<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Increasing revenue through advertising sales and value-added services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Author(s)</strong></td>
<td>Bellersheim, Fabiola</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>1995</td>
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Increasing Revenue Through Advertising Sales
And Value-Added Services

By

Fabiola Bellersheim
"Re-engineering the Newspaper for Competitive Advantage"

Interactive Workshop 8-9 June 1995
Kuala Lumpur

Session III:
Increasing Revenue through Advertising Sales and Value-Added Services

by Fabiola Bellersheim
Illert & Partner
Session III: Increasing Revenue through Advertising Sales and Value-Added Services

1. Newspaper market development
2. Aspirations of readers, advertisers, publishers
3. How to increase advertising revenue?
4. How to increase circulation?
5. Electronic information services
6. The newspaper value network
Advertising Expenditures by Type of Media

India
- TV: 18%
- Newspapers: 67%
- Others: 15%

Indonesia
- TV: 33%
- Newspapers: 40%
- Magazines: 8%
- Others: 19%

Thailand
- TV: 51%
- Newspapers: 27%
- Radio: 12%
- Others: 10%

Malaysia
- Others: 35%
- Newspapers: 65%

Singapore
- TV: 32%
- Newspapers: 53%
- Magazines: 8%
- Others: 7%
Advertisers' Aspirations

- A desire to have more market information from publishers
  - detailed characteristics of customer basis for each publication.

- Targeted publications
  - by area (national/regional/local) and subject matter (general/special)

- Measurement of effectiveness and response to advertising

- Ability to distinguish from competition by using special promotion
  facilities such as personalisation, cards stuck on the cover or inside

- The facility to mount advertising campaigns simultaneously in different
  media -> integrated marketing communication
Readers' Aspirations

⇒ Information overload - To get only those information which have been requested, at a time and in a format defined by the reader.

⇒ Portability of media and access to information at any location

⇒ Growing demand for electronic media that can provide additional facilities not available with printed media such as:

- ability to get topical information faster
- ability to search automatically
- ability to select
- ability to process retrieved information
- interactivity
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### Newspaper Circulation 1993

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Population in Mio</th>
<th>No. of daily titles</th>
<th>Daily circulat. all papers in Mio</th>
<th>Copies per 100 Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>891</td>
<td>369</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Indonesia</td>
<td>190</td>
<td>160</td>
<td>5.6</td>
<td>3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>19</td>
<td>30</td>
<td>2.2</td>
<td>11</td>
</tr>
<tr>
<td>Singapore</td>
<td>3.3</td>
<td>8</td>
<td>0.97</td>
<td>29</td>
</tr>
<tr>
<td>Thailand</td>
<td>58</td>
<td>362*</td>
<td>3.5</td>
<td>6</td>
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</table>

*daily, weekly, periodic*
Advertising Revenue

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>810</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>526 / 67%</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>614</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>215 / 40%</td>
<td>28%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>455</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>296 / 65%</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>515</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>273 / 53%</td>
<td>12%</td>
</tr>
<tr>
<td>Thailand</td>
<td>200</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>54 / 27%</td>
<td>16%</td>
</tr>
</tbody>
</table>
Publishers’ Aspirations

- Knowing the customer
  - in rather more detail than previously has been the case

- Control of distribution channels or closer relationship with sales agents

- Providing effective advertising methods

- Increase of company size
  - greater influence on sales agents
  - access of capital for new publications, for electronic media publishing

- Multiuse of the intellectual property that publisher owns
## Criteria the publisher has to fulfill to satisfy readers and advertisers

<table>
<thead>
<tr>
<th>Success factors</th>
<th>Criteria</th>
</tr>
</thead>
</table>
| Readers         | - Contents adjusted to readers  
|                 | - Price matched to target group 
|                 | - Quality matched to target group  
|                 | - Increased service for subscribers  |

### Success factors - Readers
- **Price**
- **Content**
- **Quality**

### Success factors - Advertisers
- **Price**
- **Circulation/Reader**
- **Quality**

- Price adjusted to clients and products
- Readership and circulation adjusted to advertising clients
- Quality adjusted to ads
Different Revenue Channels

- Advertising
- Total Revenues
  - Advertisers
  - Readers
  - New customers
- Circulation
- Electronic Services
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How to increase advertising revenue?

Create Value-Added Services

Provide One-Stop-Shop Service

Enhance Newspaper Marketing

Increase Advertising Effectiveness

Additional campaigns

Marketable Electronic Services

Conventional Services
Value-added services for advertisers

- Special publications/inserts for niche markets
- Research studies of market and readers
- On-line booking of ads
- Design/Layout service for ads
- Mediapools
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How to increase circulation?

- Create Value-Added Services
- Points of Entry Scannable News
- More In-Depth Information
- Comment and Analysis
- Emphasis of Content on Local Communities

Marketable Electronic Services

Conventional Services
Value-added services for readers

- Special publications/inserts for niche markets
- Research service (branch, country profiles)
- On-line research in ad rubrics
- Transaction service
- Info-lines
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Electronic information products
Why are they important for a newspaper?

- Information required more rapidly
- Growing competition from other media
- Need to maintain advertising share
- Need to provide more added-value to advertisers
- Need to target advertising
- Growing interest in features rather than hard news
- Better reach of critical target groups (modern youth)
Electronic information products
How can they enlarge the performance of a newspaper?
Preconditions for publishing news in electronic form

- All collected, structured and stored information have to be in digital form
- Ability to distribute these information electronically
- Existing readership profiles (of individuals)
- Well-trained staff
- State-of-the-art editorial system
Electronic information services/products

Newspaper Database

Electronic Newspaper

Audiotex

CD-ROM

Research Service

Fax-Newspaper

Online-Database
Production and Use of Newspaper Database

Newspaper Production

News Texts

Production System

EDP

Data Conversion

Conversion Software

Archive
Correction, Completion

Newspaper Database

Database Software

Electronic information services/products
<table>
<thead>
<tr>
<th>Additional information</th>
<th>Individualised</th>
<th>Hypertext connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporate text, graphic, sound, video</td>
<td>Newspaper Online</td>
<td>Interface to archived information</td>
</tr>
<tr>
<td>Screen based</td>
<td>Interactive</td>
<td>Newsstand</td>
</tr>
</tbody>
</table>
Online Research Service

- Classic service of publishers archives
- On-demand research and individual selected information as high grade service
- Sources: text archives and databases
- High topicality, high price, charge by expenditure
- Media: phone, fax, letter
- Fax on Demand = automated processing of standard questions
Online-Database

- Public accessible archive of news texts at host who markets news information
- Target groups are intelligence staff from private companies, government agencies, universities
- High topicality, high price, charge depending on usage time and quantity of information
- Very common via worldwide information network
CD-ROM

- Database at the desk, electronic research in stored news texts.
- Low topicality (archive media), low price subscription with quarterly actualising
- Cheap production of high circulation
- Easy handling, CI of producer is visible
- Broader target group, libraries, PC-user, schools
- Charge is independent on use
Audiotex

- Interactive voice messaging service
- Infoline for standard information
- Relation to newspaper
- Easy to enter electronic service
The right product decision

The following criteria have to be considered:

- Electronic products need a clear profile
- Demand-oriented investment in electronic newspaper
- Development cost must be budgeted and controlled
- Kind of electronic product is depending on user focus
- New organisation of sales channels for on-line marketing cooperation with host for CD-Rom direct sales or specialised trade
- New products have to be developed jointly by technicians, journalists and business people
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If you sometimes don't know how to proceed please don't hesitate to contact us.

Thank you very much for your attention