

Commodification of News

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The commodification of news refers to
the process through which news is
translated into a commodity

(commodity: a good or service designed to earn its producer a
profit when it is sold in a market)

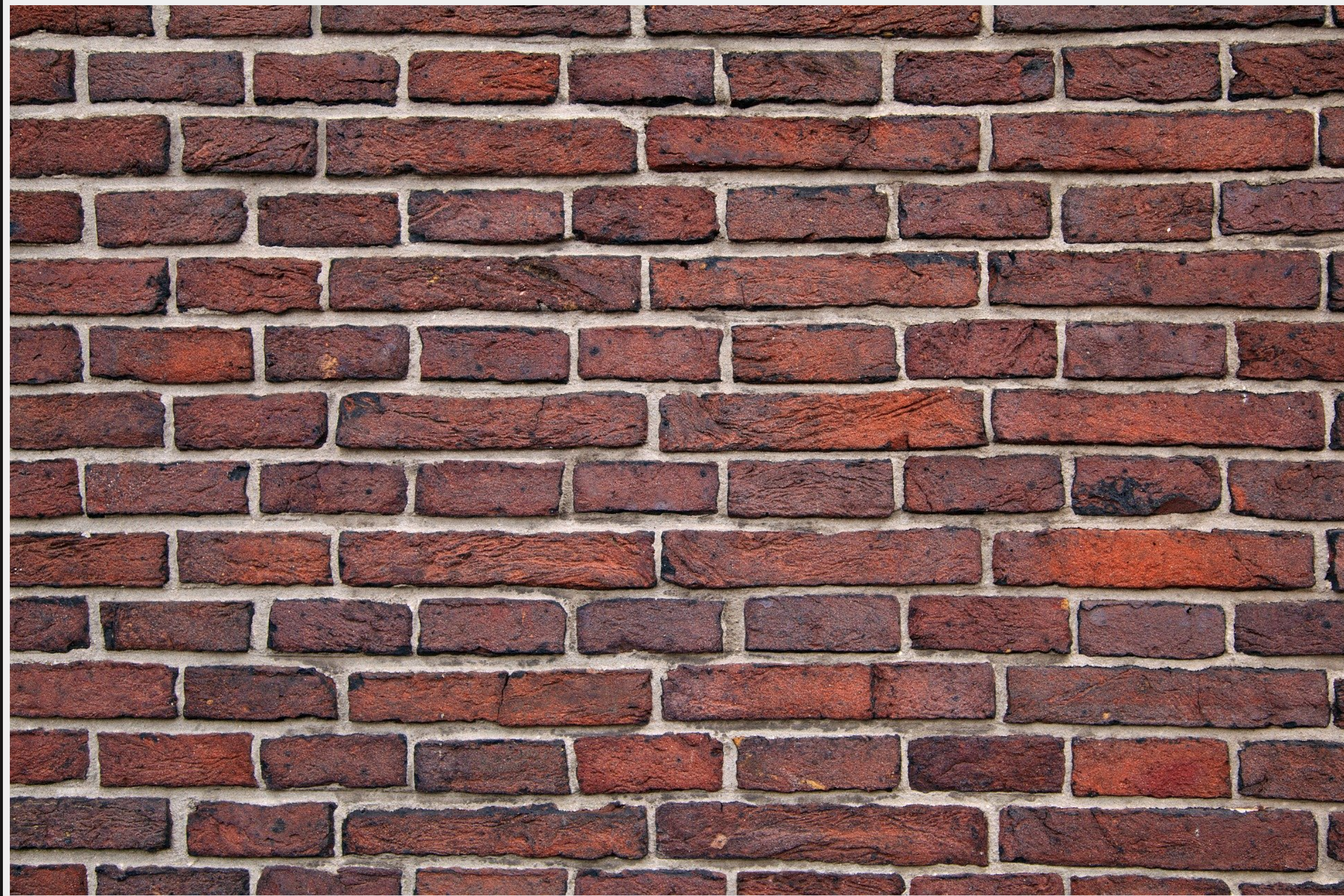
News as a Commodity

- News is a commodity in much of the world, but it is different from most commodities
 - News can be transported over vast distances almost instantaneously
 - It has limited exclusivity, a short lifespan, and can be quickly copied or repackaged
 - One person's consumption of news does not diminish its supply for the next person
- Commodities are responsible only to the marketplace, not to the social good

Audiences and Advertising

- Commercial journalistic organizations operate in a **dual-product market**
 - They produce and market **journalistic content** so they can produce **audience attention** that they market to advertisers
- The majority of revenue for most commercial outlets comes from advertising (not subscriptions)
- These two markets are interdependent
 - Advertisers are needed to subsidize journalism, and the amount of advertising revenue is often tied to the size of the audience

The Newsroom 'Wall'



Source

More of a Curtain?

- The 'wall' has long had its leaks
 - Size of the news hole depended on advertisements sold
 - Emphasis on more positive stories to have more appealing spots for advertisers
- Economic challenges have further **blurred the line** between the business and editorial sides of the 'wall'
 - Outlets now have teams of 'content creators' that work alongside brands to create native advertisements and sponsored content

Commodities and Public Service



Source

Market Failure

- Quality journalism provides multiple societal benefits that the market fail to adequately compensate
 - Society benefits when citizens are well-informed
 - Journalism serves as a deterrent to corruption
 - Yet, relatively few people pay for journalism
- Scholars have found that **the more responsive a newsroom is to market forces, the less it tends to engage in public-service journalism**

Market failure refers to the inefficient production and distribution of goods and services within a free market

resulting from the fact that
the individual incentives for rational behavior
do not lead to the best outcomes for a group (or society)

New Sources of Revenue

- Commercial newsrooms have had to significantly rethink how to serve their civic objectives while remaining economically viable
 - Resulted in searching for ways to diversify their revenue sources
- Economic pressures have worked against the production of expensive public-service journalism
 - Leading to calls for addressing the market failures within journalism

Key Takeaways

- News is a unique commodity in that it often has a short lifespan, it is easily copied, and its supply does not diminish as it is consumed
- Commercial journalistic organizations often serve two markets at the same time: audiences and advertisers
- Journalistic organizations have historically separated journalists from business-people by creating a metaphorical 'wall'
- In many countries, commercial journalism operates within a context of market failure