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AN iPad FOR EVERYONE: A CASE STUDY OF THE *ARKANSAS DEMOCRAT-
GAZETTE'S* DIGITAL TRANSITION

by
Madeline Quon

A thesis submitted to the faculty of The University of Mississippi in partial fulfillment of
the requirements of the Sally McDonnell Barksdale Honors College.

Oxford
May 2022

Approved by

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ABSTRACT

MADÉLINE QUON — An iPad for Everyone: A Case Study of the *Arkansas Democrat-Gazette's* Digital Transition
(Under the direction of Associate Professor Charles D. Mitchell)

In a more technology-driven world, the industry of print journalism has been suffering. It has adapted in the past with the invention of the radio and television for broadcast news, but with the internet and social media, print journalism has been losing ad revenue and readers. Because of the advancements of journalism in the digital aspect, several newspapers have shut down over the past 20 years. Other papers changed their business models to make their content more social media oriented.

One newspaper took a more radical approach to not only stay afloat, but also thrive as a paper. The *Arkansas Democrat-Gazette* was a daily newspaper that circulated throughout all 75 counties of Arkansas until Walter E. Hussman, Jr., the publisher of the *Arkansas Democrat-Gazette* and the president of WEHCO (the company that owns the *Arkansas Democrat-Gazette*), realized the paper was going to start losing money due to a steady decline in ad revenue. In an attempt to save the business and keep journalism alive, Hussman spent over \$5 million to give subscribers iPads — free, included with their subscription at a price of \$34 per month — so they could access a digital replica of the paper.

Hussman first did an experiment by giving iPads to a rural city in Arkansas: Blytheville, a town with only 200 subscribers. Over 70 percent of the subscribers in Blytheville converted to the iPad as a result, which Hussman considered a success.

Since then, Hussman has taken the iPad experiment to the entire state. It has gone well so far, with only 1 percent of subscribers cancelling their subscription according to a survey in 2020.

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INTRODUCTION

Print journalism has historically adapted to advances in technology; notably the development of the radio in the 1920s and television in the 1950s. With the internet, however, has come the greatest struggle for the journalism industry due to the loss of advertising revenue and the increase in individuals shifting to the internet for news and information. The losses have been staggering. From a high of about \$50 billion per year in advertising and subscription revenue in 2000, the industry recorded \$9.6 billion in 2020. From a weekday circulation of 63.3 million (all print) in 1984, circulation of both print and online newspapers fell to 22.4 million in 2020 (“Trends and Facts on Newspapers: State of the News Media”). As technology developed and digital communication became more prominent, the need for a printed newspaper has almost vanished.

During the past 20 years, more than one of every five newspapers have shut down (Takenaga). Others have changed their business models, including adjusting their content to be more social media oriented.

Of all the different business model changes and experiments in meeting the challenge of changes of the digital age, one newspaper that took a radical approach to make the transition to digital was the *Arkansas Democrat-Gazette*. Based in Little Rock, the *Arkansas Democrat-Gazette* is the state's largest newspaper and circulated statewide even on all-print days. The *Democrat-Gazette's* circulation for the first quarter of 2006 was 180,661 daily and 275,991 Sunday (*History of the Arkansas Democrat-Gazette*).

Walter E. Hussman Jr., the publisher of the paper, was unavailable to be interviewed in person for this project. Instead, reliance was placed on his writing, interviews by others and published comments.

According to those reports, Hussman realized that subscribers were moving from the physical paper in favor of reading it online. The advertising revenue had been declining for years, but in 2018, Hussman realized the *Arkansas Democrat-Gazette* would start losing money. Hussman decided to experiment by giving subscribers iPads, for which the company paid \$329 each, to provide access to the paper online with some special features, while eliminating the costs of printing and delivering a newspaper for six days a week. Sunday editions continued to be printed and delivered (Hussman). Perhaps the revenue from advertising would stabilize or increase if the format became digital, and readership would remain constant.

The purpose of this research is to review in detail the digital transition of the *Arkansas Democrat-Gazette* and gauge its success. There had been experiments with iPad newspapers, but giving subscribers iPads was unheard of on the scale that Hussman chose, and the idea itself can only be described as bold. However, as bold as the idea may sound, the *Arkansas Democrat-Gazette* seems to be doing well. There is no denying that the digital transition that took place didn't hurt the paper in terms of circulation, but the real question here is, did it help?

Throughout this paper, research questions will be examined and explored. These specific inquiries are:

1. How well does the *Arkansas Democrat-Gazette*'s digital transition work? Do their subscribers like it?

2. Is what the *Arkansas Democrat-Gazette* did a solution that could be replicated by other papers?

METHODOLOGY

This research was conducted using interviews and data. Perhaps subscribers loved the iPad transition, or maybe they hated it and stopped their subscriptions. The only way to find out was to interview subscribers to get their thoughts.

Data were collected on financial aspects, including subscriber numbers. In the traditional media model, revenue from advertisers is the major fund source for operations with revenue from paid subscriptions as a secondary source. Comparing numbers from ad revenue before and after the *Arkansas Democrat-Gazette* gave iPads to subscribers would be an intriguing statistic, and one could tell just how successful the transition was. These figures are proprietary, however, so secondary industry measures were developed.

RESEARCH SUMMARY

Other newspapers have made digital transitions via a wide variety of strategies and tactics. Some have been successful, and some have not. Whether or not they have been successful, each newspaper's digital transition is full of lessons and tips for the industry.

Of note, of course, is that widely available internet services did not become a reality overnight. In the early years, there were slow dial-up connections where time on the internet was metered and paid for by the minute. Progress toward the internet as it exists and is used today was incremental.

It should come as no surprise that *The New York Times* has had a successful digital transition, considering how popular its website is and how large a social media presence both the paper as a whole and their reporters and editors have. In 2015, *The New York Times* announced it had reached one million digital subscribers. Reaching that milestone with a printed product had taken over a century to reach. Not only did *The New York Times* succeed in reaching one million digital subscribers in less than five years, it also doubled its digital-only revenues to around \$400 million in 2014 — almost as much as *Huffington Post*, *BuzzFeed*, *Vox Media* and *Gawker Media* earned combined (Baquet). This was all done by prioritizing digital growth, and it paid off. According to a FROM article in which Kinsey Wilson, executive vice president for Product and Technology and editor for Innovation and Strategy, and Tristan Boutros, senior vice president and chief operating officer for Digital Product, Strategy, and Design were interviewed, *The New York Times* followed five themes that could be applied to other papers. The five themes

included a new mindset of agile product experimentation, intense leadership focus on digital and cross-silo collaboration built on trust (Tiersky).

Both Wilson and Boutros described the mindset change at the newspaper, which resulted in a lot more experimentation surrounding their product development. Some examples include their Cooking and Crossword apps, which have contributed to subscriptions significantly. While some experiments — such as The Daily, *The New York Times*' news podcast — have brought tremendous success, some experiments have failed. However, even failed projects helped the newspaper in other ways. Another failed project, the *NYT Now* app, ended up helping them with an “industry-leading” design for how news articles are formatted in *The New York Times* mobile app (Tiersky).

While it is clear that digital is the future for journalism, many companies — including *The New York Times* — find the vast majority of revenue is still coming from legacy products and distribution channels. Because of this, companies now have to question how to divide their focus, both on the declining yet substantial legacy business and on digital businesses, which despite being more future-oriented, are not yet as sizable as the legacy business. *The New York Times* has taken a more future-oriented approach, which is considered a bold move but is paying off for the newspaper. While roughly 70 percent of the subscribers are digital, 70 percent of the revenue comes from print. Wilson credits former *New York Times* CEO Mark Thompson with creating an executive committee dedicated to determining where the newspaper is going in this digital transformation (Tiersky).

While it is clear some newspapers leaned into the digital age, other newspapers fought it. Newspapers are not the only companies to refuse a digital transition; many

businesses cite Eastman Kodak's collapse as a prime example of resisting a digital transformation until it was too late. Kodak was a leading company in print photography for more than 130 years, but because the company refused to go digital, it had to file for bankruptcy in 2012. According to a *Medium* article by Scott Bateman, much like Eastman Kodak, some newspapers failed in transitioning into a more digital industry. Bateman said there are several different reasons why some newspapers refuse a digital transformation, including seeing digital as a threat, utilizing the print business model online, laziness, over or under-investing and taking on too much debt (Bateman).

According to Bateman, editors at newspapers saw digital transitions as a threat because they considered it an attack on their readership. The primary concern editors had was that a website would pull both readers and advertisers away from the print product. Another issue was that publishers and circulation managers believed newspaper websites should require a subscription, just as printed newspapers do. Bateman wrote that nearly all newspapers that made an attempt to make people pay for access to the website failed, an exception being *The New York Times*. This resulted in TV station websites — that were free to access — gaining lots of customers (Bateman). These are a couple of many reasons why some newspapers failed in their digital transition. Despite this, some newspapers have successfully either had a digital transition or reintroduced their subscription models. *The Post and Courier* of Charleston, South Carolina, has a digital replica of its paper after conducting limited tests of their digital transition in 2020 (Jacob), while *USA Today* launched a new subscription model in 2021: most stories were free, but exclusive stories such as in-depth investigations and thought-provoking analyses on news (Wadsworth).

As indicated, the *Arkansas Democrat-Gazette* took a different approach in its digital transition. In 2019, Hussman wrote a letter to the subscribers, introducing the plan to give iPad mobile reading devices to subscribers in place of a physical newspaper, an idea the newspaper company had piloted in one city. In the letter, Hussman explained how ad revenue was down for the first time in 20 years, prompting him to change how the *Arkansas Democrat-Gazette* did things. Hussman wrote about how the paper experimented in Blytheville, Arkansas — a town of 15,000 with only 200 subscribers — by giving the subscribers iPads as a part of their subscription. Along with offering one-on-one service to subscribers to help them learn how to use the iPad, Blytheville was a resounding success (Hussman).

Over 70 percent of the subscribers in Blytheville converted to the iPad, and through a survey, Hussman learned people were reading the *Arkansas Democrat-Gazette* as often on the iPad as they did in print. Not only did people read it as often on the iPad, but people also said they liked the iPad better than the print edition. There were several perks of using the iPad, with the most popular feature being enlarging the type to make reading easier. Hussman also learned that the subscribers preferred a printed version of the Sunday paper, largely because it has more sections and includes advertising circulars. As a result, the *Arkansas Democrat-Gazette* continues to print and deliver newspapers on Sundays to subscribers.

Hussman wrote in the letter to his subscribers, “We believe the most sustainable business model ever created was to have a company that is profitable. As long as a business is profitable, someone will continue to operate and sustain it.” Converting to the iPads was a tactic to eliminate a major company expense - printing and delivery - which

offset the loss of advertising revenue. Hussman wrote that he believed they had found a way to return the *Arkansas Democrat-Gazette* to profitability and provide a better reading experience for their subscribers. The *Arkansas Democrat-Gazette* was awarded the 2020 Mega-Innovation Award at the Mega-Conference for its success in its digital transition (Durham). The strategy of giving subscribers iPads turned out to be a success in its first year. The remaining factor is long-term.

Something to consider in the case of the *Arkansas Democrat-Gazette* is Arkansas' demographics. Although the newspaper has gone through several ownership changes and the merging of an afternoon newspaper with a morning newspaper to produce single daily editions, the *Arkansas Democrat-Gazette*, based in the state's capital, circulates throughout all 75 counties of Arkansas, and acts as the most dominant paper "by far," according to a ranking of the top 10 Arkansas newspapers. It helps that the *Arkansas Democrat-Gazette* is a merger of two newspapers: the *Arkansas Democrat* and the *Arkansas Gazette* (*Top 10 Daily Arkansas Newspapers by Circulation*). Arkansas has a population of 3,011,524 people, with 1,103,920 living in rural parts of Arkansas, which is roughly 36 percent of the population ("Rural Health Information Hub"). The biggest city in Arkansas — by far — is Little Rock, with a population of 197,958. The next most populous cities are Fayetteville, with 90,515 people; Fort Smith, with 88,404 people; Jonesboro, with 81,874 people; and Springdale, with 81,779 people (Bureau). While the majority of the Arkansas population lives in an urban area, a good amount of people in Arkansas still do not have access to the internet. According to the White House, 27 percent of the residents in Arkansas do not have the adequate broadband infrastructure, and 54 percent live in areas of Arkansas that only have one internet provider (King).

For the *Arkansas Democrat-Gazette*, a major factor in taking the bold step with iPad delivery is that the company is privately owned. That has meant the Hussman family — the owners of the paper who also have their net worth of multi-millions tied to publishing and cable television (Underwood) — could make long-term decisions without worrying about any conflicting short-term conflict. Significantly, the family bore the risk of failure whereas publicly owned companies are required to report to stockholders, and can actually be sued for bad decisions. A perk of being privately owned is that “without the quarterly requirement for public companies to report to the stock market, a company is relieved from the insistent demand to provide investors with ever-increasing profits” (Greenslade). However, there are some benefits to being a publicly owned company. Public companies can raise capital, which can fund research and development or pay off debts. Another advantage is an increased awareness of the company, because stock prices generate publicity, as it makes products known to a new audience. Even with the benefits of being a public company, there seem to be more drawbacks, the biggest one being having to report to shareholders who may be skeptical. Filing quarterly public reports and meeting deadlines tend to force companies to focus on more short-term goals rather than long-term strategies. Publicly owned companies must also follow a series of rules and regulations, and be monitored by the Securities and Exchange Commission (SEC). Sometimes, for smaller companies specifically, following these regulations can be very costly; these costs include audit fees, accounting oversight committees and the generation of financial reports (Balasubramaniam).

Said simply, publicly owned newspapers would have to jump through a lot more hoops to have a successful digital transition than a privately owned newspaper would.

The risk taken by the *Arkansas Democrat-Gazette* would have been significantly less likely if stock in the business was publicly traded. Hussman had a long-term plan, and because he had the funds for it, he went for it.

THE iPad EXPERIMENT

The goal was to retain profitability. Alternatives were considered, including reducing or eliminating delivery to subscribers in smaller areas of the state, which were more expensive to serve.

Too, it was also not the first attempt to provide subscribers with a digital device. In 2011, the *Philadelphia Inquirer* had tried to do the same thing as the *Arkansas Democrat-Gazette* by giving their subscribers Android tablets, but the program reportedly failed due to many instances of poor customer service, as well as inaccessibility and poor communication between the staff and the subscribers (Izadi).

Hussman dismissed the idea of saving money by reducing the newspaper's service area. He knew the purpose of journalism was not to cut off the news from people but to share it with them. Another factor Hussman noted was that thousands of subscribers had already actually switched from the print paper to reading on their mobile devices and home computers. He had heard from several subscribers that they preferred it, so much so that they would stop reading the print copy delivered to their doorstep. Following the Blytheville pilot, it was calculated that if roughly 70 percent of the paper's subscribers switched to the iPad version, the *Arkansas Democrat-Gazette* could eliminate costs in production, newsprint and delivery expenses. If the subscribers paid \$34 a month — an increase from the prior subscription cost of \$28 — the staff could turn the paper from an unprofitable business into a profitable one again, without having to cut staff (Millar). As of May 18, 2019, Hussman wrote that the *Arkansas Democrat-Gazette* had over 100 staff members in the newsroom (Hussman). To promote this plan, Hussman traveled throughout Arkansas to speak to several civic clubs, explaining how the advertising

revenue has continuously gone down over the years (Grabenstein) and how attentive the newspaper staff would be in helping subscribers learn to use the iPads. For Blytheville, there were group sessions at a local Holiday Inn. Staffers would also go to people's homes if requested.

Hussman is also president of WEHCO Media, the *Arkansas Democrat-Gazette's* parent company (WEHCO is an acronym for Walter E. Hussman Company), which spent around \$4.4 million on the iPads in 2019 and spent another \$1.7 million to train subscribers and also work on marketing the new digital transition (Izadi). Because Hussman is not only the publisher of the *Arkansas Democrat-Gazette*, but also the president of WEHCO Media, Hussman was free to make any decision he wanted concerning the paper, and because it is such a successful company, spending over \$5 million did not seem as big a deal. Hussman even said he was willing to spend \$12 million on the iPads — which would equal around 36,400 iPads, which at the time in 2019 cost around \$329 — because at the subscription rate of \$34 a month, that would generate around \$14.8 million in revenue per year. Hussman said that would turn out to be a profit after the expenses (Grabenstein). In 2020, Hussman said he had only spent \$11 million on iPads and had distributed over 27,000 iPads throughout the state (Jacob).

Subscribers provided several reasons to the *Arkansas Democrat-Gazette* why they preferred using the iPad version over the physical paper once they made the transition. Taken verbatim from the letter Hussman wrote to the subscribers, here is a comprehensive list of the perks of using the iPad, which are things the subscribers particularly like:

- “The most popular feature is the ability to enlarge the type, simply by touching the article and spreading two fingers apart on the screen. This makes the type larger, and it is much easier to read the newspaper.
- The clarity of the type and photos on the iPad are much sharper than in print. And on the iPad, every photo in the replica is in color.
- Articles can be shared with friends or family. You can do this simply by pressing a few buttons and sending by email, or on social media such as Facebook or Twitter.
- News items can be read aloud to you from your iPad. This is convenient when you are in a car or somewhere else where you can't devote your visual attention to reading the paper.
- The paper is delivered in your house, not outdoors, so no more going out in the cold or on a rainy morning to get the paper. The iPad edition also has later news, with everyone in the state getting the city edition, and it's delivered earlier, almost always before 4 a.m.
- The newspaper can also be delivered and downloaded to your iPad anywhere, even if you are in another state. It is also portable, and once you download the newspaper, you can carry it with you anywhere.
- You can store the past 60 days of editions on your iPad. So if someone asks you, ‘Did you see that article in the paper the other day?’ you don't worry that the paper has already been discarded.
- With an iPad and our subscription, you can now access free of charge all of the archives of the newspaper.”

Hussman additionally wrote that the subscribers can use their iPads for many different purposes, such as exploring the internet, reading books, watching movies, listening to music and taking photos (Hussman). The iPads are essentially on a long-term loan: the subscribers get to keep them as long as they are subscribed to the *Arkansas Democrat-Gazette*. The subscribers are also responsible for repairing or replacing the iPads, which come with Apple's one-year warranty. If someone cancels their subscription, once the iPad is returned, it is "wiped clean and can be redistributed," according to Hussman (Grabenstein).

Not all parts of Arkansas had wi-fi or access to wi-fi, and Hussman was aware of that. "We had a 93-year-old man in Blytheville," Hussman said in an *Arkansas Times* article. "He said, 'Let me just tell you first, I don't have a cell phone. I don't have a computer. I don't know what an iPad is. But I've been reading the paper for 60 years, and I want to keep reading it, so just show me what I need to do.' We got him all set up, and he said, 'I think I've got this.' So he goes home and calls us the next day and said, 'Worked at the Holiday Inn, doesn't work at home.' So we sent someone out to his house, and he didn't have internet service." Hussman said the 93-year-old man got internet service so he could continue to subscribe to the *Arkansas Democrat-Gazette* as a result (Millar). The Frequently Asked Questions page for the Digital Replica simply states this as a solution for those who do not have wi-fi: "You may contact an Internet service provider to add Wi-Fi to your home. You may also set up wi-fi hotspot service with a cellular provider" (*Digital Replica - Frequently Asked Questions*).

The iPad experiment has gone well so far. According to a 2020 study by the Medill Spiegel Research Center, since the iPad transition began, just 1 percent of

Arkansas Democrat-Gazette subscribers have canceled their monthly subscriptions. Spiegel's research director Ed Malthouse said that is still at a better rate than the 3 percent industry average, and it is the lowest rate researchers have seen in the past 20 years (Jacob). However, this did come after the *Arkansas Democrat-Gazette* lost many subscribers early in the digital transition. After the initial transition from print to digital, 75 percent continued their subscription (Izadi).

Because of the *Arkansas Democrat-Gazette*'s success with their digital replica, at least one other newspaper has made their own digital transition. *The Post and Courier* started doing limited testing of their very own digital replica in 2020. Hussman said *The Post and Courier*'s publisher, P.J. Browning, had called him to ask about his iPad experiment, to which he responded that she should attend a Rotary Club meeting in Malvern, which is southwest of Little Rock. After attending the meeting, Browning went back to Charleston to begin testing out *The Post and Courier*'s own digital replica. Their own e-edition would be sent out daily, with print papers being delivered only on Wednesdays and Sundays (Jacob). *The Post and Courier*'s digital replica is accessible on their website, and is free for those who are subscribed to the print paper.

There are currently [three subscription options for the *Arkansas Democrat-Gazette*](#). One option is to only pay for digital access, which includes “unlimited access to all our content, a daily digital replica, expanded puzzle library and so much more,” according to the *Arkansas Democrat-Gazette* subscription website. Another option is paying for digital access with an iPad: the only difference between the former option and this one is the subscriber would “also receive an iPad at no additional cost to use as long as you keep your subscription active,” according to the *Arkansas Democrat-Gazette* subscription

website. The third option is their most popular: digital access, an iPad and delivery of the print paper on Sundays. Despite two of the three options including iPads, all three subscription options cost the same: \$34 a month, totaling \$408 per year (*Subscribe to Arkansas Democrat-Gazette*).

SUBSCRIBERS' OPINIONS AND FEEDBACK

John Gairhan, the chief technology officer at Bambu Systems in Little Rock, has been a subscriber of the *Arkansas Democrat-Gazette* for over 20 years. While he's been a longtime subscriber, he has also been an iPad user since they first came out, so he liked the digital transition.

"I like (the iPad) better, to be honest," Gairhan said. "I've always preferred it."

Gairhan said he found many advantages to having a digital version of the *Arkansas Democrat-Gazette*, including organization, convenience and portability.

"When we got the newspaper at home, it was just a nightmare, constantly having newspapers around," Gairhan said. "I also traveled all the time. I was either traveling across the U.S. or traveling overseas, so the fact that I could be in Johannesburg, South Africa, wake up and get my paper (on my iPad)? It was a big thing for me."

Gairhan is not the only fan of the digital transition. He said his mother is now an iPad user following the digital transition of the *Arkansas Democrat-Gazette*, which he thinks goes to show just how easy it is to convert from paper to an iPad.

"My mother is in her mid-80s and she's a digital iPad subscriber," Gairhan said. "She's not super technical, but I think she preferred it (to the physical paper) as well. If you can get my 84-year-old mother to deal with it..."

Craig Betts, a property manager in real estate from Little Rock who has been subscribed to the *Arkansas Democrat-Gazette* for over 20 years, said he liked the iPad version of the *Arkansas Democrat-Gazette* better than the print.

"I've talked with other people too at my age," Betts said. "They seem to like it as well. No real complaints."

However, Betts did have his reservations at first. Initially, Betts was not a fan of having to swipe on the iPad to get to the story he wanted to, as opposed to just flipping to the story with the physical paper. But after taking some time to adjust, he said he has grown to like it and has even found some advantages to the digital version of the paper.

“I think the best for me personally is there are links to the first-page article. I mean, hit the link and go straight to (the story), as opposed to having a paper, turning pages,” Betts said. “(The story) is on the front page — like three or four paragraphs — and then it links to page four and it takes you straight to it. So that’s kind of nice.”

Another feature Betts said he liked about the digital format was the ability to share stories with people.

“I’ve done that with my kids,” Betts said. “They’re at Ole Miss, and there are articles that I think are interesting to them, and (sharing the articles with them) works pretty easily.”

Betts even said because of how happy he is with the iPad, he may make the switch to become a full-fledged Apple product user.

“I was more of a PC person — still on desktop — but I’m using more of the iPad. So, I mean, it kind of ties in with my phone to the creator,” Betts said. “I think I’m eventually going to go all the way into Apple, but I’m still hanging on to the PC for now.”

When the iPads were initially rolled out, the *Arkansas Democrat-Gazette* said they would offer people one-on-one service helping subscribers with the set-up of their iPads. Betts said he was impressed with the staff helping out and following through with that.

“That was really helpful. I was surprised how much time they made available to do that. But yeah, there was a guy over here and he stepped us through it. It was good, especially not knowing the Apple software as well as I did the PC software,” Betts said. “So yeah, that was helpful. They were prompt. We called them one day, and they were there the next day.”

Charles Alman, a retired 69-year-old in Little Rock, said he’s been subscribed to the *Arkansas Democrat-Gazette* for as long as he can remember.

“(It feels like) forever. It’s been a long time,” Alman said. “If I had to guess I’d say (I’ve had a subscription for) 50 years, or something.”

Alman said he initially was unsure if he would like the digital transition of the *Arkansas Democrat-Gazette*, but has ended up liking it even more than the print paper.

“Well, I think it’s much more advantageous. You don’t have to worry about recycling or throwing (the paper) away or disposing of it. The paper is stored on the iPad. You can find any back issue in the iPad and it is definitely superior to have it at your fingertips, where you type (what you want) and don’t have to worry about physical disposal and don’t have to worry about people delivering the paper and that kind of thing,” Alman said.

One person interviewed decided against converting to the iPad. Robert McGahee was a subscriber of the *Arkansas Democrat-Gazette* for over 20 years before the company decided to roll out iPads, and McGahee opted out.

“I think I was paying around \$200 a year for seven days a week service. And then they came out with this offer to give you an iPad if you subscribe, and the rate they were offering, I forget exactly it was, but it was more expensive than the old print,” McGahee

said. “I thought I should probably get some savings out of not paying for it, so I've kind of resisted the conversion. And right now, all I do is get the Sunday print version for \$4.”

McGahee admitted that at times he does wish he did follow through with the digital transition because sometimes he feels like he’s missing out on most of the news.

“They send out daily emails, or you'll have an online feed of news. And I was just looking at it here, but you can't really access the articles,” McGahee said. “You can get the first paragraph, and then they flash up the subscribe now thing if you're not subscribed already.”

McGahee said if the *Arkansas Democrat-Gazette* offered a cheaper deal for the digital transition, he would consider it. However, he still has some reservations.

“I guess my baseline was what I was paying before, and there's some comfort in having a printed layout that you can page through and read and edit on your own. And I know it's a lot of newsprint every day,” McGahee said, “but I'm used to the old style. And liking it in some regards. But to get it all, to read my daily paper online in electronic format? I don't know. I don't know how I would like that.”

ANALYSIS

It is clear the *Arkansas Democrat-Gazette's* digital transition was a success, and there are a couple of different factors that contributed to it.

One big reason the *Arkansas Democrat-Gazette* succeeded with the iPad experiment is that it is a privately-owned newspaper. Because Hussman is both the president of the company that owns the *Arkansas Democrat-Gazette* and the publisher of the *Arkansas Democrat-Gazette*, Hussman could act on his own without having to consult anyone, unlike a publicly owned newspaper (Greenslade). Hussman's family is wealthy, with their net worth being in the multi-millions, so there was not a shortage of capital in this case (Underwood). Because the *Arkansas Democrat-Gazette* is a privately owned newspaper, Hussman was free to make his own long-term decisions concerning the newspaper and bear the risk of loss. Such independence is rare except in small businesses.

The *Philadelphia Inquirer* had made a similar attempt as the *Arkansas Democrat-Gazette* in 2011, but it failed quickly due to several issues. One of the biggest problems the *Philadelphia Inquirer* faced was poor customer service, making it difficult for customers to troubleshoot, as well as figure out any payment problems (Chernicoff). It seems that Hussman learned from that, because the *Arkansas Democrat-Gazette* provided one-on-one customer service to not only set up the iPad but also show the subscribers how to use it. Subscribers of the *Arkansas Democrat-Gazette* said they were impressed with the customer service because they were also able to call someone to come to their house and help set up their iPad from their own homes. The level and quality of customer

service even made researchers curious about the reasoning behind the success of the *Arkansas Democrat-Gazette*'s digital transition.

“So the question is: Is (the success and high retention rate of subscribers) because of the iPad or is it because of the training that comes with the iPad? I suspect it's both, but I think the onboarding may be the secret sauce, because you are helping people to get the most out of this great device and app,” Spiegel's research director Ed Malthouse said (Jacob).

The *Arkansas Democrat-Gazette* also has a page on its website dedicated to frequently asked questions about the switch to the iPad, as well as how to use the iPad in case anyone needs further assistance.

Another issue the *Philadelphia Inquirer* had was that people could only order the tablets via the phone — that was the only way of obtaining one. The *Arkansas Democrat-Gazette* is similar in that regard because people have to call to set up an appointment to get their iPad. What differs, however, is that the *Philadelphia Inquirer* required payment over the phone as well, while with the *Arkansas Democrat-Gazette*, people pay online and then schedule an appointment (Chernicoff).

CONCLUSION

The *Arkansas Democrat-Gazette*'s digital transition has been successful due to several different factors, the biggest factor being the *Arkansas Democrat-Gazette* is a privately owned paper, with Walter E. Hussman being the president of the parent company WEHCO Media and the publisher of the *Arkansas Democrat-Gazette*.

It is clear that the print industry of journalism is struggling with the advancement of technology, and because Hussman had complete control over the *Arkansas Democrat-Gazette*, he was able to devise a plan and follow through with no setbacks. After speaking to some subscribers, most found the digital transition a success.

I believe further research should be done to have a better grasp of everything that made the *Arkansas Democrat-Gazette*'s digital transition successful, as opposed to previous companies that made an attempt to transition to tablets and failed. As the future of print remains uncertain, journalists should look more into the digital transition as we continue to evolve in our technology-driven world. While the *Arkansas Democrat-Gazette* was not the first newspaper to attempt to transition to a tablet, it was the first to succeed. This can only mean that it is not only possible, but it is profitable for newspapers and journalists alike. Whether or not this pertains to privately-owned newspapers exclusively would require more research as well. The *Arkansas Democrat-Gazette*'s digital transition has made it easier for subscribers to access and read the paper no matter where they are, and it is something that print organizations should consider.

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