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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).
# Registration Form

**Strategies for Newspapers: New Products, Dominance, Circulation Growth**

15 - 16 August 97, Kuala Lumpur, Malaysia.

## Participant's Particulars

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**Payment Details**

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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 communication 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 specialising in the printing, publishing and packaging industries. From its seven centres in Europe, Asia and North America, ILLERT & Partner provides planning and consulting services specialising in strategic planning, management, marketing, research, organisational development, and joint ventures for media organisations in 85 countries.

In addition, ILLERT & 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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**Organised By**

Asian Media Information and Communication Centre

**INFORMATION RESOURCES**

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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 redefine 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

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**WHO SHOULD ATTEND**

- CEOs and Presidents of Newspaper and Magazine Organisations
- General Managers of Newspaper and Magazine Firms
- Newspaper and Magazine Editors
- Newspaper and Magazine Business Managers
- Newspaper and Magazine Advertising Managers
- Newspaper and Magazine Circulation Managers
- Newspaper and Magazine Advertising Sales Executives
- Production Managers
- Academics & Media Specialists

---

**ABOUT WORKSHOP SPEAKERS**

**Dipl Ing Volker Ilbert, MBA**

Volker Ilbert is CEO and Managing Director of Wert & Partner (I & P). He graduated from the London Print University and continued his studies with an MBA degree at IMEDE in Switzerland. He has 10 years of work experience as production and general manager of various printing plants. In 1971 he founded the consultancy I & P which focuses on media and printing. Since then he has been involved in about 1,200 projects in over 85 countries around the world. He is a leading expert on newspaper business having obtained profound industry experience over the last two and a half decades.

**B A Andreas Becker, MBA**

In 1992, Andreas Becker finished his studies in Business Administration in Reutlingen and London. The following two years he worked as a Financial Controller of a leading German publishing house. His main responsibilities included the development of control systems, the implementation of project controls as well as the preparation of strategic analyses. In 1994/95, Mr. Becker successfully completed an MBA degree at Edinburgh University Management School. At I & P Andreas Becker is primarily involved in strategic planning, newspaper projects, new media as well as the Internet and its potentials for commercial use.

**Dipl Kfm Henrik Horning**

Henrik Horning studied Business Administration at the University of Mannheim where he majored in strategic personnel management and organisation sciences. He has also been involved in a number of print and media companies in Germany and abroad. At I & P Mr. Horning concentrates on newspaper management projects, strategy, marketing and logistics.

**Dipl Ing Arnold H Heidenreich**

Arnold H. Heidenreich has many years of managerial experience in various companies in the publishing industry. After his technical studies he concentrated on product development, systems integration, communication systems and organisational development. He successfully implemented management information systems and total quality management systems in various companies. As a consultant in I & P's Frankfurt office, Heidenreich is responsible for various print and publishing businesses, including factory planning, technology evaluation, productivity improvement, systems engineering, re-engineering and process optimisation.
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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<thead>
<tr>
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<th>Contact Numbers</th>
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<td>Mr. Suhaimi Johari</td>
<td>Assistant Manager, Sales, Utusan Melayu (M) Berhad</td>
<td>Level 7, Menara PGRM, No.8 Jalan Pudu Ulu, Cheras, 56100 Kuala Lumpur, Malaysia</td>
<td>Tel: 03-9877777</td>
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<td>43</td>
<td>Ms. Azliyah Suhod</td>
<td>Assistant Manager, Promotion Utusan Melayu (M) Berhad</td>
<td>Level 7, Menara PGRM, No 8 Jalan Pudu Ulu, Cheras, 56100 Kuala Lumpur, Malaysia</td>
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<tr>
<td>44</td>
<td>Mr. Zulkifli Abdullah</td>
<td>Assistant General Manager, U.M.E.S (Radio) Utusan Melayu (M) Berhad</td>
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<td>45</td>
<td>Mr. Abdul Rashid Jamil</td>
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<td>46</td>
<td>Mr. Allan Chow Chin Ngai</td>
<td>General Manager (Marketing) Sun Media Group Sdn Bhd</td>
<td>Lot 6, Jalan 51/217 Section 51, 46050 Petaling Jaya, Malaysia</td>
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<tr>
<td>47</td>
<td>Mr. Fong Hon Meng</td>
<td>Senior Manager, Circulation &amp; Business Devpt Sun Media Group Sdn Bhd</td>
<td>Lot 6, Jalan 51/217 Section 51, 46050 Petaling Jaya, Malaysia</td>
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<td>48</td>
<td>Mr. Gan Chin Kew</td>
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<td>19, Jalan Semangat 46200 Petaling Jaya, Selangor, Malaysia</td>
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<td>49</td>
<td>Mr. Lennard Gui Lai Meng</td>
<td>Editor, Galaxie The Star Publications (M) Bhd</td>
<td>13, Jalan 13/6, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia</td>
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<td>56.</td>
<td>Mr. Hamid Hamedi Mohd. Adnan</td>
<td>Lecturer, University of Malaya</td>
<td>Depaartment of Media Studies, University of Malaya, 50603, Kuala Lumpur, Malaysia.</td>
<td>Tel:03-759 5655 Fax:03-759 5464</td>
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Participants List '97
Workshop on Strategies for Newspapers: New Products, Dominance & Circulation Growth  
August 15-16, 1997  MingCourt Vista Hotel, Kuala Lumpur, Malaysia.

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Workshop on Strategies for Newspapers: New Products, Dominance & Circulation Growth  
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Participants Chart

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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
Despite tougher market conditions, newspaper growth is possible
## Strategies for Newspapers

### Tougher markets

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<tr>
<th>Country</th>
<th>Nr. titles</th>
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Strategies for Newspapers

Tougher markets

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(all newspapers)

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Management Consultants to Media, Printing, Packaging
## Strategies for Newspapers

### Tougher markets

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Management Consultants to Media, Printing, Packaging
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

1995 Performance

| Revenues | 1,000 |
| Costs    | 865   |
| Operating profit | 135   |

2000 Performance

| Revenues | 870   |
| Costs    | 850   |
| Operating profit | 20  | 85% decline |

Management Consultants to Media, Printing, Packaging
THE VICIOUS CIRCLE

Newspapers' share of advertising spending → Circulation → Resources available for product development and talent → Profitability → Sales and advertising revenues → Newspapers' share of advertising spending
THE VIRTUOUS CIRCLE

Circulation

Resources available for product development and talent

Sales and advertising revenues

Profitability

Newspapers' share of advertising spending
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

Core business → New product → Geographic expansion → Redesign of business model → New industry

Circulation winners
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

Management Consultants to Media, Printing, Packaging
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
GROWTH ASPIRATIONS

"Become the true market leader in Dallas"
The Dallas Morning News

"Become a profitable market leader"
The Times

"Grow in a healthy fashion every year"
Dagens Industri

"Become the leading popular newspaper in the Paris area and in due course the rest of France"
Le Parisien

"Survive and become the true Arkansas paper"
Arkansas Democrat Gazette

"Become the second voice in Pittsburgh"
Tribune Review

"Become the top selling Sunday in Ireland"
Sunday Independent

"Become the no 1 national paper in Denmark"
Jyllands-Posten

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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 news, believe in the paper"
Publisher, 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
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
MORE INFORMATION IS BETTER THAN LESS

Traditional understanding of readers

New understanding of readers

Non-traditional collection of information

Targeted market research

Internal knowledge

Feedback initiated by readers

Internal knowledge

Feedback initiated by readers

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

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

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Management Consultants to Media, Printing and Packaging
DEFINE READER SEGMENTS AND IDENTIFY NEEDS – EXAMPLE

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<td>Pro/major college sports, Neighbourhood news, Local sports</td>
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<td>Gamesmen</td>
<td>Older, Lower income</td>
<td>Price, Contests, Reproduction quality</td>
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<td>Skewed female, Ethnic</td>
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RELATIVE PERFORMANCE PER SEGMENT – EXAMPLE

Percent

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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

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<tr>
<th>Segment</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>All segments</td>
<td>7</td>
</tr>
<tr>
<td>Young sportsmen</td>
<td>4</td>
</tr>
<tr>
<td>Gamesmen</td>
<td>9</td>
</tr>
<tr>
<td>City news</td>
<td>9</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>

Cover page in color, better business pages, more local news, upgraded classified ads
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

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TAILORING THE PAPER – JYLLANDS-POSTEN

Conservative people in Jylland

Major changes

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

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

Illert & Partner
Management Consultants to Media, Printing and Packaging
### NEWS – DOMESTIC/FOREIGN

#### Increased coverage

*Number of pages*

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic News</th>
<th>Foreign News</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1997</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

Separate international section.
NEWS – REGIONAL SUPPLEMENTS

Aarhus

Ingen penge til lokal-TV i Århus

Copenhagen

Mini-markeder i priskrig

Taget for salg af print-CD'er
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>
</tr>
</thead>
<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>
</tr>
<tr>
<td>Foreign news</td>
<td>4</td>
<td>5</td>
</tr>
<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>

Management Consultants to Media, Printing and Packaging
## COVERAGE OF NICHE TOPICS – THE TIMES

### Number of pages

<table>
<thead>
<tr>
<th>Topic</th>
<th>1992</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Arts and culture</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Sport</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Travel</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Television</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

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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
EXPLANATION AND ANALYSIS -  
JYLLANDS-POSTEN 

Sunday supplement - "Insight"
CREDIBILITY – THE DALLAS MORNING NEWS

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# Examples of Improved Accessibility

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

Lessons to be learned from circulation winners

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

Perceived price

Value equivalence line

Perceived benefits

Product 1

Product 2

Product 3

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BALANCING PRICE AND BENEFITS

Perceived price

Lose market share

Product 1

Value equivalence line

Product 2

Gain market share

Product 3

Perceived benefits

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

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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

Consumer goods approach
Differentiated selling approach tailored to distinct target groups

Traditional approach
One selling approach for all customers

Subscription sales
FOCUS ON ATTRACTIVE SEGMENTS –
THE DALLAS MORNING NEWS

Potential subscribers

Apartment residents

High end demographics

"Spread the news" campaign

VIP-program
SPREAD THE NEWS

The Dallas Morning News

Leasing agent

New resident

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SPREAD THE NEWS – WELCOME PACK
VIP PROGRAM

The Dallas Morning News

VIP community
- Property mgmt company
- Leasing agents

VIP community residents

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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></th>
<th>Traditional approach</th>
<th>Consumer goods approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subscription sales</strong></td>
<td>One selling approach for all customers</td>
<td>Differentiated selling approach tailored to distinct target groups</td>
</tr>
<tr>
<td><strong>Single copy sales and distribution</strong></td>
<td>Traditional outlets</td>
<td>New types of outlets and new relations with outlets</td>
</tr>
</tbody>
</table>

Management Consultants to Media, Printing and Packaging
SINGLE COPY OUTLETS – INDEPENDENT GROUP
Percent, number of outlets

<table>
<thead>
<tr>
<th>Outlet Type</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>14</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>News agents</td>
<td>84</td>
<td>76</td>
</tr>
</tbody>
</table>

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SINGLE COPY OUTLETS - LE PARISIEN

- Hospitals
- Bakeries
- Cafés
- Gas stations
- Electronic vending machines
- News stands

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Illet & Partner
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</td>
<td>Traditional outlets</td>
<td>New types of outlets and new relations with outlets</td>
</tr>
<tr>
<td>distribution</td>
<td></td>
<td></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
<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Campaigns</th>
<th>Visibility</th>
<th>Channels</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 of 2 weeks</td>
<td>8 of 3-4 weeks</td>
<td>Limited</td>
<td>Total dominance</td>
<td>Primarily TV, outdoor</td>
<td>Various themes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Add-on print, radio, direct mail</td>
<td></td>
</tr>
</tbody>
</table>

"If you want to know more – Denmark's international paper"
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

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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

Trial and error

"Commit to your aspiration – use a trial and error approach to ideas"
"Commit to your aspiration – use a trial and error approach to ideas. Working with several dimensions in parallel is essential – you cannot work with only one thing at the time."

Trial and error

Parallel initiatives
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"

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NETWORKING - TRIBUNE REVIEW

Support functions

- Editorial/pre-press
- Printing
- Distribution
- Sales and Marketing

- Internet server/maintenance
- Internet content development
- TV stations
- Delivery

- Outsourcing
- Partnering

- Retailers
- Real estate agents
- Oil companies
- TV-stations

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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
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

- Magazines
- Free-sheets
- Direct mail
- Cinema
- Television
- Multimedia
2 Strategic framework

2.1 Product / customer portfolio

2.2 Strategic type, conduct, orientation

2.3 "Marketing for everybody is marketing for nobody"

2.1 Product / customer portfolio

<table>
<thead>
<tr>
<th>Products</th>
<th>4 Different strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>old</td>
<td>1 no change</td>
</tr>
<tr>
<td>new</td>
<td>2 sell existing product to newly developed customers</td>
</tr>
<tr>
<td></td>
<td>3 sell newly developed product to existing customers</td>
</tr>
<tr>
<td></td>
<td>4 sell newly developed product to newly developed customers</td>
</tr>
</tbody>
</table>
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>

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2.3 “Marketing for everybody is marketing for nobody”

Differentiating the product to meet different users' needs

Traditional approach  

Innovative approach

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

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

- event organisation
- regional / local news
- "audience participation"
- customer cards / discounts

Product

3.2 A "surprise page" everyday

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

Different reader segments

Bases for grouping readers into different segments:

Demographics | Geodemographic | Profession | Product loyalty
---|---|---|---
*age* | *agricultural area* | *managerial* | *hard-core*
*gender* | *modern housing* | *clerical* | *soft-core*
*family size* | *old urban* | *manual* | *shifting loyalty*
*family life cycle* | *multi-racial* | *unskilled* | *switchers*
*...* | *...* | *...* | *...*
3.5 Segment: 14 - 19 year olds

Majority stated:

"dislike / I would not read"

"like / I would read"
### 3.6 Checklist: content and design

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

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

#### Structure of each page
- Does each page include a lead article? [Yes, No]
- Does each page include short and long articles? [Yes, No]
- Are the pictures clearly related to the accompanying article? [Yes, No]
- Are articles grouped according to topics? [Yes, No]

#### Structure of each article
- Are graphs and illustrations used? [Yes, No]
- Are long articles structured with sub-headings? [Yes, No]

#### Local/regional news
- Are local/regional news structured in the same way? [Yes, No]
- Are events, listings, telephone number etc. included? [Yes, No]
- Do these news cover the complete range of local events? [Yes, No]
- Can readers contribute to these pages? [Yes, No]

#### Layout
- Is the typography easy to read? [Yes, No]
- Is the newspaper head appealing? [Yes, No]
- Is the overall impression light, modern, innovative? [Yes, No]
- Are colour pictures, headings, backgrounds etc. included? [Yes, No]
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

4.1 The value of brands (ctd.)

- 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

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4.2 Magazine supplements (cont.)

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

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

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

Access
pay to access free

Content
all articles full text
selected articles headings

current trend

theoretical option

offer added-value
through on-line classified ads that allow better searchability
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"
"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
Positioning: How to do it

Value Proposition

- An International Business Paper
- A Regional Paper
- A Morning Popular
- A Morning Quality Paper
- Definition of Value Proposition

Value Proposition
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

Ballance 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

particuliar for young female readers
### Advertising Revenue:

Ratio of Advertising to sales revenues. Revenues in total income

<table>
<thead>
<tr>
<th></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>Region</th>
<th>1995 / 96</th>
<th>1992 / 96</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 in 13 of the countries showed increases in constant terms

- Turkey + 42,6 %
- Ireland + 32,4 %
- S.-Africa + 8,6 %
- Belgium + 7,9 %
- Finland + 5,4 %
- Spain + 4,3 %
- France + 3,1 %
- Germany + 2,8 %
- Japan + 2,6 %
- Italy + 2,2 %
- Netherlands + 1,2 %
- Sweden + 1,2 %
- Denmark + 0,6 %

Newspapers recorded declines in real sales revenues

- Czech. Republic - 8,1 %
- Greece - 6,5 %
- Norway - 2,4 %
- UK - 1,5 %
- USA - 0,4 %

Management Consultants to Media, Printing and Packaging
### 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

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

Perceived benefit

Perceived price

gain market share

lose market share

1

2

3
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

Management Consultants to Media, Printing and Packaging
Successful moves in pricing “Dallas morning news”

- increase subscription price, without circulation damage
- introduction of balanced change, increasing price and benefit
Potentially unsuccessful strategy

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

Perceived price  \[\text{actual change}\]  Perceived benefit

planned move
Strategies for Newspapers

Defining Reader and Advertising Segments

Volker Illert
Illert & Partner GmbH

Kuala Lumpur, August 16, 1997
Mingcourt Vista Hotel
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 reports 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.

[Flash picture of LKY]

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.

[Flash TNP logo]

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 1938. 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.