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THE IMPACT OF PROFESSIONAL MANAGEMENT, STAFF TRAINING AND EQUIPMENT INVESTMENT ON THE FINANCIAL SUCCESS OF COLLEGE NEWSPAPERS

presented by

Tom Stanton

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# THE IMPACT OF PROFESSIONAL MANAGEMENT, STAFF TRAINING AND EQUIPMENT INVESTMENT ON THE FINANCIAL SUCCESS OF COLLEGE NEWSPAPERS

By

**Thomas Howard Stanton** 

#### **A THESIS**

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#### **ABSTRACT**

# THE IMPACT OF PROFESSIONAL MANAGEMENT, STAFF TRAINING AND EQUIPMENT INVESTMENT ON THE FINANCIAL SUCCESS OF COLLEGE NEWSPAPERS

By

#### Thomas Howard Stanton

The basis of this thesis is a survey of college newspapers in the United States. This research explores characteristics of financially successful college newspapers with the goal of helping newspapers improve their fiscal standing and gain a measure of independence. It studies the relationship between successful newspapers and the use of non-student, non-faculty professionals in leadership roles. It also looks at whether the training of advertising staff members and investments in production equipment contribute toward a college newspaper's success.

#### **ACKNOWLEDGMENTS**

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# INTRODUCTION/LITERATURE REVIEW

Many who oversee college newspapers "lack understanding of the business side," according to Nancy Green, who went from managing college media to, eventually, working at Gannett national headquarters. "They don't see the potential. If they did, papers could be thriving and self-sufficient — making for better programs." Green believes that the most successful papers have non-student staff on the business side and a paid manager. The college newspaper industry — with more than a dozen daily newspapers generating revenues over \$1 million and up to \$2.5 million annually — represents a solid, serious enterprise. Yet, little research has been done on the business side of the operations.

A search of several data bases (Dialog, Nexis, UMI), as well as a search of publications like Communications Abstracts, Journalism Abstracts, Books-in-Print, Journalism Quarterly, College Media Review, Advisor Update, Educator, AEJMC News, Scholastic Editor, Community College Journalist and other more common sources, turned up an abundance of material on legal and news issues related to college newspapers (a few of which are listed in the bibliography). The ever-present crusade for editorial freedom from over-zealous administrators and other would-be censors has been studied extensively. The role of the adviser has also been explored adequately. However, the financial end of the business and, specifically, the advertising operations of college papers remain virgin territory. At the Poynter Institute for Media Studies in Florida, noted research librarian Jo Cates conducted a thorough search that confirmed this author's own attempts. This is "an area where there is next to no literature," she said. That presents a challenge for a review of relevant sources.

This section aims to accomplish several challenges:

• describe earlier research.

- illustrate through anecdotal evidence that publications are beginning to pay greater attention to non-editorial issues.
- support the need for financial independence,
- demonstrate the potential strengths of college newspapers
- and offer literature that focuses on commercial media but has applications for college media.

By improving their business and financial operations, college newspapers can become more independent in every sense of the word. Doing so means they can control much of their own destinies. Many college newspapers receive a strong share of funding from college sources. This fact leads some college administrators to believe that such financing entitles them, in extreme cases, to influence newspaper content. The old adage about freedom of the press being the property of those who own the presses may not be entirely true. But its underlying cynicism points to a reality. If you are not beholden financially to other interests — if you are without subsidies — you largely erase the issue of censorship. No one can hold funding over your head. Threats to reduce funding have led to endless battles over censorship. These are never-ending, as author Louis Ingelhart noted in *Freedom for the College Student Press*:

The state university cannot eliminate or reduce funding in an effort to force compliance with content regulations its administrators might seek to impose. The cases...make this legal principle clear, but every year antagonistic administrators, and even government officers, squeeze publication funding.<sup>5</sup>

And, thus, the same battles are waged repeatedly; the parties change. One fact remains: Only a financially independent publication can be free from worries about editorial independence. "It has been said that the real freedom of the press is the right to own one," said Jon Hughes, a University of California professor. "Clearly, the more

control you have over your own budget, the more control you have over editorial content."

Much of the knowledge related to the business end of the college newspaper field is committed to mind and passed by word through closely-knit groups of advisers and business managers. It is largely anecdotal, not quantitative. In interviews for this thesis, nearly everyone said this area cries for more research. These persons, all familiar with the field, were consulted: Todd Simon, Stephen Lacy and Al Swartzell of Michigan State University, Gannett's Nancy Green, Dave Nelson of Southwest Texas State University, Paul Pohlman of the Poynter Institute, Tom Rolnicki of College Media Advisers, Ronald Spielberger of Memphis State University and Lillian Lodge Kopenhaver of Florida International University. Their expertise helped frame this research. The consensus was that professionally run college newspapers performed better financially than their student-run counterparts. However, that was a gut feeling — one not tested in earlier research.

# A sketch of the college newspaper industry

Research has outlined characteristics of the college newspaper industry. There are an estimated 3,200 college papers in America. In a 1982 study of 102 daily college newspapers, Paul Atkins of West Virginia University determined that 94 percent employed non-students, often in production roles. Most papers had non-students as directors of student publications, publishers, general managers or business managers. No correlation was drawn to the papers' fiscal condition or advertising success.

Ronald Spielberger of Memphis State University and Lillian Lodge
Kopenhaver of Florida International University teamed up for the most thorough
studies on this topic. Their research, published in *College Media Review*, sketched not
only the college newspaper industry but also that of television and radio stations,

yearbooks and magazines. They surveyed 282 papers in 1984. These findings were among the highlights:

- Fifty-two percent had revenues of \$25,000 or less.
- About half got most funding from advertising.
- A majority also received money from student activity fees.
- Just over seven percent reported subscription revenues exceeding one percent of revenues.
- About a quarter received college funds.9

#### The authors concluded:

Most (campus newspapers) are...small...with almost two-thirds having five or fewer employees. ... Although campus media operations are strong and healthy, most are small and moderate and pursuing a pattern of growth and expansion. Large media operations with big budgets are not the norm across the country. It is the small student publication and broadcast station which is the pattern throughout the nation...<sup>10</sup>

Three years later, in 1987, Spielberger and Kopenhaver updated the survey. They reported that nearly two-thirds of college newspapers publish weekly or less frequently. They noted increases in revenue, greater reliance on advertising revenue and a resulting decrease in reliance on student activity fees.<sup>11</sup>

Spielberger and Kopenhaver conducted a related survey in 1988. The number of papers responding — 275 — was substantial. Their research explored the hiring of advisers, general managers and publishers, finances and responsibilities. These were among the findings:

- The percentage of papers with advertising increased.
- More newspapers nearly three-fourths reported that half of

their revenue came from advertising.

- About a fourth of the papers got most funds from student activity fees.
- Nine percent labeled themselves as financially independent,
   though the authors questioned that assessment.<sup>12</sup>

They wrote: "In order to achieve editorial and financial independence..., all ties with the college or university must be conducted as a separate business, with the publication assuming full responsibility for all expenses..." The researchers did not state whether the median number of employees had changed and did not delve into the number or experience of advertising-side employees. The authors also have researched the advisers' role, as have many others. When taken together, results from their three surveys point to two trends at the heart of this thesis: a greater reliance on advertising for revenue and a greater number of papers approaching self-funding. "College and university print and broadcast operations are continuing to seek greater self-sufficiency by securing more revenue through advertising," wrote

# Trend toward professionalism

Other evidence — albeit largely anecdotal — hints that many college newspapers are looking more seriously at ad revenue. "The college newspaper is in the midst of an evolution toward more professionalism," began a story in *Presstime*. "Nowadays, the offices of student newspapers commonly include a cubbyhole or two or even more for paid non-student workers..." That movement, of course, pertains to business affairs, not editorial affairs, which nearly always remain the territory of students, both paid and volunteer. The movement is on the business side. In the 1980s, for one example, *The Daily Nebraskan* at The University of Nebraska hired Daniel Shattil to oversee the advertising, production and circulation departments. He had

previously managed a group of free weeklies in Ohio. During a three-year period at the paper, he saw revenues increase by 80 percent, largely because of advertising. Profit doubled, allowing earnings to be pumped into equipment purchases. 17 At the University of Texas, during Nancy Green's reign, a professional advertising supervisor was hired. 18 "Everyone is becoming more and more professional." said Jan Childress, former president of College Newspaper Business and Advertising Managers. 19 The Daily Californian in Berkley employs a staff of full-time salespersons, as well as one professional devoted to co-op advertising.<sup>20</sup> (Co-op advertising is viewed as an under-tapped revenue source in the industry. Many manufacturers will pay a portion of the retailers' costs for advertising their products. For example, if a retailer places a \$3,000 order for Hoover vacuums, he may be entitled to \$300 in advertising credits to promote the sale of the vacuums. However, many retailers are unaware of such co-op funds or reluctant to use them because of the paper work that suppliers require. "A newspaper should learn the precise details of every co-op program available on every item sold at retail stores in its trade area," wrotte C. Randall Choate in *The Newspaper*. "To wait for the retailer to initiate action ... is to contribute to the mountain of unspent co-op funds.")<sup>21</sup>

Advertising Age, in a story titled "Campus Newspapers Echo Reality," also noted that advertising was becoming a more serious enterprise on campus. In 1987, The Daily Collegian at Pennsylvania State University had a 22-person sales staff, the members of which were paid only commission and incentives. Earnings bought new computers and a phone system. Only one in ten of the Collegian's ads were from national accounts. In other words, ninety percent of the ads were from local sources. This reveals a level of advertising sophistication. Less evolved college ad departments rely more on national advertising. Among commercial newspapers, national advertising accounts for a miniscule portion of income. But with college newspapers, it is a different story. When college papers publish national advertising, it

usually comes from a national ad broker. The two primary brokers are Cass

Communications in Evanston, Illinois, and American Passage in Seattle, Washington.

These firms sell their services to large companies, such as beer and tobacco producers.

They place ads simultaneously in dozens of college papers throughout the country.

For example, Budweiser may want to launch a promotional campaign with ads in papers at the 30 largest college campuses or at every campus in Michigan. The broker allows Budweiser to do it with one order. The brokers then send ads and purchase orders to the appropriate college papers.

The trend toward professionalism has escaped many smaller college newspapers. Four years ago, I advised the often-weekly paper at Macomb Community College in Warren, Michigan. Most of its advertising came from national agencies, which paid slowly or not at all unless reminded. For local advertising, the paper relied on phone calls from nearby merchants. It marked a major achievement when the paper secured funds for a minimum-wage, part-time student to serve as business manager. His duties were to oversee accounts receivable and field phone calls. My job as adviser was to consult with writers and editors and, on the business side, to simply make sure whatever ads came to the paper appeared on its pages. In our case, no one was responsible for selling ads. The college subsidized the paper. It would be unwise to generalize from this experience, because many college papers have more sophisticated advertising operations. However, it does help illustrate this point: College newspapers generally put much greater focus on editorial concerns.

Paul Pohlman directs the management program at the Poynter Institute for Media Studies. The Poynter offers summer seminars for college newspaper advisers. "Most of them don't have a very good grasp" of advertising and finances, said Pohlman of the advisers. The seminar results in the creation of a theoretical, "ideal college newspaper." The advisers look at advertising and financial issues. Pohlman said some attendees are knowledgeable about the business side of the operation. They

tend to be at the larger newspapers. Again, the trend toward greater professionalism has not touched all college papers. Nonetheless, evidence indicates that, at least, awareness of the potential is growing. It should continue to, given the knowledge that among student activities on campus many newspapers account for the second largest source of income — behind the athletic department.<sup>25</sup> "Many college papers, especially small college papers, have ignored the business side of the paper," wrote Joseph Levy in *Community College Journalist*. "To succeed as a business, you need people who can think in business terms."

# Advertising affairs largely ignored despite benefits

Despite the apparent trend, most books on managing college newspapers focus on editorial and legal issues and offer little or no advice on nurturing advertising. Many refer to the appeal of ad revenues but stop there while praising the benefits of independence. You need the former to achieve the latter. Freedom for the College Student Press by Louis Ingelhart is typical of books on the college press. It mentions advertising and management, but offers little how-to advice.<sup>27</sup> In the late 1970s, Ingelhart set the parameters for college newspaper independence. He listed 20 conditions college newspapers must meet to be considered truly independent. The first two related to financing: "The publication cannot receive student fee funds. The publication cannot receive college or university subsidy, directly or indirectly."<sup>28</sup> It is one thing to talk philosophically about the need for independence and quite another to achieve it. David Nelson, now a faculty member at Southwest Texas State University, is recognized as an expert on college newspapers. He worked for *The Purdue* Exponent as a non-student professional. The paper is self-supporting, owns a press and employs 150 students and four professionals. In the spring 1989 issue of College Media Review, he wrote:

A preponderance of the 85 college dailies in the country claim they are independent despite the fact that only around ten can demonstrate complete jurisdictional, editorial, administrative and financial independence from their institutions... Most of us would be on our ethical high horses if we lived in a community in which the local newspaper was partially funded by the city council... We would view that as the ultimate evidence of collusion... Despite our claims to the contrary, compromise, not independence, is the dominant characteristic of most campus media. By many normal standards, the college newspaper is inefficient, disorganized and, in some cases, unprofitable. It is the product of constant compromises.... If independence is so great, why are so many college papers dependent? Because independence means control of content, control of personnel and generation and control of finances. It is this last condition that presents the Hobson's Choice. To be independent, there must be complete control over the sources and allocation of money. This means the choice for many is to sacrifice university funding and become totally self-supporting...<sup>29</sup>

Nelson played a role in the opening of a 21,000 square-foot student press center built on land owned by *The Exponent*. The \$1.9 million facility houses a press and all newspaper offices and equipment — the first of its kind built with its own finances. "The paper is editorially independent today because it planned its way to financial independence 20 years ago," said Nelson. Perhaps few papers will make it to that point. But most can make strides toward weaning themselves from the college coffers.

# Advertising appeal of college newspapers

Advertising revenues will be at the heart of such efforts. At commercial newspapers, advertising accounts for 75 percent and more of revenues, depending on whether the paper is paid or free circulation.<sup>31</sup> There is no reason why those numbers should not be reflected at campus enterprises. "Advertising is the lifeline of the print medium," said Katherine Graham, former publisher of the Washington Post. "Without

it, the free press as we know it would fast disappear."<sup>32</sup> It's a given in the commercial industry. In a *Scholastic Editor* story titled "Newspapers go the independent route," author Kim Jaudon recognized the problem: "In many campus publications, advertising is the neglected goldmine waiting" to be discovered.<sup>33</sup> Certainly, the potential exists.

College papers are well positioned to attract advertising. Many factors work in their favor — and these are not limited to papers at the largest colleges. Three prime strengths surface: cohesive geographic market, attractive demographics, and little competition. In his book *The Practice of Newspaper Management*, W. Parman Rankin offers a solid outline of advertising basics:

A newspaper is a unique product.... An advertising salesperson literally does not sell the product he or she represents.... What the advertising representative does sell is a concept: advertising in the newspaper will reach an audience of a size, composition and demography that conforms to the advertiser's definition of the marketplace of people comprising the best customers and prospects for the product or service to be sold...<sup>34</sup>

In other words, successful advertising matches buyers with sellers. Traditionally, newspapers have positioned themselves as the informers of the masses. However, with the growth of network television, newspapers saw their franchise as the main mass medium erode. Network television reaches much larger audiences than individual newspapers and, thus, has much greater success attracting national advertising. This partly explains the lack of a mass-marketed national newspaper. The papers with national distribution — New York Times, USA Today, Wall Street Journal — do not target the masses. They appeal to distinct demographic groups, based on education, profession, lifestyle and income. It is different for most other newspapers,

which rely on mass markets, though within a specific area.<sup>35</sup> Additionally, newspapers are best for specific types of advertisements. While TV is generally regarded as the most potent medium for image ads, newspapers offer a better opportunity for providing details.<sup>36</sup> For example, an automobile company may create a feeling about a specific car through TV advertising. The music and photography help a reader to experience the vehicle. The ad creates an image. In their own way, newspapers can also create and enhance images. But they can also do something that TV does not do well: They can explain details, list prices --- in general, provide a bulk of information that stays before a reader's eyes and can be consulted again and again.

### Cohesive geographic market

Geographic markets play a significant role in newspaper advertising especially at college newspapers. As noted, national newspapers are rare. Local newspapers are the norm, whether their regions of coverage be states, big cities, suburbs or small hamlets. Newspapers depend on local advertising. According to Mark Capaldini, a vice-president with the Claritas marketing firm, newspapers' percentage of national advertising has been shrinking for many years. At most papers, it falls below two percent.<sup>37</sup> Credit the competition. National firms have many advertising options. Thousands of magazines, cable stations, syndicated radio programs and television shows, along with non-media advertising options (such as direct mail, billboards, etc.), vie for pieces of the demographics pie. Detailed market research can target specific potential buyers. These efforts are so technologically advanced that advertisers in national magazines such as Newsweek and Time can make an offer to specific customers, i.e., "Mr. Jones, buy a car from Tamaroff Buick on Wednesday, May 15, and we'll give you \$400 cash." The advertising opportunities are also diverse in regional markets. While target marketing thrives, the mass market continues to have appeal. Usually only newspapers and local network affiliates battle

for it. Regional radio, cable and magazines target niches. Ad purchases from those sources depend on the market segment they reach. In *Presstime*, Albert Gollin, research director for the Newspaper Advertising Bureau, offered this overview:

...the newspaper is a mass medium whose constituency is the entire community. In another guise, however, the newspaper's turf and its audience are defined more narrowly as a market comprised of demographic or lifestyle segments that vary in their appeal to advertisers.... Note the contrast in the emotive power of phrases denoting the two images: community vs. market, citizens or readers vs. demographic segments or customers, mass vs. class. In a less competitive era, these two images fused or coexisted fairly comfortably. The community, defined as the newspaper's journalistic domain, was also its advertisers' market. The more the merrier: more readers, more prospective customers. But as competition intensifies — and as marketing strategies become more precisely targeted — mid-size and larger newspapers, in particular, are finding it increasingly difficult to serve both their communities' needs as a mass medium and the more specialized needs of a growing number of advertisers.<sup>39</sup>

Newspapers' efforts to attract those segments are evident in the sections of their publications: fashion, entertainment, business, parenting, seniors. The effort is evident in the choice of specific columns. The idea is to offer something for everybody — especially those "everybodys" whom advertisers want to reach. But, as stated earlier, in the local geographic market reaching the masses still has benefits. Businesses from supermarkets and car dealerships to appliance warehouses and department stores still want advertising that hits as many potential customers as possible — within a geographic region. In *Folio*, management columnist Tom Ryder offered a perspective on media trends:

We will fully enter the age of micromarketing as advertisers insist on greater accountability for their ad dollars. The emphasis will be on tighter targets and getting buyers closer to the cash register. This will be the most important change in media in the next ten years. Beneficiaries of this shift will be special interest media and local media. Particularly hard hit will be national mass market media.<sup>40</sup>

That's one potential strength of many college newspapers. Their geographic market is often specific: the campus. It's ideal because, in many cases (though not all), the college is the center of the town. Even when it is not, many businesses feed off the patronage of students and college workers, the same market the newspaper serves. Further, to a degree, college newspapers are immune to forces that change the geographical focus of commercial newspapers. The campus is probably not going to move. Students are always going to want and need to live close to it. College newspapers have a cohesive, constant geographic market. Because the campus market creates certain demands, specific businesses locate in the area. Similiarly, because the college newspaper serves the same market, it is in a position to serve those merchants.

# **Attractive demographics**

Aside from the favorable geography and mass-market potential, college newspapers offer young readers. Marketeers yearn for them. It is no secret that the newspaper industry is troubled by its household penetration, which has been dropping since 1945, when most households received a morning and an evening newspaper.<sup>41</sup> The inability to attract substantial percentages of new, young readers feeds the problem. "In absolute numbers, we have as many or more readers than ever, but they are not reading as often as they used to," said Martin Casey, vice-president of circulation for the American Newspaper Publishers Association.<sup>42</sup> Population growth

has out-paced circulation growth. Between 1970 and 1987, the number of U.S. households increased by 41 percent, but daily newspaper circulation rose by less than one percent. As Kris McGrath of MORI Research noted, In the past, as people got older and started families, they became loyal newspaper readers. That is just not happening anymore... Declining penetration has prompted newspapers to rethink their mission. New Directions for News and the 25/43 Project represent the beginning of a change, brought about considerably, experts agree, by television. (Magazines have also seen strong growth: Magazines have gained advertising share relative to television in each five-year period since 1975). The 25/43 Project remade *The News* in Boca Raton, Florida, in hopes of capturing that readership. Paper officials are reporting success. The challenge: Newspapers must contend with "television-era readers" — young Baby Boomers and post-Boomers — who are not demonstrating the same devotion to newspapers as their parents. In *The Next Newspapers*, published by the American Society of Newspaper Editors, *USA Today* senior editor Karen Jurgensen reported:

Baby Boomers are the most courted readers and consumers in the country. Advertisers are scrambling to pitch to them... Boomers are mobile, active, well paid and well educated. They are one-third of all Americans.... Following the Boomers is the smaller Baby Bust generation... Researchers say we won't know much about how this group will behave for another five to ten years.<sup>47</sup>

According to Ginny Fielder, a vice-president at Knight-Ridder, post- and early-boomers represent the greatest challenge. She said the 18- to 29-year-old group is the toughest to attract. 48 Yet those consumers are crucial because they are forming shopping habits that could last a lifetime. They also have considerable discretionary income, and — at the lower end of the range — they represent the natural audience

for college newspapers. Add to the equation the fact that the students are presumably better educated than their peers and in the process of training for better-paying jobs.<sup>49</sup> Their appeal to advertisers becomes clear. One need only look at television to see how marketers and programmers have tried to draw young adults: The Arsenio Hall show, The Simpsons, Spuds McKenzie selling beer, the MTV-like, fast-paced montages, rock stars pitching pop. Whittle Communications has prospered by buying TV sets for high schools that agree to air daily news segments and advertisements.<sup>50</sup>

For years, newspapers have attempted to nurture young, pre-college readers through Newspaper in Education programs. Papers such as the *Detroit Free* Press, Seattle Times and Newsday now run columns based on students' questions. A story in *Mediaweek* noted, "All agree that what's good for kids is also good for business. The future of newspapers depends on these readers."51 In recent years. YM. Sassy and Sports Illustrated for Kids have achieved success. Dow Jones launched The Wall Street Junior. 52 The Washington Post began a supplement titled "Under 21: Fresh News and Your Views." The New York Times Syndicate offers "Class Acts" and Knight-Ridder is considering a national publication aimed at high school students. The Detroit News and Detroit Free Press both have sections aimed at young adults. However, Bud Shields, manager of newspaper buying for Lintas: Campbell-Ewald in Michigan, said some publishers would be better off to focus on more mature, collegelevel readers.<sup>53</sup> Newspapers have gotten into the act. The St. Louis Post-Dispatch tried to draw readers in their 20s through a \$1 million TV campaign with MTV-style spots. 54 "In the jargon of the advertising business," reported Community College Journalist, college newspapers are "targeting an audience... Lucky schools, those with large, elite and affluent student bodies, frequently need only to pop open envelopes to harvest (national) advertising dollars."55 That, of course, presents a rather glorious view of the process. But the bottom line is that the nation's 6.6 million full-time college students, with more than \$12 billion in annual discretionary income, make for

an attractive audience.<sup>56</sup> A story in *U.S. News & World Report* noted, "For many firms...the real bonanza (in marketing on campus) is down the road, when today's college students are destined to become tomorrow's most affluent consumers."<sup>57</sup> The advertising is available, the marketing demand exists and, according to a 1988 Roper Organization survey, 64 percent of all college students read their campus newspaper.<sup>58</sup>

# Ad competition less prevalent on campus

Competition abounds in Chesterfield Township, Michigan, where my flagship newspaper, The Bay Voice, is located. We compete head-to-head with two weeklies (one paid, one free), two suburban dailies, the zoned editions of two metro dailies, a shopper, a local classified paper, and a host of other advertising vehicles, ranging from billboards and park benches to cable TV and direct mail. And we compete on a relatively level field, aside from the advantages of scale enjoyed by larger competitors. (The level of competition is not unique to *The Voice*'s area. American Demographics reported, "Newspapers once were the nation's medium of choice. Today, they compete with a wide range of media for audience share and advertising dollars. Advertisers can now choose between newspapers, point-ofpurchase advertising, electronic media and direct mail."59 When a business opens in The Voice's community, a media buyer (usually unfamiliar with the area) must wade through the various options. Often, it's a matter of trying many and whittling away the ones that do not work. Price, penetration, placement and readership influence the decision. At college campuses, it is somewhat different. Few colleges have two papers aimed at the mass of the student body. West Virginia University is one exception. There, The Cavalier Daily (five issues per week) competes with The University Journal (three per week). 60 Most college papers own the imaginary campus franchise. Competition may come from commercial ventures off campus, such as a nearby daily or weeklies. Yet, the campus papers operate with advantages — a slanted playing

field.

Often subsidized by the colleges, they may receive preferential treatment in distribution. 61 Subscriptions may be part of student activity fees. 62 They have access to cheap labor, in the form of eager journalism students who may even get credit for their participation. 63 They may be able to tap into the resources of their colleges and journalism departments. They may use the university mail system.<sup>64</sup> They may have free office space. 65 Of course, a dilemma arises here. Such advantages would disappear on the road to true independence. Louis Ingelhart, in the dictum that remains quoted today, said independent papers must have absolutely no ties to and receive no favorable treatment from their colleges. 66 Regardless, the campus setting limits the breadth of competition in other ways. The constant turnover in resident halls puts subscription publications at a distinct disadvantage. Further, direct-mailers are troubled by semester and seasonal breaks that leave dorm halls empty. Those same factors may explain why most college papers are free. 67 In addition, campus radio stations are often non-profit, public stations. Billboards are strictly regulated — if allowed at all on campus.<sup>68</sup> "Competitors can be, and usually are, much more than other...newspapers," according to Readers: How to Gain and Retain Them. "Magazines, television, radio, cable TV guides, shoppers, direct mail, door-hangers are a few other direct competitors for the attention of potential readers."69 Competition affects revenue and profit. In the philosophical, capitalistic sense, competition is always good. But when it is your business, less competition is almost always better for the immediate bottom line. Richard Briggs, a newspaper broker, explained the impact of competition:

Competition affects the profitability of all advertising media in the market. How your competition affects your business depends on how much money it takes out of your market, how long it

has been doing so, and whether its business is expanding. Newspapers located in markets with no direct competition...can be extremely profitable.<sup>70</sup>

Viewing the campus as a market — and we should — many college papers hold theoretically enviable positions. They face minimal competition, and the combination of a strong geographic market (with mass readership demand), the attractive demographics of college-age students, and a lack of competition gives these newspapers three strengths with which to successfully sell advertising and build a self-sufficient enterprise. But are they capitalizing? Can they do a better job? What can they learn from other papers that are already prospering? Those questions will be explored in this thesis.

#### **THESIS QUESTIONS**

This thesis focuses on the untested notion that financially successful college newspapers share traits with similar professional media. Specifically, these hypotheses are offered:

- The most successful college newspapers are more likely to have non-student, non-faculty professionals in key roles, either managing the newspaper or supervising the advertising staff.
- The most successful newspapers offer the most extensive training to members of their advertising staffs.
- Newspapers that invest more in production equipment are the most successful newspapers.

(Key terms used in the hypotheses will be operationalized in the methodology section.) Underlying all three hypotheses is the belief that financial success is neither an accident nor stroke of luck. It is the result, among other factors, of capable leadership, steady management, trained staff and vision. This section explores the assumptions upon which these hypotheses rest.

At many colleges, newspapers are often used as journalism workshops, with business concerns given little thought. Advertising is the Rodney Dangerfield of collegiate journalism. It gets no respect, though it contributes significantly to enrollment at journalism schools. The AEJMC admits that its advertising division is among its weakest, and some journalism schools debate whether the program should even be part of their schools. College newspapers often reflect this mind-set. At the least sophisticated papers, reporters are asked to sell ads and volunteers are sought for the detested position of business manager. The result, despite the inexperienced student's best efforts, can be unsatisfactory. Experience and continuity in key positions are common at successful commercial newspapers. That is the thrust of the

first hypothesis, which relies on the assumption that non-student managers in general will be more experienced and more mature than students. But equally important is the issue of continuity. The lack of such "is the biggest problem a lot of student newspapers have," said Al Swartzell, manager of the college paper at Michigan State University. Each year, "most student newspapers start from square one trying to build..."<sup>73</sup> Without continuity in key positions, long-term planning becomes more difficult. If the same were true for professional media, it would prove chaotic and inefficient. The first several weeks or months would be spent just learning the basics, as required of any new job. For regular advertisers, the process could be frustrating — starting anew, again. At most, a student manager could conceivably hold the job for four years. That would be unlikely, though. In addition, a non-student might show greater concern for the position, especially if it contributes to a family income or livelihood. "Many college papers, especially small college papers, have ignored the business side of the paper," said Ed Boito, who has worked for the paper at the University of Cincinnati. "To succeed as a business, you need people who can think in business terms."<sup>74</sup> W. Parkman Rankin, an associate professor at the Walter Cronkite School of Communications at Arizona State University, would like the next breed of industry managers to come from journalism schools, which he thinks need to place more emphasis on business issues:

Most journalism schools today still concern themselves with preparing students to be editorial journalists. They are not preparing them as business managers... (Research) sharply confirms the importance of sound business management in every phase of journalistic endeavor to the success of a newspaper.... Future journalists who understand and appreciate the principles of newspaper economics, as well as those of editorial concepts and execution, would be in better positions to understand and further the importance of newspapers..."<sup>75</sup>

In recent years, many universities have bolstered journalism management course offerings.<sup>76</sup> There is, of course, no guarantee that the employment of a non-student as manager means the person is qualified, experienced or knowledgeable. However, we have attempted to measure level of experience in our survey.

The second hypothesis states that the most successful newspapers employ the best-trained advertising staffs. This appears obvious. Yet, many small, commercial papers fail to recognize the importance. Ad sales account for 75-80 percent of revenues at most paid-circulation newspapers. 77 Regardless, many offer little formal training and believe that explaining the rate card and sharing a few selling points are sufficient education with which to send out a new ad representative.<sup>78</sup> Proper training is crucial, according to Ron Current, whose career as an advertising manager has taken him to the *Detroit Free Press* and several suburban papers.<sup>79</sup> It also should be multi-faceted, ranging from formal (as with seminars) to informal (tip-sharing meetings with successful coworkers). 80 In Leaders, authors Warren Bennis and Burt Nanus noted, "Many organizations place a considerable emphasis on formal training... It has been estimated that U.S. employers now (1985) spend between \$30 and \$40 billion on education and training each year, almost half the amount spent by all colleges and universities on more traditional higher education."81 Obviously, industry leaders see bottom-line benefits. Each year, the Michigan Press Association hosts several seminars for advertising representatives. They are generally well attended.

Similarly, newspapers, like other businesses, must invest in equipment or become obsolete. Color technology, laser printers, personal computers, phone systems, FAX machines — in the past several years, all have dramatically changed how American newspapers do business.<sup>82</sup> Two prime reasons come to mind for investing in and updating equipment: competition and costs. In a competitive market, one cannot afford to let the opposition make marked advances and improve their products.<sup>83</sup> Investing in equipment takes foresight. In the case of *The Tennessean* in

Nashville, it meant recently putting out \$40 million for color presses.<sup>84</sup> Certainly, that money will not be recouped immediately. Such action requires vision. "Vision is the commodity of leaders," stated authors Bennis and Nanus. 85 Equipment purchases can often result in immediate savings. Computers and laser printers save time by consolidating jobs and lowering supply costs. If, for example, student journalists type stories directly into computers and editors send them to laser printers, the cost of production decreases because typesetters become expendable. Laser printers are cheaper to operate than typesetters (such as Compugraphic), which require more costly chemicals and photo paper. They also save considerable time with alterations on art, ads and copy. 86 Further, electronic photography promises to revolutionize — if not eliminate — the darkroom.<sup>87</sup> A survey in *NewsInc*. showed that most production directors rated it important to keep up on "cutting-edge developments." "You can't be complacent with what you have," said Raymond Stoiber, production manager of the Milwaukee Sentinel. 89 Likewise, successful college newspapers have been aggressive in investing in computers, darkroom equipment and improved phone systems.90

#### **METHODOLOGY**

Because this research focuses on business and advertising affairs, it was decided that a true sample of all college newspapers would not offer the desired information. If looking only to paint a picture of the industry, such a random sample would be appropriate. However, that was not the goal. More than two-thirds of college papers are published once weekly or less, according to researchers Spielberger and Kopenhaver. Their research offered evidence that less frequent newspapers generally are not as sophisticated in a business sense as larger papers. For this research, a true random sample of college newspapers would provide too few large newspapers, preventing the acquisition of sufficient data that is relevant to the topic. This research required a large response from larger college newspapers. As noted in *Research Methods in Mass Communication*, it is sometimes necessary to deviate from a true probability sample: "Its principal weakness is that it often will include too few members of groups of particular interest, simply because of their relative scarcity in the larger population." "93

Surveys were sent to 225 college newspapers in America. Potential participants were drawn from the 1989 newspaper directory published by *Editor & Publisher*. All dailies (76) and all two-, three- and four-time weekly newspapers (107) were asked to participate. In addition, 42 weeklies were randomly selected from the list, which included papers at two- and four-year colleges and universities. This allowed the survey to intentionally under-represent newspapers that are published weekly or less frequently. The rationale is based on earlier research showing that weekly papers in general produce smaller revenue than more frequently published college newspapers. <sup>94</sup> Thus, a logical assumption would be that the smaller papers would be less likely to be able to afford professional managers, advanced training for advertising representatives and large capital investments --- areas of focus in this

research. The survey was conducted in the fall of 1990, with 123 newspapers (or 55 percent) responding. The response rate compared favorably to those in the Spielberger and Kopenhaver surveys. Specifically, the rate of response to this survey was greater for daily newspapers than papers published less frequently. That aside, there were no noticeable patterns to the response rate.

The survey contained 28 questions, and was sent with a cover letter and self-addressed, stamped envelope for easy return. (A copy of the survey is included in the appendix.) Questions were primarily close ended. They aimed to describe the sample (size of college, circulation, frequency of publication, format of newspaper), to provide data for comparisons with commercial ventures, and to measure financial and business success. Further, the questionnaire focused on the training, experience and pay of personnel working on the business side of the papers. Our hypotheses included terminology that must be operationalized. For the purpose of this research, the following terms are defined:

- "Professionals" refer to non-student, non-faculty employees who either manage the newspaper or supervise the advertising staff. The survey does not differentiate between full- and part-time professionals.
- "Most extensive training" refers to the level and type of training received by members of the advertising staff. The most common form of training comes from supervisors and peers. Attendance at seminars and/or in-house workshops generally reflects a more extensive form of training, and will be considered so in operationalizing the terminology. Level of training will also be measured based on the number of training options to which workers are exposed. For example, an employee who receives training from a superviser and a peer, through an in-service and at a workshop will have likely received more training than an individual who is introduced to only one form of training. Further, experience in itself is a form of training. On the editorial side, beginning reporters know the importance of garnering clips before

seeking a job. Experience brings a level of knowledge.

• The "most successful" college newspapers will be designated as a result of size of annual revenue, percentage of revenue increase, and size of surplus fund (in comparison to annual revenue). This research concerns itself with business aspects of the college press. So, it is emphasized, success is defined here solely in financial terms. Profit was not measured for two reasons. First, many of the papers are non-profit enterprises, making comparisons troublesome. Second, to make such an inquiry useful would require a burdensome explanation of "profit" in the survey, which might have impacted the response rate.

#### **RESULTS**

A brief overview is necessary to lay the groundwork for what follows.

While each question will not be explored (the results in their entirety can be found in the appendix), general descriptive results will be considered here:

# **Descriptive results**

**Enrollment:** Most of the responding schools (75) fell into one of two enrollment divisions, 10,000-19,999 or 20,000-29,999. Twenty reported enrollment of 30,000 and over; 28 reported enrollment under 10,000.

Circulation: Though one could argue the need to differentiate between free and paid circulation, doing so could have skewed the results because the classifications are not as clear cut for colleges as for commercial enterprises. For example, in some cases, college circulation is part of student fees. But would that qualify as paid circulation or merely a circulation subsidy? This research did not segregate paid and free papers. Newspapers were fairly evenly divided among the three top divisions: 44 papers reported 5,000-9,999 circulation; 31 papers, 10,000-14,999; and 25 papers, 15,000 and over. About eight percent (10 papers) reported circulation under 5,000.

Frequency of publication: The response rate was about the same among all groups of papers, though slightly higher as frequency of publication increased. No six- or seven-day a week papers turned up in the survey. Forty-five of the responding papers publish five times a week, 17 at four days weekly, 12 at three days weekly, 30 at two days weekly and 19 weekly.

Annual revenue: Fitting with earlier research, 13 papers reported revenue over \$1 million a year and another 20 over \$500,000. Here is how the others ranked: 19, less than \$50,000; 17, \$50,000-99,999; 11, \$100,000-149,999; 10,

**TABLE 1: Annual revenue** 

Size of annual	Number of	Percentage of
gross revenue	papers	papers surveyed
Less than \$50,000	19	15%
\$50,000-99,999	17	14%
\$100,000-149,999	11	09%
\$150,000-199,999	10	08%
\$200,000-499,000	31	25%
\$500,000-999,999	20	16%
Over \$1 million	13	11%

Two papers did not answer the question, accounting for lack of 100%

\$150,000-199,999; 31, \$200,000-499,000. See Table 1.

Revenue trends: More than six in ten newspapers increased revenue over the previous year. Their rates of increase, however, varied considerably: 23 at less than 3%; 28 at 3-6%; 27 at 7-10%; 10 at 11-19%; and 7 at over 20%.

Breakdown of revenues: Respondents were asked to break down revenue by source. This allowed for the testing of a few assumptions, primarily related to classifieds and national advertising revenue.

National advertising: Thanks to ad agencies like Cass and to the demographic appeal of college students to specific industries (such as the beer industry), this source accounts for more income than at professional papers. Reliance on national advertising, however, could also be a sign that the paper simply does not focus on local advertising sales. At college newspapers, national advertisements arrive usually unsolicited by the papers. Consequently, local advertisements require more dedication to salesmanship. Though the comparison is not ideal, few private-industry newspapers attribute more than five percent of revenues to national advertising. 95

Local newspapers depend on local advertising for survival. 96 Among college papers, six in ten papers reported that national advertising accounted for over seven percent of income.

Local advertising: Eighty percent (99) of the newspapers reported that local ads made up over 30% of revenues, the highest category available to respondents. This large response may be a sign that respondents needed higher categories from which to choose, such as 30-49%, 50-74%, 75% and over.

Classified advertising: At successful commercial newspapers, this source is significant, often in the 30-50% range. At college papers, it accounts for less than 14% at over three-fourths of the newspapers. Perhaps this is a sign that classified revenue has not been properly mined by college publications. Some classified headings, such as rentals and employment opportunities, would seem to have potential.

Circulation: This appears not to be a major factor. Sixty-eight percent (79 papers) reported that it comprised less than 1% percent of revenues. Sixteen percent (20) counted on it for 1-7%, while 14 percent (17) did not respond to the question. The high non-response to this question may validate the concern expressed earlier about the gray area in distinguishing between paid and free college papers.

Student activity fees: This was either feast or famine for most papers. A third (43) got less than 1%, while over a fourth (34) reported that more than 15% of revenues came from this source.

College supplement: More than half the papers (66) traced little or no revenue (0-1%) to a supplement. Twenty-nine percent (36) did not respond to the question.

Donations: Only one newspaper reported that donations amounted to over 1% of revenues. This option was included only on the chance that a few papers might have received an endowment for operating an independent publication.

Other sources: Typesetting, camera work, campus advertising

and interest on savings were noted by a handful of respondents as sources of income. In a few cases, this amounted to a substantial source, 30% or more of revenue.

Surplus funds: About half of the papers (63) reported surpluses: 11 at less than \$10,000, 22 at \$10,000-49,000, 19 at \$50,000-249,000, 6 at \$250,000-499,000 and 4 at \$500,000 and over. This question was included as another tool for measuring financial success.

Renting office space: About one in four publications (28) pay marketvalue rent or own office space.

**Production equipment:** Ninety-six percent of the newspapers (118) surveyed own or lease equipment like type-setting machines and laser printers. More than three-fourths (97) of the papers have purchased or leased equipment in the last two years. Of them, 66 have invested over \$10,000.

**Printing presses:** Less than ten percent (8) of the newspapers own their own presses. Two of them receive outside revenue from printing other publications and advertising flyers.

The structure of the newspaper: In one capacity or another, 46% of the newspapers (56) reported that non-student, non-faculty professionals managed the newspaper. About the same number of papers (57) were managed by paid students. To help paint a portrait of the structure of the papers, respondents were asked to check one or more of a series of sentences that appropriately described their papers' structure. There was overlap in answers, as expected. The respondents' interpretation of the word "manage" may have influenced answers. For example, one respondent noted that a student "manages" the newspaper's editorial product, while a non-faculty professional "manages" the business enterprise. It should be noted that in a follow-up question, 60 papers --- not 56 --- noted the length of service for their non-student, non-faculty managers. Among the other results of this query: Thirty newspapers are incorporated, 29 are managed by faculty members, 18 by a governing body and 15 by

unpaid students. Additionally, at 33% percent (40) of the papers, students earn college credit for working at the publication.

Tenure of non-faculty professionals: Twenty-seven papers said the same non-student, non-faculty professional had been in charge for over three years. At 23 papers, the person had served over one but less than three years and at 10 papers, one year or less.

Advertising supervisors: Student employees (53) were more likely to supervise the advertising department, though 37% percent (46) reported a non-student, non-faculty professional in the position. Student volunteers (12) and faculty members (11) supervise the department at some newspapers. Regarding length of service of advertising supervisors, the responses were fairly well spread out between those with less than a semester/quarter in the position (27), those with up to one year (34), those with one to three years (32) and those with over three years (30).

Experience and pay: Of the advertising supervisors, over one-third (44) earn less than \$10,000 a year. Seventeen earn \$10,000-19,999; 28, \$20,000-29,999; 13, \$30,000-39,999; 4, \$40,000-49,999; and 1, over \$50,000. Sixteen did not respond. Further, over one third (44) reported having related experience with a commercial newspaper.

Advertising sales: Student employees (108) are most common as advertising sales persons, though 19 papers employ non-student, non-faculty professionals to sell advertising. Most newspapers (106) pay sales representatives a form of commission. In addition to or in place of commission, 31 newspapers pay salary and 19 hourly wages. Eleven offer college credit. On average, there is greater turnover among advertising sales persons than among their supervisors. Few representatives (5) stay for three or more years. Half (62) serve for over one and less than three years. Fifty-four work for less than a year.

Training and sales: As for training of advertising sales persons, the

duties often fall to supervisors (108) and/or fellow staff members (91). Over a third of the newspapers (46) hold in-service workshops and a fourth (31) send sales persons to professional seminars. Six papers offer no formal training. The great majority of newspapers attribute sales (103) to contacts made by sales persons. Forty-six credit sales to businesses calling the newspaper and 12 to advertising agencies. (Respondents could check more than one answer.)

## **Results related to the hypotheses**

Because this survey was not a true random sample of all college newspapers, it would be precarious to draw any conclusions about trends by comparing these results to those in the surveys of Kopenhaver and Spielberger. Their work relied heavily on smaller, weekly newspapers. For example, their 1984 survey revealed that most papers had annual revenues less than \$25,000. This survey reported 15% with less than \$50,000 — a significantly different sample even when factoring in inflation. Further, Atkins' 1982 survey focused only on daily newspapers.

The three hypotheses that are the focus of this research center on attributes of the "most successful" college newspapers. Thus, it is necessary to determine which of the responding newspapers qualify as most successful financially. There is no perfect model for determining this. It is questionable, for example, whether most of the papers have undergone an official audit or use standard accounting procedures, which would facilitate a purer comparison. As noted earlier, this survey measured annual revenue, increases in revenue and size of surpluses. This information was approached in a variety of ways. In the end, 31 newspapers were chosen from the 123 as being the most successful. The group includes those papers that grossed over \$1 million a year, those that recorded a 20% increase in revenues over the previous year and those that reported surplus funds equal to at least half of one year's revenue. Achieving any one of those three criteria qualified a newspaper as

**TABLE 2: Supervision of advertising department** 

•	•	Number with pros in charge	Percentage with pros in charge
31 "successful newspapers"		19	61%
All 123 newspapers surveyed		46	37%

most successful. Also, the list includes newspapers that accomplished all three of these criteria: grossing over \$500,000, recording growth of at least 7% and reporting a surplus of at least \$50,000. As a result, size was not the sole determinant in success. Using this group of "most successful" newspapers --- along with other measurements --- it is possible to test the hypotheses.

## **Results related to first hypothesis**

The first hypothesis states that the most successful college newspapers are more likely to have non-student, non-faculty professionals in key roles, either managing the newspaper or supervising the advertising staff. The survey results offer evidence to support the hypothesis. Of the 31 most successful newspapers, 19 had advertising departments that were supervised by non-student, non-faculty professionals. Twelve of the most successful newspapers had advertising departments supervised by students, faculty or volunteers. This is another way of looking at it:

Among the 31 most successful newspapers, 61% had non-student, non-faculty professionals leading the department, 39% did not. Among all respondents, the breakdown was nearly the opposite. Of 123 newspapers surveyed, 37% (46 papers) were led by professional advertising supervisors, compared to 63% (77) that featured students, faculty or volunteers in that role. (See Table 2.) There is an association between the most successful newspapers and the employment of professional advertising supervisors. To measure the significance of the correlation, the Chi-Square Test was used. It is used to test statistical significance, according to *Research Methods* 

TABLE 3: Revenue of 43 paper	rs published five times weekly
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	Number of papers grossing over \$500,000	Percentage over \$500,000
22 papers with ad departments supervised by non-faculty professionals	18	82%
21 papers with ad departments supervised by others, usually students	12	57%

in Mass Communication.<sup>97</sup> "It is, in fact, one of the most widely used tests in social sciences," stated author Derek Rowntree in Statistics Without Tears.<sup>98</sup> The test indicated that the relationship between professional advertising supervisors and the most successful newspapers is significant at the 1% level, lending support to the hypothesis. In other words, the relationship is 99% percent certain not to be a fluke.

Further, this research considered the 13 newspapers grossing more than \$1 million annually. Of them, ten were managed by non-student, non-faculty professionals. In the survey population at large, less than half of the papers have non-student, non-faculty managers. Thus, the result appeared to indicate a relationship. Indeed, the Chi-Square Test showed it to be significant at the 1% level. Related to the 13 top-grossing newspapers, another relationship also was found to be statistically significant: Most of 13 advertising supervisors had experience at non-student publications; not true among the smaller-grossing papers. As another way of testing this hypothesis --- and also to show that this relationship is not an attribute solely of size --- this research looked at the 43 college newspapers that publish five times weekly and that responded to questions about annual revenue. (See Table 3.) Of those 43 newspapers, 22 had advertising departments that were supervised by non-student, non-faculty professionals. The other 21 were supervised by students, faculty or volunteers. Next, the level of revenue was considered. Among the 22 five-day dailies with professional supervisors, 18 reported revenue over \$500,000. In contrast, among

\$500,000. Thus, the advertising departments with professional supervision outgrossed the other similarly sized newspapers. This relationship was measured with the Chi-Square Test to be significant at the 5% level. Thus, in 95 out of 100 cases, such a relationship likely exists. To summarize, the survey showed support in several ways for the hypothesis that the most successful college newspapers have non-student, non-faculty professionals in key roles, either managing the newspaper or supervising the advertising staff. No evidence from the survey conflicted with this hypothesis.

### **Results of second hypothesis**

The second hypothesis states that the most successful newspapers offer the most extensive training to members of the advertising staff. As stated earlier, the survey showed that advertising representatives were most commonly trained by their supervisors (108 papers) and fellow staff members (91). Less frequently, advertising representatives attended in-service workshops (46 papers) and professional seminars (31). The survey findings offered mixed results related to this hypothesis.

This research explored the training issue from several angles, again focusing on the 31 newspapers designated as "most successful." However, there was no significant statistical relationship between the most successful papers and the types of training or the volume of training their advertising representatives received. Whether the representatives were trained by a supervisor, by fellow staff members, through in-service workshops or professional seminars, there was no pattern differentiating the types of training offered by the 31 most successful newspapers from that offered by the 92 other newspapers. Further, newspapers that offered the most types of training --- for example, all four types of training that were listed --- were no more likely to be among the 31 most successful newspapers. Concerning this group of newspapers, there was one area where a correlation was noted. Earlier, this

thesis offered the notion that experience is in itself a form of training. A person who has, for example, held a job for one year would be expected to have a greater understanding of the position than a person just hired. Sixty-seven newspapers reported that advertising representatives on average work at the their papers for over one year. At fifty-four newspapers, representatives stay less than a year. Seventy percent (22) of the 31 most successful newspapers reported that ad representatives stay at their papers for over one year. Among the survey population at large, the figure dropped to 55%. A Chi-Square Test showed the relationship to be significant at the 5% level. Thus, the most successful newspapers have a more experienced sales staff. One might question the reason behind this relationship, however. Are the newspapers more successful because their representatives are more experienced or do the representatives stay longer because the newspapers are more successful (and, thus, probably pay better)? This research does not answer those questions.

Interestingly, the 13 newspapers that gross \$1 million and beyond were more likely to invest in training than other surveyed newspapers. Of the 13 top-grossing newspapers, nine sent advertising representatives to professional seminars. They were nearly three times more likely to do so than other newspapers, a relationship significant at 1%. A variety of other relationships were also found to be statistically significant among the 13 top-grossing newspapers, at least at the 5% level:

- These papers were twice as likely to employ non-student, non-faculty persons to sell advertising space.
- All 13 papers paid commission to sales persons. In addition, they were more likely to also pay a base salary.
- All 13 top-grossing newspapers reported getting most advertising through advertising contacts made by local sales persons.

In review, the evidence showed some support for the hypothesis that the 31 most

TABLE 4: Level of investing in production equipment

	Papers investing over \$10,000	Percentage of papers at level
31 "successful newspapers"	22	70%
All 123 newspapers surveyed	66	54%

successful newspapers employ the best-trained advertising representatives, when "best-trained" is defined by level of experience of employees. The hypothesis also appeared to hold weight, where the 13 top-grossing newspapers are concerned.

### **Results raited to third hypothesis**

The third hypothesis states that newspapers that invest more in production equipment are the most successful newspapers. The survey results support this hypothesis.

\$10,000 in production or printing equipment during the past two years. But among the 31 newspapers designated earlier as "most successful," the percentage of those investing was greater. Seventy percent (22) of these papers had invested over \$10,000. That relationship was measured as significant at the 1% level. (See Table 4.)

Apparently, the investments were made in production and photographic equipment, rather than printing presses. Only eight of 123 newspapers surveyed own their own presses. Further, owning a press offers no assurance of financial success. The survey revealed that only one of the 31 most successful newspapers owns a press. Likewise, none of the 13 top-grossing publications prints its own newspaper. The impact of equipment purchases on the bottom line does not reveal itself in size of revenue or rate of revenue increase. The benefit comes in increased efficiency and lower production costs. Because this survey did not measure costs or profit, it is difficult to

determine for certain whether the investments in equipment helped the most successful newspapers flourish or whether their success created the funds that permitted the equipment investments. Also, this research found no significant correlation between the level of investment in equipment and the size of a surplus. Interestingly, newspapers that were managed by non-student, non-faculty professionals were more likely to have invested over \$10,000 in production equipment. This relationship was significant at the 1% level. Concluding this look at the hypothesis, as noted first, one crucial area showed a significant relationship between an investment in equipment and the success of a college newspaper. In that respect, the hypothesis found support.

#### **DISCUSSION**

The survey results offer support for all three hypotheses. By far, the first hypothesis, relating to professional managers, showed the strongest support. The results were studied in a variety of ways, and each exploration lent credibility to the first hypothesis. Non-academic literature, such as stories in *Presstime* and *Advertising* Age, and interviews conducted for this thesis pointed to a trend in the hiring of nonfaculty, non-student professionals for key roles at college newspapers. Paul Atkin's 1982 research related to college daily newspapers showed that nearly all employed non-students in at least one capacity, usually production. Also, his research indicated that most dailies employed non-students in newspaper management positions, such as, for example, general and business managers. More recently, this thesis and survey showed that newspapers at all levels, including some weeklies, have turned to professionals for help, especially with advertising. This research showed that nonstudent, non-faculty professionals managed the papers or their advertising departments at the 13 top-grossing newspapers and at the 31 "most successful" college newspapers, a designation that considered revenue, revenue increase and ratio of surplus funds to revenue. Further, a close look at the 43 papers that publish five days weekly supported the hypothesis and showed that the correlation between professional management and success could not merely be written off as the product of the papers' size. The finding is clear: When the business side is run by a nonstudent, non-faculty professional, the prospects for financial success are better.

The research of Kopenhaver and Spielberger revealed that most college newspapers are small enterprises, with annual revenue in the tens of thousands. This leads to a crucial question: While recognizing the benefits, how does a small

newspaper grossing \$50,000 --- or even \$25,000 --- justify hiring a professional manager? Is this option too expensive? It does present a dilemma: The professional manager is needed, but the newspaper lacks the money to hire one. The survey for this thesis showed that eight newspapers, with annual revenue from anywhere between \$50,000 and \$500,000, employ non-student, non-faculty advertising supervisors for between \$10,000 and \$20,000 a year. Still, that step may appear steep for some newspapers. Other options are available. As researcher Dave Nelson noted, long-term planning is crucial. A newspaper must plan its evolution. Ideally, the newspaper would make a commitment to hiring a non-student, non-faculty person to oversee the business enterprise. Regardless, it must at some point take a first step, even if it be as small as hiring a part-time advertising supervisor paid solely on commission, with no financial risk to the newspaper. Continuity is a key issue here. The survey pointed out that non-student, non-faculty advertising supervisors were twice as likely as other advertising supervisors to stay in the position for over three years.

The second hypothesis, focusing on training of advertising representatives, found support, though it was not universal. It showed that the biggest-grossing newspapers offered more sophisticated forms of training, such as in-service workshops and professional seminars. Perhaps more importantly, it confirmed the importance of continuity in such positions. The most successful newspapers had the advertising representatives who had stayed on the job longest. Further, at the 13 biggest newspapers, the persons supervising the ad department were more likely to have professional experience. Since in 88% of the cases the advertising supervisor conducted training, this experience likely trickled down to the advertising representatives. The value of training is unquestionable. The fact that it represents a large industry says something about its benefits. In addition, many corporations pay for their employees' education, another confirmation that training makes sense. Why did it not show up as a stronger factor at the most successful newspapers? Perhaps it

was a product of the structure of the question. It might have been more informative to ask how much newspapers spent on training or how much time they devoted to it. What a survey cannot measure is the quality of the training. The quality is arguably more important than the quantity. This survey measured quantity based on the feeling that a newspaper willing to approach training from a variety of angles was likely to be concerned with the matter and, therefore, likely to devote more time and energy to it. As the survey indicated, it also matters who is doing the training. A talented supervisor can go a long way toward properly training an advertising staff. Importantly, the training need not be expensive. It does, however, require a commitment of time.

The third hypothesis, focusing on investment in equipment, also was supported by the survey. Newspapers that invested more in production equipment had greater representation among the most successful newspapers than those that invested less. The benefits are obvious, and they help the bottom line by reducing costs. A 1979 survey by Frank Ragulsky of Oklahoma State University confirmed the advantages of purchasing type-setting equipment. His research found that college newspapers that owned their own typesetting equipment had lower production costs. When that survey was conducted, laser printers and desktop publishers were not available. As noted earlier, technological advances, especially the arrival of the personal computer, have revoluntionized the production end of the newspaper industry in recent years. The differences Ragulsky found in terms of costs between papers with and without their own typesetting equipment would probably exist now between papers with laser printers and papers with photographic type-setting (as was prevalent in 1979).

College newspapers offer potential that is worth exploring. They can be enormous and profitable enterprises. The newspapers at the University of Maryland and the University of Texas at Austin are evidence of that. Each paper has a surplus

that exceeds \$750,000. Other examples abound. The papers at Pennsylvania State University and the University of Arizona each invested over \$200,000 in new equipment aimed at making them more efficient. The paper at Purdue University built and furnished its own headquarters. It is not only large papers that are succeeding. Several papers with annual revenue under \$150,000 have ad staffs supervised by professional managers, who have experience at commercial newspapers. Southern Illinois University is one. The paper is printed two times weekly and has circulation under 10,000. Director Terri Abernathy reported revenue increases, a surplus of over \$10,000 and large investments in production equipment. Both the paper's manager and ad supervisor are non-student, non-faculty professionals with commercial experience. Another case in point: At Eastern Michigan University, the weekly paper generates over \$200,000 annually and reports a surplus, equipment investments and annual growth exceeding 11%. These examples may prove inspiring to college newspaper managers, many of whom attached notes to their surveys expressing interest in seeing the results of this survey. One manager said she had little contact with other college newspapers and felt as if she was operating in a vacuum.

This thesis offers opportunities for other research. Here are a few possibilities:

- Smaller newspapers would benefit from a look at the evolution of a college newspaper. In other words, what steps have specific newspapers taken to grow themselves from an entirely student run operation into one with professional involvement? How have they structured themselves to ensure that the editorial efforts remain separate from the business manager's duties. This would also answer more definitively the chicken-egg question, whether the pro manager precedes the financial success or vice-versa.
- A cost survey of similarly sized newspapers would provide insights for

newspaper managers. An organization of about two dozen college papers already shares information of this type with its members. But it's not available for smaller newspapers. A cost survey could also provide further evidence of the cost benefits of investing in current technology and equipment.

Though this survey demonstrated the involvement of non-student, non-faculty professionals in college papers and though it offered anecdotal evidence of a trend toward professionalism, this area is still ripe for greater research. It would be beneficial to know specifically what other jobs non-students hold and how the presence of professionals has changed over time.

With non-student professionals involved in the operation, perhaps more college newspapers will focus on other ways to improve profitably. The possibilities are numerous and some have already been adopted by college papers. All publications, for example, should have a marketing packet that offers their strong selling points as well as rates and other advertising information. Personal ads have proven to be a profitable enterprise for many commercial papers, especially alternative papers that cater to a younger crowd. Special sections for big events offer possibilities, as does tele-marketing for classified advertising.

The three hypotheses that inspired this research are bonded in important ways: They require vision by the newspaper's leaders, a commitment to make that vision a reality and a willingness to spend now for benefits later. By purchasing and leasing equipment and training sales reprepentatives, successful college papers are adopting proven business methods. They are investing in their future by choosing long-term benefits over short-term profits. The purchase of computers and a laser printer would require thousands of dollars. But by investing that money now, they will be earning it back in savings over many months. The idea, as stated early in this

thesis, is to help college newspapers become more financially independent. For some newspapers, greater revenue will help pay the way to true editorial freedom, erasing the threat of would-be administrative censors who can tamper with funding levels. For other papers, more money will bring improvements, allowing for a better paper and a more valuable learning experience for the aspiring journalists who work on the editorial side. That, really, is the crux of the issue.

# **END NOTES**

### **END NOTES**

<sup>1</sup>Interview with Nancy Green, *Paladium Item*, Richmond, Indiana, 13 July 1989.

<sup>2</sup>Ibid.

<sup>3</sup>Lillian Lodge Kopenhaver and Ronald E. Spielberger, "Student Media Profile," *College Media Review*, Spring-Summer 1987, p. 13.

<sup>4</sup>Interview with Jo Cates, Poynter Institute for Media Studies, St. Petersburg, Florida. 29 Sept. 1989.

<sup>5</sup>Louis Ingelhart, Freedom for the College Student Press, (Westport: Greenwood Press, 1979), p. 194.

<sup>6</sup>Joseph R. Levy, "Advertising Basics for College Newspapers," Community College Journalist, Winter 1989, p. 9.

<sup>7</sup>Margaret Genovese, "Campus Press," *Presstime*, December 1984, p. 6.

<sup>8</sup>Ibid.

<sup>9</sup>Lillian Lodge Kopenhaver and Ronald E. Spielberger, "Student Media," *College Media Review*, Fall 1984, p. 5.

<sup>10</sup>Ibid., p.8.

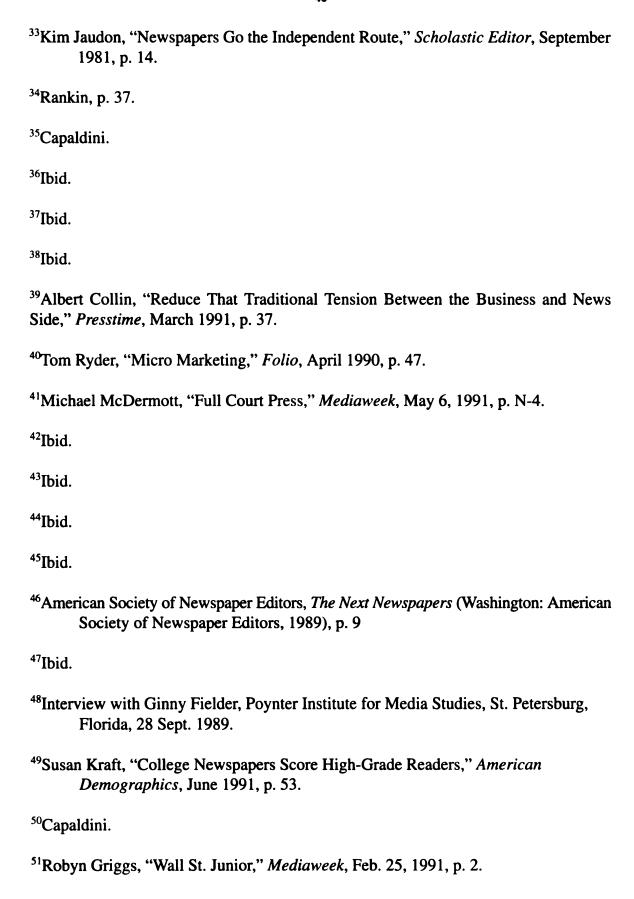
<sup>11</sup>Kopenhaver, "Student Media Profile," p. 17.

<sup>12</sup>Lillian Lodge Kopenhaver and Ron Spielberger, "Are Independent College Papers Really Independent?" *College Media Review*, Spring 1989, p. 6.

<sup>13</sup>Ibid., p. 7.

<sup>14</sup>Ibid., p. 6.

- <sup>15</sup>Kopenhaver, "Student Media Profile," p. 17.
- <sup>16</sup>Genovese, p. 6.
- <sup>17</sup>Ibid.
- <sup>18</sup>Ibid., p. 7.
- <sup>19</sup>Ibid.
- <sup>20</sup>Maureen McFadden, "Campus Newspapers Echo Reality," *Advertising Age*, Feb. 2, 1987, p. S-2.
- <sup>21</sup>D. Earl Newsom, *The Newspaper*, (Englewood Cliffs: Prentice-Hall, 1981), p. 122.
- <sup>22</sup>McFadden, p. S-2.
- <sup>23</sup>Interview with Mark Capaldini, Poynter Institute for Media Studies, St. Petersburg, Florida, 18 Sept. 1989.
- <sup>24</sup>Interview with Paul Pohlman, Poynter Institute for Media Studies, St. Petersburg, Florida, 13 May 1991.
- <sup>25</sup>Levy, p. 9.
- <sup>26</sup>Ibid.
- <sup>27</sup>Ingelhart, pp. 189-194.
- <sup>28</sup>Kopenhaver, "Are Independent College Papers Really Independent?" p. 6.
- <sup>29</sup>David Nelson, "Give Me Liberty and Give Me Debts," *College Media Review*, Spring 1989, p. 8.
- 30Ibid.
- <sup>31</sup>Interview with Conrad Fink, Poynter Institute for Media Studies, St. Petersburg, Florida, 22 Sept. 1989.
- <sup>32</sup>W. Parkman Rankin, *The Practice of Newspaper Management* (New York: Praeger Publishers, 1986), p. 33.



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<sup>52</sup>Griggs, p. 1.
<sup>53</sup>Ibid., p. 2.
<sup>54</sup>Joshua Hammer, et al., "Pages and Pages of Pain," Newsweek, May 27, 1991, p. 41.
<sup>55</sup>Levy, p. 9.
<sup>56</sup>"Marketing on the Campus," US News & World Report, May 5, 1986, p. 44
57Ibid
<sup>58</sup>Kraft, p. 53.
<sup>59</sup>Joe Schwartz and Thomas Exter, "The News From Here," American
         Demographics, June 1991, p. 50.
<sup>60</sup>Genovese, p. 6.
<sup>61</sup>Nelson, p. 9.
<sup>62</sup>Ibid.
63Tbid.
<sup>64</sup>Ibid., p. 10.
65Ibid., p. 9.
<sup>66</sup>Kopenhaver, "Are Independent College Papers Really Independent?" p. 5.
<sup>67</sup>Kopenhaver, "Student Media," p. 5.
<sup>68</sup>Capaldini.
<sup>69</sup>Newspaper Advertising Bureau, Readers How to Gain and Retain Them (New York:
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<sup>70</sup>Richard Briggs, "Figuring Your Paper's Worth," Free Paper Publisher, May 1991,
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<sup>71</sup>"Division Evaluations," *AEJMC News*, May 1989, p. 8.

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<sup>72</sup>McFadden, p. S-2.
<sup>73</sup>Interview with Al Swartzell, Michigan State University, East Lansing, 17 Aug. 1988.
<sup>74</sup>Levy, p. 9
<sup>75</sup>Rankin, p. 153.
<sup>76</sup>Pohlman.
<sup>77</sup>Fink.
<sup>78</sup>Interview with Ron Current, The Chesterfield Review, Michigan, 25 June 1991.
<sup>79</sup>Ibid.
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81 Warren Bennis and Burt Nanus, Leaders (New York: Harper & Row, 1985), p. 146.
82Capaldini.
83Schwartz, p. 50.
<sup>84</sup>Hammer, p. 41.
<sup>85</sup>Bennis, p. 157.
86"Fighting Deadlines and Old Equipment," NewsInc., May 1991, p. 15.
<sup>87</sup>Ibid.
88 Ibid.
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<sup>93</sup>Guido H. Stempel, III and Bruce H. Westley, eds., Research Methods in Mass Communication (Englewood Cliffs: Prentice-Hall, 1981), p. 159.

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<sup>97</sup>Stempel, p. 65.

<sup>98</sup>Derek Rowntree, Statistics Without Tears (New York: Charles Scribner's Sons, 1981), p. 150.

<sup>99</sup>Frank Ragulsky, "A Comparison of Product Costs of College Newspapers" (Ph.D. dissertation, Oklahoma State University, 1979).

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## **APPENDIX**

Survey/College Newspapers	
Ry Tom Stanton	

By Tom Stanton
Graduate Student at Michigan State University
c/o The Voice Newspapers
PO Box 760, New Baltimore, MI 48047

1. Your Name	
2. Title 3. School	
4. How many students are enrolled at the college?	
12 Less than 5,000 16 5,000-9,999 48 10,000-19,999 27 20,000-29,999	
14 30,000-39,999 640,000 and over	
5. What is the circulation (paid and free combined) of the newspaper?	
10 Less than 5,000 445,000-9,999 38 10,000-14,999 31 15,000 and over	
6. How many days weekly is the newspaper published?	
<u>0 Seven 0 Six 45 Five 17 Four 12 Three 30 Two 19 One</u>	
7. What is the format of the newspaper?	
73 Tabloid 47 Broadsheet 2 Other ()	
8. What were the newspaper's annual gross revenues for the most recent fiscal or calendar year?	
19 Less than \$50,000 17.\$50,000-99,999 11.\$100,000-149,999	
<sup>10</sup> \$150,000-199,999 <sup>31</sup> _\$200,000-499,000 <sup>20</sup> \$500,000-999,999	
13 Over \$1 million	
9. How have gross revenues changed over the previous year?	
Revenues increased by 23 Less than 3% 28 3-6% 27 7-10% 10 11-19% 7 Over	20%
OR	
Revenues decreased by $\frac{4}{1}$ Less than 3% $\frac{9}{2}$ 3-6% $\frac{5}{7}$ -10% $\frac{3}{11}$ -19% $\frac{0}{10}$ Over	20%

10. What percentage of gross revenues does each of the following contribute to the newspaper?

National Advertising	4_Less than 1%	3 <u>7</u> 1-7%	3 <u>6</u> 8-14%	1 <u>8</u> 15-29%	2030% and up
Local Advertising	Less than 1%	<sup>3</sup> _1-7%	<sup>1</sup> _8-14%	1 0 15-29%	99 30% and up
Classified Advertising	18 Less than 1%	4 <u>7</u> 1-7%	<sup>29</sup> 8-14%	<sup>1</sup> 5 15-29%	3_30% and up
Circulation	79 Less than 1%	<sup>20</sup> 1-7%	<sup>4</sup> _8-14%	<sup>2</sup> 15-29%	1_30% and up
Student Activity Fees	43 _Less than 1%	12 1-7%	<sup>17</sup> _8-14%	16 15-29%	18 30% and up
College Supplement (Flat fee from admir	66 Less than 1% nistration)	91-7 <b>%</b>	<sup>2</sup> 8-14%	415-29%	630% and up
Donations	83 Less than 1%	11-7%	0_8-14%	015-29%	0_30% and up
Other ()	20 Less than 1%	<sup>1</sup> 2 <sub>1-7%</sub>	<sup>2</sup> 8-14%	315-29%	5_30% and up

11. Does the newspaper have surplus funds --- money or investments not earmarked?

6<u>3 Yes</u>

5<u>8</u> No

12. IF YES, how much?

11 Less than \$10,000

22 \$10,000-49,000

19 \$50,000-249,000

<sup>6</sup>\_\$250,000-499,999

<sup>2</sup>\_\$500,000-749,000

 $\frac{2}{5}$  \$750,000 and over

13. Does the newspaper pay market-value rent or own its office space?

95\_No

14. Does the newspaper own or lease production equipment (such as type-setting machines and laser printers, but excluding word processors) that allows it to produce camera-ready page layouts?

<sup>5</sup>\_\_No

15. Is the newspaper printed on its own press?

115No

16.	in the past two years,	has the newspaper po	urchased or leased pro	eduction or printing equipment?
	97 _Yes	25 No		
17.	F YES, how much ha	s it cost?		
	2_Under \$3,000	11 <b>\$</b> 3,000-5,999	<sup>17</sup> \$6,000-\$9,999	66 Over \$10,000
18. (	Check all of the states	nents that describe th	e structure of the nev	rspaper.
	40 Students receive	college credit for work	cing on the newspaper.	
	_A faculty member	er manages the newspa	per.	
	56A non-student, n	on-faculty professional	l manages the newspap	er.
	57A paid student m	anages the newspaper.		
	15 _An unpaid studer	nt manages the newspa	per.	
	18A governing bod	y manages — not just	sets policy for the n	ewspaper.
	30 The newspaper is	s incorporated.		
	IF A NON-STUDENT on been in the position	-	ROFESSIONAL ma	nages the newspaper, how long has that
	$\frac{3}{2}$ Less than a semi	ester/quarter7 C	One semester/quarter to	one year
	<u>23</u> Over one	e but less than three ye	ars 27 Over three	æ years
20.	Who supervises the a	dvertising departmen	at?	
	12A student volunt	eer <u>53</u> A studen	t employee $\frac{11}{A}$	faculty member
	46A non-str	udent, non-faculty prof	fessional 1_Other (	
21.	How long has that pe	rson supervised the a	dvertising departmen	t?
	<sup>2</sup> 7 Less than a seme	ester/quarter 34_0	one semester/quarter to	one year
	32_Over one	but less than three yes	ars 30 Over three	e years

22. IF THAT PERSON IS PAID, what is the range of pay (including salary and commission), calculated annually?
44_Less than \$10,000 1_7_\$10,000-19,999 28_\$20,000-29,999  13_\$30,000-39,999 4_\$40,000-49,999
<sup>1</sup> 3 \$30,000-39,999
23. Has the advertising supervisor had related experience with any other commercial newspaper?
42Yes 7 <u>8</u> No
24. Who sells advertising for the newspaper (check all that apply)?
18 Student Volunteer 108 Student Employee <u>0</u> Faculty
19 Non-student, non-faculty professional 4 Other ()
25. How are ad sales persons compensated (check all that apply)?
1 With college credit 19 Hourly pay 31 Salary 106 Commission
26. On the average, ad sales persons work for the newspaper
2_Less than a semester/quarter 52 One semester/quarter but less than one year
$\frac{62}{2}$ Over one but less than three years $\frac{5}{2}$ Three years or more
27. How are ads sales persons trained (check all that apply)?
9 <u>1</u> By other staff members
108 By the advertising supervisor
31 By attendance at professional seminars
46 Through in-service workshops
No formal training offered
9_Other ()
28. Most display advertising that appears in the newspaper comes as a result of which of the following:
12 Ad agency sales 103 Contacts made by ad sales persons at the newspaper
46 Rusinesses calling the newspaper

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