

## **The Evolving, Yet Unique Landscape of South Africa's Newspaper Industry**

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## INTRODUCTION

By way of background, NewsBank is the largest aggregator of current and historical news sources from around the world. Our flagship product, *Access World News*, has more than 9,000 current news feeds from nearly every country in the world, and is used primarily in academic, public, corporate and government libraries to support research.

Back in 2010 we conducted a detailed analysis of regions of the world people were needing news from and about, and noticed an interesting trend in the *Access World News* usage statistics. Perhaps fuelled by the upcoming World cup tournament, there was a significant global increase in demand for content from and about Africa, and in particular, South Africa. Further research into this trend showed that after nearly 15 years of relative obscurity on the international stage, the South African color, history, romanticism, growing economy and beauty were being introduced to a whole new generation of people who only knew of South Africa's apartheid past - and that interest has only increased. It's not surprising therefore, that today global multinational companies look to Africa's vibrant economies and see growth potential and new consumers, even as the traditional emerging markets like China and India mature. Africa is the new frontier.

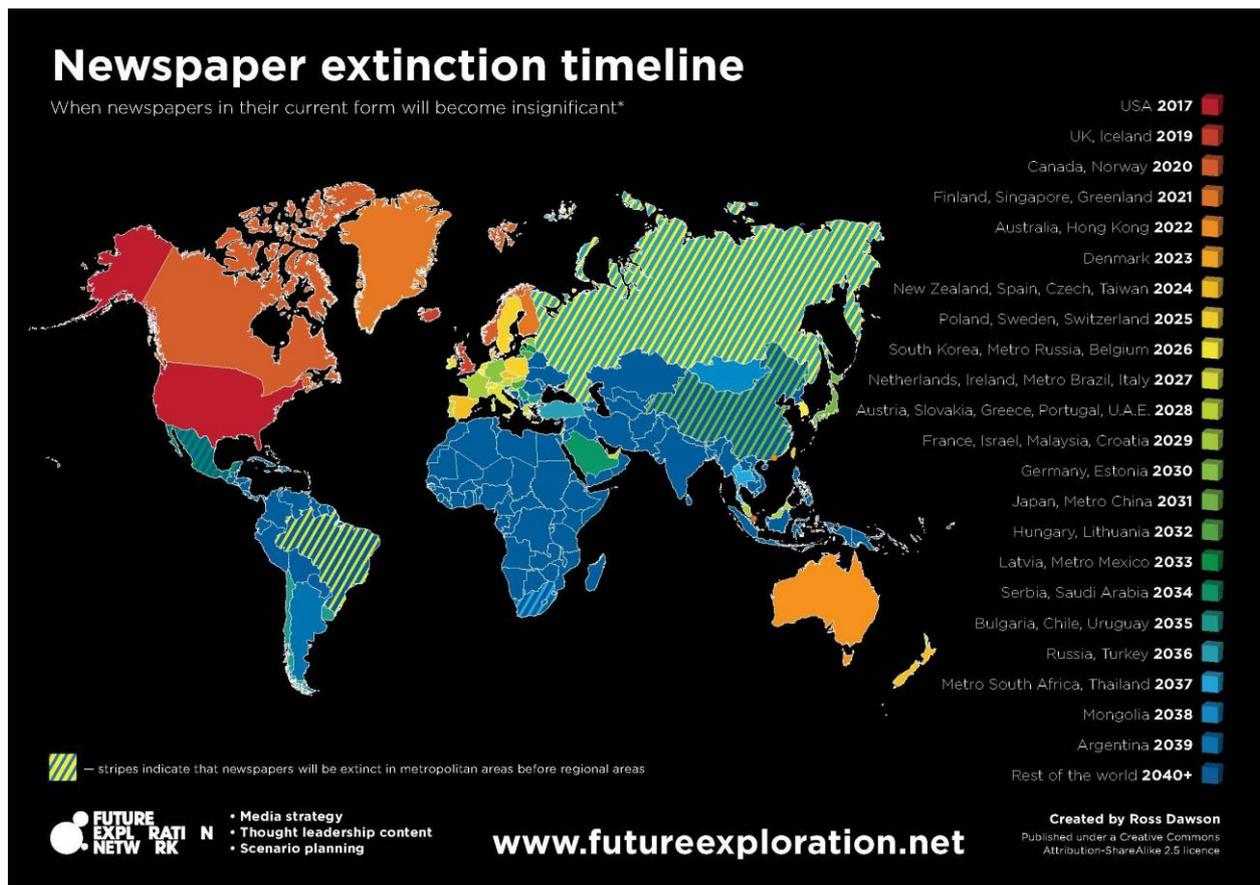
As a result of that global interest, we started looking into what news resources were available from and about South Africa. But sadly, we found there was very little. Although successful domestically, local South African media outlets were quite insulated; and some might argue, isolated to the dramatic shifts affecting the newspaper industry elsewhere around the world. They had little visibility and brand recognition abroad, concerted effort to migrate to new technologies, or seek out new markets. And that's where NewsBank comes in. We've spent the past five years working with nearly all the South African news and media companies and most major libraries across the country to create the [South African News Archive](#), or SANA for short. Consisting of 4 historical newspaper collections (including the forthcoming digital edition of the [Rand Daily Mail](#)) and one current newspaper database called [Access South Africa](#) that includes 130 titles updated daily, SANA has since become the single largest collection of South African news content from 1798 until today.

My presentation today will draw from NewsBank's experiences working with all the major publishers, university and public libraries to build the South African News Archive, and focus on:

- The changing newspaper trends and landscape across Africa & what will the future look like?
- An overview of both local and global initiatives to digitize African newspapers
- Unique challenges of making both historical and current news from Africa available
- The publisher/library economic conundrum in Africa: with a small, underfunded market, how can this news become more widely available?

### 1. The changing newspaper trends and landscape across Africa

South Africa has always had a vocal and courageous press. Even dating back to the early 1800s, a robust newspaper industry flourished, with many ethnic groups having a voice. And during the height of apartheid when the government tried to forcefully gag the country's newspapers, publishers defiantly printed their views, even if it resulted in forced closure. Today, that legacy continues on, and perhaps more so than many other countries in the world. Whereas other countries are experiencing a drastic decline in the newspaper industry, South Africa still has a robust, diverse and in some cases, profitable newspaper industry.



Take a look at this slide. This shows a projected timeline when newspapers in their current form will “become insignificant”. Most developed countries such as the US, Canada, UK, Australia etc. have newspaper industries in freefall, with ‘extinction’ projected within the next five years; the result of both global and local issues including:

- Increased adoption and use of mobile/tablets
- Increased production costs
- Uptake of digital news monetization mechanisms
- Changing demographics and consumer behaviour
- Industry structure, including financial stability of companies and distribution structures

But of nearly all developed countries around the world, the South African newspaper industry is in a fairly healthy state and is near the end of the extinction spectrum. What makes South Africa so unique? It is likely the result of many factors:

1. **The country's passage from apartheid to democracy** made South Africans remarkably news hungry. This coincided with a new press freedoms that resulted in a free, flourishing and robust press that continues to this day.
2. **Broadband penetration** that lags most other developed nations: Although strides have been made, internet penetration of any kind is still only 48%. Mobile broadband has 26% population and fixed broadband is only available to 3.1% of the population (South Africa broadband vs the world, 2014). As a result, South African newspaper publishers don't have to (yet) face the same rapid adoption of platform migration from print to mobile/tablet.

3. **Adoption of “Best Practices”:** Most other newspaper publishers around the world have already been forced to address the steep decline of print readership and adopt new technologies, revenue streams and business models to cope. And with each of those comes a steep and expensive learning curve. South African newspaper publishers have the benefit of adopting “best practices” already tried and tested by other publishers, including paywalls, online revenue, archive monetization and balanced print/online publication schedules.
4. **Rise of the Tabloid and Subsequent Free Content:** The industry experienced a further growth spurt in 2002 when the country's first tabloid was launched. Aimed at the blue collar worker, the *Daily Sun* filled a gap in the growing market and it wasn't long before it broke through the 1-million reader mark. A decade on, it has more than 5.5-million readers. This stimulated the rise of other tabloids and forced more traditional publishers to consider free content.
5. **Competition:** South Africa a relatively large number of newspaper publishers, including Media24, Caxton, Independent, Times Media, TNA and Mail & Guardian. Competition for readers is steep, and this forces publishers to keep costs low, innovate, maintain journalistic standards and pay attention to readership trends; all of which contribute to preserving the overall market for newspapers.
6. **Demographics:** the age demographic most likely to read newspapers is generally considered to be 35 or older. Not that it's unusual for the younger generations to read newspapers, but they are more likely to be early adopters of new technology – in this case, mobile technology, apps & broadband that are eroding traditional print publishers' revenue. With nearly 33% of its population aged 35 or older, print newspaper still has a large demographic base.
7. **Efficient and low cost distribution networks:** South Africa benefits from an efficient and relatively low-cost print & distribution network – one of the largest expenses associated with newspaper production. By achieving economies of scale, outsourcing printing and an inexpensive labour force for distribution, publishers here are able to achieve roughly the same ARPU (average revenue per user) as similarly developed countries, but at a considerably lower cost.

So while those all look positive for South Africa, make no mistake. There are dark clouds on the horizon. The newspaper industry in South Africa remains relatively strong when compared to other countries around the world, but the industry here is undeniably in a downturn, with little end in sight. The downturn mirrors the trend elsewhere in the world, where the internet has seriously disrupted the industry and free online news has steadily eroded newspaper circulation.

- Print revenues have declined over the past five years: from a 40% share in 2007 to 22% in 2014. What does this mean: the industry in in an undeniable downturn
- The Zuma government is aiming for increased broadband speeds in the coming 5 years. What does this mean: a greater online presence, greater broadband adoption and use, a shift away from paper-based products. Internet will increasingly become the portal through which we view all our news.
- Almost every print title has had an on-line presence for years and are developing advanced paywall strategies. What does this mean: if done right, it can stimulate printed newspaper circulation via bundles. If done wrong, it can alienate your readership and result in rapid migration to competitors (see Australian Financial Review). This is particularly problematic for South Africa, where there is so much competition.
- Once tablets and smartphones increase penetration into the lower markets, publishers of all kinds will what the point is of carrying on with paper and ink.

What will the future look like?

- News will start with mobile
- Overall increase in output
- Video and multimedia will play a more important part of the story
- A cacophony of Digital Noise with the editorial voice lost
- Web 2.0 – Social Media – User involvement, user generated value
- Citizen Journalism
- Corporate Journalism
- Hyper-local capture unique local strength
- Advertising integrated everywhere
- News is instantaneous – end user expectation
- Quality of news content will vary widely.
- New sources of news will continue to emerge – verticals, topical.
- Emergence of analytic tools: Data & text mining, Visualization, Sentiment Analysis, Relational and Geographic Analysis, Timelines

### **Some Key statistics:**

- In 2014, there are 28 daily and 41 weekly or weekend major urban newspapers in South Africa, most published in English. There are around 300 regional and community newspapers, most delivered free of charge, as well as a range of general and specialised news websites on a par with the best in the world.
- About 10.5-million South Africans read the urban dailies, with around 17,5-million people - or 50% of South Africans over the age of 15 – reading newspapers (South African Advertising Research Foundation's All Media Products Survey (Amps) 2014)

## **2. An overview of both local and global initiatives to digitize African newspapers**

I don't need to convince anyone here about the value of newspapers. We all know very well – and appreciate- the unique value newspapers bring, whether it's supporting research or preserving history. Many libraries around the country have some newspapers in print, and there are many microfilm collections. But digitization of newspapers? This is an exciting time to be a researcher! After all, being able to do a keyword search on "Cecil Rhodes" or "John Dube" and pull up articles electronically opens doors and leads to discoveries that could never be possible in simply reading print or microfilm. The sheer volume and the sheer authoritativeness and comprehensiveness of research being produced today is exponentially greater than it was even just five years ago.

For many years, China and the AsiaPacific region is... or shall I say, WAS... the "hot" topic. Asian Studies Departments the world over received plenty of funding, and there was considerable research output about China, given its global role as an emerging economy. But as mentioned earlier, interest in Africa is quickly becoming the "HOT" region in global research, and demand for research material from and about Africa is growing. That's what led NewsBank to begin earnest efforts to make South African content available. The problem is, as some of you already know well, is that:

- There isn't much that has been done
- Those that have been done aren't very accessible
- Aside from the CRL's ICON website, there's no centralised resource or list showing what has been digitized or what is being digitized
- Digitisation equipment, expertise, facilities and capacity are hard to come by in South Africa

Why is this important? With a relatively small country like South Africa, nobody – whether you're a commercial publisher, national library, public library or academic institution can afford to, or should duplicate efforts. We've therefore undertaken an initiative to try and catalogue the existing, in

progress and planned South African digitized newspapers, so that the community is aware of what is available and what is being done and by whom. This list is freely available to any institution that would like it, and should hopefully help in libraries' planning processes. This list, however, is not complete and is solely dependent on the participation and input from the libraries and entities who want to share this information.

I cannot say with certainty what other institutions intend on doing. I can only speak to NewsBank's efforts, and to state that our aim is to continue to build out our collection of historical African newspapers. Already the largest repository of South African newspapers, the [South African News Archive](#) will be the platform for our future newspaper digitization efforts, including a new series of the World Newspaper Archive being done in conjunction with the CRL. This new series will hopefully include more than 50 of some of South Africa's best-known titles today, including *Cape Argus*, *Cape Times*, *Port Elizabeth Telegraph*, *The Star*, and *Pretoria News*.

### 3. Some of the unique challenges of making both historical and current news content from Sub-Saharan Africa available for research, using the *Rand Daily Mail* as a case study

So why hasn't more been done? There are a lot of reasons, which I'll address in a moment. But let me frame that answer around a case study involving the *Rand Daily Mail*. Those of you that are South African undoubtedly are familiar with the *Rand Daily Mail*. From its early beginnings in 1902, the *Rand Daily Mail* was known for its controversial yet surprisingly courageous journalism. Despite significant pressure from the conservative government, its writers openly addressed issues that white readers knew little about: In 1960, Benjamin Pogrund covered the Sharpeville massacre; in 1976, Helen Zille uncovered Steve Biko's murder; in 1978, Mervyn Rees and Chris Day broke the news about the apartheid state trying to influence opinion, an expose that sparked the "Muldergate information scandal".



*Rand Daily Mail* continued to be popular among more progressive readers until—after adopting an outspoken anti-apartheid stance amidst a massive clampdown by security forces—it was controversially closed in 1985. But the *Rand* remains one of South Africa's most important historical newspaper titles and is an essential resource for researching and understanding the apartheid history. I'm pleased to report that as of late last year, NewsBank and Times Media entered into a partnership to digitize the entire archive from 1902 until 1985. But there were, and still are, considerable challenges in getting this important newspaper digitised – challenges we hadn't faced anywhere else in the world. So to address the question of 'why hasn't more been done?', the next part of my paper touches on some of the unique challenges of making a digital newspaper archive from Sub-Saharan Africa available for research, using the *Rand Daily Mail* as a case study.

My colleague Michelle Leon talked about Times Media's digitization of the *Sunday Times*. And whereas I can't speak about Times' financial investment or plans to recoup those costs, it was nonetheless a very expensive undertaking. NewsBank and Times Media first started discussing the possibility of a joint digitization project back in 2011. And we both knew of and appreciated the paper's value and scholarly need, but we knew that it would be a difficult project for many reasons.

**A National Treasure:** The ideal situation would be for a local, South African entity to digitize and make this title available. The decision to work with a commercial vendor – and a foreign one at that – was not one taken lightly. The sheer size and scope of the collection meant that digitisation costs alone would exceed US\$1million. This was, and likely remains, a substantial investment that Times Media couldn't undertake themselves. Nor could an academic institution or a public library. So until and unless some kind of funding comes from some source, in all reality, the only practical and

economical way to accomplish this was for a commercial publisher to make the investment in digitizing the paper.

**Lack of an adequate digitisation facility in South Africa:** As Michelle cited earlier, Colorado-based Olive was chosen to digitize the *Sunday Times* because South Africa lacks an adequate digitisation facility locally. Although there are some private and public digitisation facilities here, many I've spoken with feel that the local entities do not have capabilities nor processes robust enough for fragile historical texts.

It's easy enough to scan an image. But the value that digitised collections bring to research comes primarily in the ability to search and retrieve the content. Critically important is the quality of the optical character recognition software (OCR), the search interface and the search and retrieval platform. Off the shelf OCR programs are fine for most current text. But historical texts- especially newspapers - present unique challenges:

- Poor quality images from microfilm, faded newsprint, or other broken text means those words likely won't be captured by OCR.
- Unusual or large broadsheet sizes
- "Smart Indexing" is a manual process whereby editors or indexers link various spelling variants of translated names, words or events to aid in discovery. For example, Mommar Gadaffi, Mao Zhe Dong etc. If someone searches "Mao Tse Tsung", they likely won't find results where his name is listed as "Mao Zhe Dong". Similarly, would a search of "Nelson Mandela" return a result set listed as "Madiba"? Automated technology in this area is improving, but is still very nascent.
- Older spelling variants: the old British practice of using the letter "f" in place of "s" (i.e, "neceffary" = "necessary") means that a researcher would need to know, and type into a search box the old variant of the word to get the result.
- When dealing with damaged paper, poor quality images from microfilm, or even old or different spellings of words OCR and search engines won't decipher them. And if those words are not searchable, they're as good as lost. "Contextual Retrieval" is a process whereby the surrounding words are automatically analysed to determine context. So that if a faded word is scanned and otherwise wouldn't be read by OCR, it could be determined by analyzing the surrounding text.

I can't address how other companies deal with these issues, but at NewsBank, we use special proprietary smart-indexing and contextual retrieval software, filters and a growing controlled vocabulary and thesaurus for handling transliterated text.

**Risk of sending master files abroad:** whether paper or microfilm, the risk of sending in some cases, the only surviving copy is a significant concern. Do you want to entrust your history to FedEx?

**Recouping the expense:** this is the single, largest hurdle with newspaper digitisation. Unless you are a public library and can get a public or private grant, how does one pay for such an expensive undertaking? Let's look at the economics of digitisation, again, using the *Rand Daily Mail* as a case study:

In this scenario, we are a commercial publisher who recognizes the need and scholarly value of having the *Rand Daily Mail* in digital format. We will incur the costs to digitize it, and hope to recoup those costs by selling the collection as an archive in South Africa and where possible, elsewhere around the world. Our market is primarily university libraries who will then make the collection available to students and professors to support their research.

**COST:** Because of the long print run and size of the collection, our digitisation cost will be US\$1.07million. This is archival-quality format (JPG images for web delivery and high-res TIFF for archival preservation), OCR deconstruction and platform hosting

**MARKET:** Primarily academic institutions in South Africa and perhaps one or two public libraries. There are 25 universities in SA. Five of those are technical universities, and 11 of the remaining 20 are “traditional” universities that usually purchase research collections to support undergraduate and postgraduate programs. Regardless of cost, we could reasonably expect these 11 institutions to at least have an interest in the collection at some point in the future.

Let’s look now at the economics, and the math is simple. The digitisation cost is US\$1.07million. If we assume a perfect scenario and assume all 13 institutions would acquire it, the cost per institution would be US\$82,307. *And that is only to breakeven.* If, like most companies do, we wanted to make a profit, which we could then reinvest for future digitisation efforts, the cost would need to be more than that.

I don’t know how many South African academic librarians we have in the audience today, but I’m sure most would tell you that is a very significant figure for most library acquisition budgets; made even more so by the recent steep decline of the Rand and last year’s imposition of a 13% VAT on electronic library resources.

As a result, the only way to make such a project feasible is to supplement the South African market with sales internationally: we would need the Harvards, the Oxfords, the Cambridges, the University of Melbournes around the world who may have a similar appreciation and interest in the value of *Rand Daily Mail* for their own African Studies Departments and be able to purchase it. It is only on the strength and breadth of the international opportunities that we are able to get the costs for South African institutions to hopefully afford someday.

What’s the bottom line?

- Even for titles with the most appeal and value, the South African market just isn’t big enough to support commercial broad newspaper digitization efforts. Supplemental sales would need to come from international sources to breakeven.
- Smaller titles of lesser value – and thus, smaller market size- likely are not possible. At least not from commercial sources. They would need to be paid for and made available by universities (who limit access to their students and staff only) or public libraries.
- The current state of local digitisation initiatives in SA don’t engender much optimism that more will be forthcoming anytime soon.

#### **4. With a small, underfunded market, how can this news become more widely available for research across South Africa?**

Sometimes being small can have its advantages. Despite some of the challenges addressed here, there are ways that the research community in South Africa can maximize the opportunities for acquiring new newspaper collections and work together to create new ones.

- At the public level, encourage and support local digitisation efforts by the National Library and public libraries
- At the academic level, share content amongst academic libraries
- At the commercial level, join or form consortia to maximize purchasing power for commercial collections.

It is my hope that investment by the government will continue to support public library digitisation efforts that will help foster an understanding of South Africa’s fascinating and rich historical record.

It is my hope that the academic community will continue to acquire these collections and make them available to students and staff, who would take advantage of the value of digitised newspapers and increase the academic output. It is my hope that the international academic community will continue viewing Africa as a region worth the research and investment, so that can, indirectly at least, it will raise understanding and awareness of all that this great country has to offer.

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