Print/Newspapers

Print ad spending continued to dwindle in the first half of 2012, even as overall media spending grew modestly, according to the latest figures from Kantar Media. This disparity provides further confirmation that the decline of print media is a long-term trend that is unlikely to reverse anytime soon.

Kantar Media calculates that total media spending grew 0.9% in the second quarter to 34 billion compared to the same period in 2011. With a 2.6% increase in the first quarter, this yields an overall growth rate of 1.9% in the first half of the year to $67 billion. In the same period, TV ad spending increased 4.4%, outdoor was up 2.5%, and radio increased 1.9%.

However, growth in these media was canceled out to some degree by the drag of print ad-spending declines. According to Kantar, local newspapers saw ad spending decrease 1.9%, Spanish-language papers were down 2.5%, and national newspapers tumbled 10.7%. Consumer magazines saw ad spending fall 2.6%.

These numbers are roughly in agreement with separate figures provided by industry organizations, including the Newspaper Association of America and the Publishers Information Bureau.

According to the NAA, total print and online ad spending for newspapers decreased 6.4% from nearly $6 billion in the second quarter of 2011 to $5.6 billion in the second quarter of 2012. For the first half of the year, total ad spending declined 6.7% from $11.5 billion to $10.8 billion.
PIB data shows total magazine ad pages dropping 8.2% in the second quarter to 33,828, and 8.8%

**Magazine Mobile Codes Up 107%, Now On 10% Of Ads**

by Steve Smith, Today, 3:00 AM

There are few media platforms more in need of some digital juice than print. As ad pages and newsstand sales plummet, magazines and their advertisers are becoming especially aggressive this year in leveraging mobile activation codes to make that digital link with paper.

According to its latest quarterly survey of the top 100 national consumer magazines in the U.S., Nellymoser finds the instance of mobile codes up 107% between Q2 2011 and Q2 2012. In all, the code counters tallied 2200 QR codes, digital watermarks and Microsoft Tags in the 100 largest-circulation generally available magazines. Just last quarter they counted 1365, reflecting a quarter-over-quarter increase of 61%.

Magazines reached a kind of mobile milestone last quarter in that every one of the top 100 magazines Nellymoser perused had at least one code. And 90% of the titles had more than 10 codes in the quarter.

The count is likely to go up considerably in the next report, since the all-important September issues of many magazines are going all-in for mobile activation. A number of titles are using image recognition techniques to make almost every ad actionable. GQ plans to mobilize every ad in its September issue, while Seventeen will have over 250 mobile-ready images.

Mobile activation is emerging as a standard operating procedure for some print ads. In just a year, the share of print ads with codes has risen from 5% to 10%. QR codes continue to be the leading form of activation, with over 80% of the instances. But watermarking and image recognition techniques via augmented reality apps have emerged as important areas of growth. On the editorial side, magazines prefer the less intrusive nature of triggering technologies.

And as has been the case for quite some time, video continues to be seen by marketers and content providers as the biggest payoff to users who snap and send a mobile code. Forty percent of the codes that Nellymoser activated (and they say they activate them all) led to a video experience. Entering sweepstakes or opting in to some form of subscription content was next-most-popular (19%), followed by links to social media (18%) and online purchasing (14%).
And while the mobile codes are intended to link the user to mobile experiences, the scourge of the mobile misfire remains with us. According to Nellymoser’s analysis of the post-click experiences, a quarter of the landings were not optimized for smartphones. The problem of broken links and codes that simply do not scan properly persists.

Among the top advertisers using codes in their print assets, Sally Hansen had twice as many mobile codes (64) as the next-highest users John Frieda (32). But a range of industries were represented among heavy mobile code users: Infiniti (27), Nivea (26), Cuisinart and Tyson (25 each) and Progressive (23). Beauty, home, health, auto and food & beverages were the product categories that most used codes during the quarter. Nellymoser notes that the auto category saw a huge jump in using the print-to-digital platforms, from 81 codes in Q1 2012 to 195 codes in Q2.

Here are the JacoBLOG updates for bob.mccurdy@clearchannel.com

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**The Inconvenient Truth**

First, it was rock and pop stars dying on the weekend.

Then it was tornadoes.

Now Mitt Romney chooses Saturday morning at 9am ET to announce his new running mate, Paul Ryan.

For some reason, big news keeps happening on Saturday and Sunday when many media outlets are staffed with part-timers – or worse, automation systems.

There was probably no shortage of news/talk radio stations caught flat-footed by the biggest political announcement of the summer, the naming of a surprise VP nominee.

But so was the *New York Times.*

Think about the timing...
There were heavy rumors about Romney announcing Ryan on Friday night. Early Saturday morning, my phone was blasting with texts from multiple news sources that had the story. And at 9am ET on Saturday, the event took place in Norfolk.

So 24 hours later, I grab my Sunday edition of the New York Times and while the story was all over the front page, the OpEd section was devoid of any Ryan analysis. In fact, there was an already dated piece about Romney’s tax policies.

Why does this matter? Our newest Public Radio Tech Survey shows a drop in daily newspaper readership (print or online), and that’s among the most educated radio audience on the planet.

And the circulation figures speak for themselves. If radio’s cume audiences were dropping like these numbers, it would be panic time for the RAB, the NAB, and every broadcaster in America.

In the meantime, I was reading Paul Ryan stories online at Huffington Post, and on my news apps for more than 24 hours in anticipation of the Times’ “take” the next day. That’s the expectation that consumers have for their go-to brands, whether they’re newspapers or radio stations.

So if a rock star passes away over a weekend or when calamitous weather blows through town, isn’t it a radio station’s duty to get some core staffers back to work to cover the event?
And in the Times’ case, you mean to tell me that Paul Krugman, Maureen Dowd, and Gail Collins couldn’t be bothered over a weekend to do their jobs – to provide timely, essential coverage and perspective for one of the biggest news stories of the year?

FM chip or no, radio has to step up to the plate and do what the audience “hires” it to do during crunch time. And while no one begrudges the newspaper industry saving money during this turbulent era for traditional media, don’t these fiscally conservative policies further erode an already dwindling industry?

There’s a price to austerity. Just ask the Greeks. It’s easy to slash and burn and save lots of money.

But to provide the kind of services that consumers demand and expect from brands requires having to pragmatically make some big audibles when the game’s on the line. It’s expected that the newspaper will be on your doorstep during slow news days, but it’s imperative that your news provider do what’s required when it really counts.

Over that weekend, the New York Times dropped the ball.
**Sources that Influence the Brand-Buying Decisions of Internet Users in North America, by Gender, June 2012**

% of respondents

<table>
<thead>
<tr>
<th>Source</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research done on the internet</td>
<td>62.3%</td>
<td>59.5%</td>
<td>61.1%</td>
</tr>
<tr>
<td>TV commercial</td>
<td>29.9%</td>
<td>26.0%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Radio commercial</td>
<td>20.7%</td>
<td>21.2%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Testimonial from a local TV, radio or newspaper personality</td>
<td>18.3%</td>
<td>14.5%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Recommendation from an &quot;if you like this, you’ll also like this&quot; source (e.g., Amazon.com)</td>
<td>17.3%</td>
<td>17.1%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Newspaper ad</td>
<td>15.2%</td>
<td>16.4%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

Note: when respondents have decided on buying a product but haven’t decided on which brand

While many advertisers remain loyal to print, America’s newspapers are waging a tough battle to retain circulation and readership. Many people — especially younger people — don’t read the paper at all. Among those who do, most are selective about what sections they read. Using Radio in conjunction with newspaper helps you reach consumers who don’t read the paper and strengthens the impact of your message on those who did see the newspaper ad.

### Radio Reaches Newspaper Readers and Non-Readers

<table>
<thead>
<tr>
<th>Section</th>
<th>Radio Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front Page</td>
<td>84.8%</td>
</tr>
<tr>
<td>Sports</td>
<td>86.0%</td>
</tr>
<tr>
<td>Business</td>
<td>85.9%</td>
</tr>
<tr>
<td>Auto Classified</td>
<td>86.0%</td>
</tr>
<tr>
<td>Employment Classified</td>
<td>84.0%</td>
</tr>
<tr>
<td>Real Estate/Home</td>
<td>85.9%</td>
</tr>
<tr>
<td>Sports</td>
<td>80.0%</td>
</tr>
<tr>
<td>Business</td>
<td>80.1%</td>
</tr>
<tr>
<td>Auto Classified</td>
<td>81.1%</td>
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<tr>
<td>Employment Classified</td>
<td>81.2%</td>
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<td>Real Estate/Home</td>
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</tbody>
</table>

*Source: The Media Audit – Year January 2011-February 2012 / 80-Market Report (Based on Daily Newspaper Readership estimates)*

**Stop of the presses:** Radio sees opportunity from print changes, but less than in past. **Four more cities will no longer have a seven-day a week**
newspaper, presenting radio an opportunity to target their disenfranchised advertisers. But what was once the proverbial 800-pound media gorilla has slimmed down, attracting fewer ad dollars than in the past. The result is newspapers may not represent as big an opportunity for radio as it once did. “The paper is chock full of ads on Thursday and Sunday, but there are a lot of days of the week that have very few ads in it,” Entercom-New Orleans market manager Chris Claus says. That’s no doubt what is behind this month’s Advance Publications announcement that it would limit printing The Times-Picayune in New Orleans to just three days a week, and that sister newspapers in Birmingham, Mobile and Huntsville would do the same.

US newspaper ad revenues continue to decline, according to the latest figures from the Newspaper Association of America. In Q1, total expenditures stood at $5.18 billion, down 6.86% from $5.56 billion a year earlier. Online revenues grew by just 1%, to $816 million, not nearly enough to offset the 8.2% drop in print revenues, to $4.36 billion.

Previous figures released in March 2012 by the NAA revealed that print revenues (in absolute dollars) halved between 2005 and 2011.
The New Orleans Times-Picayune survived Hurricane Katrina. Now it is making its play to stay alive during the digital revolution, stopping the presses for good on Mondays, Tuesdays, Thursdays and Saturdays this fall. Where some see that as another nail in the coffin of dedicated journalism, others view it as a business evolution necessary to keep such journalism alive.

"The Times-Picayune stayed in the water with people when the cops and government left," said Rusty Coats, a longtime newspaper executive who is now a media consultant. "They have a special relationship with the community. But anyone understands that you have to renegotiate your relationship when circumstances change."
And circumstances have changed. In the broader newspaper industry, ad revenue has plunged more than 50% since 2005, while paper, printing and delivery costs rose.

While the change seems radical for the Advance Publication title, it shouldn’t leave its ad revenue any worse off. That's because The Times-Picayune will still publish print editions on Wednesdays, Fridays and Sundays, when marketers were already concentrating their promotional fire to pitch new movies or weekend sales.

"If there were demand for advertising on Monday, they’d still have Monday papers," said Alan Mutter, the newspaper veteran who became a Silicon Alley entrepreneur and newspaper-industry blogger.

The risk is that taking four days off the table could further accelerate readers' shift away from print -- even on the days that advertisers still want it. When advertisers buy print, they pay higher ad rates than they would for the web. That’s partly why The Times-Picayune collected $64.7 million in print ad revenue last year but only $5.7 million on its website, according to Kantar Media estimates.

But print is only as compelling as its audience. So a lot ultimately will ride on how The Times-Picayune -- like its three Advance siblings in Alabama that are also cutting print to three days a week -- deploys its savings. New Orleans' broader interest in capable, robust news coverage is also at stake.

In Seattle, where Hearst converted the Post-Intelligencer to an all-digital operation with a vastly reduced newsroom in 2009, residents get at least as much news as ever, both from SeattlePI.com and recent online upstarts. The question is the quality.

"In the wake of the PI retreating to some degree, other things have moved in and grown," said Mike Lewis, a former reporter and columnist for the Post-Intelligencer who bought a bar with his severance pay when his job disappeared with the print edition. He has also become regional editor for Patch.com sites in Washington state. "In aggregate, is the city not covered as well as it used to be? I think it’s covered more voluminously but not as deeply."
"It's not always trees that grow back," Mr. Lewis added. "It's a lot of scrub."

Advance Publications disputes the idea that cutting four costly days of print will do anything but help the business and the newsroom. "For people to equate not delivering a print publication seven days a week with somehow lessening our commitment to trusted, credible content is flat-out wrong," said Randy Siegel, president for local digital strategy at Advance Publications.

"This is about doing more journalism on more platforms," he added, "not clinging to this rigorous orthodoxy that the only way to serve a community is to print a newspaper seven days a week."

Expect others to follow. The Times-Picayune and the Alabama papers are actually only following the lead of papers in Detroit and elsewhere in Michigan. "It's not at all surprising that Detroit and New Orleans are in the vanguard of this, because those markets have had some fairly catastrophic problems," Mr. Mutter said. "You'll see this happen in markets that are economically less robust, where publishers don't want to fight the headwinds of print and want to just get ahead of the migration to digital."

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5/12 Small Gain in Newspaper Circulations, Aided by Digital Subscriptions

By TANZINA VEGA

Newspapers across the country had a slight increase in daily circulation — and a surprisingly robust bump in Sunday circulation — in the last six months compared with the same period the year before, the Audit Bureau of Circulations reported Tuesday.

The biggest increase was for The New York Times, whose daily circulation, including the digital version, increased 73.05 percent over the previous year, largely because of the introduction of its paid digital subscription.
model last year. The A.B.C. report on 618 daily newspapers for the six-month period ended March 31 counts both print and digital subscriptions.

In a statement, the Times Company attributed the gain to “the popularity of The Times’s digital subscription packages, which launched in the United States on March 28, 2011.”

**The 618 newspapers with daily circulation increased 0.68 percent.** The Wall Street Journal remained in the top spot with a total average daily circulation of 2,118,315, compared with 2,117,796 last year. USA Today was second with 1,817,446; The New York Times had 1,586,757; The Los Angeles Times, 616,575; and The Daily News of New York, 579,636.

The top five newspapers remained unchanged from the last A.B.C. report, issued in September, though The Daily News circulation increased 9.17 percent.

Under audit rules, newspapers can count paid digital subscribers more than once if they have daily access to digital content on multiple platforms like mobile apps or tablets as part of a bundled subscription package.

Something is off, when the best magazine of the year cannot attract advertisers.

At last night’s Ellie Awards in New York, held by the American Society of Magazine Editors, Magazine of the Year Winner was *TIME*. But as Folio details, *TIME fell almost 21% from 286.95 ad pages in Q1 2011 to 227.01*

**The top 10 dying industries in the United States**

*By Brad Plumer, Updated: Wednesday, April 11, 2012*

A new report (pdf) from IBIS World looks at 10 industries in the United States that are demonstrating, as the researchers put it, “exceptionally sour performance.” Some are suffering from trade competition, some — like video rental — from the advent of new technology. Here’s the list:

1. Photofinishing
2. Newspaper publishing
3. Appliance repair
4. DVD, game, and video rental
5. Money market and other banking
6. Recordable media manufacturing
7. Hardware manufacturing
8. Shoe and footwear manufacturing
9. Costume and team uniform manufacturing
10. Women’s and girls’ apparel manufacturing

Will any of these industries stay alive? Some, like newspapers, are doing what they can to adapt, such as charging for online subscriptions. Others might need to take drastic measures. The report, for instance, suggests that recordable media manufacturers might be able to thrive by producing disks that hold 3D movies. For now, it notes, “pending a major technological breakthrough,” 3D movie files are too large to download or stream. Of course, 10 years from now, when that all changes, we could be reading about the shuttering of plants that make 3D movie disks.

**Newspaper Ad Spending Now Half What It Was In 2005**
by Erik Sass, Yesterday, 1:50 PM 3/12

The precipitous decline in the newspaper industry continued in 2011, when total advertising revenues fell to $23.9 billion, down 7.3% from $25.8 billion in 2010, according to figures released by the Newspaper Association of America on March 14.

But this is a minor casualty compared with the long-term losses suffered by the medium since Internet competition began to hurt in the middle of the last decade. Indeed, total newspaper ad revenues in 2011 were less than half their 2005 level of $49.4 billion -- reflecting a 51.6% drop in just six years.

**Magazines' Digital Circulation More Than Doubles -- But Remains Small**
Fast-Growing Digital Still Just 1% of Publishers' Total

By: Nat Ives Published: March 29, 2012

Magazines more than doubled their paid digital circulation in the most recent reporting period, but print remains the overwhelming majority of their business, according to a new analysis by the Audit Bureau of Circulations.

Digital circulation soared to an estimated 3.29 million in the second half of 2011 from 1.46 million in the year-earlier period, a 125% increase, according to publishers' reports with the Audit Bureau.

Despite all that growth, however, digital remains about 1% of magazines' total paid and verified circulation.

HOLY CRAP: Look What Just Happened To Newspapers!

Henry Blodget | Feb. 29, 2012, 3:23 PM | 12,019 | 33

Back in 2007, I wrote a series of posts arguing that "newspapers are screwed."

The theory was that, as readers and ad spending moved online, newspapers would be unable to replace the revenue they were losing from print advertising.

This wasn't a new theory, but, like many theories involving the future, it was frequently ridiculed, especially by people who worked for newspapers.

But I don't think even those who believed newspapers were screwed fully appreciated just how screwed they were.

In 2007, the stock of the New York Times Company was trading for about $25 a share.

Today, it's trading for $6.56.

And the chart below shows why.
Via Derek Thompson at The Atlantic, here's an inflation-adjusted chart of newspaper advertising spending over the past 60 years:

Ouch.

The good news is, contrary to the fears of some doomsayers (also generally people who worked for newspapers), the world has never been better informed. Thanks to blogs, Twitter, Facebook, Google, two billion online fact-checkers, and some amazing online news sites—including some run by newspapers—we now know more faster than at any time in history, by a mile.

And, thankfully, we no longer have to rely on the judgment (and worldview) of a handful of super-powerful gatekeepers to decide what we can and can't know.

The Incredible Shrinking New York Times

Henry Blodget and Kamelia Angelova | Feb. 4, 2012
And it's still shrinking.

Despite the launch of an online paywall that has, by any measure, been a big success, the company's revenue for its core news business shrank again in 2011.

And because news expenses rose, profits shrank even more.

The culprit, as ever, is the company's print-ad business, which has shrunk steadily for the past five years.

The trends of the past five years are also likely a sign of the future of the New York Times: Steady restructuring and shrinking until the size of the newsroom and broader organization is finally in line with the size of the company's online business, which is thriving.

We estimate that the digital business will eventually support a newsroom about one-third to one-half the size of the paper's current one.

(The paper's online business, we believe, generates about $275 million of annual revenue. This should support newsroom expenses of about $100 million annually, with another $150 million spent on sales, technology, operations and management. We have been told that the paper's current newsroom costs about $200 million a year.)

Fortunately, the New York Times is not in danger of immediate bankruptcy, which it was a few years ago.

Thanks to sharp cost-cutting, the company has returned to profitability. And thanks to frantic debt restructuring during the financial crisis, the NYT has also removed its creditors' foot from its throat and bought several more years to figure out a long-term plan.

But this happy escape has not alleviated the company's long-term problem:

Its core business, the print newspaper, is shrinking, and its digital business, however successful, cannot replace the lost revenue and profitability of the print business.
The chart below lays out the problem: After a century of growth, the New York Times's news business peaked earlier this decade with just over $3 billion in revenue and $500 million of operating profit. In the years since, however, the company's revenue (blue line) and operating profit (green bars) have begun to shrink.

And despite the enormous cost cuts the company has made since the early 2000s (red line), its operating profit--even in these recovery years like 2010 and 2011--doesn't approach the fat years of a decade ago.

Unless the New York Times Company can figure out a way to turn around the print newspaper circulation revenue (highly unlikely), this shrinkage will continue. Even if the online paywall is wildly successful, it will not replace the circulation and ad revenue the company will lose as print subscribers cancel. And as the print business shrinks, the print cost structure that supports it will have to shrink, too.

Here's the chart. The blue line is news division revenue. The red line is news division expenses. And the green bars, on a different scale, are the news division operating profit.
When conducting its national Survey of the American Consumer™, GfK MRI interviews approximately 26,000 U.S. adults in their homes each year, asking about their use of media, their consumption of more than 6,000 products in 550 categories, their lifestyles and their attitudes.

Adults who read magazines only on digital platforms represent 11% of the total gross magazine audience, according to the first wave of GfK MRI data that measures both print and digital magazine readership.

Media consumption is moving to digital at rapid rate. Based on 10 years of studies by the University of Southern California Annenberg Center for the Digital Future, the latest publication by the center predicts that printed newspapers will virtually disappear in five years.
“Circulation of print newspapers continues to plummet, and we believe that the only print newspapers that will survive will be at the extremes of the medium – the largest and the smallest,” said Jeffrey Cole, Director of the Center. The research concludes that it is likely that only four major daily newspapers will continue in print form: The New York Times, USA Today, the Washington Post, and the Wall Street Journal. At the other extreme, local weekly newspapers may still survive.