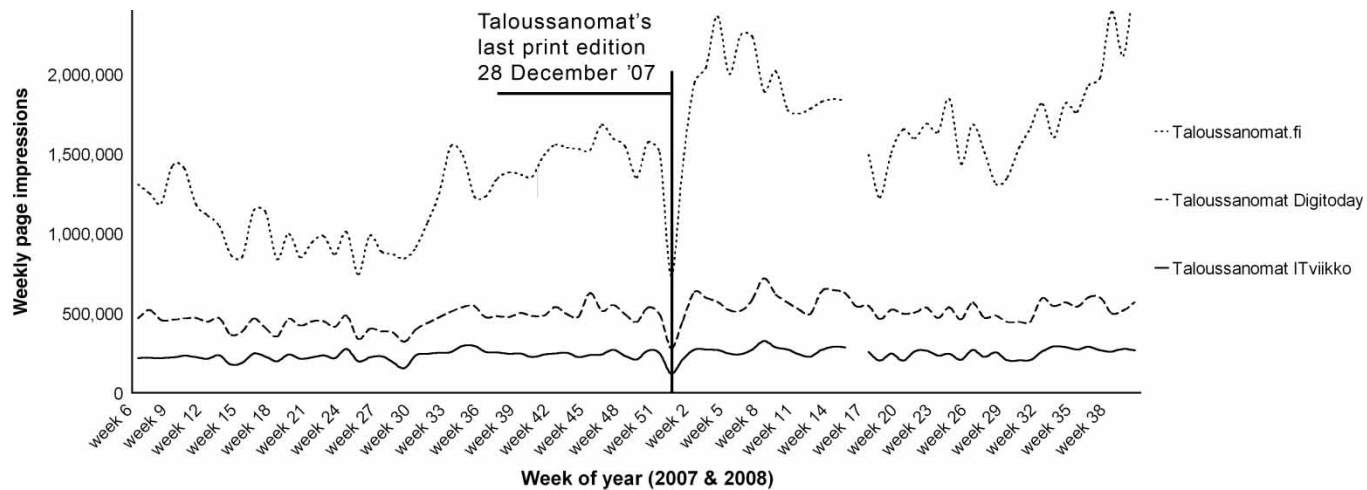


FIGURE 2
Taloussanomat's weekly page impressions 2007–2008

with the four weeks before; a rise maintained for about 20 weeks until weekly page impressions start to fall: from 2,087,312 in early June 2008 to 1,557,623 in mid-July 2008—11 per cent lower than they were in the week before *Taloussanomati* went online-only. From then the recovery in page impressions is stronger than that of visitor numbers. By October 2008 the title is registering figures 97 per cent higher than in the week before going online-only. However, as with visitor numbers, this performance is not significantly better than that of other online newspapers which retained a print edition. Between November 2007 and August 2008 the *Guardian.co.uk* and *TimesOnline.co.uk* registered, respectively, 32 and 45 per cent increases in page impressions. Finnish *Kauppalehti* saw a 7 per cent drop and *Taloussanomati* a 10 per cent rise.

Although unexpected, these findings do not on their own invalidate *Taloussanomati*'s online-only strategy. That decision was prompted by the perilous financial position the title found itself in. Our study found that the costs saved have helped to reduce the title's losses, in spite of the concomitant wipe-out of print advertising and subscription income.

Taloussanomati achieved 52 per cent cost savings by eliminating the production and delivery costs associated with the print edition. In addition it saved another 10 per cent through redundancies. The print and Web version of *Taloussanomati*, including the Startel news agency and the technology supplements *It-viikko* and *Digitoday*, employed 69 people in November 2007—52 in its newsroom. Half a year later, in July 2008, the streamlined group had 41 employees just 31 of whom worked in the newsroom.

By going online-only its income fell by at least 75 per cent due to the loss of print advertising and subscription revenue. If the title had been profitable or even just breaking even, going online-only would not have made economic sense. However, because *Taloussanomati* was losing millions of Euros before its closure in 2007, the division's financial situation is now stronger, even though the online version is still loss-making. According to the CEO, Juha-Pekka Raeste (personal communication, 23 June 2008), in absolute terms the cost savings achieved were greater than the loss from advertising revenue. Figures shown to the authors confirm this but cannot be made public because of their commercial sensitivity.

Our finding that online-only *Taloussanomati* lost a large proportion of its advertising income is worth further exploration. On the Web the title has, at the time of writing, close to 300,000 unique weekly visitors. This compares to its former daily print circulation of 72,000. Even assuming that some of those print copies would have been seen by more than one reader, the website has wider circulation, by perhaps a factor of two, than the newspaper ever did. Why then did advertising income fall so dramatically? The reasons are, in part, due to the different habits of print and online readers and, in part, a result of the different economic models under which print and online advertising operate.

When someone buys a newspaper they make a small financial investment in the product. Furthermore, the physical bulk of the item and the limited time people have to consume news mean that they are unlikely to buy more than one newspaper each day. The result is that consumers spend considerable time reading print newspapers—an average of 36 minutes per day per reader in Finland in 2006 (Sanomalehtien Liitto, 2006).

In contrast, when online, due to the ubiquity of free content and the instant and easy availability of almost infinite reading matter, readers' behaviour is markedly different. They visit a hugely increased number of information sources and, as a consequence, spend significantly less time with each. *Taloussanomati*'s own Web statistics bear this out: visitors

spend an average of just 3.5 minutes on the site per session, viewing an average of just 2.6 pages (Google Analytics, 2008).

To highlight these differences another way, we might assume that the print edition of *Taloussanomati* had an aggregate of around 216,000 reading hours per week.¹⁰ Online-only *Taloussanomati* is viewed for just over a quarter of that time, about 57,316 hours per week.¹¹ This difference is reflected in the lower income that *Taloussanomati* achieves from their online-only edition, which, as it happens, is also about a quarter (or less) of previous levels.

There is another reason why *Taloussanomati* has found it hard to replicate print advertising returns online. In contrast to print, an increase in online readers does not necessarily lead to increases in advertising rates. As Vin Crosbie (2006) observes, "print advertising sales operate according to the economies of scarcity. There is scarce ad space to sell per edition. Increased circulation increases ad rates". In contrast "web advertising operates according to economics of surplus ... There is surplus or infinite ad space to sell per edition. Increased usage does not increase ad rates but is just as likely to decrease ad rates". Crosbie gives an example to illustrate his point:

Let's say *The Times* of London's Web site displays five million page-views per month and that each Web page contains a banner ad. If this site's usage doubles, does the site's publisher have to display ten million page-views and ten million banner ads? Yes, of course. That's quite different than with print. The Web site publisher now has to find buyers for an extra five million banner ads. He can't simply double the rate he sells for his original five million pages. Increased site usage doesn't make his 'space' scarce or more valuable. He instead has to find buyers for twice as many ads. And if he doesn't find those extra buyers, his effective ad rate will decline because half of his ad 'space' inventory is now unsold 'space' inventory.

The low overheads of Web publishing have vastly increased the number of publications accepting paid advertising. This, combined with the surplus space available in each edition, has increased the supply of advertising space far beyond the levels that were the norm in the pre-digital era, and resulted in a fall in the value of that space.

To an extent *Taloussanomati* is better placed than some of its competitors in the Finnish online news market to cope with the economics of surplus. Its content appeals to a relatively affluent demographic. According to Sanoma Oy (2008b), 77 per cent of *Taloussanomati*'s readers are male, 45 per cent between the ages of 25 and 44, 5 per cent are "leading decision makers", and 29 per cent have "decision-making powers". As a result it is able to charge around three times more for a front-page super banner ad than the websites of its stable mates: the tabloid *Ilta-Sanomat*, and Finland's best-selling daily newspaper *Helsingin Sanomat* (Sanoma Oy 2008a).

Notwithstanding this advantage, and the growth of online advertising revenues in Finland (up 29.3 per cent in 2007) (Mainonnan Neuvottelukunta, 2008), *Taloussanomati*'s CEO (Raeste, personal communication, 23 June 2008) reported that, all things being equal, it would take the title years to become profitable even given double-digit growth in income from display advertising.

So what other revenue streams can *Taloussanomati* further develop in their ambition to achieve profitability in the period 2010–2013 (Raeste, personal communication, 23 June 2008)?¹² Other than display advertising, which currently contributes 60 per cent of revenues, income comes from three other sources:

- "Permission-marketing", on the back of opt-in content such as email newsletters. This revenue stream currently contributes 5 per cent.
- "Content syndication", including via its Startel arm, which currently contributes 20–25 per cent of revenues.
- "Other sources", such as the branded seminars that *Taloussanommat* runs, currently contribute 10–15 per cent of revenues.

Permission-marketing offers advertisers access to segmented groups of readers. *Taloussanommat* currently sends two daily e-mail newsletters to 63,000 subscribers and five tailored newsletters to targeted audiences, including marketing and IT professionals. It is also in the process of developing new bespoke community services for specific groups. The editor-in-chief believes these initiatives are key to future profitability. "The simple truth is that to be profitable, we need to get our mobile services, tailored content, and community services to make money" (Raeste, personal communication, 23 June 2008).

Multi-platform delivery is clearly an important strategy for *Taloussanommat* as they seek to maximise the value of the content they produce by publishing it to platforms they control as well as selling it to other digital and even print outlets. The CEO believes that "the purpose of the online-only newspaper is to produce digital information for all possible platforms" (Raeste, personal communication, 23 June 2008). Currently *Taloussanommat* produces content for:

- Its own Internet-based services, which include www.taloussanommat.fi and its technology sites itviikko.fi and digitoday.fi, and other external websites.
- Newspapers like *Metro* and *Ilta-Sanomat*, which are owned by its parent company Sanoma Oy.

In addition, it owns the financial news agency Startel, which sells financial information and tailored content to clients such as banks. Whether *Taloussanommat* can realise their ambition to achieve profitability between 2010 and 2013 solely by increasing income remains to be seen. Indeed the CEO does not rule out the need for further redundancies (Raeste, personal communication, 23 June 2008).

Content and Working Conditions

In this second results section we present an analysis of changes that have taken place in *Taloussanommat's* content and journalistic routines since it went online-only and the plans their editors have for further changes. "Your story is flying! In 12 minutes you have got 500 readers" (Respondent 2, personal communication, 11 July 2008). This comment, made in *Taloussanommat's* newsroom by a sub-editor to an editor who had published a story translated from a foreign news source, reflects the fact that story metrics are becoming an increasingly important factor in news production. This study revealed the tensions that can exist in online-only newsrooms as editors and journalists seek to maximise visitor numbers, target certain types of user, and maintain notions of journalistic quality.

There were some contradictions between journalists' and editors' accounts of the importance of maximising visitor numbers. *Taloussanommat's* news editor argues the news desk is maintaining quality by publishing "certain kinds of stories for credibility reasons even though we know that they are not going to be big hits with our readers" and not,

she said, “just staring at the visitor figures” (Saarinen, personal communication, 24 June 2008).

However, the observations and interviews suggested there is pressure from the publisher to raise visitor numbers. A sub-editor reported that “the publisher keeps talking about site visitor numbers and that creates conflicts and we have to deal with it at the desk” (Respondent 2, personal communication, 9 July 2008). Another journalist observed that “if the visitor numbers are low, [the news desk] will publish some populist story like a story about David Beckham’s underwear to get reader figures up quickly” (Korhonen, personal communication, 9 July 2008). The editor in charge of development and strategy admits that story metrics are impacting on journalistic work:

The fact that we need high visitor numbers on the site is part of being an online newspaper, but it has an impact on the journalistic work. The positive side of it is that we know what stories people find interesting. The negative aspect is that the journalists also know that. (Sokala, personal communication, 7 July 2008)

It is very difficult to verify the true impact of story metrics on online-only newspapers’ content or journalistic work. However, the interviews and observations support the view that the impact of visitor numbers is strongly felt on the news desk, which deals with the story selection. This is not surprising given that revenue from display advertising is directly linked to the number of pages readers view. This is different from the model in traditional newspapers where, as Crosbie (2006) states, “the advertiser pays for the entire printed circulation . . . not how many people actually see the page . . . featuring his ad”. This fundamental difference gives print editors the freedom that comes with knowing they can only be judged on the popularity of a whole edition rather than individual stories. In online-only newsrooms the constant availability of data on readers’ preferences seems to be precipitating a shift towards populism, as witnessed during the observation week. For example, two of the paper’s lead stories concerned Swedish pop group Abba and Brazilian footballer Ronaldo (“Abba Keeps Cashing In” and “Ronaldo: I Am a Slave”).

The move from print to online-only has changed *Taloussanomati*’s journalism in other ways too. Whereas the printed edition of the paper mainly reported on company news and markets, its online version has a greater consumer focus: a significant shift in the paper’s conception of financial journalism.

Juha-Pekka Raeste (personal communication, 23 June 2008) refers to this as “how to journalism”—publishing stories that give people tools and tips to manage their everyday lives. “Our readers are interested in the issues that are close to their heart and especially close to their wallets. People are interested in issues related to their personal finance” (Raeste, personal communication, 23 June 2008). This change reflects Jakob Nielsen’s characterisation of the Web as a “cognitive medium”, where the user goes online to “get something done” (Nielsen, 1997).

However, because the main target market remains influential and affluent decision makers, there is, again, a perceived conflict on the news desk. “We now have more stories that are closer to the consumer, but we have to cover the most important company and market news because of our target audience. We are fighting everyday to get this balance right” (Saarinen, personal communication, 24 June 2008).

Original Reporting

Although convergence is sometimes justified as a process that will produce better journalism (see Quinn, 2004), online news sites have been criticised for the extent to which they “shovel” content that previously appeared on their “primary distribution channels” (Scott, 2005). Since going online-only *Taloussanomati* can no longer stand accused of “shovelling” but is the title now producing less original journalism as a result of the cuts to editorial resources?

Taloussanomati’s editors (J.P. Raeste, M. Saarinen, H. Sokala, personal communication, 2008) defend the newsroom’s performance saying that they are producing plenty of original content that is popular with readers.¹³ Although the site’s original content might be popular, others in the newsroom did perceive a shift away from original reporting. According to one reporter, journalists now tend to take more stories from news agencies. Another journalist agreed. “On a bad day around two-thirds of our stories are shovelled [from wire services]” (Korhonen, personal communication, 9 July 2008).

Taloussanomati publishes around 60 news stories a day, and its technology sites Digitoday and It-viikko add another 40. According to the site’s editors around 85 per cent of the stories are filed by their own journalists. However, this study found that many are based on news agency material from Bloomberg, Reuters, Finnish agency STT, and its own agency Startel.

Analysis of *Taloussanomati*’s content during the week commencing 28 July 2008 showed that about 80 per cent of the site’s stories were based on news agency material or stories published in other newspapers or news sites. Although the sample was taken during Finland’s main holiday period, it does give some indication of the content and source structure of *Taloussanomati*.

This finding echoes that of Lewis et al. (2008) who found that in “quality” British newspapers 60 per cent of stories were either wholly or mainly dependent on external news sources. Lewis et al.’s explanation is in part down to what they believe to be a “significant increase in journalistic productivity” since 1985. They give, as an example, the *Sun* newspaper, which saw a more than doubling of editorial content between 1985 and 2004 but only a “slight rise” in the number of journalists employed to produce that content. The result is, they say, a reliance on news agency and PR material, and a resulting decline in “journalistic integrity, autonomy and quality”.

The explanation for *Taloussanomati*’s reliance on PR and agency material is also, partly, a question of resources. However, unlike the newspapers studied by Lewis et al., it is not increases in pagination that are to blame for the rise in workloads that journalists reported at the time the title switched to online-only, but rather the parallel cuts in editorial staff as *Taloussanomati* sought to cope with a reduction in income of at least 75 per cent. The journalists and editors interviewed for this study described the effects of the redundancies. “It was quite depressing to come to the newsroom after Christmas. The whole newsroom looked like there had been a nuclear explosion—there were only a few journalists left” (Respondent 1, personal communication, 8 July 2008).

Although the news editor admits (Saarinen, personal communication, 24 June 2008) that the journalists’ workload has increased since going online-only, she insists that journalists have as much time to talk to their news sources and fact-check as they did before the newsroom cuts were made. The journalists, however, do not agree universally with this assessment. One journalist reports (Respondent 1, personal communication, 9 July 2008) they do not have time to go to news conferences, meet their sources, or even

talk to colleagues. The same journalist insists that around 95 per cent of the journalistic work is done on the phone.

I feel now like I am a stripped down version of the former journalist. I am more like a news agency journalist and do quick interviews and write them quickly. There is an awful lot of pressure to get as many stories done as possible. (Respondent 1, personal communication, 9 July 2008)

The multimedia journalist, who is also the staff union representative, argues that lack of resources hits the newsroom on busy news days. "If we have more than two big news stories breaking during the day, we are really struggling" (Korhonen, personal communication, 9 July 2008). Even the site's news editor feels the squeeze because she is now forced to cover two shifts, working from 9 a.m. to 6 p.m. "In a way the workload has increased but in *Taloussanomat* you are used to doing lot of work. We have always had a chronic lack of resources" (Saarinen, personal communication, 24 June 2008).

The observation week in *Taloussanomat* supports the view that most of the journalistic work is done inside the newsroom. During that week only the multimedia journalist went out to news conferences to get video material for the site. The other journalists were working at their desks throughout the day. However, in Finland July is a major holiday period and news conferences are scarce.

Taloussanomat's reduced staffing levels are part of the reason they are so reliant on external sources but the nature of the online medium is also a factor. The editor-in-chief explains that "if you double the amount of stories or the publishing frequency it truly helps [your visitor numbers]" (Raeste, personal communication, 23 June 2008). Increasing publishing frequency helps encourage multiple daily visits but, with a limited staff, this is only possible if *Taloussanomat's* journalists also act as what Nick Davies (2008) calls "churnalists", "passive processors of unchecked, second-hand material".

This way of working was not only unpopular with the journalists. The title's editor-in-chief did not see it as a long-term solution either. Raeste feels that high-frequency "churnalism" "only helps you to a certain point" and that *Taloussanomat* needs to carve out a niche for themselves with original content. "If you want profits, your only solution is to be a Michelin star restaurant. You have to have the best people . . . and time to think" (Raeste, personal communication, 23 June 2008). However, without any profits to invest, buying the extra people and extra time required to achieve that ambition is a tough call.

Adapting to the Online Medium

A common criticism of mainstream online journalism centres on its failure to take into account the unique characteristics of the medium. It often reproduces, not just in substance but also in form, stories that have appeared in other media—usually from the print or broadcast parent. In theory online-only newspapers such as *Taloussanomat* are free from any economic pressure to reuse legacy content and could create online journalism better tailored to the medium. This next section will examine the extent to which *Taloussanomat's* content and working practices remain influenced by its print legacy or have adapted to the nonlinear, multimedia, and interactive nature of the Web and its freedom from pagination limits and fixed deadlines.

Some of *Taloussanomat*'s journalists are certainly aware of the potential of online:

The best things on online are that you have unlimited space and you are not tied to a certain format. We can now have more general news stories or human interest stories than in the print paper. Online gives you the freedom to be more creative. (Saarinen, personal communication, 24 June 2008)

Another *Taloussanomat* journalist agreed. "When we had the printed paper were always short of space, but online you do not have same kind of limitations" (Korhonen, personal communication, 9 July 2008).

Despite these statements this study found that the length of the title's main news stories had not changed since it went online-only. The average length of the main news story in the printed edition of *Taloussanomat* in the first week of July 2007 and the main news story published by the online-only *Taloussanomat.fi* in the first week of July 2008 were compared. The data show that the stories published in the print paper averaged 355 words and stories published in the online newspaper 324 words. Although the sample was small the results do indicate that, in some regards, working practices have not changed as much as would be expected. Editors are aware of this fact and are trying to drive through major changes in work practices. "There is one fundamental difference", says the editor-in-chief, "where before we regarded ourselves as journalists, we now regard ourselves as public servants as well. We are in a service industry and that is crucial to take into account" (Raeste, personal communication, 23 June 2008).

What this means in practice is that journalists are going to have to better match readers' media consumption preferences. The editor for development and strategy talks about restructuring content and delivery in new ways. "We need to concentrate on building the news day. We need to know what people want to read and at what time of day" (Sokala, personal communication, 7 July 2008). This may mean giving readers news alerts to their mobiles first thing in the morning, something lighter to read at lunch time, something different in the afternoon, more mobile content to read on their way home from work, and fresh content in the evening. This idea—called "day parting"—is not new. It originated in broadcast television and has been variously adopted by online newspapers (see Beyers, 2004). Nevertheless it does represent a considerably different way of working for ex-print journalists such as those at *Taloussanomat*. From the sub-editor's point of view this means that "the clearest change from the print version is that we have a deadline all day long" (Respondent 2, personal communication, 9 July 2008).

The editors of the *Taloussanomat* are also gradually pushing journalists to work in different ways with rolling news stories. Again the inspiration comes from news production formats adapted from broadcast television. The idea is to break the news story to readers early on and then follow up with more detail, comment, and analysis. The rationale is to retain readers for as long as possible. Again the ability to publish almost instantaneously rather than being restricted to a single deadline is the key change:

People have to get used to the idea that we have a deadline all the time which means that we do not have any free time. Journalists need to realise that their stories do not need to be ready when published, they can be changed and updated. (Respondent 2, personal communication, 9 July 2008)

One of *Taloussanomat*'s journalists estimates that about one-third of the site's journalists are still working to the same pattern as in the print paper. The editor in charge

of strategy and development also confirms that print working practices have been difficult to change. "Some of the journalists tell the news editors in the morning what they will write during the day and then have their stories ready at 4–5 pm. This needs to change, but you cannot change working practices over night" (Sokala, personal communication, 7 July 2008).

One reason for the slow change is that journalists find it difficult to publish incomplete stories. "Journalists have a high threshold against publishing incomplete stories, because they do not want to seem foolish or unknowing. It is really difficult for many of us" (Korhonen, personal communication, 9 July 2008).

Another big change the editors are pushing is towards working collectively, not individually as journalists have done in past. This means that in the future four journalists might cover a big news story, each feeding readers with different aspects of the story throughout the day. "It is a completely new way of thinking and it requires collective working practices" (Sokala, personal communication, 7 July 2008).

In his study of German online newsrooms, Quandt observed that "there are new qualities of journalistic work in online newsrooms, but overall, the basic orientation pattern is traditional (print/news agency) journalism" (2008, p. 95). The data collected for this case study confirmed the view that journalistic work patterns in *Taloussanommat* owe much to historic print practices and that working practices are only changing slowly.

Multimedia and Interactivity

Online news media have often failed to utilise effectively the multimedia potential the medium offers. The then Head of BBC News Interactive talked about video on their news site "far too often . . . not [performing] a very useful function" (quoted in Thurman and Lupton 2008, p. 444). *Taloussanommat* has one multimedia journalist who previously worked in television news. He is the sole provider of video content to the site, shooting and editing video packages as well as writing textual stories for the site. Other journalists interviewed and observed in *Taloussanommat's* newsroom were not too enthusiastic about multimedia and the editor-in-chief is not keen for all the editorial staff to get involved in multimedia production:

Is it worth in this specialising world training multimedia people? Personally I think that it is better to let the specialised journalists to do their jobs properly. To be able to write good stories, the journalists need time to analyse, think, and discuss them with their colleagues (Raeste, personal communication, 23 June 2008).

The view of the editor-in-chief might be influenced by the fact that *Taloussanommat's* owners, Sanoma Oy, are currently building a TV-studio to provide multimedia content to *Taloussanommat* and two other newspaper websites within the group—*Helsingin Sanomat* and *Ilta-Sanomat*.

The use of interactivity at *Taloussanommat* is limited although relatively open. Visitors can post comments to the site without prior registration or pre-moderation. *Taloussanommat* is encouraged by the volume of the response—some of the stories get as many as 100 comments. However, the quality has been somewhat problematic. "When people can comment without registering, you can get really aggressive commenting and this can be off-putting for some of the journalists" (Saarinen, personal communication, 24 June 2008).

The editor in charge of site development wants to develop the discussion culture between journalists and readers further. Sokala intends that journalists will moderate conversations in future and take an active role in communicating with readers. "At the moment readers use our site like any discussion board. I want to develop real discussion between the readers and journalists. But to make it happen, you have to integrate it as a part of the journalistic work" (Sokala, personal communication, 7 July 2008).

Although online-only *Taloussanomat* has multimedia elements and some user-generated content, their adoption of this functionality is not ahead of online news sites with a print or broadcast parent.

Conclusion

Through a case study of Finnish financial daily *Taloussanomat*, this article has examined how newspapers might fare when printing and distributing a physical product to an ever-diminishing audience cannot be justified, and titles move to digital distribution. Previous estimates suggested savings of between 38 and 66 per cent could be achieved. In this study the figure was squarely in the middle of that range: at 52 per cent. However, such savings must be set against the loss of print advertising and subscription revenues. This study shows those losses can be very considerable: a minimum of 75 per cent in *Taloussanomat's* case.

The reasons are twofold. Firstly, readers are reluctant to pay for content online; and secondly, the value of advertising space on the Web is significantly less than in print—not an insurmountable problem if newspapers making the move to online-only can increase visitor numbers, page impressions, and ad sales to make up the difference. This is, however, easier said than done. Contrary to our expectations, for *Taloussanomat*, going online-only did not result in an increase in Web traffic over and above online newspapers which had *retained* a printed edition.

In a market such as Finland with high broadband Internet penetration—34.6 per cent in 2007 (European Commission, 2007)—going online-only does not appear to attract a significant number of new users, nor boost page views from existing readers suddenly unable to access content in print form. This shows just how much the medium, rather than the content it carries, determines how news is consumed. We estimate that, since going online-only, the aggregate time spent reading *Taloussanomat* has fallen by between 75 and 80 per cent.

In the case of *Taloussanomat*, ditching the print edition was financially worthwhile because the newspaper had operating losses of more than 31 per cent. If this finding holds true more widely current profit levels—averaging the mid-teens for US newspapers (PEJ, 2007)—can sustain newsprint for some time to come. However, the small but growing number of loss-making titles may soon be forced to abandon their print editions, although they will not recover profitability solely by going online-only. Redundancies, will also come into play—as they have done at *Taloussanomat* where the newsroom shrank from 52 to 31.

Taloussanomat's downsized newsroom shows how the business of journalism may change in the online-only world, with:

- Lesser reliance on display advertising.
- More "permission marketing" on the back of opt-in content such as specialist email newsletters.
- New forms of revenue through partnerships and services as well as events that build on newspaper brands.

That branding will, however, become more difficult to maintain as pressure to syndicate content increases.

This study also shows that being part of a large media group—in *Taloussanomati*'s case SanomaWSOY—is advantageous to online-only newspapers, providing more opportunities for syndication and increasing their traffic (around 26 per cent of *Taloussanomati*'s users are referred by its sister news sites). Ownership and tactical convergence will, therefore, continue apace in the online-only newspaper environment.

Such convergence is often accused of leading to a dilution in story choice (Scott, 2005). This study found *Taloussanomati* was heavily reliant on agency copy and other external sources, a function of reduced editorial resources; but also the nature of the medium with its ability to provide—and readers' expectations for—multiple daily updates. Journalists in the online-only newsroom were busier and almost exclusively desk-bound, raising questions about the extent to which they were exposed to a range of sources, and their ability to work on the in-depth investigations Scott (2005) worries are threatened by convergence.

Taloussanomati has seen a shift towards populism as a result of pressure to increase visitor numbers, aided and abetted by the constant availability of data on site use. There has also been a shift towards "how to" journalism showing an adaptation to the Web's utilitarian nature (see Clark Gilbert in Meyer, 2004, p. 221).

In other ways, however, the print legacy is strongly felt. Online-only newspapers *should* be freer to exploit the potential of the medium without the burden of legacy content from a print or broadcast parent. This study found other burdens—financial and logistical—counteracted that advantage. The cumulative effect means killing the print edition does not immediately transform a title's ability to produce interactive, nonlinear, multimedia content. Nor does it mean that staff are ready or willing to service new publishing platforms or readers' expectations for multiple daily updates.

Taloussanomati is seeking to do all these things but to prosper it must innovate more intelligently and change faster than its rivals to regain the attention and revenues forsaken by leaving the world of paper and ink.

NOTES

1. Because online-only newspapers are a relatively recent phenomenon there is little agreement about their definition. Indeed the Finnish Newspaper Association told the authors of this study that an online-only newspaper should also have a print edition (Sanomalehtien, personal communication, 14 May 2008)! For the purposes of this paper we have adopted the following working definition: "An online-only newspaper should: use digital channels (such as the Web, email, and mobile) to distribute content; publish at least five days a week; have an audited penetration; contain mainly news and current affairs content; and not have a parallel print version".
2. See www.uusisuomi.fi.
3. For example, Robert Picard (2002) shows that the total daily circulation of newspapers in the United States reached a peak in 1983 and has been declining ever since.
4. As of week 41 of 2008.
5. These sites previously existed in print form as supplements to *Taloussanomati*'s paper edition.

6. Startel sells news and services to clients, like banks, mainly drawn from the financial community.
7. Respondents 1 and 2 participated anonymously.
8. The transition week is excluded not least because it includes the Christmas and New Year holidays during which time visitors to news websites fall across the board.
9. These figures refer to Taloussanommat.fi and not the affiliated technology websites "Taloussanommat Digitoday" or "Taloussanommat It-viikko".
10. Calculated by multiplying its 2006 circulation of 72,000 by the number of days it was printed per week (five) by the average time spent by Finns reading newspapers (36 minutes).
11. Calculated by multiplying the average numbers of minutes spent per session (3.5) by the total number of sessions (982,560) in week 41 of 2008 (sources: Google Analytics, 2008 and TNS Gallup, 2008). Because of the way that Web servers log visits we cannot assume that this figure constitutes active use. It would include, for example, time when users had minimised Taloussanommat.fi in their Web browser and were working with another application or simply away from their computer.
12. Raeste does not believe that people are willing to pay for news content. Although this may seem surprising given the fact other financial newspapers such as *The Wall Street Journal* and the *Financial Times* have a history of paid content, these titles have been gradually dismantling their subscription walls as they have sought to maximise visitor numbers in what has been a buoyant online advertising market.
13. A sub-editor (Respondent 2, personal communication, 9 July 2008) on the news desk says that around 90 per cent of the most-read stories are researched and written by Taloussanommat's journalists.

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