An introductory note, if you will. 2014 marks my 20th year conducting the

RTDNA (before that, RTNDA) Annual Survey. First at Ball State University and now at Hofstra University. It has been my privilege to do this, and I want to thank RTDNA, Ball State and Hofstra for the support and opportunity to keep this going. Most of all, I want to thank all of you who spend what I know is way too much time poring over the way too many questions that I ask on this survey. Thank you.

- Bob Papper

**How broadcast companies and TV and radio news directors see the future**

**by Bob Papper**

* A general sense of optimism in both TV and radio
* Companies are more optimistic than news directors
* It's all about local

The latest RTDNA/Hofstra University Annual Survey found that broadcast companies and news directors are overwhelmingly optimistic about the future of the business. Every year, I change the questions in the annual survey at least a little, and this year, these were two of the additions:

* Based on your discussions with station and corporate management, how would you describe the company's outlook on the future of local television (radio)?
* How would you describe your own outlook on the future of local TV (radio) news? And why?

TV news directors report that their companies are pretty bullish on the business:

Extremely optimistic 43%

Cautiously optimistic 50.4

Neutral 4.3

Somewhat pessimistic 1.6

Extremely pessimistic 0

Don't know 0.8

Interestingly, the most optimistic groups were in markets 26 - 150. (Note that the survey was conducted before new rules limiting shared service agreements were proposed.) Most cautiously optimistic were markets 1 - 25 and 151+.

The most optimistic group included those with news staff sizes of 31 - 50. The smallest staff group, 1 - 10 news people, were the highest with a neutral outlook.

Perhaps reflecting a number of years of entertainment programming success, CBS affiliates were the highest in extremely optimistic. Fox affiliates were the lowest ... with ABC, NBC and independents in the middle.

All network affiliates were about equal in extremely and cautiously optimistic combined. Non-commercial stations and then independents were highest in the neutral category.

Stations in the Northeast were a little less optimistic than stations elsewhere.

Note that the first question asked about the future of local television (or radio), while the second question asked news directors about their outlook on the future of local TV (or radio) NEWS.

Clearly, news directors were not as optimistic as their companies:

Extremely optimistic 29.9%

Cautiously optimistic 55.9

Neutral 7.6

Somewhat pessimistic 6.2

Extremely pessimistic 0.3

News directors in markets 26 - 50 were the highest in extremely optimistic. All but the news directors in the top 25 markets were about equal when you combine extremely and cautiously optimistic. News directors in the top 25 markets were way higher in neutral than any of the others, but they were also lower in pessimism and than other group.

News directors with staff sizes of 1 - 20 were lower in extremely optimistic than bigger stations. News directors at stations with 1 - 10 and 51+ staffers were the highest in neutral and highest combined neutral and pessimism.

Again, affiliation mattered. News directors at NBC and CBS affiliates were the highest in extremely optimistic. All were relatively close in somewhat optimistic. News directors at PBS and then Fox were the highest in neutral ... and news directors at ABC and Fox were the highest combining neutral and pessimistic.

Why?

About 300 news directors answered this question, and they did so with a wide array of explanations. Since news directors were overwhelmingly on the optimistic side, let's start with why optimistic. The overwhelming winner was about local. More than 20% of all TV news directors talked about local. A strong demand and interest in local news. That local TV was the primary source for local news. That if stations focused on local news they'd succeed. That stations still exist because of the strong interest in local news. Or, as one news director put it, "LOCAL. LOCAL. LOCAL." Couple that with quite a few mentions of a station's ability to tell compelling local stories on TV.

More than 10% of news directors talked about their station's ability to reach people well on multiple platforms. We could combine that answer with another popular answer on the need for (and success in) adaptation and innovation on multiple platforms.

After those two (or three, depending on how you want to look at it), optimistic answers were scattered:

* the economy and advertising are heading up
* more money from digital, mobile, retransmission and political
* more interaction with the audience through social media
* new ownership (as a positive)

Even those who were on the optimistic side saw some negatives, so I'll combine those with the people who were neutral or negative in outlook. Note that the top item on the negative side drew only about 4% of total responses.

The top negative involved complaints from news directors that they felt the business had become all about money ... and less about serving their audience well and producing quality news. Related to that, some expressed concern about having to stretch the same number of staff across more and more media platforms so that quality suffers across the board.

Right behind that was concern about declining audience numbers. About the same number expressed concerns about so many media platforms, and competition from all those other media sources.

Several news directors complained about station consolidation hurting quality and content.

Scattered negatives:

* economic uncertainties
* concern over the quality of new or newer employees -- especially at the salaries stations can afford to pay
* needed reinvestment in station technology isn't there
* new ownership (as a negative)

TV news directors ... in their own words:

"As long as stations focus on local news and events we remain confident that viewers will stay engaged."

"There is still a hunger for local issues be told with good story telling as well as analysis."

"Consolidation and group takeovers are killing the quality as well as the content of local news."

"Disruptive innovation continues to make ratings increases a struggle."

"If we are to continue playing a key role in our viewers' lives, we must adapt as their habits and expectations change."

"I’m excited about new technology and the ability to reach audiences of all ages on any number of platforms. I started in print and now report radio and television news. We really have the best of all worlds!"

"Look what's happening to newspapers thanks to the web and social media. TV news is ok for now, but things will change drastically over the next decade, I believe."

"People always will want to know what's going on around them and even though the world has gone digital/mobile, folks still want to 'see' what's up."

"People still turn to TV when big stories happen."

"Regardless of broadcast or internet content delivery, the demand is there for high-quality, local news with video and professional storytelling. We will always have an audience that will get even bigger as we get better at digital."

"There is always a need for LOCAL content. We just need to adapt by providing it in the manner in which users have come to expect it. Additionally, we must continue to work as watchdogs and not crime blotters."

"TV and online meld well. You need a strong brand, but we can make money on digital. We also can expand local non-news programming to make non-traditional revenue. Local TV continues to be a major source of trusted information from the public. That can continue online with strong local content."

"We are seeing TV will NOT go the way of print. What we do is still valuable and how we do it will keep changing to meet mobile demand."

"We're better and better every day at being all things (platforms) to all people."

"We are asking so many people to do so much on so many platforms and paying them so little, our quality suffers."

The radio side was also clearly optimistic ... although less so than TV:

The company's outlook on the future of local radio:

Extremely optimistic 39.6%

Cautiously optimistic 38.1

Neutral 16.5

Somewhat pessimistic 3.6

Extremely pessimistic 0.7

Don't know 1.4

It was hard to find much in the way of patterns in the answers. Commercial and non-commercial were just about identical. Staff size didn't matter. On an overall basis, the larger the local group, the more likely the news director or general manager had a optimistic outlook.

Market size was inconsistent. Stations in the Northeast scored highest in extremely optimistic, and stations in the West scored the lowest. Stations in the West also had the highest neutral outlook, while stations in the Midwest and South tended to be the most pessimistic.

Radio news directors and general managers followed their companies' outlook on local news more closely than TV news directors did.

Your outlook on the future of local radio news?

Extremely optimistic 34.3%

Cautiously optimistic 38.6

Neutral 13.6

Somewhat pessimistic 10.0

Extremely pessimistic 3.6

Here, non-commercial stations were more optimistic than commercial ones. Staff size, again, didn't matter, nor did number of stations. Stations in major markets were much higher in neutral than any of the others, but stations in large, medium and small markets scored much higher on the pessimism side. Stations in the Northeast and Midwest scored higher on the pessimistic side than stations in the South or West.

Why?

The answers in radio, from about 140 news directors, are far more concentrated than the answers from TV news directors. Those who were optimistic, representing almost a third of all the radio news directors, noted that there was and will be a market for local news. Beyond that, many of those news directors noted that their station (or stations) was the only one in the area doing radio news. Especially in small markets, some noted that they were the only daily outlet for local news, period. Beyond the comments on local, a handful of news directors noted that they were putting news on multiple media platforms to expand their reach, and a smaller number said their audience was growing.

Among news directors who said their outlook was neutral, the biggest group said their station (and group) was doing okay, but that others were not, and they were concerned about the future of the industry.

Among those who were pessimistic (and a few who were optimistic), the top complaint was money. Not enough resources, not enough staff, not enough support and not enough interest or concern on the part of management. A number of news directors also expressed concerns about a dilution of audience caused by multiple media platforms.

Radio news directors ... in their own words:

"There is little to no local news on other stations in the market. It is badly needed!"

"We are local, local, local. You can't get that information ANYWHERE else."

"Live and local is what the listener cannot get with online services such as Pandora. A local approach is radio's key to survival in an ever-changing marketplace."

"Local news is a lifeline to small market local stations."

"Stations which produce local news content will thrive. Those who don't will die."

"Still a need and demand for local news and other local programming other media cannot provide."

"We've found a way to make our product irreplaceable -- no one in the market does what we do and how we do it. I'm given the tools necessary to proceed."

"Many stations seem to view news as a waste of money and are dropping it. This company is an exception to that rule."

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**About the Survey**

The RTDNA/Hofstra University Survey was conducted in the fourth quarter of 2013 among all 1,659 operating, non-satellite television stations and a random sample of 3,263 radio stations. Valid responses came from 1,300 television stations (78.4%) and 249 radio news directors and general managers representing 649 radio stations.

Some data sets (e.g. the number of TV stations originating local news, getting it from others and women TV news directors) are based on a complete census and are not projected from a smaller sample.