

Publishers need to rally around print

Newspapers are again under the spotlight, with static circulations and a decrease in advertising spend in relation to other media, particularly in urban dailies, according to figures for the past five years, most specifically, the ABC for the last six months (July - Dec 2004) released by the Audit Bureau of Circulation (ABC) on Monday, 21 February 2005. Total advertising spend on all media (print, TV, cinema, radio, outdoor, direct mail, internet) has risen to an estimated R9 billion over the last six months (July-Dec 2004).



By Louise Marsland 20 Feb 2005

This is compared to R7 billion for the previous six month period (Jan-June 04). The total advertising expenditure across all media for the year 2004 was an estimated R16 billion according to the latest ABCs.

Despite the various gains and losses for newspapers, magazines and other media profiled in the all media data extrapolation, print remains the biggest challenge. This is in line with global trends, as reported by Bizcommunity.com in January from the World Print Congress in Cape Town (WPC8). But dealing with the issue is a different problem in this highly competitive industry, and the ABC called on print publishers to work together to promote 'print' as a medium, rather than just competing with each other for share of readership. Other media are actually the competition, not rival titles.

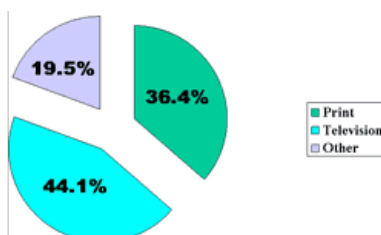
The ABC is trying to make the numbers talk for the industry, by looking at data over a five year period and identifying trends for the industry, ie, advertising expenditure - gross, not discounted, and not including freebies or FSIs, (free standing inserts); circulation trends; print trends (magazines vs newspapers); and the influence of other media, ie, cinema and online.

And while the brief presentation by the ABC left many at the breakfast presentation, who had battled Johannesburg's Monday morning traffic in the driving rain for hours to be there, feeling as if the main course had not yet been served (the actual ABC figures for the previous six months), the ABC is to be commended for starting the series of roadshows to add a bit of sizzle to the numbers. The ABC has also assured Bizcommunity.com that it welcomes suggestions from the industry as to what data they would like to see at these roadshows in the future, as the organization works on the data over the next six months to increase reliability and trending.

So while the actual sizzle was the numbers that were not released at the presentation, but later in the day to the actual media owners directly, Daily Sun publisher ?????, the indomitable Deon du Plessis, delivered a forthright speech on the "new edition of today in the context of the Daily Sun's indisputable success among readers. The gist was that the 'niche' is the newspaper of the future.

Total media spend

ABC Board member, Sue Grant, who did the presentation on behalf of the ABC, said total media spend has risen from R3 billion (Jan-Jun 2000) to R9 billion over the past five years on all media products, which is a significant increase over that five year period. It is also obvious that more spend takes place in the second half of each year, due to an increase in advertising over the festive season and new product launches for the spring/summer period.



Television has increased faster in its share of the advertising pie, taking a 44.1% slice of the market, leaving 36.4% to Print (down from 40.3% five years ago) and 19.5% consumed by 'Other' media.

"The print industry is under threat," warned Grant, who said this affected the brands that were being advertised.

The main points from the latest ABC for the period July to December 2004, according the ABC, are:

- Urban dailies showed a 4% growth since 2001 and 7% growth on the same period for 2003.
- Urban weeklies are up 5% and 6% respectively for the same periods.
- Verified Free Distribution (VFD) have shown growth of 39% since 2001 but no growth over the same period for 2003. However, advertising investment in this category increased by 22% over the same period for 2003.
- Cinema advertising is up 270% year on year.
- Net sales in the magazine field are up 41% since 2001 and 13% over the same period for 2003.
- While print's total share of the advertising pie is down, gross advertising investment in print is up 74% (year ending December 2001 to December 2004) whilst over the same period print's share of voice has declined 0.5%. These figures exclude classified, staff vacancies, property advertising which accounts for a major portion of the newspaper income.

Highlights per media

CINEMA

While Cinema audiences were up and down, advertising spend has actually increased, as focus has shifted to younger audiences.

COMMUNITY PAPERS

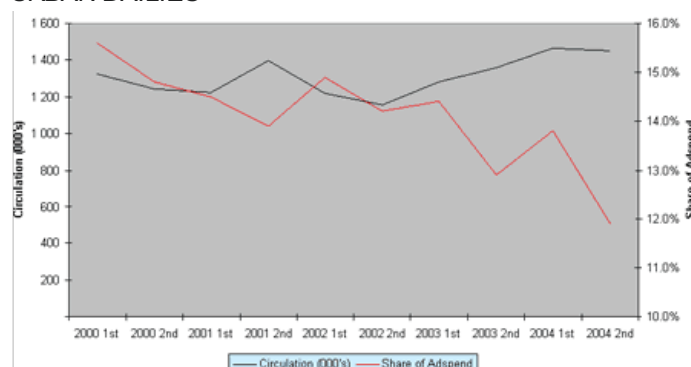
Community Papers (paid for) had posted total circulation growth figures of 268 000 to 393 000 in the past six months. Positive circulation and advertising expenditure trends were noted.

The number of Free Sheets has increased from 82 - 113 papers as well, with circulation increasing from 3.1 million to 5 million, with an accompanied significant increase in advertising spend. Much of spend in print is going to freesheet newspapers as advertisers prefer niche titles, not only in magazines, but in newspapers too.

MAGAZINES

Magazines (all, as consumer and B2B are not yet separated in the data measurement) have experienced circulation increases - from 8.4 million to 14.8 million over the past five years, but a decrease in advertising expenditure (the ABC has however, cautioned that the data may be underestimating the trend).

URBAN DAILIES



Circulation has risen from 13.3 million readers to 14.5 million over the last six months. However, there has been a significant decrease in advertising expenditure over the same period, from 15.6% to 11.9%. "Urban dailies are holding their own in terms of circulation, but certainly went down on advertising," Grant said.

URBAN WEEKLIES

There has been growth in the market from 23 to 28 urban weekly newspapers. A steady circulation has been observed, which is a "nice" positive trend, according to Grant, "but we need to make sure print is getting fair share of expenditure."

There remained a 0.9% decrease in advertising expenditure from 6.9% to 6% in the previous six months.

Concluded Grant: "Print has left the hunt to TV. Rather than fighting each other, let's work together as an industry. We are looking at rules that are fair to everyone, so that the buyers of advertising can compare like with like and make sure we're addressing those key advertisers we want to reach. We are working on getting better information out there, rather than merely data to everyone."

ABOUT LOUISE MARSLAND

Louise Burgers (previously Marsland) is Founder/Content Director: SOURCE Content Marketing Agency. Louise is a Writer, Publisher, Editor, Content Strategist, Content/Media Trainer. She has written about consumer trends, brands, branding, media, marketing and the advertising communications industry in SA and across Africa, for over 20 years, notably, as previous Africa Editor: Bizcommunity.com; Editor: Bizcommunity Media/Marketing SA; Editor-in-Chief: AdVantage magazine; Editor: Marketing Mx magazine; Editor: Progressive Retailing magazine; Editor: BusinessBrief magazine; Editor: FMCG Files newsletter. Web: www.sourceagency.co.za.
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