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MARKETPLACE

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HEADLINE: Martin Kaplan of the Annenberg School for Communication on the state of news

ANCHORS: DAVID BRANCACCIO

BODY:

DAVID BRANCACCIO, anchor:

Stock in AOL Time Warner got clobbered. It was down 14 percent on the day. The company's losses in 2002 are right about \$100 billion, the biggest dollar loss in US corporate history. Nearly half of that loss, as we reported yesterday, came from writing down the value of the America Online part of that company.

AOL Time Warner Vice Chair Ted Turner is also stepping down, reportedly to spend more time on his charitable works and down on the farm. Business of media analyst Martin Kaplan, associate dean for the Annenberg School for Communication at the University of Southern California, says Turner has a lot to be disappointed about and not just with the new media part of that company's portfolio.

Mr. MARTIN KAPLAN (Associate Dean, Annenberg School for Communication, University of Southern California): He's mad as hell and doesn't want to take it anymore.

BRANCACCIO: What's he mad about?

Mr. KAPLAN: He's mad about the state of news. It's not just what happened to his beloved Turner Broadcasting and CNN since the AOL fiasco. It's, rather, what the programming on cable news has turned out to be, which is all glitz, all graphics and no longer the kind of substantive jewel, which became known around the world as a place to watch to find out what's going on.

BRANCACCIO: I suppose they could hire somebody over at CNN who will take the high road and--and raise the level of broadcasting to dignify the audience more, but you know what's going to happen to that?

Mr. KAPLAN: The person who hires that person will be on the street in about five minutes. The problem is with us, I'm afraid. We, the audience, don't demand any more quality news than we're already getting. Outside of public radio and a few isolated outposts elsewhere, w--what kind of demand is there for the in-depth reporting, which we used to think constituted news? The answer is not much. What there is a huge demand for is the kind of food fighting that the other cable channels are doing very well and CNN is trying to emulate.

BRANCACCIO: So we're also at fault--we, the audience--for what's happening in the publishing world right now? A big German-based corporation, Bertelsmann, is making some changes because its famous imprint, Random House, was not selling enough books to enough people.

Mr. KAPLAN: Yes, publisher Ann Godoff wasn't making her numbers, so she was summarily sacked with a nasty press release, which is a kind of departure from the usual gentlemanly traditions. But there is no usual gentlemanly publishing anymore. Everything is blockbusters; everything needs to make the numbers. And so whether you're in publishing or if you're in broadcasting, the question is: How many people can you get to part with their cash?

BRANCACCIO: You know, one exception in broadcasting to this has always been "60 Minutes." Not a bad broadcast; tries to often, not always, take on some big issues, and they're apparently feeling the pressure.

Mr. KAPLAN: Dum, da, dum-dum. Yes, Don Hewitt, the longtime producer, octogenarian, tremendously productive, has been asked to leave and be replaced by a relative spring chicken at age 48; the tyranny of demographics, 18 to 49 being the zone, that advertisers are alleged to want. And the thought is that the people who are on camera and behind the camera at "60 Minutes" aren't able to deliver those younger demographics.

BRANCACCIO: But there is a cult of youth throughout the entertainment industry.

Mr. KAPLAN: Yes, because youth consumes entertainment. The question is: Do youth consume what they're given because it's available, or do they consume it because it's what they want? And I suspect the truth lies somewhere in between. There is a market for high-brow, upscale, serious, informative programming. The question is: How much such content can the market sustain? In the old days, that content was delivered by huge mass media, but now, in a fractionated era, where you can have The History Channel or the Quality Book Mini Publisher, can any mega corporation sustain the kind of market that'll attract the small?

BRANCACCIO: Marty, thanks.

Martin Kaplan is also the director of the Norman Lear Center at USC.

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