

The Sun also Sets: *Mirror* Monopoly Shock

Rodney Tiffen

Until March 1988, Sydney was unique in the English-speaking world in having competing evening newspapers. Every other city has either a monopoly or no paper at all. In Sydney, competition ended with the Fairfax company's decision to close *The Sun*. The closure ended a 47-year two-way circulation battle, which has been one of the most remarkable in newspaper history.

For most of the 1930s, *The Sun* enjoyed a monopoly, thanks to the manoeuvring of its owner, Sir Hugh Denison, and the collapses that came early in the Depression. On 12 May 1941, *The Sun's* prospects changed abruptly with the appearance of the *Daily Mirror*, which began life in appropriately shocking circumstances. Despite the vehement protests of the existing newspaper owners, Fairfax, Packer and Denison, the Minister for Trade in the Menzies Government, Eric Harrison, allowed John Norton's *Truth and Sportsman* Company to start a new afternoon newspaper. Given the public's thirst for war news and the strict paper rationing in force at the time, the Government virtually guaranteed the viability of the new paper. The first few years of a new publication are normally precarious, with great losses preceding long-term profits, and with many failing in the face of these initial financial difficulties. In contrast, the *Mirror* achieved a profit in its first year of publication, while in the face of the new competition, *The Sun* recorded its first loss for a decade.¹

By the end of the war, the *Mirror* had overtaken *The Sun* and it maintained its lead for several years. The increasing financial problems

of *The Sun's* publisher, Associated Newspapers, reached a crisis in 1953, when amid high drama and spirited competition from Frank Packer, the Fairfax company effectively took over the paper. Its primary motivation had been defensive, coming from the realisation that if Packer's Consolidated Press acquired an afternoon paper in addition to its morning paper, the *Daily Telegraph*, the subsequent economies would allow it to compete more vigorously with the *Sydney Morning Herald*. In the following years, *The Sun* managed to gain a lead over the *Mirror*. Norton's *Mirror* had a reputation for sensationalism and unreliability, but the news priorities and vigorous presentation style of *The Sun*, under editor Lindsay Clinch, were not markedly more restrained.

Then occurred the first of three commercially disastrous decisions by Fairfax management, which eventually sealed *The Sun's* fate. By 1959 Norton's *Mirror* Newspapers was also in some financial trouble, and Norton was keen to be freed from the worries of managing a newspaper. Fairfax, with some secrecy, acquired the *Mirror*, fearful that otherwise the *Herald* and *Weekly Times* would get a footing in Sydney, or it might fall to Frank Packer. The commercially rational move would have been to close the *Mirror*, and let *The Sun* enjoy the revenue advantages of a monopoly. However they decided against such a move, partly from a sense that this was against the public interest. After an unsatisfactory interlude, in which as well as *The Sun*, Fairfax controlled the *Mirror* at arms length, their chief executive, Henderson, decided to sell the *Mirror* to the competitor he regarded as the least dangerous, young Rupert Murdoch. Fairfax made a capital gain of about half a million pounds from the transaction – a short-term profit that in the long term proved to be one of the most expensive it ever made. The disastrous deal began a 28-year war, which ended with *The Sun's* capitulation. At the time

Dr Tiffen lectures at the University of Sydney.

of sale, *The Sun* enjoyed a higher circulation. By 1966, however, the *Mirror* overtook it.

For the next several years, the lead was slight. In 1974-75, it even looked as if *The Sun* would start winning again. Again showing their capacity to grasp defeat from the jaws of victory, the Fairfax management made their second commercially disastrous decision. They raised the price from 10c to 12c. The *Mirror* did not follow and the price differential lasted for about four years, during which time the *Mirror* moved decisively ahead. It never again lost its lead.² From 1979 on, the two papers moved in tandem in their pricing. The *Daily Mirror* enjoyed a clear lead through most of the 1980s, occasionally large as when they first introduced Lotto, at other times not so great.

The 1980s were a period of decline for all afternoon papers, making *The Sun* more vulnerable, when the third disastrous decision was made: the privatisation and takeover of the company by young Warwick Fairfax. He incurred a huge, crippling debt. One consequence was the closing of two loss-making publications, *The Sun* and the *Times on Sunday* in March 1988.

An examination of Australian newspaper circulations demonstrates what a startling circulation success the two papers achieved

during their period of competition, especially the last 28 years of Murdoch versus Fairfax. Tables One and Two show the circulations of Australia's metropolitan newspapers over the last twenty years,³ concluding with the last full audit period of *The Sun*. They demonstrate an alarming pattern for Australian newspapers, especially afternoon newspapers. In the last decade total newspaper circulation has declined by around 13%, but the trend has been particularly marked for afternoon newspapers, which between 1982 and 1987 declined by 29%. (Remembering that in the last twenty years, all afternoon papers dropped their Saturday editions, which always had lower sales, the Monday to Friday circulation falls are even more dramatic than the figures shown in the tables.) The decline in the industry becomes even more apparent when circulation trends are related to overall population growth. There has been a decline in the ratio of sales to population of just over ten percentage points.

During this period, the circulations of *The Sun* and the *Mirror* have many distinctive aspects. Their combined circulation, for most of the period, achieved a higher market penetration than evening papers in any other state. For the whole period until the last six-month audit period, New South Wales was the only state

where the evening papers achieved a higher total circulation than the morning papers. In Victoria, where the decline of *The Herald* has been the most dramatic of any Australian newspaper, by September 1987, morning to evening circulation was 794 to 213, while in NSW it was 534 to 516. The long-term decline of evening newspapers has long been predicted because of such structural features as the rise of television and the relative decline in public

TABLE ONE: Metropolitan and National Daily Newspaper Circulation 1967 to 1987 (by 5-yearly intervals; 000s)

		1967	1972	1977	1982	1987
<i>The Sun News Pictorial</i>	Melb AM	629	648	623	612	559
<i>The Herald</i>	Melb PM	501	498	436	385	213
<i>The Age</i>	Melb AM	186	206	236	245	235
<i>Sydney Morning Herald</i>	Syd AM	290	274	264	258	259
<i>Daily Telegraph</i>	Syd AM	340	316	316	310	275
<i>Daily Mirror</i>	Syd PM	324	312	378	364	284
<i>The Sun</i>	Syd PM	307	309	329	330	232
<i>The Courier-Mail</i>	Bris AM	248	260	272	258	214
<i>The Telegraph</i>	Bris PM	156	159	154	160	113
<i>The Daily Sun</i>	Bris AM	126
<i>The Advertiser</i>	Adel AM	207	217	237	220	216
<i>The News</i>	Adel PM	136	133	171	180	156
<i>The West Australian</i>	Perth AM	187	218	248	249	238
<i>Daily News</i>	Perth PM	96	123	118	122	91
<i>The Mercury</i>	Hob AM	51	53	55	56	54
<i>The Canberra Times</i>	Can AM	24	34	44	44	43
<i>The Australian</i>	Nat1 AM	76	136	118	119	139
<i>Aust Financial Review</i>	Nat1 AM	23	39	48	63	78
	TOTAL	3781	3935	4047	3975	3525
Total circulation as % of population		32.6%	30.1%	28.8%	26.6%	22.0%

transport, but it seems to have been the economic stringency of the last five years which has finally brought precipitous declines.

Despite their relative circulation success, the Sydney afternoon papers have served as a negative reference point, against which all other popular and afternoon papers could assert their superior virtue.

Increasing circulation by sensationalism is not an option as far as I am concerned. I don't believe it is for the Board either... We are very proud of *The Herald*. We try to be a newspaper, unlike the Sydney afternoon papers. (Pat Hinton, then editor, *Melbourne Herald*)⁴

There is much less pressure on the *Daily Telegraph* to beat things up⁵ than there was on the *Daily Mirror*. There, if you want to get ahead, you need to be able to beat things up. (Political reporter)

The competition between *The Sun* and the *Daily Mirror* was unique among Australian newspapers. Each perceived it as cut-throat, competing for the same audience and the same advertisers. Both had the daily insecurity of a product that sells on the streets rather than by continuing subscription. In each the sense of competition was central, indeed obsessive.⁶ There follow excerpts from interviews with the two editors, conducted in 1982, chosen to focus upon their attitudes to the competition, how it was pursued, their perceptions of their own paper and their competitor's:

News is news. The big story we've both got. Neither often gets a scoop. With five papers, three TV stations plus radio in Sydney, scoops are rare...

We launched 'Bingo'. It's probably been the most successful competition in newspaper history. It's still going because people want it. It gets under the purist journalist's nose, but it's what the people want. Why not? It's something extra. They still get everything else...

The front page is important in selling. You get your regular buyers who get the *Mirror* regularly because of sport, puzzles or the women's pages. Both papers now have Bingo. Both are heavy on features. They followed me on that. The cream on the cake is hard news which is where the judgment has got to be spot on. We've done some scoops, ball tearers, and gone down. There are formulas, certain stories that will sell well...

We give more. 'You get a whole lot more in the *Mirror*' is an accurate slogan. We have better names writing sport. Our stars, astrology, are the best in Australia. They're really good stars. We have two full columns. We have more comics:

seven a day. They do three. We have a full-page historical feature every day. They do one crossword, we have three. There's always more in the *Mirror*... We're 35,000 a day more than *The Sun* because we're a better product... There's no comparison. Features, women's, movie guide, definitely sport, the whole paper is offering more than *The Sun*. The standards of the comics, the stars, the crosswords are better as well as the quantity. You can't say anything about news. News is news. Both are the same. Today they've got a picture (tomorrow we have). It's a day by day, edition by edition thing due to luck and good reporting...

We've got very good staff. Very professional. Ninety-nine per cent are devoted to the *Mirror*. There's a lot of long-time servers. They are always keen to know about sales. We've been in front of *The Sun* for seventeen years. We've got the top reporters and writers and they work very hard. There's a great sense of competition in papers. If the police roundsman missed a big story he would jump out the window. Everyone understands the deadlines are very strict and tough... It used to be accepted that the *Mirror* was a beat-up paper but it's gone up-market. *The Sun*, in desperation to catch us, has gone away from its market. It's tried to beat things up. It's done some outrageous things. We're right more often than they are... It's always been said that Sydney is the only paper market in the world with two afternoon papers. I soon think there will only be one when *The Sun* closes. Our circulation will rise to 500,000.⁷ (Peter Wylie, then editor, *Daily Mirror*).

The competition is very fierce in the afternoons. You can't relax. The opposition comes in with something different. We've got to be equally as compelling for the people in the street... Competition with the *Daily Mirror* is central. We've always been seen as more up-market, having more credibility. Our problem is that the *Daily Mirror* is there and that's why we can't go further upmarket and be more serious. The answer is we'd go out of business. There's not enough readers with enough time... We do try to be as up-market as we dare. If we get too far away we will lose circulation. A lot of what we do is how far they allow us to. They've made an effort in the last two or three years to move up and that has allowed us to. But if the *Daily Mirror* is in trouble (a) it tries to buy its way out and (b) it goes down-market into sex, gutter-type areas, which is where Murdoch excels. They want to be more respectable to attract ads but their quest for circulation drives them down-market. We don't follow. The top of the market is well catered for with the *Sydney Morning Herald* and the

Financial Review. We try to be a paper for the commuters and the housewives. We don't try to be too clever for them, but we don't write down... You can't kid people that a story is a big story. There's got to be a mood in the community and that the story really affects them... Circulation was affected by 'bingo'. That was the biggest thing that affected sales all over the world. I don't like it... We tried to avoid it (but we had to go into it). The big lead they built up was wiped out over night...

I monitor the *Daily Mirror* closely. They have a habit of copying everything we do, eg our yellow racing guide. They switched to yellow posters. It's a deliberate marketing attitude. They did it with the Sunday papers. They try to make them as similar as possible... It's like sailing. They tack with us all the time. If they do a series and we don't, we try to block it (reduce its effect)... It's infuriating sometimes to see them running stories in a big way that have got no substance... They do a page three girl better than us. They've always done it. We dropped it because it was sexist. But we didn't get any more anti-sexist readers. We reintroduced it. It also brightens up the paper. We try to have it selling fashion or show business or something. If that kind of thing rates as their number one reason (for buying the paper) they will buy the *Mirror* not us. They can get more sordid than we can. (Ron Ford, then editor, *The Sun*)

TABLE TWO : Changes in Metropolitan and National Daily Newspaper Circulations 1967 to 1987 (by 5-yearly intervals); % change

	67-72	72-77	77-82	82-87	67-87
<i>The Sun News Pictorial</i>	+3	-4	-2	-9	-11
<i>The Herald</i>	-1	-12	-12	-45	-57
<i>The Age</i>	+11	+15	+4	-4	+26
<i>Sydney Morning Herald</i>	-6	-4	-2	0	-11
<i>Daily Telegraph</i>	-7	0	-2	-11	-19
<i>Daily Mirror</i>	-4	+21	-4	-22	-12
<i>The Sun</i>	+1	+6	0	-30	-24
<i>The Courier-Mail</i>	+5	+5	-5	-17	-14
<i>The Telegraph</i>	+2	-3	+4	-29	-28
<i>The Daily Sun</i>	na				
<i>The Advertiser</i>	+5	+9	-7	-2	+4
<i>The News</i>	-2	+29	+5	-13	+15
<i>The West Australian</i>	+17	+14	0	-4	+27
<i>Daily News</i>	+28	-4	+3	-25	-5
<i>The Mercury</i>	+4	+4	+2	-4	+6
<i>The Canberra Times</i>	+42	+29	0	-2	+79
<i>The Australian</i>	+79	-13	+1	+17	+83
<i>Australian Financial Review</i>	+70	+23	+31	+23	+239
Total AM	+6	+2	-1	0	+8
Total PM	+1	+3	-3	-29	-28
TOTAL	+4	+3	-2	-11	-7

were kindly supplied by the Audit Bureau of Circulations. In each year, the figure is for the six months to September. The census figures are from the preceding years, 1966 to 1986. In the last three decades, the census has been conducted every five years, the years ending in one and six, and these are the figures used for calculations in this article. For a recent account of the problems of afternoon papers in particular, see Max Suich, 'Targeting Readers as an Act of Survival', *The Sydney Morning Herald*, 21 March 1989.

Notes

1. This account is based primarily upon R B Walker, *Yesterday's News: A History of the Newspaper Press in New South Wales from 1920 to 1945* (Sydney University Press, 1980) and Gavin Souter, *Company of Heralds* (Melbourne University Press, 1981).
2. For an account of these developments, see Souter, *Company of Heralds*, and William J Merrilees' 'Anatomy of a Price Leadership Challenge: An Evaluation of Pricing Strategies in the Australian Newspaper Industry' *The Journal of Industrial Economics*, XXXI, 3, March 1983.
3. The figures up to 1977 are taken from Murray Goot, *Newspaper Circulation 1932-1977* (La Trobe University Media Studies Centre). The later figures
4. These quotes and the later ones are from research interviews I conducted for a project supported by the Australian Research Grants Scheme. The main product of that research will appear in a book, *News and Power*, to be published by George Allen and Unwin in 1989.
5. 'Beat up' is a journalistic term for inflating a story in presentation beyond its substance. It is apparently derived from the way a mix-master or egg beater is used to transform the original into a much larger looking substance. *Nation Review*, for example, used to award a Golden Egg Beater for the week's most notable beat up.
6. A good account of the parallels and contrasts in the content of the two papers, and of their appeals to their respective readerships, is provided by Andrew Booth and Maria Maley, 'Yin and Yang, the *Sun* and the *Mirror*', *Media Information Australia* 36, May 1985.
7. The *Mirror's* circulation rose to just under 400,000 in the audit period to September 1988.