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<thead>
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<th>Title</th>
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<td>AMIC-Illert Workshop on Re-engineering the Newspaper for Competitive Advantage : Kuala Lumpur, Jun 8-9, 1995 : [circulation]</td>
</tr>
<tr>
<td>Author(s)</td>
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<tr>
<td>Citation</td>
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<tr>
<td>Date</td>
</tr>
<tr>
<td>1995</td>
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Circulation
Circulation policy starts with target group oriented product design and therefore is first of all an integrated operation where editors, advertising, circulation and production are equally involved.
Circulation is not an action oriented selling task.

Circulation needs a strategy concept focussing on a time horizon of at least some years.
Circulation needs

- Non stop adaptation to market developments
- Excellent service orientation
- Totally dedicated client (reader) orientation

Excl. Partner

The Management Consultants to Media, Printing and Packaging
What follows out of that?

- Circulation can be only as good as the others are, and vice versa.
- Readers have not only to be won but mainly they have to be kept through personal care and liaison, not through administrative shields.
- Circulation means more and more active street corner selling and liaison with distribution partners and particularly subscriber development, care and liaison.
- Relationship marketing is the working tool
The Role Circulation is Playing in the Newspaper Circulation

- Types of Papers
- Organisation of Circulation
- Sales Channels
- Delivery Systems
- Elements of Circulation
The 4 "R`s" of Logistics

The right product at the right time at the right cost at the right place
illert
& Partner

The Management Consultants to Media, Printing and Packaging

Circulation Manager
- Circulation, bookkeeping
- Transfer, accounts, wages

Cost accounting Main office
- Sales, reps, distribution
- Personnel, mailing

Street corner sales
Market observation
Dealer network liaison

Special actions of any kind

Statistics, Market
success control

Change service
New, cancellations
Reader service

Operative sales
Distribution personnel, rejections

Expedition
Mailing preparat., Touring, despatch
The Selection of Distribution
Alternatives Depends on the Product
(Type of Product, Transportability), the
Reader (Distribution), Competition and
Environment Conditions
Elements of Distribution

• Reader relevant influences
  Private/Business/Agencies

• Product relevant influences
  National campaigns against local
The Distribution

- nothing works without improvisation
- distribution partners
- inspection of distribution
- street corner sellers
- newspaper mail service
- newspaper street corner sales
- cooperations in newspaper distribution
The Logistics

- Storage
  Storage at the wholesaler until distribution

- Product movement
  Moving to sales-stations (outlets) and take back of return copies

- Sorting process by wholesaler

- Information processing
  - Delivery volumes
  - Return copies
  - Selling quotas
  - Sales cycles
  - Structure of sales outlets
  - Invoicing
<table>
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<td>Production in %</td>
<td>43.1</td>
<td>42.0</td>
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<td>Editorial Dept.</td>
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<td>18.6</td>
<td>19.0</td>
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<td>Sales</td>
<td>18.1</td>
<td>18.6</td>
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<td>Advertising</td>
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<td>Administration</td>
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<td>8.4</td>
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Newspaper Subscription

- Circulation trends in subscription
- How to grow?
- Focus: decline of subscriber
- Product quality
- The future of newspaper selling
## Market Share of Advertising Expenditures

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<thead>
<tr>
<th></th>
<th>1987</th>
<th>1989</th>
<th>1991</th>
<th>1992</th>
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<tbody>
<tr>
<td>Daily newspapers</td>
<td>36.5</td>
<td>34.3</td>
<td>33.0</td>
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<td>Sunday newspapers</td>
<td>1.4</td>
<td>1.5</td>
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<td>1.5</td>
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<tr>
<td>Supplements</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
<td>0.9</td>
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<td>General interest magazines</td>
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<td>13.1</td>
<td>11.5</td>
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<td>8.0</td>
<td>7.7</td>
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<tr>
<td>TV</td>
<td>8.4</td>
<td>10.0</td>
<td>13.2</td>
<td>13.9</td>
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<tr>
<td>Radio</td>
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<td>3.6</td>
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<td>3.2</td>
</tr>
<tr>
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<td>11.1</td>
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<td>13.2</td>
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<tr>
<td>Others</td>
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<td>17.5</td>
<td>16.6</td>
<td>16.3</td>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
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Street Corner Sales

- Sales channels
- The growing importance
- Price relations
### Street Corner Sales of Daily Newspapers

<table>
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<tr>
<th>Street Corner Circulation II/93</th>
<th>Changes between 1970-1992</th>
<th>Out of that street corner papers</th>
<th>Out of that local/regional papers</th>
<th>Out of that national papers</th>
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<tbody>
<tr>
<td>7.148.900</td>
<td>+ 972.668</td>
<td>+ 428.310</td>
<td>+ 399.436</td>
<td>+ 144.922</td>
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100,000%  
44,003%  
41,07%  
14,89%
## Average Costs of Various Suppliers

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Price/month</th>
<th>Distribution</th>
<th>Administration</th>
<th>Percentage</th>
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<tr>
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<td>5.22</td>
<td>4.00</td>
<td>38.18</td>
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<td>Singles Subscriptions</td>
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<td>9.81</td>
<td>1.10</td>
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<tr>
<td>Mail Subscriptions</td>
<td>27.78</td>
<td>10.00</td>
<td>4.00</td>
<td>50.39</td>
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