

Chapter 7

Covering business

“You won’t read that in the newspaper,” the person says. “After all, it’s about one of the paper’s biggest advertisers.”

Nothing draws the attention of publishers more quickly than customers who threaten to take their business elsewhere if something gets into print. Stakes are especially high if customers are major advertisers or prominent individuals.

Advertiser ultimatums and the resulting predicaments cannot be ignored, especially at small-town newspapers. Editors are right to weigh requests. But news decisions should be made within the context of underlying policies, and guidelines should be in writing. Owners and publishers must think of repercussions to the credibility of their products if news decisions are altered on the basis of *who* instead of *what* is the subject. Circumstances can prove especially challenging if customers have personal relationships with owners and publishers.

Newspapers have broad justification in printing certain stories that customers might pressure to have withheld. Confrontations between newsrooms and advertisers often are rooted in a poor understanding between the message and the messenger. Take, for example, a city council that suspended a store’s tobacco license for selling cigarettes to minors. The council was imposing the punishment; the newspaper was simply reporting the penalty.

Business news — good and bad

Nearly 50 employees would be out of jobs after an insurance company, with headquarters in another state, announced the closing of its local office. The newspaper learned of the decision from one of the workers and carried a report two days after the announcement. The parent company, when contacted by a reporter, grudgingly released information but never issued a press release.

In contrast, the same parent company met with local news staff when it originally purchased the hometown business. Management made it a point to speak with the newspaper the day of the announcement.

Everyone is eager to share what’s considered good news, but reluctant to talk about bad news. The same thing happens, naturally, with public officials. But there’s a major difference: State laws often guarantee the press access to government news — good and bad. The press does not have the same level of access to information on private business.

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Restricted access, however, does not make such events any less newsworthy. Indeed, it's arguable that news about employers has even greater meaning in smaller communities than some decisions coming from City Hall. After all, it's news about friends and neighbors.

Business start-ups, acquisitions and expansions, promotions and labor strikes are news. Some events will reflect positively on businesses; others will not. It remains in the best interests of companies to be forthcoming on both counts. Businesses willing to share bad news will find newspapers much more willing to listen when they pitch good news, too.

Newspapers also can benefit by sharing the responsibility of communication. Editors will have better luck prying bad news from a company if they have cultivated solid coverage of local business. That is, don't expect cooperation from business owners if the only time they are contacted is when a story might reflect poorly on their company.

Labor strikes, contracts

Work stoppages, especially at major employers, can be terribly divisive and disruptive to communities. Negotiation of new contracts can be equally noteworthy. Both pose challenges for coverage.

Pickets make strikes visible events, but that does not guarantee easy access to information. Union representatives and striking workers have a propensity to volley charges and talk openly against management. In contrast, management often is reluctant to say much of anything, and often is constrained by labor laws. Reporters must flush out the facts, identifying those points where the two sides agree and disagree.

Communities also can be on watch when major employers negotiate new contracts, even without a threat of work stoppage. Resolution of new contracts is newsworthy. Specifics of the settlement can be a barometer for other looming wage negotiations.

No laws require that private companies release salary information, and many businesses keep details private for competitive reasons. Newspapers can compromise by presenting an overview of contracts including such standard information as percentage increase in wages. It usually is to employers' advantage to release something. Rumors often fly about what's transpiring at the bargaining table, even when talks are progressing relatively smoothly. Stating the facts can put issues to rest.

News versus advertising

A restaurant gets new owners. That's news. The same restaurant issues a press release about the popularity of its special home-made soup. That's an ad.

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An investment firm relocates. That's news. The company announces a new line of annuities. That's an ad.

A retailer opens in town. That's news. The same merchant sends press releases about grand openings and successive anniversary sales. Those are ads.

Such events occur routinely and underscore the misunderstanding among many business owners about what's legitimately a news story and what's strictly a promotion that should be advertised.

Business news should be just that — news. Reports should include announcements of new businesses, key changes such as a new location, new management or major remodeling, or significant developments in operations.

But newspapers should not, despite pressure from advertisers, routinely report on changes that relate directly to marketing strategies. A new department, added product lines, informal staff reorganization, expanded services or reoccurring sales promotions with customer giveaways all properly fall under advertising.

Ad representatives routinely forward requests for news coverage from clients. Some items pass the litmus test, and others do not. It's important for ad staffs to understand the news rationale. Once newspapers ignore the barrier between news and advertising — and accept advertisers' releases carte blanche — they better be prepared. Advertisers watch their competitors closely, and soon releases will roll into the office. More customers — rather than paying to market their products and services — will try to replace, or at least augment, their ad budgets with a regular dose of releases. That means less money for newspapers and ad staffs.

Editors and advertising managers can usually identify customers who routinely submit releases under the guise of legitimate news. The best approach is to tell the clients directly: If editors accept one release that crosses the boundary, they will have a difficult time saying no to the next business. Soon it will boil down to a battle of public relations machines.

Conflicts between news and advertising always will flare. Resolving differences will be easier if newspapers develop policies endorsed by both news and advertising departments.

Letters to the editor

Community newspapers are supposed to be boosters of local business, right? So why shouldn't they publish letters complimentary of stores that represent the best in customer service, or offer top-notch quality merchandise, or deliver the best bargains?

Are newspapers also prepared to print letters that complain about

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restaurants that serve cold food, or stores that don't honor policies for returned merchandise, or businesses that have unsightly junk piles on their grounds?

In short, newspapers are wise to adopt policies that reject most comments — whether complaints or compliments — if they refer to private business. The exception is if letters address public issues.

It's fair comment for readers to question the wisdom of closing a road to assist a grocery store expansion. Out of bounds, however, are remarks that oppose a tax subsidy for the same expansion because the store's new format will force customers to bag their own groceries.

Being a referee for these decisions can be tricky. Consider a big-box retailer seeking to locate in smaller communities, an increasingly common scenario. Discussing the merits of the proposal inevitably results in a debate about existing stores — their merchandise, their prices and their service. To squelch all comments would be wrong. But editors must be careful that the public exchange focuses on broad issues and does not denigrate existing or prospective merchants.

The letters policy cuts both ways. Newspapers that reject publication of negative comments about private business should not accept positive comments.

The policy may appear that it favors negative over positive comments. For example, a newspaper publishes a letter critical of a store's display on a public sidewalk. It rejects a letter complimentary of a store's window display. Once again, the decision rests on whether an issue is in the public or private arena.

Exceptions always surface. Comments should be judged on individual circumstances.

Reports can backfire

How many times have newspapers sought to localize a business story?

What is the impact of higher interest rates on home sales? Are travel agencies feeling the effects of reduced international travel following terrorist attacks? How do banks feel about legislation that would invite new competition?

The best community newspapers distinguish themselves by bringing state and national issues into local perspective. That's an especially effective tool in expanding local business coverage. But it can backfire.

Take an example of new banking regulations. The story broke early afternoon, giving a news staff almost a full cycle to prepare a story outlining local impact for the next edition. A reporter immediately called a handful of banks. Three spokesmen were immediately available. Messages were

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left at the other two; one called in the morning but the other one was unavailable. The newspaper ran the story to keep it timely, then waited for the predictable call. The president of the unmentioned bank complained. From his perspective, the omission made it appear that the bank didn't exist.

Newspapers always run this hazard, but editors should not stop the practice. Rather, they should write these stories regularly and rotate the companies they contact. It's usually impossible to call every affected business. But if newspapers do such stories frequently, businesses will understand that they'll get their opportunity to be in the newspaper.

Noteworthy individuals: 'Just this one time'

The cause-effect relationship with some advertisers is fairly direct. Print a "negative" story about their business, they say, and they'll withdraw their advertising.

Other conflicts are more subtle but just as challenging for editors. Complainants do not always have to be major advertisers. They might be prominent individuals who threaten to make life miserable for newspapers if certain information is published.

Consider these scenarios.

A politician's son or daughter is suspended from a sports team for drinking. A retail store owner files for bankruptcy. A prominent citizen gets a divorce. These situations and many more can prompt requests to withhold information.

Some information is classified as public data, and usually should be reported by newspapers in their roles as recorders of community history. Newsrooms should deviate from guidelines only when extenuating circumstances dictate. The message must be delivered to all customers — all readers — including the biggest advertisers.

Newspapers often are asked why they can't look the other way — just this one time. Editors, and publishers, should know better. There rarely is such a thing as "just this one time."

The biggest fallacy is that overlooking a sensitive item can be dismissed as a harmless oversight. More often than not, decisions to look the other way will come back to haunt editors, especially in small towns where word circulates. The information eventually surfaces, and newspapers usually end up printing it. The result is tarnished newspaper reputations and embarrassment to the individuals who were trying to suppress it.

Grand openings, anniversaries

Grand openings are news when they occur at the actual opening of a

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business. They are not news when they are celebrated three months after a store has opened. Stores seeking coverage for after-the-fact ribbon cuttings should be directed to the advertising department.

Rejecting an advertiser's request also is touchy business; news and advertising departments must be aligned on when grand openings warrant coverage. How the events are covered is just as important. The store and its employees are the news; grand openings should not be another photo opportunity for the mayor or chamber of commerce officials.

Newspapers also should develop guidelines for coverage of anniversary celebrations. Benchmarks of 50, 75 or 100 years usually are automatic stories. But editors should be prepared for requests to commemorate five, 10 and 25 years. Or how about struggling merchants who have survived their first year?

Discussions intensify when merchants point out that they also are spending money to advertise their events. Editors must stand firm on policies, but they'll be on much stronger foundation if they exercise responsibility in ongoing business coverage.

Visit with publishers

Editors might have to deliver their most persuasive arguments to publishers. Owners and publishers must understand the importance of consistency and fairness in news coverage. They must participate at the ground level when newsrooms develop news policies, especially for those policies concerning coverage of sensitive and challenging topics.

Not all policies will have unanimous approval within the office, and that is healthy. Differences of opinion will guarantee that policies will be under continual review, which only can strengthen decision-making.

At the same time, those individuals who explain and implement policies must present a united front when interacting with readers. The message must be shared and endorsed by everyone, beginning with top management.

News and advertising departments must operate closely — but independently. If customers purchase an ad, they should expect professional and courteous service and a good return on their investments.

But there should be no link between how much advertisers spend — or how influential particular individuals are in a community — and how much news coverage their corresponding businesses receive.

Just as advertisers are entitled to courteous service by their ad representatives, they should expect and receive from editors a courteous and clear explanation of the separation between news and advertising.