

# Peter Drucker and the Death of the Newspaper

by Robbie Kellman Baxter



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*“The present predicament of the mass-circulation magazine in American is ...a distributive channel problem. The cost of obtaining and supplying one reader is substantially higher than the price that could possibly be charged for the subscription. For the American mass circulation magazine to survive, it will have to find new channels”*

Peter Drucker Managing For Results 1964

**F**or over 100 years, newspapers and magazines have been delivered on a regular and scheduled basis to homes of subscribers. And yet for the past 50 plus years, business thinkers like Peter Drucker have been pointing out the flaws in this incredibly inefficient model. Newspapers have had a lot of time to get it right—and yet they haven’t. This topic is not new, but it is timely. In the past few months, several newspapers have folded, including most recently, the Rocky Mountain News. The Christian Science Monitor and the Seattle Post-Intelligencer have announced that they will be ending the daily print edition.

Newspapers have historically had 2 key competitive advantages:

1. Distribution Channel
2. Journalist Network

The internet already solves most of the distribution problem. And now, the internet is on the verge of killing the other competitive advantage of the publishing industry—access to great writers who are on location around the world, wherever news is happening. These days, if you are witness to news, you can immediately post your observations, opinions and images in a number of ways. You can “tweet” quick headlines to your followers, or you can post a quick story on any number of blogs or social networks. Then, by linking your content to a social news website like Digg or Mixx., you can share content from anywhere on the Internet,

and have your content vetted by thousands of members who will vote and comment on its quality. If you’re a good writer, interested readers will find you, regardless of who you are.

Newspapers have not been serving their two key customers very well either.:

Underserved Advertisers: Publishers have not been adjusting their product to better meet the needs of their advertisers. What have they done in the past 50 years to improve the advertiser’s ability to reach its target market and track the results of that interaction. For a long time, advertisers have been paying more than their fair share for unclear results.

Underserved Consumers: Nor have publishers really kept up with the needs of the consumers. Again, for 50 years, the process for creating content hasn’t changed (assigning journalists to write specific stories, and allowing limited space for letters to the editor from consumers). But consumers want to:

- Choose which journalists to follow
- Comment on and rate articles
- Post their own articles
- Receive customized content

One would think that newspapers would be responding to these changes, quickly and decisively. What I’m saying isn’t news—and yet, most newspapers have not made the drastic changes they need to, and those who are still in business don’t seem to realize how dire the situation is.

Newspapers have been reluctant to report on this trend, that is perhaps the most relevant trend to their own survival.

A journalist recently asked me if I think local papers are better positioned to survive—and I believe the answer is no. The news sources that will survive and thrive are the ones who continue to modify their product to meet the needs of their audience. Local publications have been even less willing to change than the big guys—and as a result, they are likely to disappear in the next few years.

Newspapers have some of the greatest journalists and social commentators on their payroll. They have strong brand awareness and loyal customers. And yet, bit by bit, they seem to be destroying

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these assets, by not changing with the times.

One thing that surprises me is that newspapers don't seem to be leveraging their pool of journalists to come up with new solutions to transform their businesses. Ironically, even business and technology oriented publications are not giving their teams freedom and flexibility to test new technologies and comment publicly on their own practices.

Drucker argues that the biggest challenge for executives is that they focus on today's problems instead of tomorrow's opportunities. It's amazing to me that newspapers are still ignoring tomorrow—and I am afraid many of them won't survive to see it.

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- [American Chronicle](#)
- [Fresh Business Thinking](#)
- [YoungEntrepreneur](#)