

DIW Applied Micro Seminar

Extra! Extra! Read all about it! Internet is killing printed news

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Abstract:

Abstract: At the same time as internet has become omnipresent in western countries, the market for printed media has dropped dramatically. While many have proclaimed that internet would kill the market for print media, there are few causal studies that shed light on this question. Indeed, print media was by many doomed to collapse also following the spread of radio and then television, but has proved remarkably resilient in the face of these competitors. To estimate the impact of internet on the market for printed media, we exploit rich Norwegian data on newspaper circulation, readership, content and revenue, alongside data on coverage and use of broadband internet. A public program with limited funding rolled out broadband access points, and provides plausibly exogenous variation in broadband use across Norwegian municipalities. Our estimates suggest that internet has indeed made a large dent in the Norwegian newspaper market. In particular, the spread of broadband internet can explain as much as 50% of the dramatic drop in circulation among tabloid newspapers over 2000--2010. This drop in tabloid circulation is consistent with a shift in newspaper content towards less tabloid news. Our findings also suggest that internet caused a large drop in advertising revenue of newspapers.