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AMIC WORKSHOP ON STRATEGIES FOR NEWSPAPERS: NEW PRODUCTS, DOMINANCE, AND CIRCULATION GROWTH, KUALA LUMPUR, AUG 15-16, 1997
Speakers stressed the need to think strategically for newspapers to grow. This involves studying critically the market, including its preferences and lifestyles, the company's core business and competition. Winning newspapers mostly from Europe were cited to highlight new products, new markets, and new strategies to meet stiff competition and improve bottomlines.
STRATEGIES FOR NEWSPAPERS:

New Products Dominance Circulation Growth

AUGUST 15-16, 1997,  MING COURT VISTA HOTEL,
KUALA LUMPUR, MALAYSIA.

Organised by
ASIAN MEDIA INFORMATION & COMMUNICATION CENTRE (AMIC),

&

ILLERT & PARTNER

COMPILED AND PREPARED BY SEMINARS & INSTITUTIONAL DEVELOPMENT PROGRAMME (SIDP).
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| Strategies for Newspapers: New Products, Dominance, Circulation Growth |
| 15 - 16 August 1997, Kuala Lumpur, Malaysia |

#### PARTICIPANT'S PARTICULARS

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| Organisation |
| Address |
| Telephone Number |
| Fax Number |
| E-mail address |

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  | Yes | No |

| Registration Fee |
| Before July 30, 1997 | Regular | US$300 |
| After July 30, 1997 | Regular/Amic Member | US$200/US$350 |

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**ABOUT AMIC**

AMIC is a non-profit organisation serving mass communication professionals and institutions in Asia-Pacific region from its headquarters in Singapore. It is supported by the Government of Singapore and the Friedrich-Ebert-Stiftung, an independent organisation in the Federal Republic of Germany.

Since 1971, it has been actively engaged in mass communications documentation, research, publishing, mass media project consultancy and conference management.

Its library contains one of Asia’s largest collections of books, periodicals, conference papers and other documents on communications.

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**ABOUT I & P**

Founded in 1971, Illert & Partner is an international management consultancy firm based in Frankfurt, Germany specializing in the printing, publishing and packaging industries. From its seven centres in Europe, Asia and North America, Illert and Partner provides planning and consulting services specializing in strategic planning, management, marketing, research, organisational development, and joint ventures for media organisations in 85 countries.

In addition, Illert and Partner provides technical advice and planning on automation such as productivity improvement, work flow improvement, technological change strategies as well as plant planning, management and logistics.

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**Strategies for NEWSPAPERS**

**New Products Dominance Circulation Growth**

August 15 - 16, 1997
MINGCOURT VISTA HOTEL
Kuala Lumpur
MALAYSIA

Organized By

Asian Media Information
and Communication Centre

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**A two-day workshop for newspaper managers committed to enhance competitive edge & achieve market leadership**

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DAY 1

Overview: Newspapers: Where to Go and Why

Due to accelerating change in demand, requirements and competition, newspapers need to anticipate threats and challenges to determine growth strategies for the future.

Session 1: Dominance: The New Product Challenge

Taking advantage of their established brand names, newspapers can easily expand into new information and communication products, such as stationary, free sheets, niche newspapers, supplements, multimedia, events, TV, on-line services etc.

Workshop 1: Attracting Advertisers with New Products

Case Study 1: Guest Speaker

DAY 2

Session 2: Defining Reader and Advertising Segments

Only distinctively different print products are able to gain competitive edge. Conducting primary market research lays the foundation for defining niches of readers and advertisers. These segments can be used to re-shape and re-define content, appearance, distribution etc. of the publications.

Workshop 2: Market Segmentation and Product Definition

Case Study 2: Guest Speaker

Session 3: Practical Implications for Circulation Growth

Newly defined and positioned products require different internal structures. Their consequences become critical for editorial, circulation, advertising, manpower, systems, hierarchies, production, distribution etc.

Summary
WORKSHOP ON NEWSPAPER STRATEGIES:
NEW PRODUCTS, DOMINANCE & CIRCULATION GROWTH
AUGUST 15-16, 1997, KUALA LUMPUR

EVALUATION REPORT

Fifty seven participants (57) from eight countries attended the two-day workshop. Majority came from circulation, advertising and sales departments of leading newspapers and magazines in the Asian region. Malaysia had the biggest delegation, about 75% of the total number of participants. Other countries represented included India, Indonesia, Hongkong, Mauritius, Philippines, Singapore and Saudi Arabia. (see attached 1).

Speakers stressed the need to think strategically for newspapers to grow. This involves studying critically the market, including its preferences and lifestyles, the company's core business and competition. Winning newspapers mostly from Europe were cited to highlight new products, new markets, and new strategies to meet stiff competition and improve bottomlines.

Results of their evaluation indicated that they were satisfied with the quality of the programme and organization of the workshop (see attached II). As suggested by participants, day two of the workshop had to be revised to incorporate topics such as positioning, branding and pricing.

Participants were critical of the lack of Asian focus in the speakers' presentation. Lack of time to follow up concerns and issues, and interact with fellow participants was also a common concern. They also wanted more concrete techniques with an Asian context to strategize for the future.

On the workshop organization, some felt that a bigger room was necessary to accommodate the big number of participants. Others wanted a smaller group. There were suggestions for speakers to use powerpoint and colour slides. On the workshop programme, participants said the topics covered were far too many.

Topics suggested for future workshops included segmentation and readership profiling, growth strategies for circulation, skills training for writing and reporting, pricing and positioning techniques, and magazine designs, among others.

Speakers List

1. Volker Illert, MBA
CEO and Managing Director of Illert & Partner (I&P).
TOPIC: Overview: Newspapers, Where to go and why

2. Andreas Becker, MBA
Senior Consultant, Strategic Planning at I & P.
TOPIC: Dominance: The new product challenge

3. P.N. Balji
Editor, The New Paper, Singapore
TOPIC: Case Study: Singapore’s Press Holdings’ Strategy to grow through Additional and Complementing Media
## Workshop on Strategies for Newspapers: New Products, Dominance & Circulation Growth
August 15-16, 1997  MingCourt Vista Hotel, Kuala Lumpur, Malaysia

### Participants List

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<td>Cik Norhayati</td>
<td>Editor's Page</td>
<td>Balai Berita, 31 Jalan Riong, 59100, Kuala Lumpur, Malaysia</td>
<td>Tel: 03-2823131 Fax: 03-2821428</td>
</tr>
<tr>
<td>53.</td>
<td>En. Mohd Fauzi Omar</td>
<td>Editor, Malay Mail</td>
<td>Balai Berita, 31 Jalan Riong, 59100, Kuala Lumpur, Malaysia.</td>
<td>Tel: 03-2823131 Fax: 03-2821428</td>
</tr>
<tr>
<td>54.</td>
<td>En. Abdul Razak Rafis</td>
<td>Chief Sub-Editor, Berita Harian</td>
<td>Balai Berita, 31 Jalan Riong, 59100, Kuala Lumpur, Malaysia.</td>
<td>Tel: 03-2823131 Fax: 03-2821428</td>
</tr>
<tr>
<td>55.</td>
<td>En Mohd.Azzahari Othman</td>
<td>Assistant Manager, Revenue Operations</td>
<td>Balai Berita, 31 Jalan Riong, 59100, Kuala Lumpur, Malaysia.</td>
<td>Tel: 03-2823131 Fax: 03-2821428</td>
</tr>
<tr>
<td>56.</td>
<td>Mr. Hamid Hamed Mohd. Adnan</td>
<td>Lecturer, University of Malaya</td>
<td>Department of Media Studies, University of Malaya, 50603, Kuala Lumpur, Malaysia.</td>
<td>Tel: 03-759 5655 Fax: 03-759 5464</td>
</tr>
</tbody>
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**Workshop on Strategies for Newspapers: New Products, Dominance & Circulation Growth**  
August 15-16, 1997  
MingCourt Vista Hotel, Kuala Lumpur, Malaysia.

<table>
<thead>
<tr>
<th>COUNTRIES</th>
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## Participants Chart

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Workshop on Strategies for Newspapers: New Products, Dominance & Circulation Growth
August 15-16, 1997
Ming Court Vista Hotel, Kuala Lumpur, Malaysia.
Participants Chart

<table>
<thead>
<tr>
<th>COUNTRIES/POSITIONS</th>
<th>Malaysia</th>
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<tr>
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<tr>
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<td>1</td>
<td></td>
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Strategies for Newspapers

Overview: Where to go and why?

Volker Illert
Illert & Partner GmbH

Kuala Lumpur, August 15, 1997
Mingcourt Vista Hotel

Management Consultants to Media, Printing, Packaging
Despite tougher market conditions, newspaper growth is possible.
Strategies for Newspapers

Tougher markets

<table>
<thead>
<tr>
<th></th>
<th>Nr. titles</th>
<th>Circulation</th>
<th>Total sales</th>
<th>Ads revenue</th>
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</thead>
<tbody>
<tr>
<td><strong>India:</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Dailies</td>
<td>1.3 %</td>
<td>0.2 %</td>
<td>0.2 %</td>
<td>12.5 %</td>
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<tr>
<td>Weeklies</td>
<td>1.8 %</td>
<td>-5.5 %</td>
<td>-2.3 %</td>
<td>?</td>
</tr>
<tr>
<td>Sundays</td>
<td>20 %</td>
<td>55.5 %</td>
<td>56 %</td>
<td>12.5 %</td>
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<tr>
<td><strong>Indonesia:</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Dailies</td>
<td>1.3 %</td>
<td>0.0 %</td>
<td>0.0 %</td>
<td>?</td>
</tr>
<tr>
<td>Weeklies</td>
<td>1.1 %</td>
<td>-?</td>
<td>-?</td>
<td>?</td>
</tr>
<tr>
<td><strong>Japan:</strong></td>
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<td>0.9 %</td>
<td>2.5 %</td>
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<tr>
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<td>5.1 %</td>
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</table>
## Strategies for Newspapers

**Tougher markets**

### Malaysia:

<table>
<thead>
<tr>
<th></th>
<th>Nr. titles</th>
<th>Circulation</th>
<th>Total sales</th>
<th>Ads revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dailies</td>
<td>0.0%</td>
<td>2.0%</td>
<td>?</td>
<td>0%</td>
</tr>
<tr>
<td>Weeklies</td>
<td>5.0%</td>
<td>-5.0%</td>
<td>?</td>
<td>16%</td>
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</tbody>
</table>

(all newspapers)

### Sri Lanka:

<table>
<thead>
<tr>
<th></th>
<th>Circulation</th>
<th>Total sales</th>
<th>Ads revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dailies</td>
<td>2.9%</td>
<td>-12.7%</td>
<td>?</td>
</tr>
<tr>
<td>Weeklies</td>
<td>11.7%</td>
<td>12.4%</td>
<td>?</td>
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</tbody>
</table>
## Strategies for Newspapers

<table>
<thead>
<tr>
<th>Germany: Nr. titles</th>
<th>Germany: Total sales</th>
<th>Germany: Ads revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dailies</td>
<td>-1.5%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Weeklies</td>
<td>-13.3%</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USA:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dailies</td>
<td>-0.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Weeklies</td>
<td>0.2%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>
Strategies for Newspapers

Why is the market getting tougher?

- Shift in time span
  (in USA 10% decrease from 1990 to 1995)

- Decreasing circulation
  (France -2%, Ireland -27% from 1991 to 1995)

- Losing share of advertising spending
  (only different in Ireland)
Strategies for Newspapers

World trends in circulation

- Not valid for all markets

- Although some markets are still growing

- Trends will be similar to all markets in the future

- Threats are less acute for developing markets

- Increase of population, improving literacy, economic growth
Financial Impact of Continued Development - example

within 5 years -5% circulation and -17% advertising revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Costs</th>
<th>Operating profit</th>
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</thead>
<tbody>
<tr>
<td>1995</td>
<td>1,000</td>
<td>865</td>
<td>135</td>
</tr>
<tr>
<td>2000</td>
<td>870</td>
<td>850</td>
<td>20 85% decline</td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing, Packaging
THE VICIOUS CIRCLE

Newspapers' share of advertising spending

Circulation

Sales and advertising revenues

Resources available for product development and talent

Profitability

Management Consultants to Media, Printing and Packaging
THE VIRTUOUS CIRCLE

Circulation

Resources available for product development and talent

Sales and advertising revenues

Profitability

Newspapers' share of advertising spending

Management Consultants to Media, Printing and Packaging
Strategies for Newspapers

Growth opportunities

- Develop existing paper
- Develop a new product for the existing market
- Geographic expansion
- Redesign the business model through radical change in delivering the product
- Enter a totally new business
GROWTH OPPORTUNITIES

- Circulation winners
- Core business
- New product
- Geographic expansion
- Redesign of business model
- New industry

Management Consultants to Media, Printing and Packaging
Strategies for Newspapers

How to do this?

- Outside analysis of each market and market segment
- Number one criteria - circulation growth
- Outperform competitors in market share development
- Achieve growth without jeopardizing economic substantiability
Strategies for Newspapers

Growth opportunities outside core business

- The Star, introducing an Irish daily popular
- Straits Times, introducing The New Paper
- Dagens Nyheter International
Strategies for Newspapers

Lessons to be learned from circulation winners

- Growth aspiration
- Belief in the newspaper
- Long term business perspective
- Shared aspiration
<table>
<thead>
<tr>
<th>Country</th>
<th>Newspaper</th>
<th>Growth Aspiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>The Dallas Morning News</td>
<td>&quot;Become the true market leader in Dallas&quot;</td>
</tr>
<tr>
<td>USA</td>
<td>The Times</td>
<td>&quot;Become the profitable market leader&quot;</td>
</tr>
<tr>
<td>USA</td>
<td>Sunday Independent</td>
<td>&quot;Become the top selling Sunday in Ireland&quot;</td>
</tr>
<tr>
<td>Arkansas</td>
<td>Arkansas Democrat Gazette</td>
<td>&quot;Survive and become the true Arkansas paper&quot;</td>
</tr>
<tr>
<td>USA</td>
<td>Dagens Industri</td>
<td>&quot;Become the second voice in Pittsburgh&quot;</td>
</tr>
<tr>
<td>Denmark</td>
<td>Jyllands-Posten</td>
<td>&quot;Become the no 1 national paper in Denmark&quot;</td>
</tr>
<tr>
<td>France</td>
<td>Le Parisien</td>
<td>&quot;Become the leading popular newspaper in the Paris area and in due course the rest of France&quot;</td>
</tr>
<tr>
<td>France</td>
<td>Le Parisien</td>
<td>&quot;Grow in a healthy fashion every year&quot;</td>
</tr>
<tr>
<td>Ireland</td>
<td>Sunday Independent</td>
<td>&quot;Become the top selling Sunday in Ireland&quot;</td>
</tr>
</tbody>
</table>
BELIEF IN THE NEWSPAPER’S VIABILITY

"Papers get paralyzed by the problems in the industry – and they write about it"
Editor, Jyllands-Posten

"You have to believe in your paper – we believe there can be two papers in Pittsburgh. Readers in any market should have a choice"
President, Tribune Review

"You have to believe in news, believe in the paper"
Publisher,
Jyllands-Posten
LONG TERM BUSINESS PERSPECTIVE

"You have to invest to grow. The growth will then allow you to reinvest in the future – if you don’t invest now, you will die”
Publisher, Jyllands-Posten

"We don’t have to live with demands on profit short term – we reinvest in the future because an increased market share will increase value long term”
President, Tribune Review

"Short term profits are fine, but they distract us from what we are really trying to do”
General Manager, The Times

"We could make more profits – but we choose not to if it adversely affects the long term health of our company”
General Manager, Arkansas Democrat Gazette

Management Consultants to Media, Printing and Packaging
Strategies for Newspapers

Lessons to be learned from circulation winners

- Understand what readers really want
- More information is better than less
- New sources of information
- Articulation of fundamental value proposition
- Approach to market research

Management Consultants to Media, Printing, Packaging
MORE INFORMATION IS BETTER THAN LESS

Traditional understanding of readers

Internal knowledge

Feedback initiated by readers

New understanding of readers

Non-traditional collection of information

Targeted market research

Internal knowledge

Feedback initiated by readers

Management Consultants to Media, Printing and Packaging
# NEW SOURCES OF INFORMATION

<table>
<thead>
<tr>
<th>Market research</th>
</tr>
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<tbody>
<tr>
<td><strong>Dagens Industri</strong></td>
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<tr>
<td><strong>Jyllands-Posten</strong></td>
</tr>
<tr>
<td><strong>The Times</strong></td>
</tr>
<tr>
<td><strong>Sunday Independent</strong></td>
</tr>
<tr>
<td><strong>Le Parisien</strong></td>
</tr>
<tr>
<td><strong>The Dallas Morning News</strong></td>
</tr>
<tr>
<td><strong>Tribune Review</strong></td>
</tr>
<tr>
<td><strong>Arkansas Democrat Gazette</strong></td>
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Management Consultants to Media, Printing and Packaging
### NEW SOURCES OF INFORMATION

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<td>Sunday Independent</td>
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<td>Le Parisien</td>
<td>X</td>
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<td>The Dallas Morning News</td>
<td>X</td>
<td>On-going dialogue with specific community groups</td>
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<tr>
<td>Tribune Review</td>
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<td>Annual in-paper survey</td>
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<td>X</td>
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# DEFINE READER SEGMENTS AND IDENTIFY NEEDS – EXAMPLE

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<thead>
<tr>
<th>Segment</th>
<th>Demographics</th>
<th>Top 3 needs</th>
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<tbody>
<tr>
<td>Young sportsmen</td>
<td>• Younger</td>
<td>• Pro/major college sports</td>
</tr>
<tr>
<td></td>
<td>• Skewed male</td>
<td>• Neighbourhood news</td>
</tr>
<tr>
<td>Gamesmen</td>
<td>• Older</td>
<td>• Local sports</td>
</tr>
<tr>
<td></td>
<td>• Lower income</td>
<td></td>
</tr>
<tr>
<td>City news</td>
<td>• Skewed female</td>
<td>• Price</td>
</tr>
<tr>
<td></td>
<td>• Ethnic</td>
<td>• Contests</td>
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<td></td>
<td></td>
<td>• Reproduction quality</td>
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<td>Horoscope readers</td>
<td>• Primarily female</td>
<td>• City news</td>
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<tr>
<td></td>
<td>• Lower educated</td>
<td>• International/national news</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Up-to-date news</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Neighbourhood news</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Lifestyle/living features</td>
</tr>
<tr>
<td></td>
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<td>• Human interest</td>
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## RELATIVE PERFORMANCE PER SEGMENT – EXAMPLE

### Percent

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<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young sportsmen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gamesmen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City news</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Horoscope readers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fun lovers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>News/editorial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businessmen</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing and Packaging
### Balance Changes Towards Segments – Example

**% increase in market share**

- **More international/national news, more positive news, better entertainment coverage, price down by USD 0.10**
- **Cover page in color, better business pages, more local news, upgraded classified ad**

<table>
<thead>
<tr>
<th>All segments</th>
<th>7</th>
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<tbody>
<tr>
<td>Young sportsmen</td>
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<tr>
<td>Gamesmen</td>
<td>9</td>
</tr>
<tr>
<td>City news</td>
<td>7</td>
</tr>
<tr>
<td>Horoscope readers</td>
<td>8</td>
</tr>
<tr>
<td>Fun lovers</td>
<td>9</td>
</tr>
<tr>
<td>News/editorial</td>
<td>8</td>
</tr>
<tr>
<td>Businessmen</td>
<td>8</td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing and Packaging
Strategies for Newspapers

Lessons to be learned from circulation winners

- Tailoring the paper
- Common themes in developing newspapers
- Upgrading hard news
- Creating the true forum for a community
- Improving accessibility
TAILORING THE PAPER – JYLLANDS-POSTEN

Major changes

Improvement in all areas related to 'serious' news
- News, especially foreign
- Business
- Arts/culture

Conservative people in Jylland

All informed Danes having a broad interest in 'serious' news, with focus on Aarhus and Copenhagen

Management Consultants to Media, Printing and Packaging

Ilert & Partner
NEWS – DOMESTIC/FOREIGN

Increased coverage

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>1997</th>
</tr>
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<tbody>
<tr>
<td>Domestic news</td>
<td>4</td>
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<tr>
<td>Foreign news</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>9</td>
</tr>
</tbody>
</table>
NEWS – REGIONAL SUPPLEMENTS

Aarhus

Copenhagen

Management Consultants to Media, Printing and Packaging
TAILORING THE PAPER – THE TIMES

Civil servants, the wealthy and the business community

Traditional readers and the young, well educated, including women

Major changes

- Expanded coverage in traditional areas of strength
- Increased coverage of niche topics
- Regular supplements on specialist areas
- Introduced a magazine, lifestyle supplement and entertainment directory on a Saturday
### COVERAGE OF TRADITIONAL AREAS – THE TIMES

#### Number of pages

<table>
<thead>
<tr>
<th>Category</th>
<th>1992</th>
<th>1997</th>
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<tbody>
<tr>
<td>Headline stories (front and back pages)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Domestic news</td>
<td></td>
<td></td>
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<tr>
<td>Foreign news</td>
<td></td>
<td></td>
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<tr>
<td>Leaders</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Letters</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Court circular/announcements</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Obituaries</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
COVERAGE OF NICHE TOPICS – THE TIMES

Number of pages

<table>
<thead>
<tr>
<th>Year</th>
<th>Business</th>
<th>Arts and culture</th>
<th>Sport</th>
<th>Travel</th>
<th>Television</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>1997</td>
<td>8</td>
<td></td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

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UPGRADE HARD NEWS – IMPROVE QUALITY

Active reporting – not passive observation

Analysis and explanation – not description

Credibility – not inaccurate or biased information

- 50% of adults consider investigative reporting as “very important” and 38% consider it “somewhat important”
- 64% of readers state that more explanations of complex issues would make them “more likely” to read a paper
- 79% of adults believe that it “matters a lot” that newspapers present all sides of issues
CREDIBILITY - THE DALLAS MORNING NEWS

Management Consultants to Media, Printing and Packaging
# EXAMPLES OF IMPROVED ACCESSIBILITY

<table>
<thead>
<tr>
<th>Components of accessibility</th>
<th>The Times</th>
<th></th>
<th></th>
<th>Dagens Industri</th>
<th></th>
<th></th>
<th>Tribune Review</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous</td>
<td>Introduced/improved</td>
<td>Previous</td>
<td>Introduced/improved</td>
<td>Previous</td>
<td>Introduced/improved</td>
<td>Previous</td>
<td>Introduced/improved</td>
</tr>
<tr>
<td>Indices</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Puffs</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Digest</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of color</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Photos</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Artwork</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Graphics</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Clear and concise style</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing and Packaging
FRONT PAGE DEVELOPMENT – THE TIMES

THE TIMES
The case of the detective, the bouncer and a plastic bag

Job fears batter hopes for an early recovery

Major to call May 1 election today
Presidential style for marathon campaign

Prime Minister states his terms for TV debate

Europe ready for and taken force to Atlanta

Top's hair scars a bit down memory lane
Strategies for Newspapers

Lessons to be learned from circulation winners

- Balancing price and benefits
- Successful moves in terms of pricing
BALANCING PRICE AND BENEFITS

Value equivalence line

Lose market share

Product 1

Gain market share

Product 3

Product 2

Perceived price

Perceived benefits

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THE TIMES
Pence/1,000 copies

Price

Circulation

1993

1996

0

10

20

30

40

50

600

700

800

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Illert & Partner
THE DALLAS MORNING NEWS
USD 3 month subscription/1,000 copies

Management Consultants to Media, Printing and Packaging
Illert & Partner
Strategies for Newspapers

Lessons to be learned from circulation winners

- Consumer goods approach - subscription sales
- Consumer goods approach - single copy sales and distribution
- Consumer goods approach - marketing
CONSUMER GOODS APPROACH

Traditional approach

Subscription sales

One selling approach for all customers

Consumer goods approach

Differentiated selling approach tailored to distinct target groups
FOCUS ON ATTRACTIVE SEGMENTS -
THE DALLAS MORNING NEWS

Potential subscribers

Apartment residents

High end demographics

"Spread the news" campaign

VIP-program

Management Consultants to Media, Printing and Packaging
SPREAD THE NEWS

The Dallas Morning News

Leasing agent

New resident

SPREAD THE NEWS

GET WITH THE PROGRAM!
SPREAD THE NEWS – WELCOME PACK

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FOCUS ON ATTRACTIVE SEGMENTS –
TRIBUNE REVIEW

Potential subscribers

High end demographics

Customers in department store

Focused offer
# CONSUMER GOODS APPROACH

<table>
<thead>
<tr>
<th>Traditional approach</th>
<th>Consumer goods approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription sales</td>
<td>Differentiated selling approach tailored to distinct target groups</td>
</tr>
<tr>
<td>One selling approach for all customers</td>
<td>New types of outlets and new relations with outlets</td>
</tr>
<tr>
<td>Single copy sales and distribution</td>
<td>Traditional outlets</td>
</tr>
</tbody>
</table>
SINGLE COPY OUTLETS – INDEPENDENT GROUP
Percent, number of outlets

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas stations</td>
<td>4,600</td>
<td>5,500</td>
</tr>
<tr>
<td>Convenience stores/franchise</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>News agents</td>
<td>84</td>
<td>76</td>
</tr>
</tbody>
</table>

Illert & Partner
Management Consultants to Media, Printing and Packaging
SINGLE COPY OUTLETS – LE PARISIEN

- Cafés
- Hospitals
- Bakeries
- Gas stations
- Electronic vending machines
- News stands
## CONSUMER GOODS APPROACH

<table>
<thead>
<tr>
<th></th>
<th>Traditional approach</th>
<th>Consumer goods approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription sales</td>
<td>One selling approach for all customers</td>
<td>Differentiated selling approach tailored to distinct target groups</td>
</tr>
<tr>
<td>Single copy sales and distribution</td>
<td>Traditional outlets</td>
<td>New types of outlets and new relations with outlets</td>
</tr>
<tr>
<td>Marketing</td>
<td>Limited low key approach</td>
<td>Extensive brand building using multiple channels</td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing and Packaging
# RADICAL CHANGE IN MARKETING EFFORT – JYLLANDS-POSTEN

<table>
<thead>
<tr>
<th></th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Campaigns</strong></td>
<td>2 of 2 weeks</td>
<td>8 of 3–4 weeks</td>
</tr>
<tr>
<td><strong>Visibility</strong></td>
<td>Limited</td>
<td>Total dominance</td>
</tr>
<tr>
<td><strong>Channels</strong></td>
<td>Relatively equal</td>
<td>Primarily – TV, outdoor</td>
</tr>
<tr>
<td></td>
<td>mix – TV, outdoor,</td>
<td>Add-on – print, radio,</td>
</tr>
<tr>
<td></td>
<td>print</td>
<td>direct mail</td>
</tr>
<tr>
<td><strong>Theme</strong></td>
<td>Various themes</td>
<td>“If you want to know more – Denmark’s international paper”</td>
</tr>
</tbody>
</table>

Managing Consultants to Media, Printing and Packaging
TAILOR ORGANIZATION

The Times
- Replaced ~40 journalists

Jyllands-Posten
- Rotated ~100 editorial employees to new positions
- Increased number of editorial staff with 40%
- Organized sales department into 7 regions

Independent Group
- Redefined responsibilities for single copy sales force
Strategies for Newspapers

Lessons to be learned from circulation winners

- Focus on execution - trial and error
- Focus on execution - parallel initiatives
- Focus on execution - follow right through
- Focus on execution - networking
FOCUS ON EXECUTION

"Commit to your aspiration – use a trial and error approach to ideas."

Trial and error
FOCUS ON EXECUTION

Trial and error

"Commit to your aspiration – use a trial and error approach to ideas"

Parallel initiatives

"Working with several dimensions in parallel is essential – you cannot work with only one thing at the time"
FOCUS ON EXECUTION

Trial and error

"Commit to your aspiration – use a trial and error approach to ideas"

Parallel initiatives

"Working with several dimensions in parallel is essential – you cannot work with only one thing at the time"

Follow through

"Be persistent when executing your strategy"
FOCUS ON EXECUTION

- Trial and error: "Commit to your aspiration – use a trial and error approach to ideas"
- Parallel initiatives: "Working with several dimensions in parallel is essential – you cannot work with only one thing at the time"
- Follow through: "Be persistent when executing your strategy"
- Networking: "Focus on core strengths and leverage third parties"
CIRCULATION WINNERS...

...have an explicit aspiration to grow

...understand what their readers really want

...tailor their newspaper to fit readers' needs

...complement price changes with product improvements

...use a consumer goods approach to sell and market their newspaper

...focus on execution

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Dominance:
The New Product Challenge

Andreas Becker
Illert & Partner GmbH
Kuala Lumpur, August 15, 1997
Mingcourt Vista Hotel

Overview
1. Recent newspaper trends
2. Strategic framework
3. Reshape the existing product
4. Expand into new products
5. Implement new products
1. Recent newspaper trends

- Decreasing circulation figures
- Decreasing advertising revenue
- Decreasing lead function of the media newspaper
- Decreasing penetration of young reader segments
- Decreasing time spent reading a newspaper
- Decreasing reader loyalty
- Decreasing margins

Recent newspaper trends (ctd.)

Increasing competition for readers and advertisers

<table>
<thead>
<tr>
<th>Magazines</th>
<th>Free-sheets</th>
<th>Direct mail</th>
</tr>
</thead>
</table>

Increasing competition for readers and advertisers

<table>
<thead>
<tr>
<th>Video</th>
<th>Radio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cinema</td>
<td>Television</td>
</tr>
</tbody>
</table>
2 Strategic framework
2.1 Product / customer portfolio
2.2 Strategic type, conduct, orientation
2.3 “Marketing for everybody is marketing for nobody”

4 Different strategies
1. no change
2. sell existing product to newly developed customers
3. sell newly developed product to existing customers
4. sell newly developed product to newly developed customers
2.2 Strategic type, conduct, orientation

Position your newspaper product according to the factors below

<table>
<thead>
<tr>
<th>Strategic Conduct</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>active = innovator of trends</td>
<td>reactive = follower of trends</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Strategic Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>external = grow through acquisition, alliances etc.</td>
<td>cost leader = &quot;cheaper&quot;</td>
</tr>
<tr>
<td>internal = grow through own resources</td>
<td>differentiation = &quot;better&quot;</td>
</tr>
</tbody>
</table>

2.2 Strategic type, conduct, orientation (ctd.)

An example

Type

Cost leader | Differentiation

Active

Conduct

Reactive

Orientation

Internal

External

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2.3 "Marketing for everybody is marketing for nobody"

Differentiating the product to meet different users' needs

<table>
<thead>
<tr>
<th>Traditional approach</th>
<th>Innovative approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Diagram of Traditional Approach" /></td>
<td><img src="image2" alt="Diagram of Innovative Approach" /></td>
</tr>
</tbody>
</table>

3 Reshape the existing product

3.1 Closer relationship with reader
3.2 A "surprise page" everyday
3.3 Different segments
3.4 Segmentation of mass audience
3.5 Segment: 14 - 19 year olds
3.6 Checklist: content and design
3.7 The Sunderland Echo (UK)
3.1 Closer relationship with the reader

Problem: decreasing customer loyalty

reader ---► publisher

Remedie: increase emotional tie to newspaper, through...

reader ---► publisher

... event
... regional / local news
... spon-soring
... "audience participation"
... customer cards / discounts

3.2 A "surprise page" everyday

Benefits
- novelty character increases
- higher involvement
- young, modern image
- innovative approach

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3.3 Different segments

Redesign the newspaper to meet different target audiences

Monday: business & finance
Tuesday: arts & literature
Wednesday: travel & holiday
Thursday: home & garden
Friday: food & entertainment

Basic product → Daily segments

3.4 Segmentation of mass audience

Bases for grouping readers into different segments:

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Geodemographic</th>
<th>Profession</th>
<th>Product loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>age</td>
<td>agricultural area</td>
<td>managerial</td>
<td>hard-core</td>
</tr>
<tr>
<td>gender</td>
<td>modern housing</td>
<td>clerical</td>
<td>soft-core</td>
</tr>
<tr>
<td>family size</td>
<td>old urban</td>
<td>manual</td>
<td>shifting loyalty</td>
</tr>
<tr>
<td>family life cycle</td>
<td>multi-racial</td>
<td>unskilled</td>
<td>switchers</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>
3.5 Segment: 14 - 19 year olds

Majority stated:

"dislike / I would not read"  
"like / I would read"

Strategic potentials for newspapers
### 3.6 Checklist: content and design

#### Frontpage
- Does the frontpage contain a mixture of different topics? **Yes**
- Are regional / local news included? **No**

#### Structure of whole newspaper
- Is the paper divided in distinctive products? **No**
- Are these products in the same order everyday? **Yes**
- Are the column headings formatted in the same way? **Yes**
- Is the reader guided / led through the newspaper? **Yes**

#### Structure of each page
- Does each page include a lead article? **Yes**
- Does each page include short and long articles? **Yes**
- Are the pictures clearly related to the accompanying article? **Yes**
- Are articles grouped according to topics? **Yes**

#### Structure of each article (ctd.)
- Are graphs and illustrations used? **Yes**
- Are long articles structured with sub-headings? **Yes**

#### Local / regional news
- Are local / regional news structured in the same way? **Yes**
- Are events, listings, telephone number etc. included? **Yes**
- Do these news cover the complete range of local events? **Yes**
- Can readers contribute to these pages? **Yes**

#### Layout
- Is the typography easy to read? **Yes**
- Is the newspaper head appealing? **Yes**
- Is the overall impression light, modern, innovative? **Yes**
- Are colour pictures, headings, backgrounds etc. included? **Yes**

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3.7 The Sunderland Echo (UK)

Problem: Decreasing customer loyalty, decreasing readership

Project team: two editors, one outside consultant

Market research: 1,300 interviews regarding content, quality, topics, layout, reading habits

Segmentation: according to attitude towards newspapers (enthusiasts vs. "hopeless cases") and according to topics (health, education, crime et.)

Layout: re-vamped layout to increase readability and quick access to information

4. Expand into new products

4.1 The value of brands
4.2 Magazine supplements
4.3 Free-sheets
4.4 Target group newspapers
4.5 Print-on-demand, distributed print
4.6 Radio / Television
4.7 Multimedia / CD-ROM
4.8 On-line newspapers
4.1 The value of brands

Take advantage of the well-established brand name of your publication and the benefits associated with a brand

- History
- Know-how
- Quality
- Authenticity
- Value-for-money
- Prestige
- Service
- Image
- Reliability

*"A strong branding message can be used to change or reinforce the desired positioning of our products."*

Roger Chappell, Managing Director Birmingham Post & Mail Ltd

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4.1 The value of brands (ctd.)

Branding of: Evening Mail, Birmingham Post, Sunday Mercury (UK)

Slogans: "What a paper!", "Insight for the well-informed"

Outdoor ads: Taxis, airports, railway stations, busses, billboards

Paper communication: Coupon collection, print ads, direct mail

Other tools: T-shirts, TV & radio spots, events, point-of-sale materials, mobile trailer, window displays, discounts for tourist attractions

Benefits: increased circulation as well as higher awareness among non-readers
4.2 Magazine supplements

Example: La Stampa (Italy)

Market test: Creation of a four-page dummy issue, which was tested among readers and non-readers of La Stampa to get initial market feedback and estimate market potentials.

Distribution: In combination with Sunday Issue

Content & graphic format: Each issue deals with nine topics, aiming at targeted reader segments; inclusion of many photos up to poster size.

Advertising: Magazine supplement contributed to higher circulation of the newspaper thus allowing to increase advertising rates.

Apart from weekly supplements consider niche publications appearing at irregular intervals:

- The new Season
- Time out
- Back to school
- Local Business Directory
- Autumn Book Review
- Fashion news

January 97, Spring 98, etc.
4.2 Magazine supplements (cont.)

Synchronize these publication with events, fairs, holidays etc. throughout the year to guarantee readers’ and advertisers’ attention.

Local Business Directory
Time out
Fashion news

Jan Feb Mar Apr May Jun

The new Back to Autumn
season school Book Review

Jul Aug Sep Oct Nov Dec

Start organizing / sponsoring trade shows to attract advertisers for your supplementary magazines.

4.3 Free-sheets

Increase in free-sheet revenue in Germany

+ 150%
4.3 Free-sheets (cont.)

Example: Eleftherotypia Ad-Freesheet (Greece)

Statistics:
- circulation: 130,000
- published: 3 x a week
- pages: 64 pages

Content:
- classified ads in 40 - 50 different groups (cars, property, employment, personnel etc.)

Ads:
- publishing an ad is free

Distribution:
- sold at newsagencies throughout the country

Organisation:
- 15 people; most of them female telephone operators, taking ads and putting them into system

Evaluation:
- started in 1996, quick success and increasing revenues

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4.4 Target group newspapers

Frequently, newspapers are targeting certain professional and/or political segments within the readership

<table>
<thead>
<tr>
<th>Readers</th>
<th>Political orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>blue collar</td>
<td>liberal</td>
</tr>
<tr>
<td>white collar</td>
<td>conservative</td>
</tr>
<tr>
<td></td>
<td>Financial Times</td>
</tr>
</tbody>
</table>

opportunities for tailor-made publications for
- children
- senior citizens
- women
- ...

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4.4 Target group newspapers (ctd.)

Corporate newspapers offer companies the opportunity to effectively communicate with their stakeholders.

4.5 Print-on-demand, distributed print

from print (1) and distribute (2) ...
4.8 On-line newspapers

Three different business models

1. free access
2. on-line payment
3. off-line payment (e.g. pay per article, additional payment linked to print subscription)

Beware: charge only for exclusive material

4.8 On-line newspapers (ctd.)

The right balance between content accessibility depends primarily on the expectations of the readers

Access
pay to access free

Content

selected articles
theoretical option

all articles, full text

current trend

offer added-value through on-line classified ads that allow better searchability
5 Implement new products

- Step 1: Segment market
  - “What is happening out there?”

- Step 2: Define customer
  - “Who will be our customer?”

- Step 3: Define product
  - “What does our customer want?”

- Step 4: SWOT
  - “Do we have the right skills?”

- Step 5: Acquire skills
  - “What help do we need?”

- Step 6: “Do it”
  - “We will succeed”
Positioning: How to do it

"The moment when we accepted that we must provide what the readers want was when we started to change."

(CEO, Independent Newspaper)
Positioning: How to do it

- Understanding what readers really want
- Understanding the different readers segments
- Companies work to understand their customers

- Today many newspapers think they are doing this while their efforts fall quite short

- Winning papers, gaining their position, are extremely sophisticated and live up to those activities in their every day work
- This is the difference between a newspaper and a well positioned winning newspaper
Positioning: Steps to take

- Market research of the Dallas Morning News
- study readers and no-readers needs
- defining relative performance
- realisation Dallas Morning News is under performing
- result = major reshape of paper
  hard news improvement
  local news expansion
  more business coverage
  more sports coverage
  ongoing market research

- Tribune Review

- market research
- survey expanding Pittsburgh market
- identify shortcomings relative to competitor
- act accordingly
Value Proposition

- Definition of value proposition
- A morning quality paper
- A morning popular
- A regional paper
- An international business paper
Positioning: How to do it

Define reader segments and identify needs

- Find that segments have unique profile
- Profiles also include topics between two segments
Positioning: How to do it

Relative Performance by Segments

Assess performance by reader segment
Positioning: How to do it

Balance changes towards segments

- Strike the right balance satisfying the needs of targeted readers
Positioning: How to do it

Taylor the paper

- Taylor the paper to readers' needs
- Jyllands Posten
- Change logo to "Denmark's International Paper"
- Introduce separate section of foreign news
- News supplements Aarhus / Copenhagen
- Business weekly supplements
- IT supplement
- Real estate supplement
- Arts / Culture, serious / deep coverage
- Entertainment and culture, light, easy going
- Culture / TV / Radio
Positioning: How to do it

Times

- Increase coverage domestic / foreign news (20 - 30%)
- Covering niche topics
- Arts / culture
- Sports
- Supplements of special areas
- Appointments
- IT
- Supplements on Saturday
- Weekend supplement
- Motoring
- Interviews / feature - home, fashion, food
- Entertainment - books, arts, TV, radio

particularly for young female readers
### Advertising revenue:

Ratio of Advertising to sales revenues. Revenues in total income

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales</th>
<th>Advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>+61%</td>
<td>+39%</td>
</tr>
<tr>
<td>UK</td>
<td>+59%</td>
<td>+41%</td>
</tr>
<tr>
<td>Ireland</td>
<td>+57%</td>
<td>+43%</td>
</tr>
<tr>
<td>Italy</td>
<td>+57%</td>
<td>+43%</td>
</tr>
<tr>
<td>France</td>
<td>+56%</td>
<td>+44%</td>
</tr>
<tr>
<td>Portugal</td>
<td>+53%</td>
<td>+47%</td>
</tr>
<tr>
<td>Denmark</td>
<td>+53%</td>
<td>+47%</td>
</tr>
<tr>
<td>Belgium</td>
<td>+52%</td>
<td>+48%</td>
</tr>
<tr>
<td>Finland</td>
<td>+51%</td>
<td>+49%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>+49%</td>
<td>+51%</td>
</tr>
<tr>
<td>Spain</td>
<td>+48%</td>
<td>+52%</td>
</tr>
<tr>
<td>Sweden</td>
<td>+45%</td>
<td>+55%</td>
</tr>
<tr>
<td>Germany</td>
<td>+38%</td>
<td>+62%</td>
</tr>
<tr>
<td>USA</td>
<td>+14%</td>
<td>+86%</td>
</tr>
<tr>
<td>Japan</td>
<td>+60%</td>
<td>+40%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1.309 m RM</td>
<td></td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing and Packaging
### Advertising revenue: Japan / USA / Others

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>+3.8% (94/95)</td>
<td>-60.8% (92/95)</td>
</tr>
<tr>
<td>USA</td>
<td>+2.9%</td>
<td>+11.5%</td>
</tr>
<tr>
<td>China</td>
<td>+35.6% (94/95)</td>
<td>+197% (92/95)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>+11.8%</td>
<td>+133%</td>
</tr>
<tr>
<td>South Africa</td>
<td>+9.3%</td>
<td>+18%</td>
</tr>
<tr>
<td>Brazil</td>
<td>+5.3% (current prices)</td>
<td>+218%</td>
</tr>
<tr>
<td>India</td>
<td>+2.7%</td>
<td>+100%</td>
</tr>
<tr>
<td>South Korea</td>
<td>-4.9%</td>
<td>+51.1%</td>
</tr>
</tbody>
</table>
Copy Sales Revenue / Newspapers

 Generally looked better

Newspapers recorded declines in real sales revenues

<table>
<thead>
<tr>
<th>Country</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>42.6%</td>
</tr>
<tr>
<td>Ireland</td>
<td>32.4%</td>
</tr>
<tr>
<td>S.-Africa</td>
<td>8.6%</td>
</tr>
<tr>
<td>Belgium</td>
<td>7.9%</td>
</tr>
<tr>
<td>Finland</td>
<td>5.4%</td>
</tr>
<tr>
<td>Spain</td>
<td>4.3%</td>
</tr>
<tr>
<td>France</td>
<td>3.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>2.8%</td>
</tr>
<tr>
<td>Japan</td>
<td>2.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>1.2%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.2%</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.6%</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.0%</td>
</tr>
<tr>
<td>Czech. Republic</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Greece</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Norway</td>
<td>-2.4%</td>
</tr>
<tr>
<td>UK</td>
<td>-1.5%</td>
</tr>
<tr>
<td>USA</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>
Branding

Building the brand

The following characteristics are building up the brand:
- history
- competence
- quality
- image
- reliability
- service
- prestige
- value-for-money
- authenticity
Branding

VG (Verdens Gang)

- Heavily spending promotional material logo all over Norway
- VG as much household name as Coca Cola
- Each year two / three advertising campaigns
- aim: give reader sense of security with the paper
- slogan: “Without VG it is not quite the same day”
- Half of all billboard capacity in Norway is leased
- Advertisement on taxi
- Logo: “Buy today’s VG” on petrol pumps
- Agreement for logo with all sport associations (Ski, football, handball, sailing, racing)
- In summer small teams travel to small towns handing out carnations
- (Road) shows for children
- Buying tickets for circus shows
- Opening media centre = interactive experience for young children
Branding

Building the brand

The following characteristics are building up the brand:

- history
- competence
- quality
- image
- reliability
- service
- prestige
- value-for-money
- authenticity
Price is a tool to stimulate circulation depending on market's competitive situation. Different dynamics for single copy sales and subscriptions changing price (up or down) must be married with product improvements as "perceived by the reader." Communication of price change is a must (more on reduction, less on increases).
Balancing Price & Benefits

- use value map
- model 1: all three models on value equivalents
- clear, logical choice for any reader (high / high; low / low)
Gaining market share

- more benefit for same price
- equal benefit all lower price (value advantage position)
- lower benefit at equal price (value disadvantage position) = loss of market share
Successful moves in pricing "The Times"

- reducing price for single copy sales
- parallel: increasing benefit
- changing both parameters ==> increase market share
- results: stimulate and increase circulation ==> increase profit
Successful moves in pricing "Dallas morning news"

- Increase subscription price, without circulation damage
- Introduction of balanced change, increasing price and benefit

Perceived price

Perceived benefit
Potentially unsuccessful strategy

- reducing price at equal benefit (market losen strategy)
- customers buy value, not “no-value”
- psychologically price down means value down

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Planned move

Perceived benefit

Perceived price

actual change
Strategies for Newspapers

Defining Reader and Advertising Segments

Volker Illert
Illert & Partner GmbH
Kuala Lumpur, August 16, 1997
Mingcourt Vista Hotel

Management Consultants to Media, Printing, Packaging
Defining Reader and Advertising Segments

Although predominantly a newspaper - there are four possible courses of action

- Take advantage of our sales expertise in advertising sales to develop new products for national clients in the magazine field, e.g. driving standards agency. This generates revenue which would otherwise never arrive at our newspaper.

- Boost circulation through special publications that capitalise on the widespread recognition of our newspaper brand.

- Widen customer base through trade and consumer magazines.

- Increase advertising revenues through special advertising reports and supplements.

In addition: Branching out into new media i.e. audiotext, radio and cable TV, not the internet or online services.
Defining Reader and Advertising Segments

Defining reader and advertising segments

- Get national advertisers with custom-publishing
- Expand customer base with local magazines
- Augment circulation with special publications
- Boost advertising revenue with special reporta and supplements
- Get support from a profitable radio operation
Defining Reader and Advertising Segments

Get national advertisers with custom publishing

- Launch new titles
- Run them two or three times
- Create new appropriate division
- Generate magazines target brand advertisers who are absent from newspapers
- National association of home builders
- High potential, no risk magazine for a government ministry
- Drive On, from driving standards agency
- Offer information to attractive and interested audiences
- Get the revenue model right
- When task is done writing, distribution and printing are outsourced
Defining Reader and Advertising Segments

Expanding the customer base with local magazines

- What’s on launch
- Working alongside institutions
- Conference and meeting planner
- Franchise inside communication
- Extending inside communication to consumer magazines
- Buying in select magazine for suburban area on upgraded level
- Make up three editions for cost sharing
- 24’000 copies for population of 72’000
- One writer for national stories. Eleven common pages of editorial, rest is local news
Defining Reader and Advertising Segments

Augmenting circulation with special publications

- New products to new readers or new products to current readers
- Design special publications, some associated with the newspapers
- Historical magazine, shows life as it was, 10'000 / 15'000 copies for US$1.7. Now about 20 issues so far
- Promotion through own newspapers, no promotion elsewhere
- Other publication "I remember". The newspaper asking to submit memories and photos. Great reader interaction
- Additional historical series like the Vikings, the Romans also as teaching materials sold to schools (12'000 copies)
Defining Reader and Advertising Segments

Augmenting circulation with special publications

- Additional publishing of one off publications which relate to events like TV shows (Gladiators) or radio music power club
- Advertisers can buy thousands of extra copies with front page advertising to distribute to their customers
- Other one off publications are The Sixties, The Royal Family, My Husband
Defining Reader and Advertising Segments

Boosting advertising revenue with special reports and supplements

- Publications of about 30 to 40 per year
- Business related subjects e.g. trade investment, regional inward investment, corporate finance, management buyout
- Support is critical to get
- Very close work relation with industry associations, chambers of commerce
- Four journalists working on the features, two additional journalists and two sub-editors
- A special report - success is measured in response from the market place
- There are also published client-led supplements
Defining Reader and Advertising Segments

A profitable radio operation

- Repacking any news for radio which is available already
- Transmitting sharing with a large national radio network
- Hourly transmissions on local and regional topics
- Programmes also sent to Asian communities and youth through ISDN lines
- Bringing high quality to local cable TV
- From 460'000 homes 300'000 are cabled, 112'000 are subscribers
- Partnership with Mirror Group. They do live TV, the newspaper does local programme
- From 7.00 to 7.30 a.m. and from 6.00 to 6.30 p.m. reach 71% of available audience
Defining Reader and Advertising Segments

A profitable radio operation

- Big difference to radio. Costs are high. Fight against assumption that local TV is of poor quality
- Access to news data base is not used
- Staff: Eight presenters plus crews, one news editor, one producer, several sales people.
THE NEW PAPER

First, a quick look back at how TNP was born.

Well, in Singapore nothing gets started without some prompting from him. Sometime in 1986, Mr Lee Kuan Yew gave a speech. In it he spoke about the need for an English language Shin Min Daily News. Shin Min is an evening newspaper which caters to the masses.

Top management huddled at Sentosa and ... to cut a long story short The New Paper was born.

Its aim: to reach a group of Singaporeans who find The Straits Times too difficult to comprehend - both because of language and content. That was TNP's social objective.
The first issue appeared on July 26 1988. And what a disaster it was.

[Flash first issue]

The readers and advertisers didn't like it. Circulation, which research showed would be 50,000, was a dismal 36,000.

Reasons for rejection:
1) Stories too short.
2) Stories not newsy.
3) It doesn't look like a newspaper.

In short, it was a paper they never expected. The design, the style of writing, the whole approach to news was unpalatable.

Circulation figures were embarrassing. Advertisers began to pull out. And costs, because of the recruitment of a number of American professionals, were high.
Enter executive Chairman Mr Lim Kim San. He looked at the figures and gave us an ultimatum: I give you six months. Show that you are making efforts to change the colour of the ink in your books or I'll close you down. This was about 6-8 months after we launched.

It served as a wake-up call. Many of the Americans left us. We did not replace the numbers. From a staff strength of 109, we came down to about 70. We chopped, we changed.

The paper became newsier. Circulation climbed to 50,000 to 70,000 to today's 115,000.

That in brief is the short, tortuous road to TNP's success.

Now, why has it become so successful?
No other afternoon tabloid has done as well as or better than TNP. The last experiment in the afternoon tabloid market, the Singapore Monitor, had a circulation of 40,000 plus. It had to fold up because it nearly bled the company to death.

The hurdles are stacked against an afternoon tabloid.

* A short shelf life.

* Heavy dependence on street sales. About 98%.

* The banyan tree called ST, which is a paper for everybody and goes offstone at 12.30 am. TNP offstones at 9.30 am. Between these hours the news file is very dry.

* Manpower. Getting talented and experienced journalists - in a shrinking labour pool is difficult.

Then, why did TNP succeed?
I can divide it into two categories.

THE PRODUCT

1) Dare-to-be-different approach.

[Flash Page Ones]

Give the example of American who asked: "You mean this is a Singapore paper?"

But there are dangers in this. Your people might go overboard. We have gone overboard on some occasions. Then, the reactions come - from readers, newsmakers. We use them as learning points.

Guiding philosophy: We must experiment. If not we won't know where the line is. Society is changing, government is changing. Newspapers will only know what the change is if they experiment.
2) CONNECTION WITH READER

Language, headlines, content have to connect with the reader.

[Flash: Bagus, Bluff Kiss and others which show different ways to tell a story.]

THE PEOPLE

The New Paper newsroom is organised very differently. There is no newsdesk. There is what we call a BigDesk.

[Flash visual of BigDesk]

Explain BigDesk concept.

a) Manpower squeeze;

b) Page One concept needed a BigDesk approach. They have to think Page One.

c) The little chiefs who run units which have no idea of what mainstream is doing.

[Fandi Page One Example]
CREATIVE LAB

[FLASH VISUAL]

This is the first thing you'll see when you enter the newsroom. The coffee machine and how hilarious messages are pasted on it. The so-called democracy wall. We allow staff to come up with ideas - The Wow! concept. The heavy hand of management is not seen.

[Read out Tien's letter.
The Don Reeder example.]

[Flash attitude page]

This was one of the highlights of TNP this year. The idea came from a supervisor, who bounced it off the editor, got Marketing department involved, and saw the project right through - with very little editor intervention or input.

Explain attitude page concept and how successful it is.
MULTI-TASKING

[Attach note to Neville]

THE CHALLENGES

a) Advertiser-friendly

[Show the paper we produced for Marketing presentation.]

Key point: no compromise to editorial integrity.

Result: Advertisers knocking on our door.

b) Finally, editor as GM.