

## Audio Transcript

Episode 284 of "[E&P Reports](#)" Vodcast Series  
with *Mike Blinder*

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## [Gordon Borrell warns: Local media tipping into irrelevance unless urgent changes are made](#)

Local media isn't just struggling — it's at a tipping point, and most companies are leaning the wrong way. In a brutally candid conversation, Gordon Borrell lays out why 85% of local outlets are capturing less than 10% of their digital ad potential and why newspapers, in particular, have seen **zero** digital revenue growth since 2020. He calls out broken sales cultures, invisible new businesses, and the dangerous illusion that hard paywalls are a sustainable fix. If you're in news publishing and not reading this, you're missing your wake-up call — and possibly your last chance to pivot.



**Mike Blinder:**

Brace yourself. On social media, Gordon Borrell is saying these words: “Local media is at a tipping point — just as likely to tip into oblivion as to survive.” Okay. Powerful words from Gordon Borrell.

Welcome to *E&P Reports*. I’m Mike Blinder, publisher of *E&P Magazine*. Gordon, welcome to the program.

**Gordon Borrell:**

Thank you for having me. It’s always a delight. Our relationship goes way, way back, and it’s always a very frank discussion with you, Mike, and I appreciate that.

**Mike Blinder:**

I gotta tell you, you are now number one. This is episode 284 of *E&P Reports*, a weekly vodcast series — that means we’ve been doing this for a few years. I looked back and, let’s see... Jarvis, five times... Danielle Coffey from the News/Media Alliance, six times... Dean Ridings from America’s Newspapers... and Gordon, you’re number one — seven times!

I want to show you the jacket we’ve designed for you. Keep in mind, sir, the logo has my face on it. Would you be comfortable wearing that if I give you your official *seven-time* jacket for *E&P Reports*? I’m curious.

**Gordon Borrell:**

As long as, when anybody asks, “Who is that guy?” — I get to say whatever I want. Is that alright with you? =

**Mike Blinder:**

That’s fine. Okay, for those of you just listening on podcast platforms, you really need to watch the video — I’m showing Gordon a jacket with my face on it.

But let’s get to work. This is a very, very interesting report. Your 23rd annual Local Advertising Benchmarking Report will be released to the general public for free later this month. Is that correct?



**‘Gordon Borrell:**

Yeah, we’ve never done that before. And if you know me well, you know that caused a great deal of heartburn and consternation. But I was convinced, Mike, that after 23 years — 25 years of being in business and 23 of releasing this particular report — it was time.

This report isn’t about all advertising; it’s about the 36% that stays in local markets. Giving it away for free is a big leap. We’re foregoing a pretty significant amount of income.

Honestly, Mike, the comment you made about me saying we’re at a tipping point — well, I said that last year too. So this is me saying: *son of a bitch*, it’s still at a tipping point. And guess what? Some people are going to tip the hell off.

I’m trying to make it a little more dramatic — because you’re more likely to fail than succeed if you’re not paying attention to what’s going on.

The last thing I’ll say is this: if we as a company truly want to serve the local media industry like we say we do, then we’re going to get this report into the hands of more people — for free. The industry, by the way, is too freaking cheap to shell out money. So there you go. Read it. Enjoy it. Swan song.

**Mike Blinder:**

We have an advance copy. We’re going to break it down. We’ll dig into what’s working, what’s broken, and what Gordon Borrell and Borrell Associates think it’s going to take to stay in the news media game — after this break.

**Announcer:**

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**Mike Blinder:**

Alright, Gordon. Let's break it down. You said local media is at a tipping point — equally likely to tip into oblivion as survive. Your words, not mine. What are the top two things pushing it toward survival, and what's pushing it the other way?

**Gordon Borrell:**

First of all, that's being kind. I don't think they're *equally* likely to tip into oblivion. I think they're *more* likely to tip into oblivion.

In the report, there's a graphic that shows the amount of R&D investments by big Silicon Valley companies — probably 18 to 20 of them — as a percentage of revenue. It ranges from 4–5% for companies like Netflix, all the way up to 40% for Meta, and something close to that for Google. You've also got Hulu, Spotify... all these competitors are reaching into local markets and clawing out local money.

We examined public filings from 18 local media companies. I don't want to make this bet, but I'd probably lose — I bet you can't guess how many reported R&D expenses. The answer is zero. None.

It's not there. There may be many reasons for that, but damn it — if local media isn't ready to gamble, invest in their own survival, and start growing again consistently — then yeah, they ought to tip over the edge of the Titanic and go down. I mean, why are you even in the business?

Yes, it's noble. And sure, you can find some private funding to keep you alive, but is that sustainable? Get serious. You have enormous value to advertisers, and you're just not communicating it well.

And apparently, you don't believe in it — or your ownership doesn't. That responsibility sits with management.

**Mike Blinder:**

I know it because I saw it in the report, but go ahead and say it.

**Gordon Borrell:**

Oh, just say, "I don't know," or guess something like search engine marketing so we can make it dramatic.



**Mike Blinder:**

Okay. It must be social media, right?

**Gordon Borrell:**

It's newspapers. Damn it. It's newspapers, and radio, and TV. Let me give you the stat — from surveying 1,100 local businesses across the country. If they are five years old or younger — so founded during or after the pandemic — they are **twice as likely** to say they plan to increase spending in newspapers, radio, or TV.

They're also more likely — though by a smaller margin — to increase spending in outdoor and, believe it or not, **direct mail**.

**Mike Blinder:**

I was about to say...

**Gordon Borrell:**

Right? Direct mail is the amazing anti-gravity medium. We could do a whole other show on that.

**Mike Blinder:**

This was mind-boggling when I saw it in the report. You're saying there's **an appetite** for traditional, legacy media among new businesses in growing local markets. And yet — your data also shows that daily newspapers are the **only** legacy media type with **zero** digital revenue growth since 2020.

What's holding them back? Is it culture? Leadership? I mean, newspapers used to lead digital in most markets. And since 2020, that just... stopped. What happened?

**Gordon Borrell:**

Owners have focused newspaper companies more — and rewarded them more — for **containing expenses** and **maintaining profit margins** than for being innovative and taking risks.

So there's no incentive. Show me a company with big bonuses tied to doing something innovative that generates real revenue. I'm adamant about that part — generating money. Not just "doing something cool in the newsroom." That's admirable — but not sustainable.

So yeah, you can blame managers and publishers, but if they're not part of ownership, the fault lies with the owners. And if managers aren't rattling the chains hard enough to demand change, then that's on them, too. They're letting themselves — and their companies — be screwed.



Frankly, they should be saying: “If we don’t invest in growth, I’ll walk.” But I get it. People have families. Most of these publishers are in their 50s or 60s and have limited job prospects beyond this industry. I’m in that boat too, so I understand.

But the fundamental question I’d ask owners is: **Do you want your business to grow again?** Or are you content just managing it down?

And if they’re content managing it down — okay. That’s a decision. I just don’t think most have consciously made it. If they actually want to grow again, there’s a path. Give me a million dollars, and I’ll show you. It’ll be better invested in your own company than in a CD or real estate. This is your business.

**Mike Blinder:**

So it’s a **cultural issue**, top-down. That makes sense. But I want to pose a question that may not be in the data — just something for your instincts, Gordon.

We’re doing a webinar this week on **hard paywalls** and how they may be stifling content distribution and audience growth. Could *that* be a factor in newspapers’ flat digital revenue trend?

I mean, there are cities where local papers are churning out incredible content — some even winning Pulitzers — that’s not being seen by 90% of the community.

**Gordon Borrell:**

Yeah. The industry’s been back and forth on paywalls. Honestly, so have I.

You should charge for valuable content, right? People will pay for it. But after **25 years**, I think we’ve proven that’s just not the case.

Remember the mantra from the late ’90s? “Information wants to be free.” The internet was born, and everything was free. We were amazed that companies like Craigslist could make a **billion dollars a year** offering free classifieds.

Now consider this: distribution online is free. You don’t need trucks or broadcast towers. Your delivery costs are practically zero. So why restrict access?

In a world where **he who has the biggest audience wins**, a paywall makes less sense. The **New York Times** is the exception — they’re not a local newspaper. They’re playing a different game with national and global scale.



Local outlets don't have that luxury. You're limiting your audience. You're frustrating readers. And you're forgetting that today's users have **zero patience** and **TikTok-level attention spans**.

People read a headline, they click, and then boom — “Log in or subscribe.” They don't even bother logging in. They just leave.

**Gordon Borrell:**

You know? So I—

**Mike Blinder:**

—think...

**Gordon Borrell:**

It's one of those tough changes that, if you make it, I think you'll be happy.

**Mike Blinder:**

Alright, I've got to ask two more questions. You just said it — the attention span of a squirrel. When these things go longer than twenty minutes, we see audience drop-off. So I try to keep them tight — twenty to twenty-five minutes.

**Gordon Borrell:**

Mhmm.

**Mike Blinder:**

Okay, here are my final two questions. First: how many pages is this thing you're releasing for free at the end of May?

**Gordon Borrell:**

Sixty-eight.

**Mike Blinder:**

Out of those sixty-eight pages, what's the **one metric** you'd watch above all others if you were a news publisher — to know if your organization is truly future-ready? Is there one indicator you'd keep your eye on?

**Gordon Borrell:**

Well, in the report itself, it depends on what kind of organization you are. But if you're a newspaper company, go to the newspaper section in the back. If you're a radio company, go to the radio section — although, honestly, that's a stupid thing to do.

You're not a "radio company" or a "newspaper company" — you're a **media** company. You have this medium called digital, and it's not a newspaper.

Anyway, find your **relevant market share**. Go to the back of the report, pick your market, and see how much **obtainable digital revenue** is out there.

Don't be disappointed that your share is only 1.2%. Be excited that **98.8% is still available to you**. That's how an entrepreneur thinks.

Now, if you look at those numbers and start discounting them — "Those can't be right," or "Well, our market is different..." — then honestly, **you should quit**. You're not thinking like an entrepreneur. You're looking for excuses instead of opportunities.

**Mike Blinder:**

Final question — and I go way back with you. I was on stage at your very first conference in New York City. You had me live on a panel, and I've attended every one since.

You've been tracking this space for two decades. What's one thing you **thought** would've happened by now that hasn't? And what's one thing that's **surprised the hell out of you** that *did* happen?

**Gordon Borrell:**

Wow. I'll probably go all the way back to the early 2000s — 2001, 2002 — when I was first starting the company in my forties.

Back then, I was still steeped in the belief — and I think a lot of newspaper people were — that newspapers were **big, formidable, and untouchable**. They were run by smart people. They had journalism on their side. TV wasn't "real news."

So if the Gordon Borrell of 2001 met the Gordon Borrell of 2025 — who told him that newspapers would be *sucking wind*, with a total local market share under 4% (including digital!) — I would've said, "You're crazy. That's impossible."

That's the one thing that shocked and disappointed me the most.



**‘Mike Blinder:**

What’s the one thing that *did* happen that surprised the hell out of you — something you didn’t see coming?

**Gordon Borrell:**

It’s the **sustainability** — and really, the success — of the business model where you lose money for two or three years while building a massive audience... and then you flip the **revenue switch**.

I mean, look at Google. For years people said, “How are they gonna make money? It’s just a search engine.”

Same with Facebook — we watched it grow and said, “How are they gonna monetize this?” What they were doing was building audience.

And when they got so far ahead of their competitors in terms of delivering **relevant content** and **user experience**, that’s when they turned on the revenue engine. And advertisers **flocked** to them.

That’s the model local media needs to replicate. That’s what I’m seeing now from companies like Connoisseur Media — acquiring Alpha Media in radio. That’s what Townsquare is doing in small markets. And it’s what **some** select local newspapers are starting to figure out.

**Mike Blinder:**

Gordon Borrell, CEO of Borrell Associates — one of the sharpest minds in media forecasting. His firm has just released its **23rd Annual Local Advertising Benchmark Report**.

Gordon, thank you for your time — and your seventh appearance on *E&P Reports*. When you return for your eighth, we’ll see what new piece of swag we can put my face on.

**Gordon Borrell:**

I think a hat would be more appropriate — for a bald guy.

**Mike Blinder:**

There you go.