

# 8.5

# The Power of Print

The US\$182 billion newspaper industry is alive and growing despite rumours of its demise, with a surging number of titles and circulations, and scores of inspiring cases of new and innovative newspapers around the world

# Shaping the Future of the Newspaper



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# Executive Summary

As platforms on which to consume news proliferate, newspapers continue to delight, inform and enlighten billions of people around the world every day. Newspapers possess unique characteristics that are desirable for the ages: they are tactile, portable and packed with information to enhance the reader's quality of life. Newspapers' many content categories are well organised, and contain new and often serendipitous story selections each day. Newspapers also continue to function as vigilant watchdogs over government, serving as beacons for democracy around the world. Their reporting staffs routinely surpass staff numbers well beyond the scope of other media, providing depth and breadth of coverage found on no other media channel.

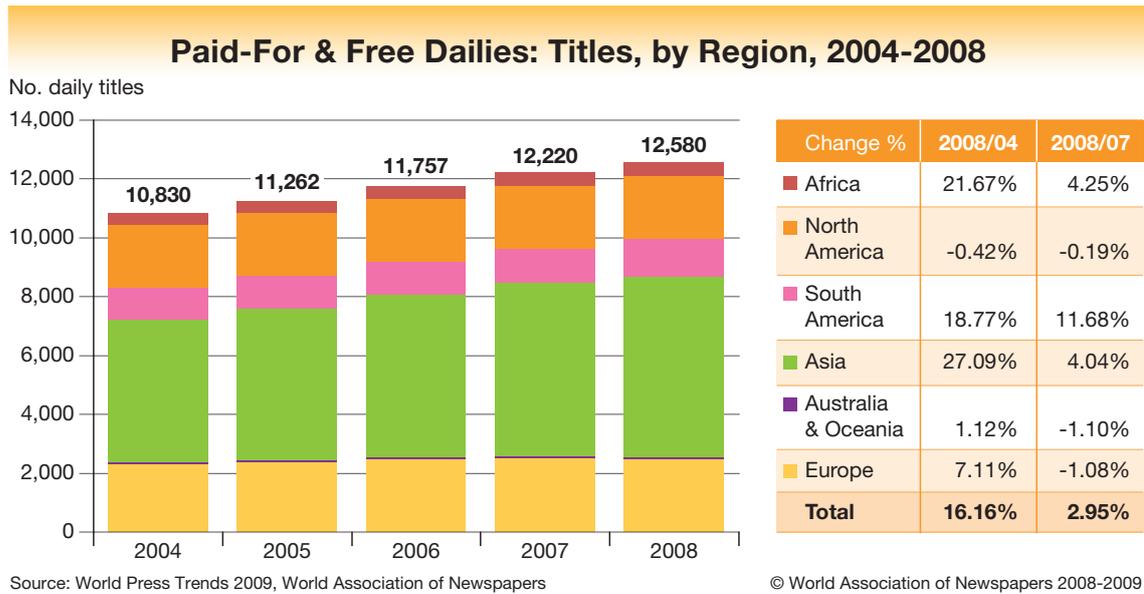
The newspaper itself also has esoteric qualities that, while not measurable, are certainly tangible.

“Paper's great strength is that it allows the mind to settle down into that peaceful deep-dive state in which we do our best thinking. This state is much harder to achieve when we're reading in the digital medium, where there is endless information, and so many

possible tasks to undertake at any moment. On the Internet, there is no beginning and no end,” William Powers writes in Chapter 1, from his book titled “Hamlet's Blackberry.”

Although the feeling of settling down with a newspaper cannot be quantified, analysis of core assets and leading indicators show that on the business side, newspaper companies are under financial pressures circa 2009, faring similarly to other businesses during the current economic downturn. And, in some cases, they are faring much better. The economy hit the United States the hardest, driving advertising revenues down more than 30 percent. Despite that, some newspaper companies have maintained high profit margins, including the country's largest newspaper chain, Gannett Co., Inc., which earned a 12 percent operating profit margin in the first quarter of 2009. While advertising spend for newspapers is shrinking parallel with the world's economy, experts believe this trend will recover in tandem with the economy.

Despite reports to the contrary, the number of newspaper readers and the number of paid-for



and free newspaper titles are growing, according to World Press Trends 2009, the annual newspaper industry bible for circulation, readership and advertising statistics. The number has grown from 12,220 titles in 2007 to 12,580 in 2008.

Among the most important core assets are trust and credibility. The report tracks the stable performance of trust in newspapers compared with other sources of news, and underscores the importance of protecting the core assets moving forward.

Individual newspaper companies continue to invest, expand and innovate. The Power of Print report chronicles examples of newspapers as forward-thinking and pragmatic enterprises. Some examples of case studies profiled in this report:

- Korean daily newspaper JoongAng Ilbo in 2009 invested more than US\$100 million in switching to a Berliner format, buying new printing presses, refurbishing its printing facility and putting more emphasis on quality news and information. However, spending money on merely cosmetic changes would not be enough to slow or reverse declining circulation and subscriptions, points out Jeong Do Hong, director of strategy at JoongAng Ilbo. Therefore, it was key to build upon the cornerstone of trust, which is the bedrock of every quality newspaper, he said.
- In April 2009, Sojormedia Capital, part of Grupo Lena in Portugal, launched i, a unique niche newspaper among 13 mass market daily

products, and has so far seen a healthy readership, said Martim Avillez Figueiredo, i's publisher and editor-in-chief.

- Archant is the United Kingdom's largest independently owned regional media business, publishing four daily newspapers and 60 weeklies in its Archant Regional newspapers division, and 80 magazines across its three magazine companies: Archant Specialist, which produces hobby titles; Archant Dialogue, which does contract publishing; and Archant Life, which specialises in 52 county titles, as well as other city titles and several French magazines. Ten years ago, Archant didn't own any magazines. Today, the magazine division accounts for £55 million in revenue, or about a third of the business.

- The Bakersfield Californian, a 70,000 circulation newspaper, serves a population of 350,000 in the mountains of southeastern California, and has 36,000 registered users for the Californian's online products; 4,000 blogs; and 15 print and online niche publications. The Californian is known for its aggressive product development strategy, which aims to capture a greater amount of the audience in this isolated mountain community. Each product has print and online components. The main newspaper reaches only about 20 percent of the population, but the company's 15 print and online niche publications together reach more than 80 percent of the market when combined with the main newspaper. The company's market share is measured in two ways: advertiser market share, and the newspapers'

reach among consumers, including how the portfolio of products reached 80 percent combined in a 30-day period.

- In May 2009, the PPF Group in the Czech Republic invested €10 million, and launched seven weekly newspapers and 30 Web sites across the country, opening a newspaper office in each of its hamlets. If successful, they plan to add more. The group also has opened a Prague-based training centre for the group's 90 employees and outside journalists, called Futuroom. The focus of the newspapers is "hyperlocal journalism," with an emphasis on advertisers and readers in the communities they serve. Each local office will feature an Internet café, so locals can enjoy a coffee while interacting with the news. "While everyone else is closing, we are expanding," Roman Gallo, director of media strategies at PPF told The New York Times.

- Just five years after its launch, the Media24-owned Daily Sun grew to become the largest newspaper in South Africa, with a circulation of 500,000, all by finding, understanding and staying loyal to an under-served, and even non-served audience, said Fergus Sampson, CEO of emerging markets at Media24. The newspaper's success, however, has less to do with editorial, advertising and circulation, and more to do with the Daily Sun seizing the opportunity that opened up thanks to a confluence of circumstances happening in social, political and economic realms in South Africa in the 1990s, in the time following the fall of apartheid, he said.

- On one hand, MediaNews Group is a mirror image of the stumbling newspaper industry in the United States. MNG, anchored by the San Jose Mercury News in California, and the Denver Post in Colorado, is experiencing double-digit declines in advertising and flattening or declining circulations among many of its 100 newspapers during the economic downturn. In April 2009, MNG ended its eight-year joint operating agreement between the Post and the Rocky Mountain News when the "Rocky" ceased publication. But in the process of challenging times, the unthinkable happened. The circulation of the Denver Post dramatically increased when the Rocky closed, from about 200,000 to 375,000. "We picked up most of their circulation. We offered subscribers a deal to take the Post instead of the Rocky for the same price. We

lost about 29,000 circulation total," said MNG chairman William Dean Singleton. Denver is the No. 2 most penetrated newspaper market in the United States after Washington, D.C.

As the case studies and data show, print newspapers in some parts of the world are seeing only growth, while in other, more developed markets, the power of print is growing in a different way, as publishers carve out spaces in niche markets and better tailor print to the needs of their communities. Around the world, newspapers that value and strengthen printed products in the most appropriate ways to serve their specific audiences and locales are seeing success, brought about by continued dedication to newspapers' goals: to inform and delight.



# 1. Hamlet's Blackberry: Why Paper is Eternal

*“Paper is the most successful communications innovation of the last 2000 years, the one that has lasted the longest and had the profoundest effect on civilisation. Without the technology that is paper, there would be no civilisation. Yet most people don't even think of paper as a technology.”*

William Powers, author,  
Hamlet's Blackberry

## By William Powers

*A presentation made to the World Association of Newspapers Readership conference in Amsterdam on Oct. 16, 2008*

I am a former newspaper writer, a lifelong newspaper lover and a firm believer that the world needs – desperately needs – what newspapers do. Last year, Harvard University published an essay of mine in which I examined the widely held belief that newspapers are dying. I wrote an essay, Hamlet's Blackberry: Why Paper is Eternal, as

a fellow at Harvard's Shorenstein Center, a wonderful place where scholars, journalists and others gather to think, talk and write about the role of the press in a free society.

Hamlet's Blackberry is a little different from other studies of the newspaper industry's problems. It's not about circulation or ad revenues. And it's not really about journalism. In fact, strictly speaking, it isn't about newspapers. It's about the material that newspapers are printed on: Paper.

It seems to me that the question of whether newspapers have a future is related, in a very



deep way, to whether paper itself has a future. That is essentially what I argue in Hamlet's Blackberry.

As its subtitle suggests, I concluded that paper does have a future – a long one. Whether newspapers will be included in that future is a separate question.

First, I'm surprised to be discussing Hamlet's Blackberry. I'm surprised whenever I receive a Google Alert or an e-mail telling me somebody somewhere has written a newspaper or magazine article about my essay, or lectured or blogged about it. This happens frequently, even today, a year after its publication. I'm surprised that almost immediately after the essay appeared on the Internet, I started hearing from book publishers who wanted me to write a book based on it. When I was writing Hamlet's Blackberry, I didn't expect any of this would happen. In all honesty, I didn't expect anyone would read the thing, other than maybe my wife, my parents and my colleagues at Harvard. At about 75 pages and more than 100 footnotes, it's very long – and we supposedly live in a time of short attention spans. Yet for some reason quite a few people have been reading it, and it's sort of taken on a life of its own.

I first got into this subject while working on a column in the spring of 2006. I write about the world of news and information, and am particularly interested in the ways that new media technologies are changing politics, society and everyday life. One topic I've written about often in recent years is the future of newspapers. As you know, there's a widely held belief out there in the world that newspapers – the physical kind you hold in your hands – are headed for extinction.

According to this view, the only people who care about whether hard copy newspapers survive are older people with a nostalgic attachment to the physical medium, those wonderfully flexible pages you can fold and snap and tuck under your arm. On some level, I had always assumed this pessimistic take on hard copy newspapers was basically correct. I love hard-copy newspapers, but in the age of the internet, I saw no logical reason why they should survive.

I should say here that I am a person who likes and is completely comfortable with digital technology. I was born in the 1960s, began



using personal computers as a college student in the 1980s, and I never looked back. When I arrived at my first journalism job at The Washington Post in 1988, the newsroom was completely computerised, which I thought was great. I felt no nostalgia for the old world of typewriters and clicking wire machines.

As digital technology advanced and the Internet was born, I embraced the new medium. I enjoyed reading on it and I enjoyed writing for it.

At the same time, I must confess that all along there was something I still liked about sitting down in the morning with a physical newspaper. I wrote a few columns trying to figure out what that something was, but I never got to the bottom of it. It's hard to describe, the feeling I'm talking about, in part because it seems to be just a feeling, rather than a logical idea I can defend. Newspapers are about delivering words and images, after all, and the words and images in a physical newspaper are basically the same as the ones on the Web version of that paper. Who cares how you absorb the content, as long as you absorb it?

So on that spring day in 2006, I got a phone call from Harvard's Shorenstein Center asking if I was interested in spending a semester there on a fellowship. They would give me an office, a research assistant and access to all the university's rich resources. I just had to come up with a topic I would like to study for those four months, and write an essay about.

I didn't have to think long. I wanted to figure out what it was that drawing me back to the hard-copy newspaper each morning. Why, despite my avid enjoyment of digital technologies, I still had this curious attachment to the old-fashioned, stodgy, unglamorous, seemingly unremarkable material that is paper.

If paper really is dying, I wanted to know if there's anything about it we'll miss when it's gone.



The first thing I did was study where paper came from – who invented it, how it caught on and spread across the world. When it first appeared in China 2,000 years ago, paper was an amazing new gizmo, the iPod of its day. In the year 751 AD, the Chinese lost an important military battle to the Turks. Some Chinese soldiers were taken prisoner, and their captors forced them to reveal how paper was made. At that time, you might say paper was a high-grade industrial secret. From Turkey, paper-making spread west to Europe, where it arrived around the year 1,000. The rest is history, as they say – and what a history it is.

Paper is the most successful communications innovation of the last 2,000 years. It has lasted the longest and had the most profound effect on civilisation. Without the technology that is paper, there would be no civilisation; yet, most people don't even think of paper as a technology.

Indeed, as you move through the history of paper, something curious happens when you reach the middle of the 20th century. Computers are invented and begin to catch on, first in business and eventually all throughout society. As this new technology spreads, people begin predicting that it will soon make paper obsolete. Beginning in the 1960s, it gradually becomes conventional wisdom that in there will be no need for paper in the future. Over the years, countless books and articles

were published predicting that The Paperless Society was just around the corner.

They all got it wrong, of course. Paper not only persisted into the age of the computer, it thrived. The more computers, fax machines and other high-tech tools we created, the more paper we used. One study conducted in the 1990s found that when e-mail arrived in offices, paper consumption increased by an average of 40 percent.

## How Did So Many Get It So Wrong?

It's fairly simple. All those confident predictions that paper would disappear were rooted in the widely held belief that new technologies inevitably kill off older ones, much as the automobile killed off the buggy whip.

In fact, this is not always the case. Older technologies often survive the introduction of newer ones. This happens when old technologies perform useful functions the new devices can't match.

One great example is the hinged door. Watch a science-fiction movie some time, and pay close attention. You'll notice the houses, office buildings and spaceships of the future are always depicted as have sliding doors. Since the 1920s, filmmakers have assumed that in the future there would be no hinged doors whatsoever. Why? Because hinges are old-fashioned. The doors that swing on them take up a lot of space. It's not logical that we should continue to have hinged doors when sliding doors make so much more sense. They're so sleek and logical and, well, futuristic. Thus, in the popular imagination, hinges are always on the verge of extinction.



Yet, as you've probably noticed, hinged doors are still with us. Why is that? Because people like using them. University of California at Berkeley scholar Paul Duguid explained in a research paper how this works. A sliding door may be aesthetically appealing, but when you come down to it, it just slides in and out, which is kind of boring.

Hinged doors are more interesting. You can burst through one and surprise somebody. You can slam a hinged door loudly to vent your anger, or close it very quietly out of concern for a sleeping child. In short, a hinged door is an expressive tool. It works with our bodies in ways that sliding doors do not. Thus, hinges are still with us.

Sometimes new technologies make old ones even more valuable. When the movable-type printing press appeared in the 15th century, some expected it would make not just handwritten manuscripts, but handwriting itself, obsolete.

In fact, just the opposite happened. The appearance of printed books actually increased the importance of handwriting. If you knew how to write words and sentences by hand – which not everyone did at that time – you could participate in the information explosion Gutenberg sparked. After Gutenberg, graphite pencils and fountain pens were invented to meet the new demand for writing tools. Stenography schools opened, and new kinds of handwriting styles, forerunners of the cursive we still use today, were created.

Handwritten communication spawned all kinds of inventions. In the early 1600s, an innovative new gadget began to appear in the great cities of Europe. It was a pocket-sized booklet with a special coated surface that could be written on and erased with a sponge. Busy citizens of Amsterdam, Paris and London would carry this device around with them during the day, jotting quick notes with a stylus and erasing them later.

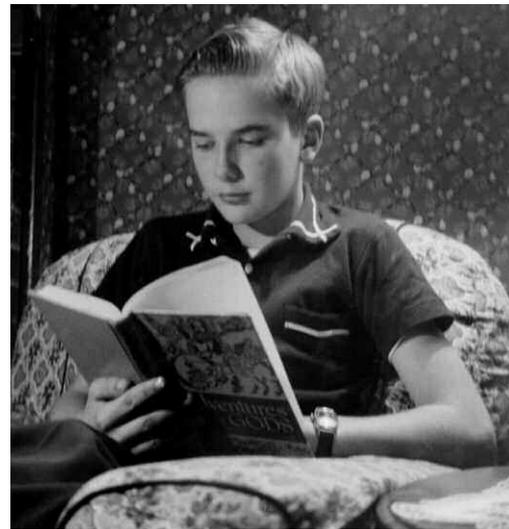
It was that period's equivalent of our own iPhones and Blackberrys, and it remained popular for more than 200 years. American statesmen Thomas Jefferson and Benjamin Franklin owned them, and Shakespeare gave one to Prince Hamlet, who scribbles on it after he sees the famous ghost. The point is: Print didn't kill off handwriting, it just gave it new roles to play.

When television arrived in the 1950s, almost everyone expected radio to disappear. Why would you want an old box that produces only sound, when you could have a new one with sound and video? In fact, television did replace radio as the central gathering place in the home. But at the same time, radio found new roles to play in our lives – in our cars, for example. And today, in an information-jammed world, many people enjoy radio precisely because it produces only sound – no text, no images – and thus doesn't overwhelm the senses. Indeed, radio can be a kind of respite from media overload.

I believe something similar has been happening with paper over the last 50 years. Paper is still with us as a medium of communication because, like handwriting, hinges and radio, it does things for us that newer technologies don't do.

Paper has two essential functions:

**1.** Paper is a container. It stores information so it can be moved from place to place, and preserved long-term. When you print a newspaper, the pages serve as a container.



**2.** Paper is an interface. Once those pages reach their destination, what happens? The reader picks them up and interacts with them, using his senses and his brain to read and understand the content.

Now, I want you to notice something about the notion that paper is dying. That idea is rooted almost entirely in paper's function as a container. This is because, in most ways, digital technologies are better containers of information than paper. Think about it: They

move content from place to place much more quickly and cheaply than paper, and their storage capacity is infinite.

But what about that other function of paper, its role as pure interface? As I worked on Hamlet's Blackberry, I kept coming back to that moment when you're sitting quietly with a book or newspaper in your hands, just reading. The experience is qualitatively different from reading on the screen, though, as I said earlier, it's hard to say exactly why.

Everyone feels this, including the young people who spend so much time sending text messages and using Facebook. Screens are great for quick, goal-directed consumption of content. If you need a piece of information, you go to Google, find it, and move on to the next thing. You open an e-mail, read it, write a reply and hit send. It's all very quick and efficient.

But when it comes to reading something that's longer and more thoughtful, when you really want to think about the ideas being expressed, paper is still the place to be. E-books are here and they're cheaper than real books, but they haven't completely caught on. I bought one of the newest e-books, an Amazon Kindle, last year, after my 10-year-old son, who loves to read, insisted it was the wave of the future and we had to have one. We used it for 10 days and sent it back for a refund. Everyone in the family, including that 10-year-old who is usually so happy staring at a screen, found the e-book unpleasant to use. The technology was inferior to a real book. It wasn't paper.

## Strengths and Weaknesses

Why does paper lend itself naturally to the kind of thoughtful reading we associate with books and longer articles? If I could get to the bottom of this, I reasoned, I might solve the puzzle of why paper has endured so long, and also get a sense of its future.

So I looked into the research that has been done on how people interact with paper media, and I learned something interesting. It turns out the very things that make paper an inferior storage medium – the way it takes up space and must be moved physically from place to place – are exactly the qualities that make it such a great interface for reading and thinking. That is, paper's weakness is also its strength.

The best work on this subject was done by Abigail Sellen and Richard Harper, authors of the 2002 book "The Myth of the Paperless Office." Sellen and Harper, who are scholars of technology and cognitive psychology, conducted studies of office workers at various organisations, including the International Monetary Fund in Washington, D.C.

What they found was that although these workers had the most advanced digital technologies at their fingertips, they often preferred to work with paper documents. The subjects said they liked paper's tangibility, the way you can hold and manipulate a document with your hands, make notes in the margins, flip back and forth between pages, make piles of paper on your desk and share print-outs with colleagues.

Online documents are very different from paper ones. Because they have no physical presence, when we're reading them on a screen our eyes and brain are constantly at work, trying to figure out where we are – not just on the page, but within the larger text and vis-à-vis other open documents. A part of our mind is always wondering: What page is this again? Which line am I reading? How many other files do I have open behind this one?

When we read on screen, we expend a great deal of mental energy just navigating. In contrast, because paper is tangible, it allows the hands and fingers to take over much of the navigational burden. We know where we are because we can feel where we are. This frees up the brain to think.

One of the subjects in the IMF study said paper was better than screens for those



moments when you really need to “settle down” with a text or document and give it careful thought.

In another study, conducted by Harvard Business School Professor Gerald Zaltman for a client in the magazine business, readers said they liked the sense of control paper gave them. One subject reported that turning the pages of a magazine and studying the ads gives one a sense of “order and peace” that is lacking when we’re watching ads on a screen. This same person described the state we enter when reading a paper magazine as “a snatching of serenity.”

In his 1990 book, “Flow: The Psychology of Optimal Experience,” philosopher Mihaly Csikszentmihalyi investigated how people around the world achieve happiness in their everyday lives. Based on interviews, questionnaires and close monitoring of people in their daily activities, he found the state we most associate with happiness is something he calls “Flow.”

Flow is what happens when you are so absorbed in a task, the world seems to fall away. It can be as simple as working on a jigsaw puzzle or as complicated as flying an airplane, as long as it produces what he calls “a deep but effortless involvement that removes from awareness the worries and frustrations of everyday life.”

When we are in the Flow state, there is no sense of time or distraction, just complete immersion in the moment. Activities that produce Flow tend to be those that have definite limits or bounds, and achievable goals. There is no satisfaction in doing a puzzle that doesn’t fit together, or shooting a basketball against a backboard with no hoop. Happiness comes from pursuits that have a beginning and end, and allow total focus.

This, of course, is exactly what happens when we sit down with a book, a magazine or a newspaper and really immerse ourselves in the content. Paper’s great strength is that it allows the mind to “settle down” into that peaceful deep-dive state in which we do our best thinking. This state is much harder to achieve when we’re reading in the digital medium, where there is endless information, and so many possible tasks to undertake at any moment. On the Internet, there is no beginning and no end.

## DIGITAL'S WONDER ALSO ITS FLAW

There’s a U.S. digital media company whose slogan is “Everything all the time.” To me, that’s the epitome of life in a Google world – all the resources on earth at one’s fingertips, simultaneously.

This is wonderful in many ways, but the limitlessness of the digital medium is also its great flaw. When you’re reading an article on a screen, your mind is conscious of all the other information that’s just a click away – from your inbox to the latest headlines to your bank account to a billion YouTube videos. Thus, instead of escaping other demands on your attention as you read, you are mentally fending off those demands every moment you’re at the screen.

As the world becomes ever more digital and thus more connected, paper has a secret weapon that nobody ever talks about: It’s disconnected from the digital grid. We tend to think of this as a flaw of paper, but the more I worked on Hamlet’s Blackberry, the more I saw it as a feature of paper – a feature whose value is arguably increasing.

In a multi-tasking world where pure focus is harder and harder to come by, I believe print media’s seclusion from the Web is an emerging strength. Paper is a still point for the consciousness, an escape from the never-ending busyness and burdens of the screen. It’s an island in the chaos.

Rather than “Everything all the time,” paper’s slogan could be “Just this one thing.”

## The Medium Suits the Message

So then, you may be wondering, what about newspapers? If paper is so good at helping us achieve the special state of consciousness I’ve just described, why aren’t people everywhere abandoning their screens and flocking to hard-copy newspapers? Doesn’t everyone want to find an island in the chaos?

I believe they do, but that’s not the only thing people want in life. There’s a reason we all spend so much time staring at our screens. They bring us information we need – to do our jobs, to get things done for ourselves and our families, to live our lives.

A great deal of information is well suited to the digital format. When we want something

delivered to us quickly and efficiently, the screen is the logical choice. E-mail is a case in point: read it quickly, reply, move on to the next one. Paying bills and checking stock prices are perfect screen activities, too.

The medium may be the message, as Marshall McLuhan famously said, but in a very practical way, we also choose the medium that best suits the message, or the content that's being communicated. As it happens, there's another kind of content that works very well on the screen: the News.



As you know, newspapers publish many different kinds of news, from political coverage to obituaries to sports results to opinion columns. In Hamlet's BlackBerry, I reduce all news to two basic categories:

1. Hard news about local, national and international events, most of it relatively short, direct and easy to digest.
2. "Slower" kinds of content such as feature stories, longer investigative pieces, profiles, criticism and commentary.

The traditional culture of the newsroom is divided along similar lines. At the heart of a newspaper are the reporters and editors who thrive on hard, breaking news – the men and women who, in the pre-Internet days, used to be seen darting back and forth to the wire-machine like waterbugs.

And then there are the more ruminant journalists, the columnists, editorial writers, critics and investigators whose work aims not so much to report on the world as to make sense of it. This is a crude distinction, of course, and most journalists have some of each in them. The point is that, as institutions, newspapers have always had this split personality.

The two perspectives came together on paper, because for centuries it was the best available medium for sending and receiving both kinds of messages – fast and slow, breaking and thoughtful.

But when newspapers moved to the Internet, there was a rupture. The two categories of news were effectively pulled apart. The online format, which is so quick and efficient, made perfect sense for hard news, and readers naturally migrated to the Web for that kind of information. But for many of those same readers, myself included, the "long-form, in-depth" content still seems to belong on paper.

Everyone knows what I'm talking about. When we read these "slower" articles on a screen, it's more of a struggle. We become impatient, and start wanting to click away. I often find myself printing out such pieces to read later, when I have time to sit down with the pages and get into the Flow state.

What I'm saying here is that the public exodus from newspapers is not a rejection of paper, but an objection to using it for hard news and other utilitarian, quick-read content that gains little or nothing from arriving in that format.

Hard news is, of course, the core mission of the newspaper business, and the main reason readers come to newspapers. There's a reason they're called newspapers, and not essaypapers. And because it's the core mission, newspapers in many countries find themselves in a tough financial spot. I don't have to tell you that in the United States, the digital version of the news doesn't generate the same ad revenues and profits that the printed newspaper has traditionally brought in. I think the same holds true in many other countries.

So when the two sides of the newspaper culture were pulled apart, the side that drives the franchise wound up in the not-so-profitable medium, and therefore, the whole enterprise is endangered.

So what is the answer? In all honesty, I don't know. One possibility is new technology. As I'm sure you're aware, numerous high-tech companies in the United States, Asia and Europe are working on new displays that effectively mimic paper. They're thin, flexible, and foldable like traditional paper, but they have wireless digital technology inside, which makes them refreshable, like a screen.

I have tested some of these e-paper technologies, and though they are promising, I believe they are not yet where they need to be for consumers to adopt them in a broad way.

Some day, however, I expect we will see a sheet of e-paper that looks and feels exactly like “old fashioned” paper. When that day arrives and we have a medium that brings together the best of both worlds, it might be possible to bring the two sides of newspaper culture back together again on the same “page.”

Yet at the same time, something valuable will also be lost. If paper becomes a connected medium, it will no longer stand apart from the electronic grid, and thus no longer offer us that quiet place away from our jumbled digital lives. We may teach ourselves to unplug our e-paper and read it in offline mode, but that’s a little hard to imagine.

There’s a great irony in today’s feverish pursuit of e-paper. The most promising candidates to replace paper are technologies that are striving to be more, not less, like the real thing. Paper is the object, the tantalising goal of these technologies. Essentially, they are trying to become paper. And I believe e-paper will catch on with the public only when it is basically indistinguishable, in the physical sense, from paper itself. This is why I believe paper is “eternal.”

Another helpful step for newspapers would be to increase the public’s awareness of exactly these kinds of questions. Much of the media coverage of digital technology reads like product marketing. New digital devices are released, and journalists cover them the way they cover new movies. There’s a cheer-leading tone to the whole exercise, an air of hype.

By focusing almost exclusively on what’s new and hot in the technology marketplace, we are missing the larger picture. We aren’t helping people understand and organise their technological lives. I think this is an area where the public craves insight and guidance that they’re not receiving. It’s crucial that we all learn to think more intelligently about our devices. Not just how they work, but how they fit into our lives. We need to ensure that the devices work for us, rather than us working for them.

The opinion pages of newspapers are filled with commentary about government and politics, which are certainly important subjects. Still, I wonder why I never see an editorial page with a regular column about that other important force in our lives – technology. It’s on everyone’s mind right now. It’s reshaping how we live at least as much as government is.

I once asked an editor at a national newspaper why there weren’t more columns like this. He told me it would never sell in Kansas City. I think he’s wrong. I think this subject matters hugely to people in Kansas City and Paris and Prague and Johannesburg and Sydney and Mumbai and Seoul and Santiago, and everywhere else.

I realise you are all working hard on the problem I have highlighted, the difficulty of translating the old print newspaper into two very different mediums. Many papers have been rethinking the way content is divided between the hard-copy newspaper and the online version, and distinguishing more clearly between the two. Some American papers have been redesigned to make the print newspaper a vehicle for “slower” content, rather than hard news. I hear this is happening in Europe as well, with some promising results.

Perhaps as our digital lives become ever more frenetic and exhausting, a new demand will emerge for exactly this kind of publication, for that “island in the chaos” that is paper. I can certainly imagine that sort of future.

*William Powers most recently was the media critic for National Journal in the United States, and wrote a weekly column called “On the Media.” Before joining National Journal in 1997, he was a staff writer at The Washington Post, and a senior editor of The New Republic. Powers wrote “Hamlet’s Blackberry” for the Joan Shorenstein Center on Press, Politics and Public Policy at Harvard University.*

## 2. Leading Indicators and Assets

*“This doom and gloom about our industry that has largely gone unanswered is – to me – the most bizarre case of wilful self-mutilation ever in the annals of our industry. And it continues apace, with commentators failing to look beyond their simple rhetoric and merely joining the chorus that the future is online, online, online... almost to the exclusion of everything else. This, ladies and gentlemen, is a mistake. This oversimplifies a rather complex issue.”*

Gavin O’Reilly, president,  
World Association of Newspapers  
and News Publishers  
*Opening the first WAN Power of Print  
conference, in Barcelona, May 2009*

Despite a challenging global economy, newspaper companies continue to show their resilience and ability to adapt to rapidly changing conditions. Economic markets have tumbled in the global recession, and the businesses that typically advertise in newspapers are consequently floundering. As a result, ad spend across media is

dwindling, and many newspaper publishers worldwide are rethinking their publishing models and business models for the future.

The newspaper industry also is combating another persistent challenge: the barrage of absurd reports touting the demise of printed newspapers. The World Association of Newspapers and News Publishers launched the “Get the Facts About Newspapers” campaign in 2008 to counter some of the preposterous and damaging claims being made about its imminent demise. Among the facts about the newspaper industry for 2009:

- A US\$182 billion industry worldwide, taking into account advertising and circulation revenue
- More than 12,580 newspaper titles exist worldwide, up from 10,830 in 2004
- Printed newspapers have a 34 percent daily global penetration, while the Internet has a 24 percent penetration
- More people read a newspaper in one day, than eat Big Macs in one year
- Paid circulation was up 1.3 percent between 2007 and 2008, and up 8.8 percent between 2004 and 2008

- Newspapers and television equally share 75 percent of the world's advertising expenditure, while Internet garnered only 10 percent
- Combined with magazines, print is the world's largest advertising medium, garnering 42 percent of the advertising ad spend
- More than 1.9 billion people read a newspaper every day, around the world

In the United States alone, an estimated 100 million people read newspapers on weekdays, and 115 million on Sundays, according to the Newspaper Association of America. The economy and systemic shifts in the industry have whittled away at revenues and profit margins, but newspaper companies remain among the most profitable businesses, averaging 11.3 percent operating profit in the United States in 2008, and between 8 and 12 percent in Western Europe, for example, according to Morton Research Inc.

In order to maintain and grow the lucrative business fortune of many printed newspapers, many publishers are building strategies for new publishing and revenue models for the future. Newspaper companies are probing into what makes printed newspapers valuable and relevant to their audiences. Some are examining traditional business models of advertising and subscriptions, and are exploring new models like endowments, foundations, government subsidies and more, meanwhile drafting cost-cutting strategies that involve fewer pages in newspapers, reduction in publishing frequency, reduction in staff,

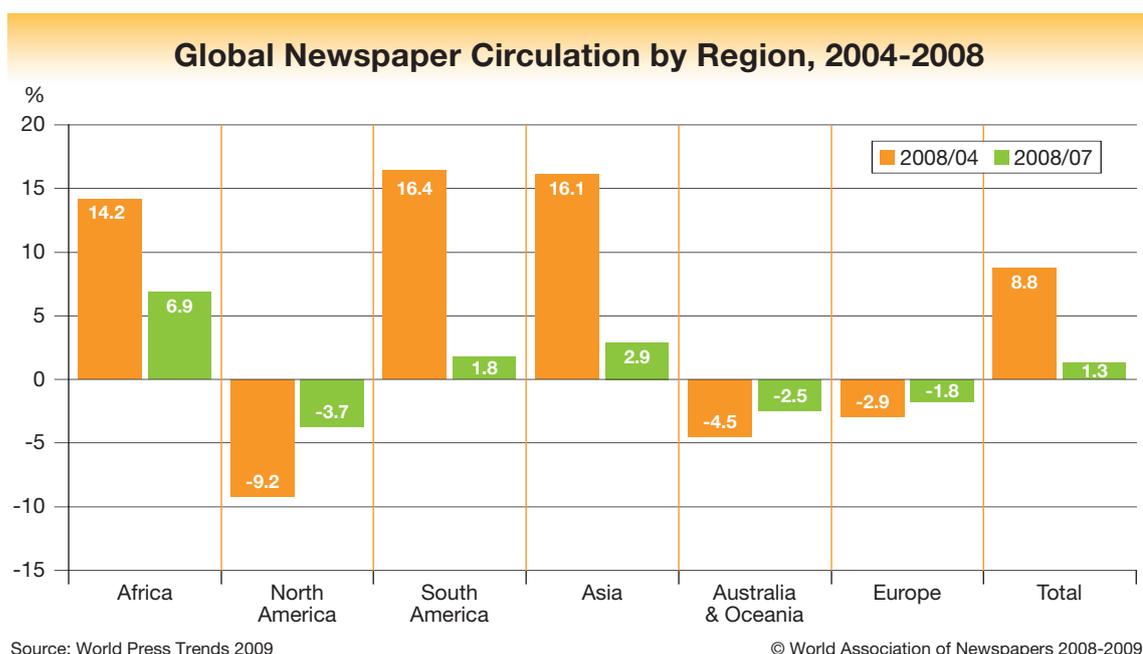
consolidations in departments and companies, etc.

Publishers are exploring issues such as:

- What are printed newspapers' key assets and attributes?
- What are the unique characteristics that make newspapers stand above other media?
- How can newspapers use these assets to compete in the hyper-charged 21st century media landscape?

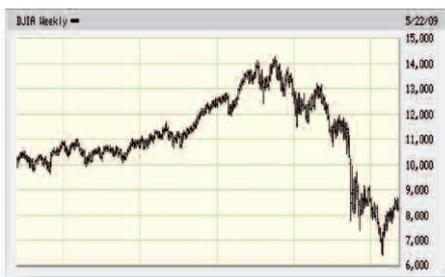
Many newspapers worldwide are impacted by two distinct market forces: Systemic and economic conditions that have changed the newspaper business. Systemic changes have to do with shrinking print readership, especially in the United States and Western Europe. These trends are caused by changing readership habits, including a shift to reading news and information on digital platforms, and are expected to continue in many parts of the world. There are exceptions, however. Newspapers remain strong and growing in Asia, South America and Africa, commanding the majority of market share in many countries. In Africa and parts of Asia, mobile is leapfrogging Internet as the preferred digital medium.

Economic changes impacting newspaper companies' No. 1 revenue stream, advertising, are expected to be reversed as the economy recovers from its worst downturn since the Great Depression. The data sets on Page 19 show the Dow Jones publishing index, including American,

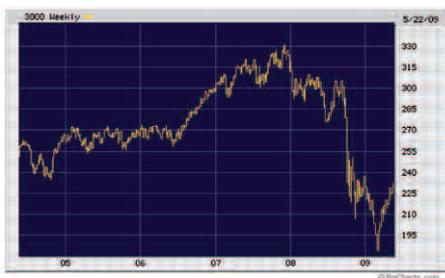


## Five-Year Stock Market Index Trends

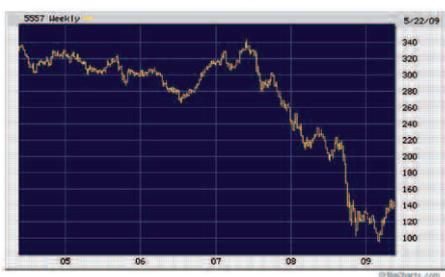
Dow Jones Industrial Index



Consumer Goods Index



Publishing Index



Source: Dow Jones Inc., May 2009  
© World Association of Newspapers 2008-2009

European and Asian newspaper stocks, to almost identically mirror the downward trends of the Dow Jones index of consumer goods, and the overall Dow Jones index for the past five years. As the economy recovers, advertising is expected to rebound as well.

According to Morgan Stanley, the Gross Domestic Product is closely aligned with fluctuations in advertising spend (see chart). As the economy recovers, GDP will grow, and advertising spend along with it, as reflected in this chart, displaying 1986 to 2007 GDP and ad spend statistics.

## Advertising Spending Growth Worldwide, by Region 2008-2010 percent change

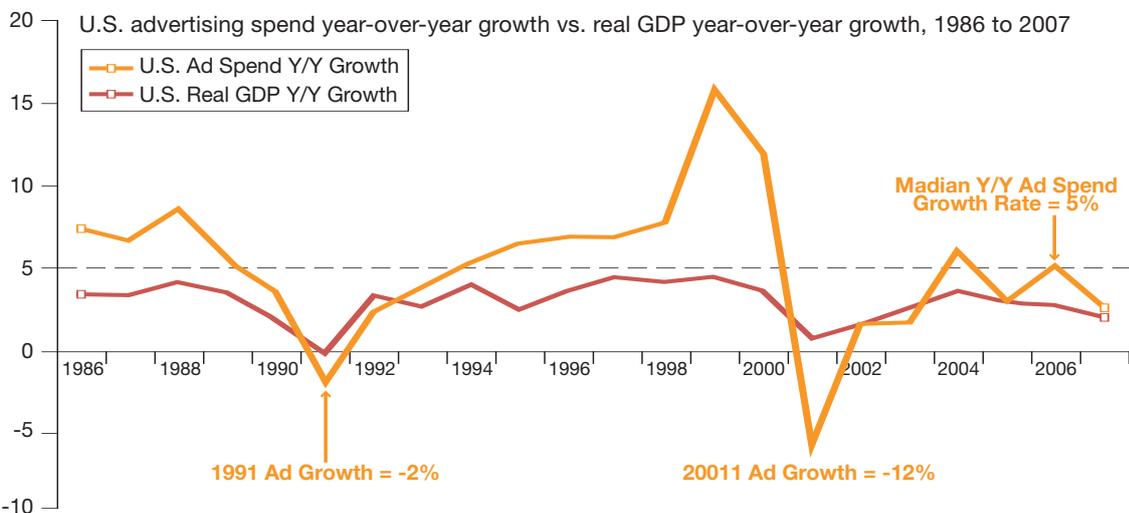
|                    | 2008        | 2009         | 2010         |
|--------------------|-------------|--------------|--------------|
| Latin America      | 11.3%       | 6.9%         | 10.7%        |
| Middle East/Africa | 20.7%       | -1.5%        | 7.5%         |
| Asia-Pacific       | 6.3%        | -2.8%        | 3.2%         |
| Emerging Europe    | 11.2%       | -16.3%       | 2.7%         |
| Western Europe     | -1.4%       | -11.1%       | -3.5%        |
| North America      | -2.0%       | -4.2%        | -6.1%        |
| <b>Worldwide</b>   | <b>1.8%</b> | <b>-5.5%</b> | <b>-1.4%</b> |

Source: Group M © World Association of Newspapers 2008-2009

Experts predict an advertising recovery in the next few years. According to GroupM, the world's largest media buyer, all but Western Europe and North America will recover from the advertising downturn by 2010. Meanwhile, UBS investment house predicted in June that

## Advertising Spending and GDP Growth

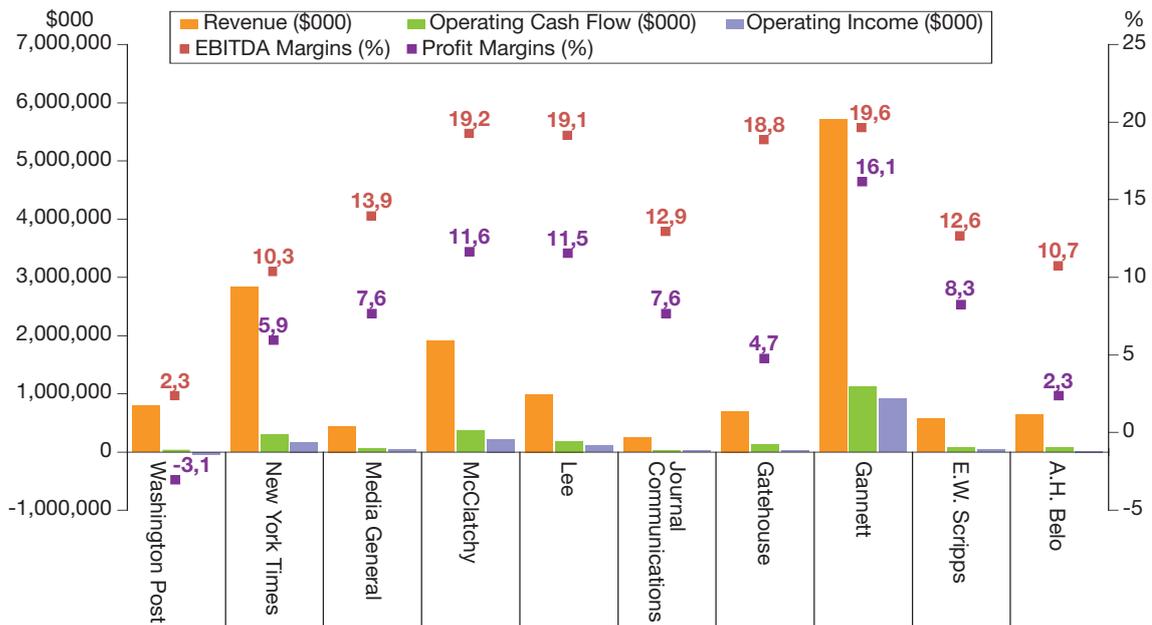
Correlation of 81% between the indicators



Source: Morgan Stanley, ZenithOptimedia, 2008

© World Association of Newspapers 2008-2009

### U.S. Newspaper Publisher Data, January-December 2008



EBITDA Margins = Operating Cash Flow/Revenue\*100%  
 Operating Margins = Operating Income/Revenue\*100%

Source: Morton Research, Inc.  
 © World Association of Newspapers 2008-2009

investors predictions about European newspaper stocks were too pessimistic, and predicted a near full recovery for advertising between 2010 and 2012.

Meanwhile, although profit margins are not what they used to be, they remain among the highest across all businesses. In the market hardest hit by the ailing economy, the United States, newspapers continue to grow solid profits. According to industry analyst John Morton, who has tracked EBITDA and operating profit margins for decades, the group of public newspaper companies in America

reported a profit margin of 11.3 percent for the first three quarters of 2008.

“In this environment, that is an achievement,” Morton said.

American newspapers’ average profit margin during that period is higher than most any newspaper market in the world. European newspaper companies, for example, average less than 10 percent operating profit, even in a good economy.

Meanwhile, profits are holding steady at other media companies around the world. Schibsted, a multinational newspaper and multiple media company based in Oslo, has reported a steady 9 percent EBITA margin in newspapers in third quarter 2007, and an 8 percent margin in third quarter 2008.

### Schibsted Profit Margins, by Media Group

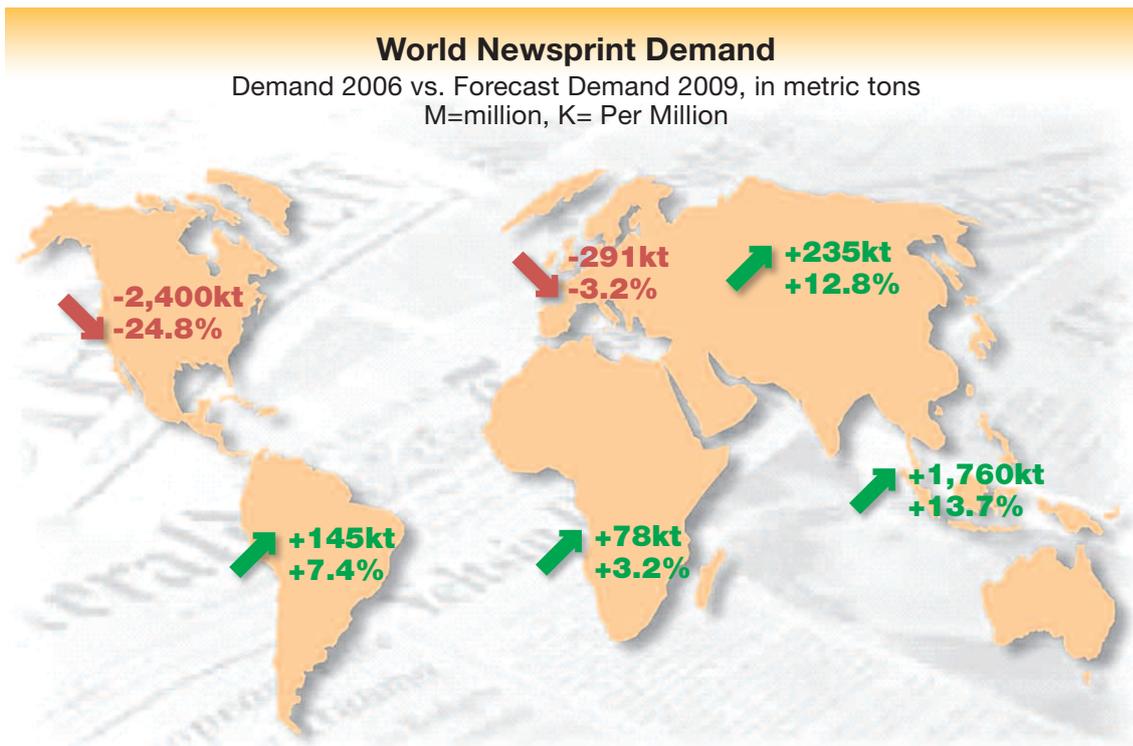
| Group                            | Revenue Pr Q3 08 | Change y/y | EBITA Margin |           |
|----------------------------------|------------------|------------|--------------|-----------|
|                                  |                  |            | Pr Q3 08     | Pr Q3 07  |
| <b>Group</b>                     | <b>10,204</b>    | <b>2%</b>  | <b>9%</b>    | <b>9%</b> |
| Print newspapers                 | 6,509            | -4%        | 8%           | 9%        |
| Online newspapers                | 637              | 16%        | 16%          | 19%       |
| Online classifieds & directories | 1,843            | 31%        | 26%          | 23%       |
| Live pictures                    | 948              | -1%        | 2%           | -3%       |

Source: Schibsted ASA, 2008  
 © World Association of Newspapers 2008-2009

### Leading Indicators: Suppliers

Newspapers produce ink-on-paper products, printing on heavy-duty presses. This section will show the leading indicators of the business in terms of printing, ink and paper suppliers.

Newsprint demand reflects the need for paper in each region in the world. As newspaper circulations are declining in the United States and Western Europe, the decline in demand for newsprint follows. Meanwhile, circulations are



Source: Pulp and Paper Products Council, 2008

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growing around the world, in Asia, Africa, South America and Eastern Europe, and substantial growth in demand follows.

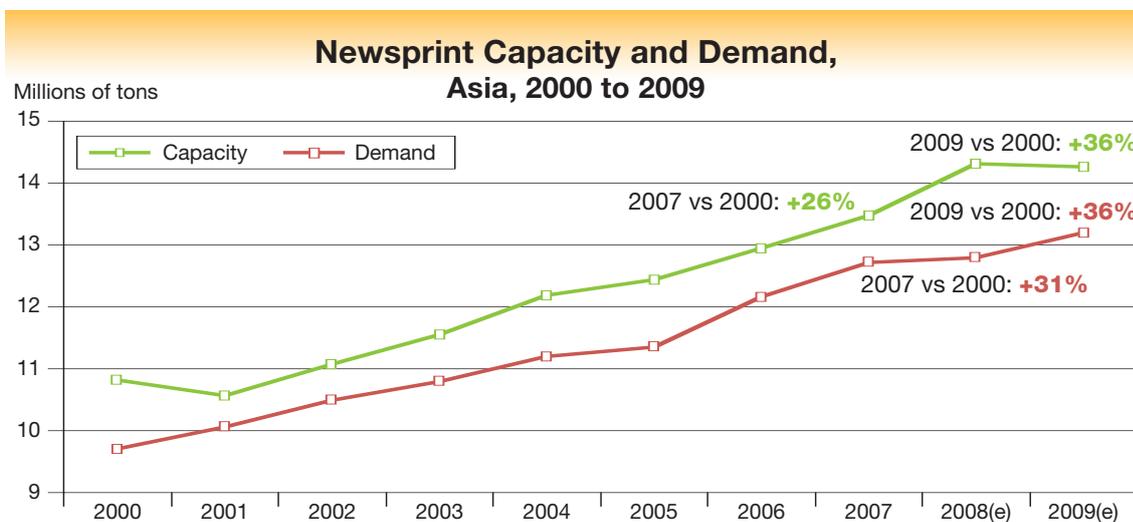
More specifically, demand for newsprint will decline a total of 23 percent from 2000 to 2009 in North America and Europe, according to the Pulp and Paper Products Council, a newsprint research house. Meanwhile, demand is up 36 percent in Asia during the same period, according to the PPPC.

All told, newsprint consumption is down globally from 36.77 million metric tons in

2007 to about 35.87 metric tons in 2008, according to the PPPC.

Ink consumption directly parallels newsprint consumption, and is measured in pounds. The PPPC reports that global ink consumption on newsprint dropped from 319 million pounds in 2007 to 261 million pounds in 2008, a direct correlation to the drop in newsprint consumption in the United States.

The projection for ink consumption for coldset newspapers in the United States is drastic, dropping to 186 million pounds in 2012.



Source: Pulp and Paper Products Council, 2008

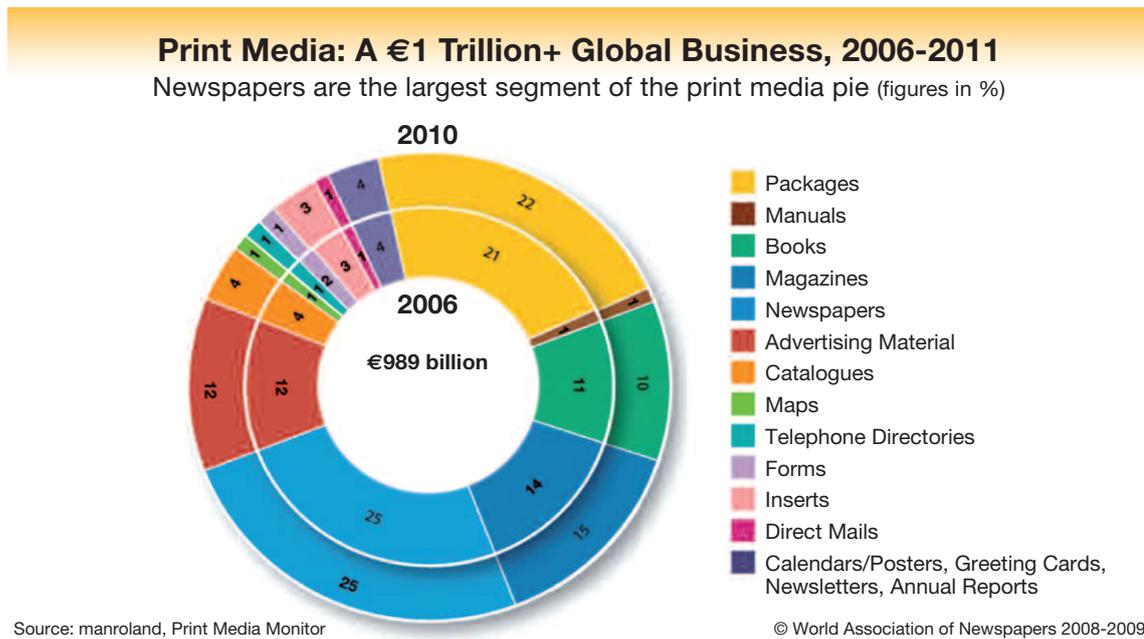
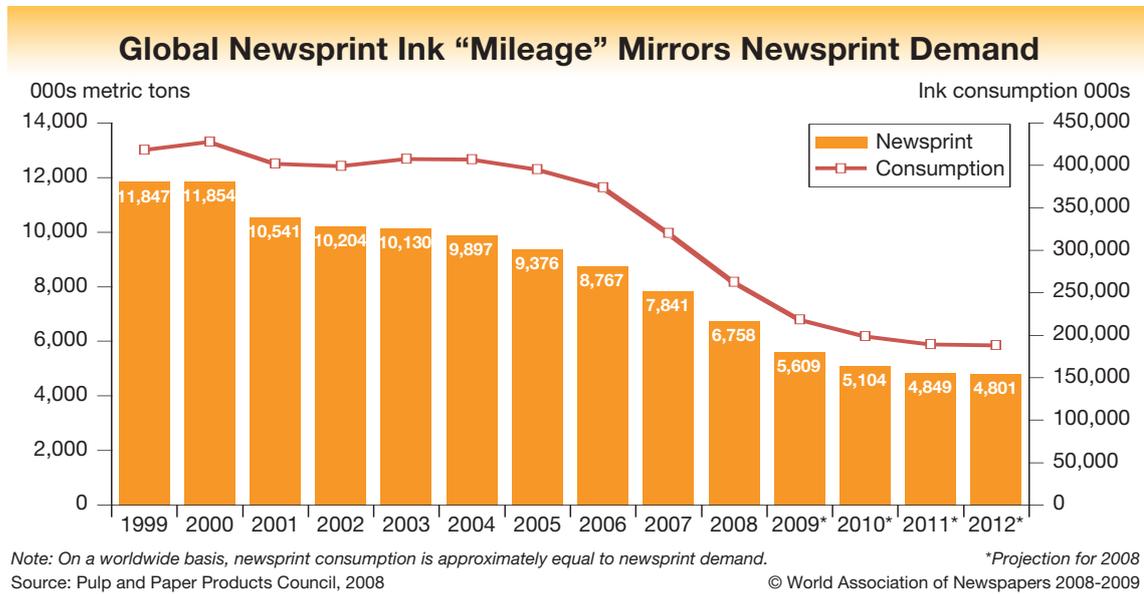
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The combined printing industry continues to be a lucrative business, and will be for the foreseeable future. According to manroland's Print Media Monitor research service, the printing industry will represent more than €1 trillion by 2010, with one-fourth of that from the stable newspaper industry, and with packaging and magazines in the No. 2 and No. 3 spots.

Sheetfed offset printing systems by far outpace any printing process for newspapers, and combined with web offset printing, is by far the most lucrative printing process compared with gravure, flexo and digital printing combined. Europe dominates the offset printing market, with even more revenue than North America and the rest of the world combined.

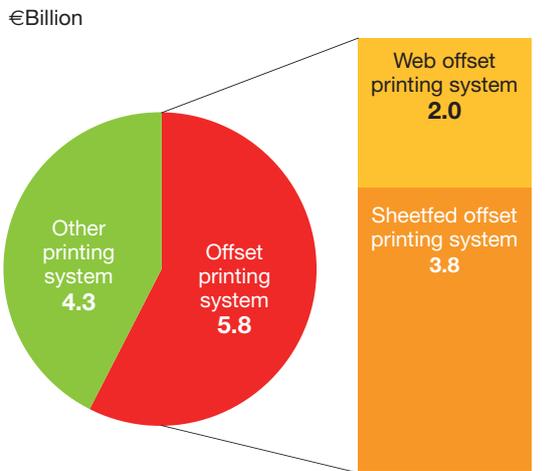
### Leading Indicators: Assets

Though more difficult to measure, perhaps the most important asset possessed by newspaper companies is their credibility. As the media marketplace becomes more crowded with competitors that have no track record or perceived trustworthiness, newspaper companies can trade on the longstanding trust they have in their communities as a valuable currency for both readers and advertisers. Credibility draws readers to consume trusted media, and motivates advertisers to publish their advertisements in newspapers to gain a positive brand ruboff effect on their own brands.



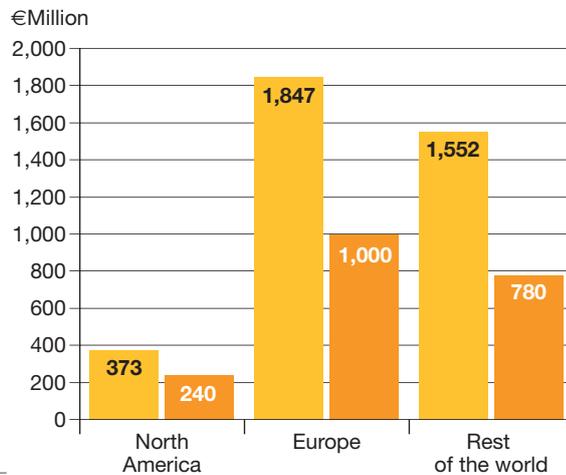
## Global Offset Printing Market

### Total Printing System Market €10.1 billion



Source: Pira 2007, Foreign Trade Statistics 2007, manroland

### Geographical Splitting of the Offset Printing System Market



© World Association of Newspapers 2008-2009

According to Nielsen, newspaper advertising ranks highest among media for credibility, second only to personal recommendations and word of mouth as having the highest credibility of “advertising” to respondents in the United States.

According to Pew Research for the People & Press, local daily newspapers score the highest in credibility in the United States, followed by The New York Times, Wall Street Journal and The Associated Press. In contrast, Pew also surveyed Americans’ opinions on the credibility of online news from the likes of Google, Yahoo and the Drudge Report. These media rate considerably lower than newspapers on credibility.

Advertising is the most important revenue stream for most newspapers around the world, representing between 50 percent to 80 percent of overall revenue.

While North American newspapers earn about 80 percent of their revenue from advertising, according to PricewaterhouseCoopers, newspapers in the rest of the world earn about half of their revenue with advertising.

While advertising revenues are either stabilising or declining around the world for all media, newspaper companies are experiencing a heavier reliance on circulation revenues.

## Offset Printing: A €264 Billion Industry

### Offset printing €246.4 billion\*

- Packaging ■ Magazines ■ Advertising
- Newspapers ■ Books
- Business stationery ■ Security printing

### Flexo printing €100.7 billion\*

- Packaging

### Gravure printing €57.7 billion\*

- Catalogs ■ Magazines ■ Packaging

### Digital printing €18.4 billion\*

- Individualised advertising
- Visiting cards ■ Post cards ■ Manuals

Source: Pira 2007, manroland

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\*Revenue

### U.S. Print Media Believability

Consumers asked the degree to which they believe print media outlets

|                      | Believe all or most (%)<br><b>4</b> | <b>3</b> | <b>2</b> | Believe almost nothing (%)<br><b>1</b> | <b>N</b> | (%)<br><b>Can't rate</b> |
|----------------------|-------------------------------------|----------|----------|--|----------|--------------------------|
| Wall Street Journal  | 25                                  | 43       | 22       | 10=100                                 | 799      | 21                       |
| Your Daily Newspaper | 22                                  | 43       | 26       | 9=100                                  | 909      | 9                        |
| Time                 | 21                                  | 44       | 24       | 11=100                                 | 828      | 18                       |
| U.S. News            | 20                                  | 46       | 24       | 10=100                                 | 800      | 20                       |
| New York Times       | 18                                  | 40       | 25       | 17=100                                 | 821      | 21                       |
| Newsweek             | 16                                  | 45       | 29       | 10=100                                 | 809      | 19                       |
| Associated Press     | 16                                  | 43       | 31       | 10=100                                 | 863      | 14                       |
| USA Today            | 16                                  | 42       | 32       | 10=100                                 | 797      | 18                       |
| People               | 8                                   | 20       | 39       | 33=100                                 | 792      | 18                       |
| National Enquirer    | 5                                   | 9        | 13       | 73=100                                 | 855      | 16                       |

Asked May 21-25, 2008. Respondents (N=1,505) each were asked about 15 randomly selected news organisations. Results based on those who could rate.

Source: Pew Research Center for People & The Press, 2008

© World Association of Newspapers 2008-2009

### U.S. Online News Outlets' Credibility

Consumers asked the degree to which they believe online media outlets

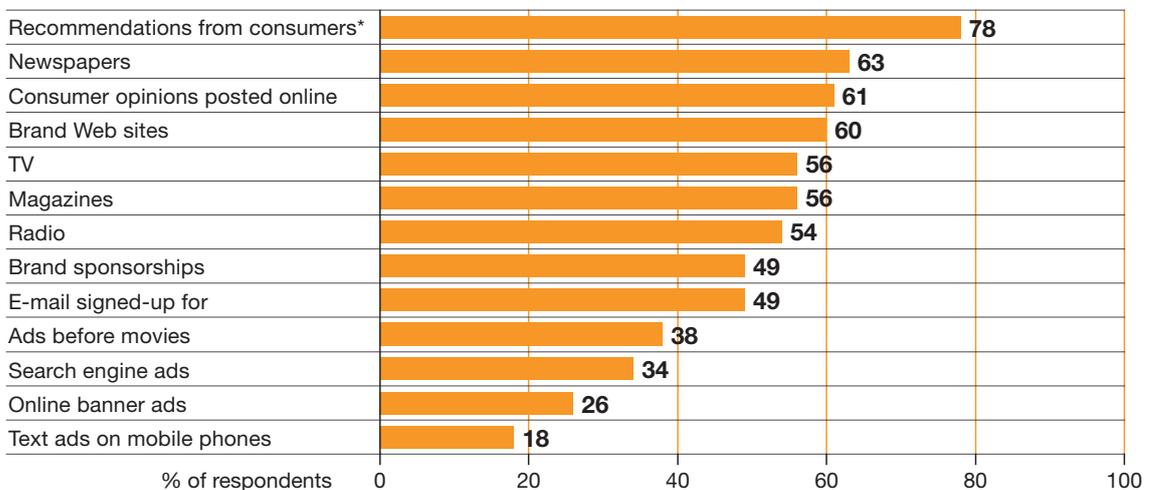
|                 | Believe (%)<br><b>4</b> | <b>3</b> | <b>2</b> | Don't believe (%)<br><b>1</b> | <b>N</b> | (%)<br><b>Can't rate</b> |
|-----------------|-------------------------|----------|----------|-------------------------------|----------|--------------------------|
| Google News     | 13                      | 47       | 30       | 10=100                        | 656      | 26                       |
| Yahoo! News     | 11                      | 46       | 34       | 9=100                         | 699      | 22                       |
| AOL News        | 7                       | 39       | 39       | 15=100                        | 597      | 33                       |
| Drudge Report   | 7                       | 33       | 36       | 24=100                        | 409      | 56                       |
| Salon           | 7                       | 21       | 42       | 30=100                        | 257      | 70                       |
| Huffington Post | 6                       | 29       | 37       | 28=100                        | 375      | 59                       |
| Slate           | 4                       | 27       | 44       | 25=100                        | 281      | 67                       |

Asked May 21-25, 2008, of adults who ever go online to access the Internet or send and receive e-mail. Ratings based on those who could rate each organisation.

Source: Pew Research Center for People & The Press, 2008

© World Association of Newspapers 2008-2009

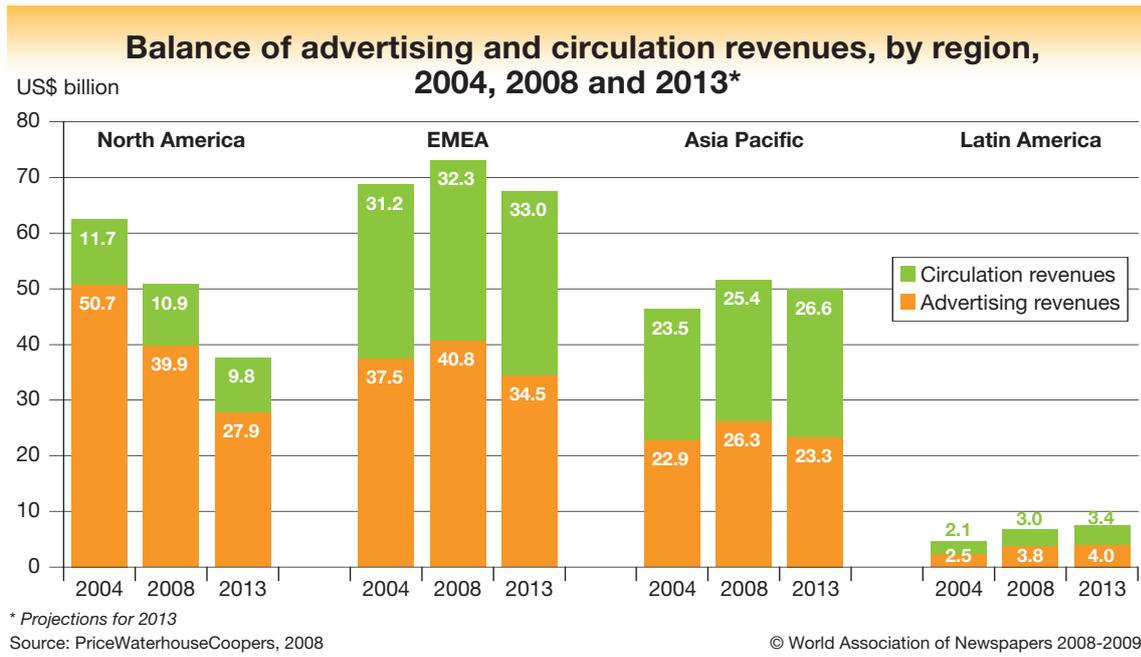
### Types of Advertising Trusted by Online Users Worldwide, April 2007



\* ie word of mouth

Source: eMarketer / The Nielsen Company, "Online Global Consumer Study", October 2007

© World Association of Newspapers 2007-2008

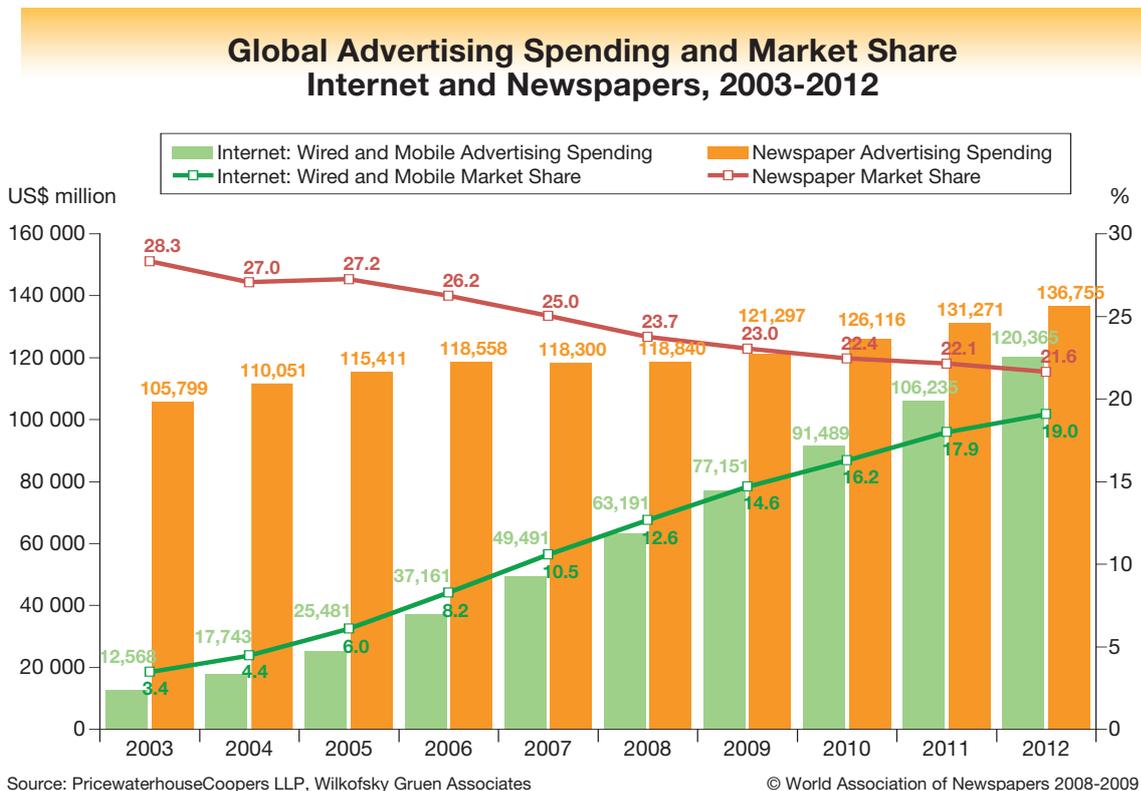


PwC projects a significant shift of reliance upon circulation revenue around the world from 2008 and 2013, especially in North America, where print advertising expenditure is hardest hit.

According to PwC, the market share of print newspaper advertising is declining as the Internet's advertising share is surging. In

response, newspaper companies have been seizing the opportunity to make advertising revenues online, and growth for Internet advertising spend for newspapers continues to grow in the double digits around the world.

This growth is particularly strong in emerging markets and slowing down in more mature markets.



In order to make up for the losses in print revenues in some parts of the world, newspaper companies are ramping up their online advertising offerings to advertisers. Newspapers on average are earning 10 to 15 percent of their revenues with digital in North America and northern Europe, for example. Digital's advertising share is rising among emerging markets as well, according to WAN's annual Benchmarking New Digital Revenues study.

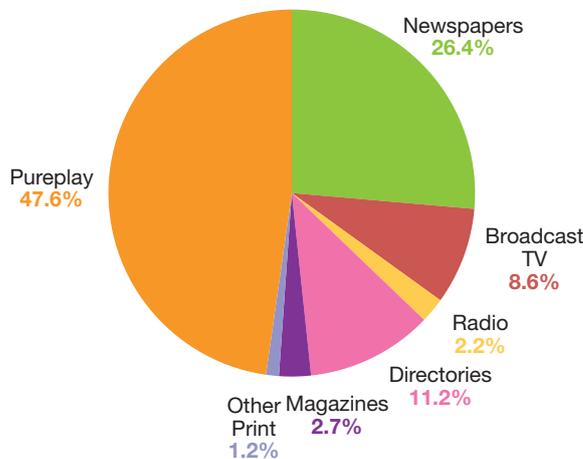
One of newspapers' core assets is focus on local news and advertising. Going forward, a particularly strong opportunity is local print and online advertising revenues. In the United States alone, newspaper companies garner more than one-fourth of all local online revenues, compared with half earned by pure Internet players such as Google and Yahoo.

Even new newspaper launches are seeing success through creating a quality print product, usually coupled with a complimentary online presence that does not take away from the print product's ability to financially support the publication.

For example, in April 2009, Sojormedia Capital, Grupo Lena, launched a newspaper called i, which found its niche among 13 mass market daily products, and has so far seen a healthy readership, said Martim Avillez Figueiredo, i's publisher and editor-in-chief.

"You don't focus on the newspaper, you focus on the brand," from which everything else grows out of. Maintaining that cohesive brand builds credibility, targets the audience's taste and maintains a strong connection with readers, he said.

### U.S. Local Online Advertising Spend 2007 and 2008 advertising breakdowns



|                     | 2007  | 2008  | Point Ch. |
|---------------------|-------|-------|-----------|
| <b>Newspapers</b>   | 26.9% | 26.4% | -0.5%     |
| <b>Broadcast TV</b> | 9.5%  | 8.6%  | -0.9%     |
| <b>Radio</b>        | 2.1%  | 2.2%  | 0.1%      |
| <b>Directories</b>  | 9.5%  | 11.2% | 1.7%      |
| <b>Magazines</b>    | 0.9%  | 2.7%  | 1.8%      |
| <b>Other Print</b>  | 1.4%  | 1.2%  | -0.1%     |
| <b>Pureplay</b>     | 49.7% | 47.6% | -2.1%     |

Source: Borrell Associates, 2009

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## The World's Most Circulated Newspapers

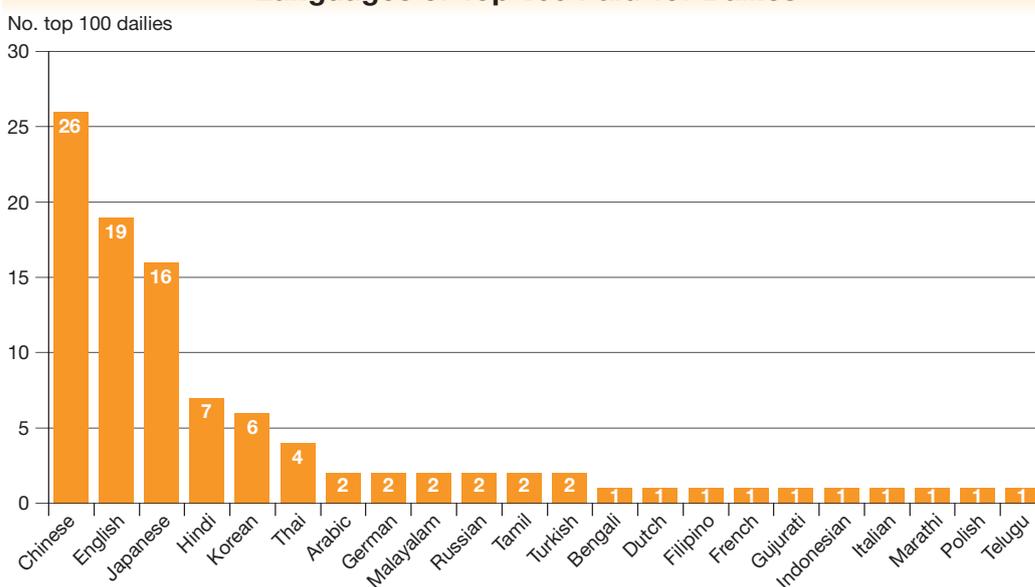
Among the top 100 worldwide most circulated paid-for dailies, more than one-fourth is published in Chinese, while another 19 are in English. Japanese came in third, with 16 titles. There are also seven Hindi and six Korean paid-for dailies, according to World Press Trends 2009.

A quarter of the top 100 paid-for dailies are published in China, while 20 are published in India. Sixteen of these titles are published in Japan, while seven each are published in the United Kingdom and the United States.

The top three most circulated newspapers are published in Japan. The most circulated paid-for daily is Yomiuri Shimbun, with more than 10 million copies sold, followed by the Asahi Shimbun and Mainichi Shimbun, with more than 8 million and 3.9 million circulations, respectively.

The Times of India and Bild in Germany come next, with a circulation of 3.1 million each. In terms of the top 20 most circulated free dailies in the world, four are published in Spain, three in Italy, and two each in Canada, Republic of Korea and France.

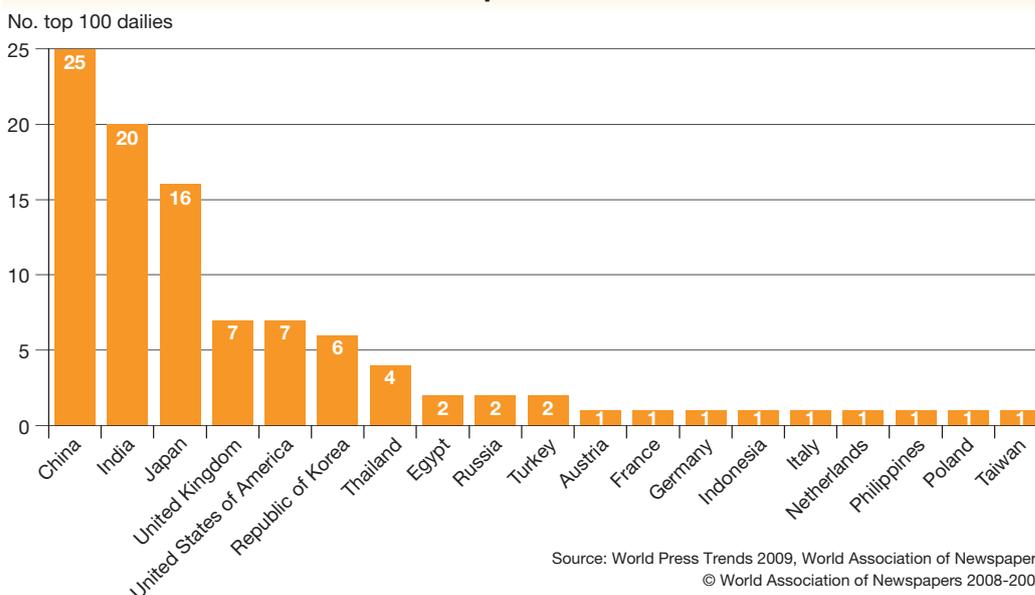
### Languages of Top 100 Paid-for Dailies



Source: World Press Trends 2009, World Association of Newspapers

© World Association of Newspapers 2008-2009

### Countries of Top 100 Paid-for Dailies



Source: World Press Trends 2009, World Association of Newspapers  
© World Association of Newspapers 2008-2009

## Top 100 Paid-for Dailies

|    | Title                   | Country                  | Language  | Circulation (000) |
|----|-------------------------|--------------------------|-----------|-------------------|
| 1  | Yomiuri Shimbun         | Japan                    | Japanese  | 10,020            |
| 2  | The Asahi Shimbun       | Japan                    | Japanese  | 8,049             |
| 3  | Mainichi Shimbun        | Japan                    | Japanese  | 3,901             |
| 4  | The Times of India      | India                    | English   | 3,433             |
| 5  | Bild                    | Germany                  | German    | 3,142             |
| 6  | Cankao Xiaoxi           | China                    | Chinese   | 3,142             |
| 7  | The Nikkei              | Japan                    | Japanese  | 3,052             |
| 8  | The Sun                 | United Kingdom           | English   | 3,046             |
| 9  | People's Daily          | China                    | Chinese   | 2,939             |
| 10 | Chunichi Shimbun        | Japan                    | Japanese  | 2,761             |
| 11 | Dainik Jagran           | India                    | Hindi     | 2,354             |
| 12 | The Chosun Ilbo         | Korea, Republic of       | Korean    | 2,300             |
| 13 | USA Today               | United States of America | English   | 2,293             |
| 14 | Sankei Shimbun          | Japan                    | Japanese  | 2,221             |
| 15 | JoongAng Ilbo           | Korea, Republic of       | Korean    | 2,200             |
| 16 | The Daily Mail          | United Kingdom           | English   | 2,194             |
| 17 | The Dong-a Ilbo         | Korea, Republic of       | Korean    | 2,100             |
| 18 | The Wall Street Journal | United States of America | English   | 2,012             |
| 19 | Nikkan Sports           | Japan                    | Japanese  | 1,802             |
| 20 | Guangzhou Daily         | China                    | Chinese   | 1,800             |
| 21 | Sports Nippon           | Japan                    | Japanese  | 1,800             |
| 22 | Qilu Evening News       | China                    | Chinese   | 1,668             |
| 23 | Malayala Manorama       | India                    | Malayalam | 1,590             |
| 24 | Information Times       | China                    | Chinese   | 1,570             |
| 25 | Yangtze Evening Post    | China                    | Chinese   | 1,483             |
| 26 | Daily Mirror            | United Kingdom           | English   | 1,400             |
| 27 | Nanfang City News       | China                    | Chinese   | 1,400             |
| 28 | Amar Ujala              | India                    | Hindi     | 1,360             |
| 29 | Hindu                   | India                    | English   | 1,331             |
| 30 | Hindustan               | India                    | Hindi     | 1,297             |
| 31 | Sankei Sports           | Japan                    | Japanese  | 1,272             |
| 32 | Ananda Bazar Patrika    | India                    | Bengali   | 1,255             |
| 33 | Lokmat                  | India                    | Hindi     | 1,236             |
| 34 | Yangcheng Evening News  | China                    | Chinese   | 1,200             |
| 35 | Thai Rath               | Thailand                 | Thai      | 1,200             |
| 36 | Hindustan Times         | India                    | English   | 1,189             |
| 37 | Hokkaido Shimbun        | Japan                    | Japanese  | 1,186             |
| 38 | Eenadu                  | India                    | Telugu    | 1,176             |
| 39 | Global Times            | China                    | Chinese   | 1,160             |
| 40 | Dainik Bhaskar          | India                    | Hindi     | 1,159             |
| 41 | Chutian Metro Daily     | China                    | Chinese   | 1,140             |
| 42 | Mathrubhumi             | India                    | Malayalam | 1,107             |
| 43 | Xinming Evening News    | China                    | Chinese   | 1,004             |
| 44 | Deccan Chronicle        | India                    | English   | 1,003             |
| 45 | The New York Times      | United States of America | English   | 1,001             |
| 46 | Daily Sports            | Japan                    | Japanese  | 999               |
| 47 | Hochi Shimbun           | Japan                    | Japanese  | 996               |
| 48 | Yanzhao Metro Daily     | China                    | Chinese   | 990               |
| 49 | Today Evening News      | China                    | Chinese   | 980               |
| 50 | Dinakaran               | India                    | Tamil     | 973               |

Source: World Press Trends 2009, World Association of Newspapers

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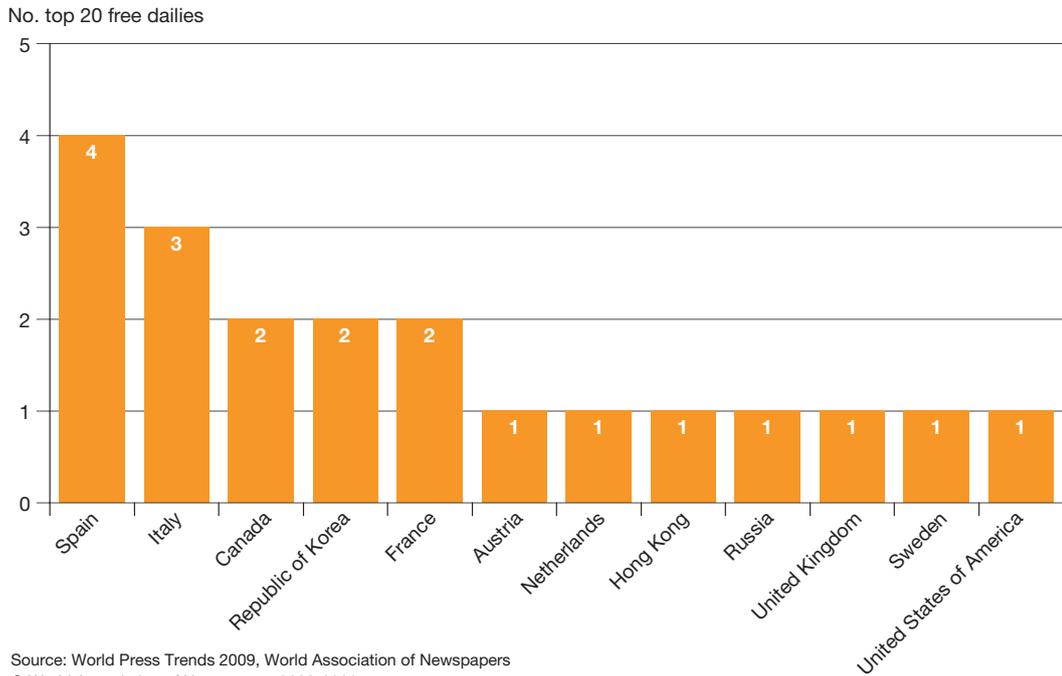
## Top 100 Paid-for Dailies

|     | Title                    | Country                  | Language   | Circulation (000) |
|-----|--------------------------|--------------------------|------------|-------------------|
| 51  | Qianjiang Evening News   | China                    | Chinese    | 966               |
| 52  | Metro Express            | China                    | Chinese    | 950               |
| 53  | Kronen Zeitung           | Austria                  | German     | 949               |
| 54  | Punjab Kesari            | India                    | Hindi      | 929               |
| 55  | Daily Sakal              | India                    | Marathi    | 924               |
| 56  | Peninsula City           | China                    | Chinese    | 920               |
| 57  | Daily Thanthi            | India                    | Tamil      | 917               |
| 58  | New Express              | China                    | Chinese    | 910               |
| 59  | Al-Ahram                 | Egypt                    | Arabic     | 900               |
| 60  | Daily News               | Thailand                 | Thai       | 900               |
| 61  | Nanfang Daily            | China                    | Chinese    | 850               |
| 62  | Nishinippon Shimbun      | Japan                    | Japanese   | 850               |
| 63  | The Daily Telegraph      | United Kingdom           | English    | 835               |
| 64  | Dahe Daily               | China                    | Chinese    | 830               |
| 65  | Liaoshen Evening News    | China                    | Chinese    | 829               |
| 66  | Western China City News  | China                    | Chinese    | 820               |
| 67  | Al-Gomhuriya             | Egypt                    | Arabic     | 800               |
| 68  | Kom Chad Luek            | Thailand                 | Thai       | 800               |
| 69  | The Maeil Economic Daily | Korea, Republic of       | Korean     | 800               |
| 70  | Ouest France             | France                   | French     | 796               |
| 71  | Chunichi Sports          | Japan                    | Japanese   | 793               |
| 72  | Modern Express           | China                    | Chinese    | 790               |
| 73  | Aj                       | India                    | Hindi      | 787               |
| 74  | Divya Bhaskar            | India                    | Gujurati   | 785               |
| 75  | Beijing Evening News     | China                    | Chinese    | 780               |
| 76  | Zaman                    | Turkey                   | Turkish    | 756               |
| 77  | Daily Express            | United Kingdom           | English    | 752               |
| 78  | The Economic Times       | India                    | English    | 751               |
| 79  | Moskovsky Komsomolets    | Russia                   | Russian    | 750               |
| 80  | The Los Angeles Times    | United States of America | English    | 739               |
| 81  | Shizuoka Shimbun         | Japan                    | Japanese   | 718               |
| 82  | Chugoku Shimbun          | Japan                    | Japanese   | 718               |
| 83  | Komsomolskaya Pravda     | Russia                   | Russian    | 716               |
| 84  | Daily Star               | United Kingdom           | English    | 714               |
| 85  | The Liberty Times        | Taiwan                   | Chinese    | 714               |
| 86  | Rakyat Merdeka           | Indonesia                | Indonesian | 700               |
| 87  | Busan Ilbo               | Korea, Republic of       | Korean     | 700               |
| 88  | The Hankyoreh            | Korea, Republic of       | Korean     | 700               |
| 89  | De Telegraaf             | Netherlands, The         | Dutch      | 670               |
| 90  | Fakt Gazeta Codzienna    | Poland                   | Polish     | 670               |
| 91  | Khao Sod                 | Thailand                 | Thai       | 650               |
| 92  | Orient Today             | China                    | Chinese    | 637               |
| 93  | New York Daily News      | United States of America | English    | 633               |
| 94  | Posta                    | Turkey                   | Turkish    | 632               |
| 95  | Beijing Times            | China                    | Chinese    | 629               |
| 96  | New York Post            | United States of America | English    | 625               |
| 97  | The Washington Post      | United States of America | English    | 623               |
| 98  | The Times                | United Kingdom           | English    | 622               |
| 99  | Corriere Della Sera      | Italy                    | Italian    | 621               |
| 100 | Remate                   | Philippines              | Filipino   | 620               |

Source: World Press Trends 2009, World Association of Newspapers

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### Countries of Top 20 Free Dailies



### Top 20 Free Dailies

|    | Title                                    | Country                  | Language         | Circulation (000) |
|----|--|--------------------------|------------------|-------------------|
| 1  | Metro                                    | United Kingdom           | English          | 1,362             |
| 2  | Leggo                                    | Italy                    | Italian          | 1,050             |
| 3  | 20 Minutos                               | Spain                    | Spanish          | 948               |
| 4  | Que!                                     | Spain                    | Spanish          | 920               |
| 5  | ADN                                      | Spain                    | Spanish          | 868               |
| 6  | Metro                                    | Italy                    | Italian          | 850               |
| 7  | City                                     | Italy                    | Italian          | 840               |
| 8  | Metro                                    | Canada                   | English/French   | 840               |
| 9  | Metro Directo                            | Spain                    | Spanish          | 782               |
| 10 | Metro                                    | France                   | French           | 733               |
| 11 | 20 Minutes                               | France                   | French           | 732               |
| 12 | Headline Daily                           | Hong Kong                | Chinese          | 728               |
| 13 | 24 hours/24 heures                       | Canada                   | English/French   | 669               |
| 14 | Metro                                    | Sweden                   | Swedish          | 634               |
| 15 | Metro, Novaya Gorodskaya Gazeta (Moscow) | Russia                   | Russian          | 600               |
| 16 | Metro                                    | United States of America | English          | 590               |
| 17 | The Daily Focus                          | Korea, Republic of       | Korean           | 550               |
| 18 | Metro                                    | Korea, Republic of       | Korean / English | 550               |
| 19 | Heute                                    | Austria                  | German           | 540               |
| 20 | Metro                                    | Netherlands, The         | Dutch            | 533               |

Source: World Press Trends 2009, World Association of Newspapers

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The free daily with the highest circulation is The Metro in the United Kingdom, with more than 1.3 million copies. Italy's Leggo and

Spain's 20 Minutos come next, with one million and 948,000 copies, respectively, according to World Press Trends 2009.

### Paid-for and Free Dailies: Titles and Circulation, by Region

The overall numbers of paid-for and free dailies worldwide were 10,830 in 2004, and increased to 12,580 in 2008. The numbers were up 16 percent from 2004, and 2.95 percent from 2007 to 2008, according to World Press Trends 2009.

Asia accounted for the biggest chunk, with 4,825 titles in 2004 and 6,132 in 2008, which increased 27 percent within the four years, and 4 percent from 2007 to 2008.

North America experienced a downturn in terms of number of titles since 2004. It dropped from 2,139 to 2,130 in 2008, down 0.42 percent.

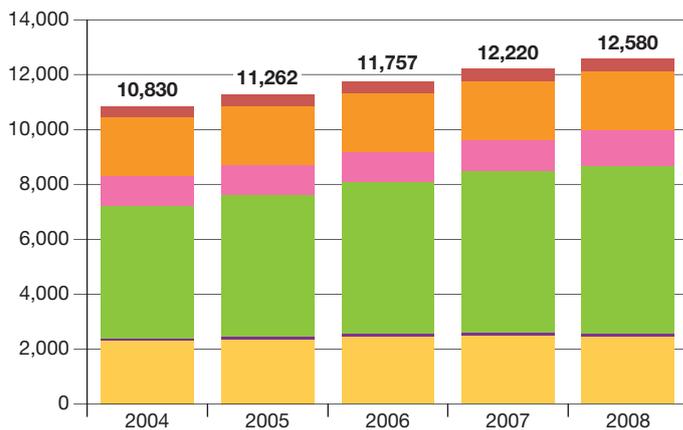
Other regions reporting significant increases include Africa and South America, with more than 21 percent and 18 percent four-year growth, respectively. They have more than 4 percent and 11 percent year-over-year growth in 2008, respectively. European newspaper titles have increased more than 7 percent from 2004 to 2008, but down about 1 percent from 2007 to 2008.

Total circulation of paid-for and free dailies globally reached 514 million in 2004, and up to 581 million in 2008. It grew 13 percent from 2004 to 2008, and up 1.62 percent annually in 2008, according to World Press Trends 2009.

The majority of the world's circulation growth comes from from Asia, which accounted for 312 million in 2004 to 367 million copies in

#### Paid-For & Free Dailies: Titles, by Region, 2004-2008

No. daily titles



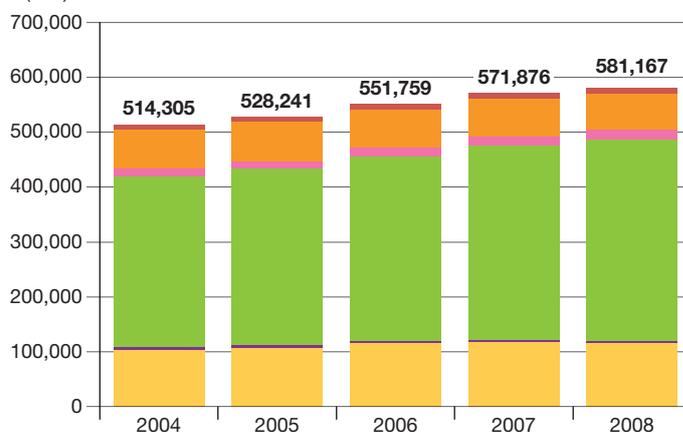
| Change %            | 2008/04       | 2008/07      |
|---------------------|---------------|--------------|
| Africa              | 21.67%        | 4.25%        |
| North America       | -0.42%        | -0.19%       |
| South America       | 18.77%        | 11.68%       |
| Asia                | 27.09%        | 4.04%        |
| Australia & Oceania | 1.12%         | -1.10%       |
| Europe              | 7.11%         | -1.08%       |
| <b>Total</b>        | <b>16.16%</b> | <b>2.95%</b> |

Source: World Press Trends 2009, World Association of Newspapers

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#### Paid-For & Free Dailies: Circulation, by Region, 2004-2008

(000)



| Change %            | 2008/04       | 2008/07      |
|---------------------|---------------|--------------|
| Africa              | 16.63%        | 7.85%        |
| North America       | -6.01%        | -3.75%       |
| South America       | 21.87%        | 3.92%        |
| Asia                | 17.52%        | 3.44%        |
| Australia & Oceania | -0.52%        | -2.87%       |
| Europe              | 11.45%        | -1.33%       |
| <b>Total</b>        | <b>13.00%</b> | <b>1.62%</b> |

Source: World Press Trends 2009, World Association of Newspapers

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2008, up 17.5 percent. The circulation grew 3.44 percent from 2007 to 2008.

North America and Australia and Oceania both reported a four-year and 2007-2008 circulation decline. North America experienced an overall circulation decline of 6 percent from 2004 to 2008, and down nearly 4 percent in 2008. In Australia and Oceania, circulation was down 0.5 percent within the four years, and nearly 3 percent in 2008.

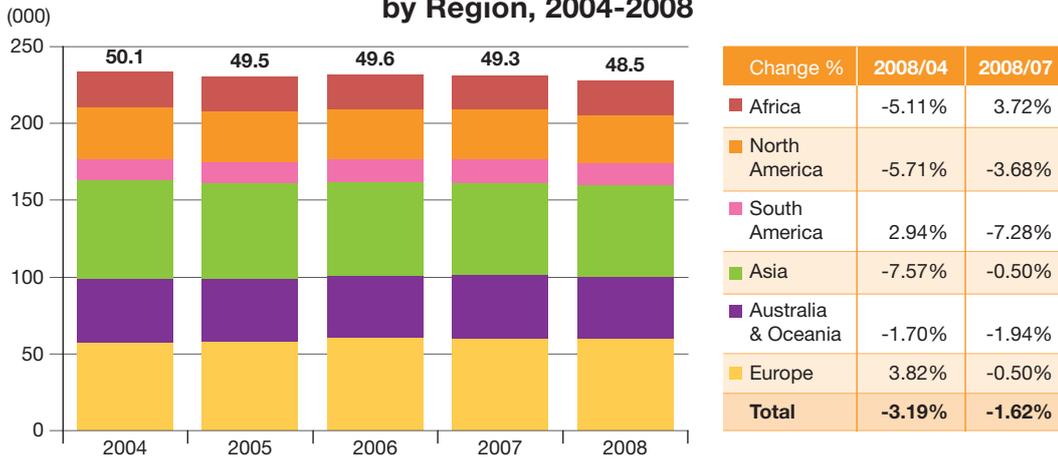
South America increased more than 21 percent from 2004 to 2008, and grew almost 4 percent in 2008. In Africa, the four-year growth was more than 16 percent and the increase from 2007 to 2008 was nearly 8 percent, while in Europe the four-year growth was 11 percent but declined by 1.3 percent from 2007 to 2008.

In terms of average circulation per title, the global figure was 50,100 in 2004, and 48,500 in 2008. Average circulation was down more than 3 percent from 2004, and declined 1.62 percent since 2007.

The four-year growth was only positive in South America and Europe, with nearly 3 percent and 4 percent increases, respectively. In Asia it dropped nearly 8 percent, while it declined more than 5 percent in both North America and Africa.

From 2007 to 2008, Africa was the only region reporting average circulation per title increases, up 3.7 percent. The biggest decline occurred in South America with more than 7 percent, while in North American newspapers experienced an almost 4 percent decline from 2007 to 2008.

### Paid-For & Free Dailies: Average Circulation per Title, by Region, 2004-2008



Source: World Press Trends 2009, World Association of Newspapers

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## Advertising Expenditure Shares (in \$US Million, Current Price)

|                                | 2004 (%)   |           |       |       |        |         |          | 2008 * (%) |           |      |       |        |         |          | 2011 * (%) |
|--------------------------------|------------|-----------|-------|-------|--------|---------|----------|------------|-----------|------|-------|--------|---------|----------|------------|
|                                | Newspapers | Magazines | TV    | Radio | Cinema | Outdoor | Internet | Newspapers | Magazines | TV   | Radio | Cinema | Outdoor | Internet |            |
| <b>AFRICA</b>                  |            |           |       |       |        |         |          |            |           |      |       |        |         |          |            |
| Egypt                          | 55.5       | 7.1       | 31.5  | 5.2   | 0.5    | 0.1     |          | 26.5       | 2.8       | 40.5 | 3.3   | 0.9    | 25.6    |          | 27.1       |
| South Africa                   | 25.6       | 10.5      | 45.4  | 12.6  | 1.3    | 3.9     | 0.7      | 22.8       | 8.7       | 50.7 | 11.6  | 1.1    | 3.7     |          | 18.9       |
| <b>NORTH AMERICA</b>           |            |           |       |       |        |         |          |            |           |      |       |        |         |          |            |
| Canada                         | 32.2       | 8.0       | 36.6  | 14.9  |        | 3.7     | 4.5      | 24.9       | 7.0       | 33.0 | 15.6  |        | 4.5     | 15.0     | 21.4       |
| Costa Rica                     | 33.2       |           | 36.1  | 18.6  |        | 12.2    |          | 32.4       |           | 55.7 | 17.0  |        | 17.5    |          | 33.7       |
| Mexico                         | 12.3       | 10.1      | 67.3  | 10.2  |        |         |          | 10.6       | 8.5       | 71.8 | 9.1   |        |         |          | 9.6        |
| Panama                         | 22.4       | 4.0       | 69.1  | 4.5   |        |         |          | 22.8       | 5.7       | 68.4 | 3.0   |        |         |          | 24.0       |
| Puerto Rico                    | 29.9       | 3.1       | 58.7  | 6.1   | 0.4    | 1.7     | 0.1      | 31.0       | 3.5       | 55.0 | 6.8   | 0.4    |         | 0.2      | 31.2       |
| United States of America       | 30.1       | 14.1      | 34.4  | 12.6  | 0.2    | 3.3     | 5.4      | 25.5       | 14.0      | 33.5 | 11.1  | 0.4    | 4.1     | 11.3     | 18.4       |
| <b>SOUTH AMERICA</b>           |            |           |       |       |        |         |          |            |           |      |       |        |         |          |            |
| Argentina                      | 37.9       | 6.2       | 44.1  | 2.5   | 1.5    | 6.4     | 0.8      | 30.7       | 5.6       | 47.1 | 2.5   | 1.3    | 9.8     | 3.0      | 28.5       |
| Brazil                         | 17.1       | 8.6       | 63.2  | 4.4   |        | 5.0     | 1.7      | 17.1       | 8.3       | 63.5 | 4.4   | 0.4    | 2.8     | 3.4      | 14.4       |
| Chile                          | 29.2       | 3.4       | 50.4  | 8.2   | 0.3    | 7.6     | 0.9      | 28.4       | 2.9       | 46.9 | 10.4  | 0.3    | 9.0     | 2.0      | 28.1       |
| Colombia                       | 25.2       | 7.4       | 56.5  | 10.9  |        |         |          | 12.3       | 4.1       | 55.7 | 15.5  | 0.1    | 10.7    | 1.5      | 12.1       |
| Ecuador                        | 16.5       | 3.8       | 69.4  | 10.4  |        |         |          | 13.5       | 2.7       | 73.5 | 8.5   | 0.1    | 1.7     | 0.1      | 11.7       |
| Peru                           | 27.0       | 2.8       | 46.0  | 12.1  |        | 12.1    |          | 19.3       | 2.5       | 52.6 | 10.3  | 1.4    | 12.0    | 1.9      | 17.0       |
| Uruguay                        | 12.5       | 1.0       | 52.0  | 11.4  | 1.7    | 19.8    | 1.7      | 11.0       | 1.1       | 53.7 | 12.0  | 3.0    | 17.2    | 1.9      | 11.2       |
| Venezuela                      | 15.1       | 0.9       | 69.8  | 4.7   | 3.6    | 5.9     |          | 27.4       | 1.4       | 51.6 | 5.6   | 4.9    | 9.1     | 0.1      | 21.5       |
| <b>ASIA</b>                    |            |           |       |       |        |         |          |            |           |      |       |        |         |          |            |
| Azerbaijan                     | 7.1        | 23.9      | 68.9  |       |        |         |          | 2.0        | 10.1      | 78.1 | 9.7   |        |         |          | 1.6        |
| Bahrain                        | 63.1       |           | 24.2  |       | 1.2    | 6.2     |          | 71.3       | 7.3       | 10.3 | 2.3   | 1.3    | 7.5     |          | 74.4       |
| China                          | 31.9       | 2.8       | 40.3  | 4.5   | 0.2    | 17.1    | 3.2      | 24.0       | 2.1       | 37.5 | 5.4   | 0.2    | 17.3    | 13.6     | 18.9       |
| Hong Kong                      | 45.6       | 13.4      | 29.5  | 4.0   | 0.0    | 7.5     |          | 36.6       | 13.7      | 33.2 | 4.9   | 0.0    | 8.3     | 3.3      | 34.8       |
| India                          | 42.2       | 3.7       | 43.2  | 1.7   | 2.5    | 6.3     | 0.3      | 45.3       | 5.7       | 39.6 | 1.8   | 1.5    | 4.6     | 1.5      | 44.0       |
| Indonesia                      | 27.7       | 5.3       | 59.0  | 3.0   |        | 5.0     |          | 34.1       | 3.8       | 52.2 | 3.5   | 0.0    | 6.4     | 0.0      | 40.5       |
| Israel                         | 44.4       | 6.7       | 33.7  | 6.8   | 0.4    | 4.2     | 3.9      | 37.9       | 5.7       | 32.4 | 5.6   | 0.6    | 6.5     |          | 34.4       |
| Japan                          | 24.2       | 9.1       | 46.8  | 4.1   |        | 11.6    | 4.2      | 17.5       | 9.2       | 40.8 | 3.3   |        | 14.2    | 14.9     | 13.0       |
| Korea, Republic of             | 43.6       | 3.5       | 34.6  |       | 0.7    | 8.5     | 6.3      | 40.1       | 4.6       | 30.3 |       | 0.8    | 6.1     | 15.5     | 38.8       |
| Kuwait                         | 74.6       | 11.0      | 4.2   | 1.6   |        | 8.6     |          | 72.1       | 9.4       | 4.7  | 1.2   |        | 12.6    |          | 76.0       |
| Malaysia                       | 59.0       | 3.7       | 31.1  | 3.7   | 0.3    | 2.2     |          | 52.1       | 2.5       | 36.9 | 4.5   | 0.4    | 2.6     | 1.0      | 51.8       |
| Oman                           | 64.9       | 4.1       | 31.0  |       |        |         |          | 80.5       | 1.4       | 12.9 |       |        | 5.2     |          | 84.1       |
| Pakistan                       | 36.5       | 5.0       | 44.6  | 2.1   |        | 11.7    |          | 26.6       | 6.0       | 48.2 | 2.8   | 4.7    | 11.1    | 0.5      | 27.2       |
| Philippines                    | 7.7        | 2.6       | 72.6  | 17.2  |        |         |          | 5.6        | 1.3       | 76.2 | 16.9  |        |         |          | 5.9        |
| Qatar                          | 91.4       | 0.0       | 8.1   | 0.5   |        |         |          | 92.2       | 0.3       | 4.8  | 0.9   |        | 1.8     |          | 94.4       |
| Saudi Arabia                   | 70.1       | 4.4       | 12.6  |       |        | 12.9    |          | 69.7       | 3.0       | 6.6  | 5.0   |        | 15.8    |          | 74.9       |
| Singapore                      | 36.4       | 4.6       | 43.7  | 9.3   | 0.6    | 5.4     |          | 40.3       | 5.7       | 35.7 | 6.8   | 0.8    | 9.7     | 1.0      | 42.8       |
| Taiwan                         | 31.0       | 10.9      | 40.9  | 5.9   |        | 7.9     | 3.4      | 26.2       | 12.4      | 35.9 | 2.6   |        | 7.0     | 10.9     | 21.4       |
| Thailand                       | 27.3       | 6.8       | 52.1  | 7.6   | 1.5    | 4.5     | 0.4      | 23.2       | 6.3       | 52.3 | 7.8   | 4.1    | 6.1     | 0.2      | 21.6       |
| Turkey                         | 33.4       | 3.6       | 52.0  | 4.1   | 1.3    | 5.2     | 0.4      | 28.6       | 3.2       | 48.9 | 3.1   | 1.3    | 7.5     | 7.4      | 26.2       |
| United Arab Emirates           | 67.5       | 13.4      | 12.5  |       | 0.9    | 5.8     |          | 74.0       | 12.0      | 2.2  | 0.8   | 1.0    | 10.0    |          | 81.8       |
| Uzbekistan                     |            |           | 100.0 |       |        |         |          |            |           | 79.3 | 6.8   |        | 9.6     |          |            |
| Vietnam                        | 19.4       | 10.1      | 63.3  | 0.2   | 0.0    | 6.8     | 0.1      | 14.3       | 6.2       | 75.1 | 0.1   | 0.0    | 4.2     | 0.1      | 14.0       |
| <b>AUSTRALIA &amp; OCEANIA</b> |            |           |       |       |        |         |          |            |           |      |       |        |         |          |            |
| Australia                      | 38.6       | 9.5       | 34.6  | 8.9   | 0.8    | 3.5     | 4.1      | 34.6       | 6.7       | 31.8 | 8.5   | 0.8    | 3.8     | 13.9     | 32.8       |
| New Zealand                    | 39.9       | 11.3      | 32.4  | 12.5  | 0.7    | 2.6     | 0.8      | 38.3       | 10.4      | 29.5 | 11.7  | 0.4    | 3.5     | 6.1      | 37.3       |
| <b>EUROPE</b>                  |            |           |       |       |        |         |          |            |           |      |       |        |         |          |            |
| Armenia                        |            |           |       |       |        |         |          | 0.9        | 0.9       | 72.7 | 17.0  | 0.0    | 8.4     |          | 11.1       |
| Austria                        | 37.3       | 21.2      | 24.5  | 8.4   | 0.5    | 6.9     | 1.1      | 39.0       | 19.2      | 24.3 | 6.9   | 0.5    | 6.9     | 3.2      | 38.3       |
| Belarus                        |            |           | 46.3  | 6.4   |        | 18.0    | 0.9      |            |           | 61.3 | 5.3   |        | 12.1    | 5.5      |            |
| Belgium                        | 22.8       | 12.1      | 43.1  | 10.8  | 1.1    | 8.8     | 1.4      | 27.8       | 9.5       | 37.6 | 11.6  | 0.9    | 7.7     | 5.1      | 25.9       |
| Bosnia & Herzegovina           | 5.9        | 4.6       | 71.4  | 3.8   |        | 14.3    |          | 4.9        | 2.4       | 86.4 | 2.4   |        | 3.7     | 0.2      | 4.1        |
| Bulgaria                       | 16.6       | 5.8       | 67.9  | 4.2   |        | 4.9     | 0.6      | 7.6        | 7.9       | 64.9 | 2.1   |        | 15.0    | 2.5      | 5.8        |
| Croatia                        | 16.9       | 12.0      | 63.7  |       |        | 7.3     |          | 15.7       | 12.1      | 66.1 |       |        | 4.9     | 1.2      | 14.7       |
| Czech Republic                 | 20.2       | 20.0      | 47.0  | 5.6   | 0.4    | 5.0     | 1.7      | 15.9       | 18.5      | 45.3 | 5.0   | 0.2    | 7.3     | 7.7      | 14.9       |
| Denmark                        | 45.5       | 5.9       | 19.3  | 1.9   | 0.5    | 3.3     | 5.3      | 41.1       | 5.5       | 17.2 | 2.2   | 0.5    | 3.1     | 18.9     | 35.1       |
| Estonia                        | 44.5       | 11.6      | 25.5  | 8.8   |        | 6.6     | 3.0      | 36.3       | 9.9       | 27.2 | 8.2   |        | 7.9     | 10.6     | 34.6       |
| Finland                        | 55.0       | 16.1      | 19.7  | 4.2   | 0.2    | 2.9     | 2.0      | 51.1       | 15.8      | 20.2 | 3.7   | 0.2    | 3.3     | 5.8      | 48.9       |
| France                         | 16.5       | 23.0      | 34.4  | 8.4   | 0.7    | 11.6    | 5.3      | 14.9       | 19.2      | 33.7 | 7.3   | 0.8    | 11.1    | 13.0     | 13.5       |
| Georgia                        |            |           | 100.0 |       |        |         |          |            |           |      | 6.3   |        | 5.6     |          |            |
| Germany                        | 41.2       | 24.1      | 23.9  | 3.8   | 0.9    | 4.4     | 1.7      | 36.3       | 20.9      | 22.4 | 3.6   | 0.5    | 4.3     | 11.9     | 34.4       |
| Greece                         | 14.1       | 35.3      | 33.4  | 4.4   | 0.7    | 12.1    |          | 15.9       | 38.2      | 29.0 | 3.1   | 0.6    | 13.2    |          | 13.0       |
| Hungary                        | 11.3       | 10.8      | 64.6  | 6.0   | 0.3    | 6.4     | 0.6      | 9.5        | 10.5      | 61.5 | 7.9   | 0.2    | 7.1     | 3.3      | 8.5        |
| Ireland                        | 64.2       | 2.3       | 18.0  | 6.5   | 0.7    | 7.6     | 0.6      | 58.2       | 2.3       | 20.2 | 7.6   | 0.6    | 10.0    | 1.2      | 55.8       |
| Italy                          | 19.2       | 13.2      | 55.4  | 6.3   | 0.9    | 3.7     | 1.3      | 17.9       | 13.0      | 53.9 | 7.3   | 0.6    | 3.6     | 3.7      | 17.0       |
| Kazakhstan                     |            |           |       |       |        |         |          |            |           | 75.6 | 3.7   |        | 6.3     |          |            |
| Latvia                         | 29.9       | 13.8      | 35.2  | 12.0  | 0.8    | 6.5     | 1.8      | 20.0       | 16.7      | 35.8 | 10.1  | 0.6    | 8.6     | 8.2      | 16.8       |
| Lithuania                      | 17.4       | 6.7       | 69.4  | 2.3   | 0.0    | 3.6     | 0.6      | 11.0       | 6.1       | 75.0 | 2.1   | 0.0    | 3.1     | 2.6      | 8.4        |
| Moldova                        |            |           |       |       |        |         |          | 6.7        | 2.2       | 61.0 | 8.0   | 0.9    | 20.4    | 0.9      | 5.9        |
| Netherlands                    | 42.1       | 22.4      | 22.1  | 7.3   | 0.2    | 4.1     | 1.9      | 39.3       | 20.3      | 23.2 | 7.2   | 0.1    | 4.2     | 5.5      | 38.7       |
| Norway                         | 46.3       | 11.1      | 29.9  | 5.4   | 0.8    | 3.8     | 2.6      | 39.1       | 8.2       | 25.5 | 4.7   | 0.8    | 3.6     | 18.1     | 32.8       |
| Poland                         | 15.3       | 14.0      | 55.1  | 8.4   | 1.0    | 5.4     | 0.7      | 9.7        | 11.8      | 51.7 | 6.8   | 1.0    | 9.5     | 9.5      | 8.0        |
| Portugal                       | 7.9        | 16.1      | 55.6  | 6.3   | 0.7    | 12.9    | 0.5      | 7.1        | 15.5      | 56.5 | 5.2   | 0.6    | 13.0    | 2.2      | 6.4        |
| Romania                        | 15.2       | 11.6      | 56.6  | 6.2   | 0.8    | 8.9     | 0.7      | 7.6        | 7.9       | 68.5 | 5.3   | 0.5    | 8.1     | 2.1      | 6.9        |
| Russia                         | 18.7       | 12.0      | 43.5  | 6.4   | 0.4    | 18.2    | 0.9      |            |           | 52.3 | 5.8   | 1.0    | 16.3    | 3.1      |            |
| Serbia                         | 4.4        | 4.9       | 90.7  |       |        |         |          | 8.4        | 5.0       | 82.5 | 1.2   | 0.1    | 2.3     | 0.6      | 8.1        |
| Slovakia                       | 7.4        | 8.9       | 74.8  | 6.3   | 0.1    | 2.6     |          | 5.0        | 8.0       | 77.4 | 3.9   | 0.1    | 3.5     | 2.1      | 4.2        |
| Slovenia                       | 15.1       | 15.7      | 60.5  | 3.0   |        | 4.8     | 1.0      | 18.2       | 8.8       | 57.3 | 4.7   | 0.1    | 6.5     | 4.3      | 17.3       |
| Spain                          | 26.2       | 11.0      | 44.3  | 8.9   | 0.7    | 7.3     | 1.6      | 21.0       | 9.3       | 44.6 | 9.2   | 0.3    | 7.6     | 7.9      | 18.7       |
| Sweden                         | 47.4       | 13.0      | 22.6  | 3.0   | 0.4    | 5.6     | 8.0      | 38.8       | 10.3      | 19.9 | 2.9   | 0.4    | 4.6     | 23.1     | 34.5       |
| Switzerland                    | 35.0       | 23.7      | 22.8  | 4.0   | 1.5    | 12.1    | 0.9      | 34.7       | 21.0      | 27.4 | 3.3   | 1.2    | 10.9    | 1.5      | 32.7       |
| Ukraine                        | 8.5        | 14.5      | 46.8  | 3.9   | 0.9    | 25.0    | 0.4      | 7.9        | 15.4      | 47.3 | 4.9   | 1.6    | 21.2    | 1.8      | 6.2        |
| United Kingdom                 | 38.1       | 14.2      | 29.7  | 4.1   | 1.4    | 6.3     | 6.1      | 29.2       | 11.1      | 25.4 | 3.5   | 1.7    | 6.1     | 23.0     | 24.4       |

Source: ZenithOptimedia

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## Newspaper Advertising Expenditure (in \$US Million, Current Price)

| Country                        | 2004     | 2005     | 2006     | 2007     | 2008     | Change (%)<br>2008/2004 | Change (%)<br>2008/2007 | Latest<br>available<br>figure | Adult<br>population<br>(000) | Latest<br>available<br>figure /<br>Adult<br>population |
|--------------------------------|----------|----------|----------|----------|----------|-------------------------|-------------------------|-------------------------------|------------------------------|--|
| <b>AFRICA</b>                  |          |          |          |          |          |                         |                         |                               |                              |  |
| Egypt                          | 230,45   | 304,12   | 402,23   | -        | -        | -                       | -                       | 402,23                        | 55,730                       | 7,2  |
| South Africa                   | 609,29   | 770,69   | 862,74   | -        | -        | -                       | -                       | 862,74                        | 33,014,20                    | 26,1   |
| <b>NORTH AMERICA</b>           |          |          |          |          |          |                         |                         |                               |                              |  |
| Canada                         | 2,753.08 | 3,026.45 | 3,292.92 | 2,403.74 | 2,336.45 | -15,13                  | -2,8                    | 2336,45                       | 26,978                       | 86,6   |
| Costa Rica                     | 45,23    | 50,13    | 52,34    | 70,35    | 105,02   | 132,19                  | 49,28                   | 105,02                        | 3,295.60                     | 31,9   |
| Mexico                         | 410,96   | 435,32   | 500,09   | 569,84   | 586,03   | 42,6                    | 2,84                    | 586,03                        | 77,399                       | 7,6  |
| Panama                         | 50       | 54       | 58       | 62       | 60       | 20                      | -3,23                   | 60                            | 2,294                        | 26,2   |
| Puerto Rico                    | 572      | 568      | 562      | 555      | 570      | -0,35                   | 2,7                     | 570                           | 3,146                        | 181,2  |
| United States                  | 48,538   | 50,237   | 51,493   | 49,948   | 43,954   | -9,44                   | -12                     | 43954                         | 242,678                      | 181,1  |
| <b>SOUTH AMERICA</b>           |          |          |          |          |          |                         |                         |                               |                              |  |
| Argentina                      | 374,32   | 437,54   | 526,54   | 566,99   | 653,63   | 74,62                   | 15,28                   | 653,63                        | 15,705                       | 41,6   |
| Brazil                         | 796,01   | 1,087    | 1,215.60 | 1,631.03 | 2,149.24 | 170                     | 31,77                   | 2149,24                       | 117,076                      | 18,4   |
| Chile                          | 173,37   | 215,01   | 244,08   | -        | -        | -                       | -                       | 244,08                        | 12,213                       | 20   |
| Colombia                       | 241      | 330,02   | 340      | 421,54   | 456,18   | 89,29                   | 8,22                    | 456,18                        | 31,309                       | 14,6   |
| Ecuador                        | 79       | 88       | 107      | -        | -        | -                       | -                       | 107                           | 9,501                        | 11,3   |
| Paraguay                       | -        | -        | 27,1     | -        | -        | -                       | -                       | 27,1                          | 1,086,633                    | 0  |
| Peru                           | 58,01    | 60       | 68,01    | 75       | 83,24    | 43,49                   | 10,99                   | 83,24                         | 19,768                       | 4,2  |
| Uruguay                        | 6        | 5,5      | 5,4      | 6,4      | 7,82     | 30,33                   | 22,19                   | 7,82                          | 2,689                        | 2,9  |
| Venezuela                      | 164,8    | 170,6    | 145,27   | 197,73   | 227,08   | 37,79                   | 14,84                   | 227,08                        | 18,218                       | 12,5   |
| <b>ASIA</b>                    |          |          |          |          |          |                         |                         |                               |                              |  |
| Armenia                        | -        | -        | -        | 0,29     | 0,55     | -                       | 89,66                   | 0,55                          | 2,617                        | 0,2  |
| Azerbaijan                     | -        | -        | -        | 3,56     | 4,88     | -                       | 37,08                   | 4,88                          | 6,169                        | 0,8  |
| Bahrain                        | -        | 77,11    | -        | -        | -        | -                       | -                       | 77,11                         | 528                          | 146  |
| China                          | 2,783.11 | 3,122.56 | 3,917.17 | 4,228.35 | 4,814.51 | 72,99                   | 13,86                   | 4814,51                       | 958,085                      | 5  |
| Hong Kong                      | 1,044.80 | 954,63   | 1,126.13 | 1,193.33 | 1,200.51 | 14,9                    | 0,6                     | 1200,51                       | 6,133                        | 195,7  |
| India                          | 1,306.18 | 1,517.86 | 1,944.55 | 3,180.61 | 3,118.26 | 138,73                  | -1,96                   | 3118,26                       | 751,270                      | 4,2  |
| Indonesia                      | 447,02   | 476,98   | 622,29   | 817,75   | 941,36   | 110,59                  | 15,12                   | 941,36                        | 169,994                      | 5,5  |
| Israel                         | 339,87   | 355,11   | 343,4    | -        | -        | -                       | -                       | 343,4                         | 5,143,80                     | 66,8   |
| Japan                          | 9,761.49 | 9,423.36 | 8,583.46 | 8,031.58 | 8        | -99,92                  | -99,9                   | 8                             | 109,760                      | 0,1  |
| Korea, Republic of             | 2,914.30 | 3,328.56 | 3,613.26 | 4,084.81 | 3,471.85 | 19,13                   | -15,01                  | 3471,85                       | 39,943                       | 86,9   |
| Kuwait                         | 241,33   | 284,48   | 343,45   | -        | -        | -                       | -                       | 343,45                        | 1,907                        | 180,1  |
| Lebanon                        | -        | -        | 42       | 40,8     | -        | -                       | -                       | 40,8                          | 2,939                        | 13,9   |
| Malaysia                       | 703,16   | 732,45   | 744,84   | 888,41   | 1,018.56 | 44,85                   | 14,65                   | 1018,56                       | 17,240                       | 59,1   |
| Oman                           | 49,49    | 61,28    | 69,49    | -        | -        | -                       | -                       | 69,49                         | 1,897                        | 36,6   |
| Pakistan                       | 57,19    | 64,78    | 74,39    | 99,36    | 101,34   | 77,2                    | 1,99                    | 101,34                        | 107,441                      | 0,9  |
| Philippines                    | 154,73   | 155,08   | 142,09   | 189,63   | 211,31   | 36,57                   | 11,43                   | 211,31                        | 61,960                       | 3,4  |
| Qatar                          | 81,21    | 86,7     | 157,3    | -        | -        | -                       | -                       | 157,3                         | 645                          | 243,9  |
| Saudi Arabia                   | 424      | 582      | 644      | -        | -        | -                       | -                       | 644                           | 17,443                       | 36,9   |
| Singapore                      | 437,87   | 442,17   | 476,73   | 546,36   | 585,21   | 33,65                   | 7,11                    | 585,21                        | 3,926                        | 149,1  |
| Taiwan                         | 540,69   | 482,83   | 453,65   | 415,66   | 402,72   | -25,52                  | -3,11                   | 402,72                        | 18,964                       | 21,2   |
| Thailand                       | 613,3    | 613,89   | 610,5    | 732,86   | 714,28   | 16,47                   | -2,54                   | 714,28                        | 51,607                       | 13,8   |
| Turkey                         | 424,14   | 596,3    | 634,72   | 755,73   | 740,46   | 74,58                   | -2,02                   | 740,46                        | 54,347                       | 13,6   |
| United Arab Emirates           | 524,01   | 714,01   | 863      | -        | -        | -                       | -                       | 863                           | 3,675                        | 234,8  |
| Vietnam                        | 51       | 59,4     | 68,3     | 77,04    | 84,01    | 64,73                   | 9,05                    | 84,01                         | 64,100                       | 1,3  |
| <b>AUSTRALIA &amp; OCEANIA</b> |          |          |          |          |          |                         |                         |                               |                              |  |
| Australia                      | 2,650.74 | 2,893.13 | 2,851.88 | 3,425.21 | 3,470    | 30,91                   | 1,31                    | 3470                          | 16,939                       | 204,9  |
| New Zealand                    | 523,18   | 584,51   | 525,97   | 607,35   | 567,83   | 8,53                    | -6,51                   | 567,83                        | 3,303                        | 171,9  |
| <b>EUROPE</b>                  |          |          |          |          |          |                         |                         |                               |                              |  |
| Austria                        | 933,33   | 1,041,25 | 1,102,50 | 1,334,25 | 1,507,35 | 61,5                    | 12,97                   | 1507,35                       | 7,055                        | 213,7  |
| Belgium                        | 655,56   | 740      | 1,095    | 1,234,25 | 1,336,76 | 103,91                  | 8,31                    | 1336,76                       | 8,786                        | 152,1  |
| Bosnia and Herzegovina         | 7,66     | 9,58     | 10,93    | 15,03    | 17,54    | 128,98                  | 16,7                    | 17,54                         | 3,916                        | 4,5  |
| Bulgaria                       | 50,63    | 58,6     | 60,51    | 62,94    | 69,4     | 37,07                   | 10,26                   | 69,4                          | 6,648                        | 10,4   |
| Croatia                        | 86,46    | 98,49    | 131,34   | 161,45   | 183,81   | 112,6                   | 13,85                   | 183,81                        | 3,783                        | 48,6   |
| Czech Republic                 | 303,3    | 338,22   | 414,45   | 428,73   | 541,4    | 78,5                    | 26,28                   | 541,4                         | 8,905                        | 60,8   |
| Denmark                        | 836,89   | 910,33   | 1,003,37 | 1,102,94 | 1,188,24 | 41,98                   | 7,73                    | 1188,24                       | 4,433                        | 268  |
| Estonia                        | 35       | 40,03    | 46,75    | 62,62    | 60,88    | 73,94                   | -2,78                   | 60,88                         | 1,142                        | 53,3   |
| Finland                        | 780,25   | 803,75   | 823,75   | 945,21   | 1,025    | 31,37                   | 8,44                    | 1025                          | 4,405,80                     | 232,6  |
| France                         | 2,551.85 | 2,682.50 | 2,805    | 3,020.55 | 3,145.59 | 23,27                   | 4,14                    | 3145,59                       | 49,957                       | 63   |
| Germany                        | 8,238.27 | 8,325    | 8,532.50 | 9,449.32 | 9,854.41 | 19,62                   | 4,29                    | 9854,41                       | 70,936.10                    | 138,9  |
| Greece                         | 358,02   | 415      | 471,25   | 594,52   | 619,12   | 72,93                   | 4,14                    | 619,12                        | 9,191                        | 67,4   |
| Hungary                        | 246,8    | 269,01   | 251,39   | 293,38   | 327,39   | 32,65                   | 11,59                   | 327,39                        | 9,849                        | 33,2   |
| Ireland                        | 1,104,94 | 1,107,50 | 1,327,50 | 1,482,19 | 1,632,35 | 47,73                   | 10,13                   | 1632,35                       | 3,525,70                     | 463  |
| Italy                          | 1,982,72 | 2,063,75 | 2,102,50 | 2,301,37 | 2,323,53 | 17,19                   | 0,96                    | 2323,53                       | 51,239                       | 45,3   |
| Latvia                         | 27,22    | 31,25    | 33,75    | 40,59    | 42,45    | 55,95                   | 4,58                    | 42,45                         | 1,958,60                     | 21,7   |
| Lithuania                      | 54,71    | 55,07    | 57,82    | 72,73    | 81,18    | 48,38                   | 11,62                   | 81,18                         | 3,049                        | 26,6   |
| Luxembourg                     | 85,06    | -        | 86,62    | -        | -        | -                       | -                       | 86,62                         | 394                          | 219,8  |
| Moldova                        | -        | 1,35     | 1,77     | 2,55     | 2,62     | -                       | 2,75                    | 2,62                          | 2,947                        | 0,9  |
| Netherlands, The               | 1,780,25 | 1,790    | 1,841,25 | 2,097,26 | 2,258,82 | 26,88                   | 7,7                     | 2258,82                       | 13,469,60                    | 167,7  |
| Norway                         | 1,191,84 | 1,413,35 | 1,527,33 | 1,850,51 | 1,957,70 | 64,26                   | 5,79                    | 1957,7                        | 3,829                        | 511,3  |
| Poland                         | 522,74   | 219,14   | 236,54   | 274,37   | 314,94   | -39,75                  | 14,79                   | 314,94                        | 32,214,80                    | 9,8  |
| Portugal                       | 87,65    | 87,5     | 83,75    | 91,78    | 100      | 14,09                   | 8,96                    | 100                           | 8,311                        | 12   |
| Romania                        | 34,3     | 34,39    | 37,8     | 44,41    | 57,63    | 68,02                   | 29,77                   | 57,63                         | 17,862                       | 3,2  |
| Russia                         | 730      | -        | -        | -        | -        | -                       | -                       | 730                           | 120,091                      | 6,1  |
| Serbia                         | 22,68    | 25,42    | 36,74    | 97,97    | 124,69   | 449,78                  | 27,27                   | 124,69                        | 6,289,50                     | 19,8   |
| Slovakia                       | 54,6     | 63,17    | 65,26    | 87,91    | 109,71   | 100,93                  | 24,8                    | 109,71                        | 4,276                        | 25,7   |
| Slovenia                       | 58,4     | 89,53    | 106,68   | 138,36   | 122,06   | 109,01                  | -11,78                  | 122,06                        | 1,748                        | 69,8   |
| Spain                          | 1,955,56 | 2,082,50 | 2,238,75 | 2,594,52 | 2,188,24 | 11,9                    | -15,66                  | 2188,24                       | 38,261                       | 57,2   |
| Sweden                         | 1,068,16 | 1,110,71 | 1,198,92 | 1,349,85 | 1,359,94 | 27,32                   | 0,75                    | 1359,94                       | 7,640                        | 178  |
| Switzerland                    | 914,52   | 925,6    | 1,062,40 | 1,179,17 | 1,310,19 | 43,27                   | 11,11                   | 1310,19                       | 6,520,10                     | 200,9  |
| Ukraine                        | 33       | 48       | 64       | 81,89    | 88,4     | 167,88                  | 7,95                    | 88,4                          | 39,691,30                    | 2,2  |
| United Kingdom                 | 7,892,73 | 7,581,82 | 7,392,59 | 7,952    | 6,835,19 | -13,4                   | -14,04                  | 6835,19                       | 48,792                       | 140,1  |

Source: World Press Trends 2009, World Association of Newspapers

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### 3. Newspaper Company Suppliers

*“Our investment should be ample answer to those who believe the business of journalism, in print, is a business for yesterday’s readers, not tomorrow’s. At News, we believe that print will continue to be a driving force, even as we expand in this connected age.”*

James Murdoch,  
chairman  
and chief executive officer,  
News Corporation’s Europe and Asia  
division, at the opening of the  
world’s largest printing plant in 2008,  
owned by News Corp.

The massive scale and the vast resources of the newspaper industry are punctuated by the innovation and efficiency of the ever-evolving newspaper suppliers: printing presses, ink manufacturers and newsprint makers.

The black and white only, non-illustrated large broadsheet days are gone, in favour of colourful formats in multiple sizes, with vibrant photos, illustrations and graphics to inform and delight the reader. New printing

processes, ink formulas and paper grades have created better processes and quality for the end-user and for advertisers.

Among the innovations include state-of-the-art printing plants featuring automated processes and enabling full-colour newspapers; metallic, neon and scented inks; “edible” advertising; improved processes on cold-set and heat-set pages; and innovative use of paper such as transparent paper, cut-outs, wraparounds and much more.

Paper manufacturers and printing plants have become vastly more energy-efficient and “green” conscious, and have made vast improvements in energy consumption, waste-cleanup and renewable resources.

#### Printing Presses and Plants

News International, part of Rupert Murdoch’s News Corporation empire, in 2008 invested £650 million on 19 state-of-the-art presses, located in three cities in the United Kingdom. The manroland COLORMAN XXL presses each can print more than 86,000 copies per

hour, or more than 25 million copies per day.

The largest of the three “Newsprinters” plants is in Broxbourne, just north of London, houses 12 full-colour presses and is considered to be the largest newspaper printing plant in the world, able to fit 23 football pitches inside. The high-speed presses have created considerable time and personnel savings, and are allowing for later deadlines for the newsroom and prepress.

The development of more efficient presses for the facility allowed a variety of time savings and fewer day printing jobs for inserting later in the week.

“When you look at the technology, it didn’t exist five years ago. The productivity per unit is 50 percent more efficient,” said Brian McGee, managing director of Newsprinters.

News International required triple-wide presses and a number of automation improvements in order to speed up printing, and reduce the need for human intervention.

“The state-of-the-art features gave us an opportunity to reduce a lot of day printing for inserting later on. That in turn gave us the ability to print on the day of (publication). We used to start printing the Sunday Times on Tuesday and Wednesday, and now the day before. It improves the topicality of the newspaper.”

The new width allows for efficiencies. The extra width requires fewer components and

provides for longer press runs compared to a conventional press.

Automation and the new web width have allowed News International to employ about two-thirds fewer staff members, that is, 450 at the Broxbourne plant instead of the 1,200 employed at the Wapping plant previously. “We have saved £30 million per year in people (costs),” McGee said.

Wapping’s 16 presses produced 30,000 copies of a 120-page tabloid per hour, with 48 pages of colour, while Broxbourne’s 12 presses produce 86,000 copies of the same paper, with colour on every page. Waste is about 5 percent, compared to Wapping’s 7 to 8 percent. Each press has a crew of two, compared with a crew of four for the Wapping plant. An ink optimisation tool from Alwan enables a better colour register control.

The Broxbourne plant prints 3.2 million daily papers, including 1.5 million of the Sun, plus The Times, The Daily Telegraph and the London Paper. On Sunday, the plant produces 2.65 million newspapers and supplements including The News of the World, The Sunday Times and The Sunday Telegraph. The Broxbourne plant uses 15 percent of the entire UK newsprint supply – two million tonnes of newsprint.

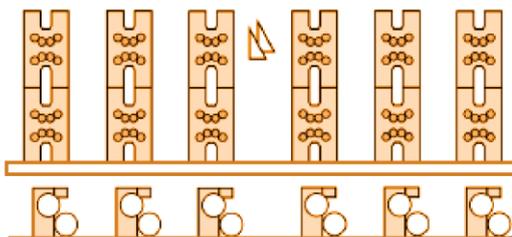
Automation starts at the delivery of the newsprint rolls, and also includes plateloading and post-press. Each press has its own “palletiser,” when bundles of papers are

## News International's Revolutionary Printing Presses

Full-colour, faster printing, later deadlines

### 4/2 press

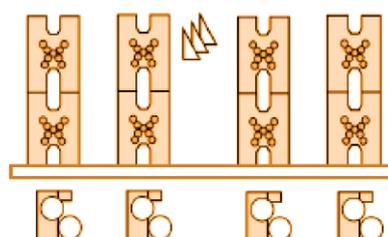
6 reels = webs  
6 units-footprints  
1 folder



28% shorter press  
20% less space  
less air conditioning

### 6/2 press

4 reels = webs  
4 units-footprints  
1 folder



33% less components  
33% less maintenance and cleaning

stacked and readied for delivery, after printing, folding and stitching.

The plant's slick automation starts at the delivery of newsprint rolls. The reels are removed from the lorry at the unloading dock with little human intervention. Through automation, 36 vehicles can be serviced at one time. Conveyors and compressed air lift up 12 reels from the lorry. Reels are then recognised by barcodes before being sent by conveyor to the storage area, where they are stacked in a space that accommodates 3,800.

Comparatively, only five vehicles could be unloaded at one time at the Wapping plant.

Paper waste has been reduced at the new sites. The old sites averaged 7 percent paper waste. The three Newsprinters sites are averaging 5 percent, with a target of 3 to 4 percent waste. Printer waste is starter paper, mostly, McGee said. Core waste is about 1 percent.

The process of printing also has become more "green," he said. Paper and plates are recycled, and 95 percent of blanket wash solvent has been reclaimed.

"The UK is carbon neutral, and we purchase electricity from UK national grid," McGee said. "(All of the older plants) are in line for achieving environmental standards."

## Newsprint Manufacturing

While the demand for newsprint is trending down in the United States and Western Europe, the demand is surging in Asia, especially India and China (See Chapter 2). Overall demand for newsprint will decline 23 percent from 2000 to 2009 in North America and Europe, according to newsprint research house Pulp and Paper Products Council. Meanwhile, demand is up 36 percent in Asia during the same period.

While newsprint as a product of wood pulp has not changed considerably since its invention by Canadian Charles Fenerty in 1838, the process by which newsprint is produced continues to change at a rapid pace in response to environmental demands and efficiency innovations. Paper manufacturers have made significant strides to make paper in a more eco-friendly process, and continue to improve processes to use less electricity and less water; to strictly control emissions and pollutants; and to recycle newsprint to reduce dependence on virgin fibres.



The 12 new presses at the Newsprinters plant in the UK churn out 3.2 million daily newspapers.

"When it comes to paper production, I think it's correct to say that in the pulp and paper industry years ago, we had enormous emission to air and water. We were one of the worst in the class in the 60s and 70s," said Georg Carlberg, vice president for the environment at global newsprint manufacturer Norske Skog. "Today we are one of the best in the class. We have external treatment facilities, and have done a lot to improve, optimise and reduce. What we have done at Norske Skog, we have a continuous improvement commitment. We are always improving our environmental index for emissions to air and water. Our goal is to be what the European Union has defined as the best available technology."

Newsprint mills use a lot of water for cooling in the newsprint production process. The water is not consumed, but used in the process, and then is treated in external plants and discharged into the environment.

"People assume that because we use a lot of water that we consume a lot of water, but that is not true," Carlberg said.

Before releasing into the environment, the quality of the water is reviewed for particulate matter and phosphates, the levels of which are reported to the authorities on a regular basis.

The reporting interval depends on the laws of the countries where the newsprint companies are located.

“When you talk about the environment, we should look at the whole value chain. We have to make sure the wood we’re using comes from sustainable forests, not illegally harvested wood. Our goal is to have 100 percent certified wood,” he said. “All of our mills are chain of custody certified. We know where the wood is coming from.”

Carlberg clarified the debate about recycled paper. “There are some NGOs that say you should only use recovered paper,” he said. But that would be environmentally unsustainable. “When you make new paper from recovered fibre, in the process you lose about 20 percent of the material,” he said. “If all customers wanted only recovered paper, we would be without raw materials.” He added that recycled paper can only be recycled five times before the fibres are no longer strong enough to make paper.

Another significant environmental issue is emissions as a byproduct of energy use. Newsprint making demands energy for cutting down trees and trucking them to the mills, and also to process the wood to create the fibres necessary to make pulp, and then paper.

“If you start in the forest with a spruce, and put the tree through the process, 90 percent of the tree is used for paper. We chip the wood logs into small pieces and put them through a grinder to separate fibres. When we put this through a solution of 2 percent fibres and 98 percent water. Put it into a machine at 100 km an hour, it forms the paper. The rest of the energy is used to dry the paper from the 98 percent water,” he said.

Meanwhile, although newsprint manufacturing is “extremely dependent on electricity,” Norske Skog and other paper makers are switching their high CO<sub>2</sub> emissions electrical power from the likes of coal, gas and oil to bio energy, nuclear and hydropower.

While the power source improvements and the reclaimed paper strategies are well in place, Carlberg said there continues to be room for improvement.

“Our challenge is to continuously improve our performance. For example, we have 15 mills and nine use recovered fibres. We want to do more of that,” he said. “We want to reduce and

optimise our energy use, and at the same time reduce CO<sub>2</sub> emissions. We have set a goal to reduce our emissions by 25 percent by 2020, using 2006 levels as a baseline. We reduced our emission 4 percent last year.”

CO<sub>2</sub> emission reductions will be done by replacing “our energy to more environmentally friendly fuels than fossil energy like coal, oil and gas. We want to reduce the amount of water used, and to improve the quality of water we are putting back into the receiving water.”

## Ink Advances

The ink used to print newspapers may bring to mind the days of newsprint rubbing off on fingers as the pages of a colourless broadsheet were turned – an image some may recall with nostalgia. Others, however, use it as a marketing strategy, touting technological advances in the digital age as news that won't rub off on your fingers.



Metallic inks



Scented inks



### Transparent paper

But what are often overlooked are the role advances in ink are playing in innovations being made in the print industry. Gone are the days of the black and white newspaper. Today, ink not only adds colour to newspapers, it makes them beautiful, futuristic, sexy, sleek, glossy, artistic and fun. Just as technology has advanced newspapers on digital platforms, it has also advanced print technologies, expanding opportunities for both content and advertising. Yet, as the number of newspaper titles and circulations are growing globally, the one-size-fits-most newspaper is facing adversities like never before, making it all the more important to harness these growing opportunities to launch new products, and add value to existing ones.

At PrintCity, an alliance network of the graphics industry that aims to bring the suppliers of the printing value chain together, the focus on creating product value across the industry is key. Josef Aumiller, vice president of PrintCity, points out that thanks to advances in ink, not only can newspapers use neon or more intense colours, they can also shine through, glow, smell or give off a glare. Together with innovations in paper and printing, ink's potential is growing.

For example, international printing inks and pigments manufacturer Sun Chemical, also a PrintCity member, announced in the spring of 2009 that it would launch a project to measure the carbon footprint of French weekly news magazine VSD. The project, done with Gruner + Jahr (part of the Bertelsmann group), measures the newspaper's footprint from conception to the moment it hits newsstands. Sun Chemical is involved in VSD's print

### Coloured paper



production, and is also conducting a carbon footprint audit of its heatset ink plant in Osterode, Germany, as part of the project.

Using ink more effectively and producing less waste is also an important goal the ink industry and printing press industry are tackling together. Printing company Goss International, for example, announced in spring 2009 it aided The Houston Chronicle in cutting ink waste by 61 percent through use of its Goss Metro press with digital inking.

Prior to using digital inking, ink waste totalled an average of 5,500 kgs each week. This is now down to 1,927 kgs per week, Goss announced.

“Ink may not be the most expensive element in offset printing, but its impact on quality, productivity and waste is immense,” Michael Daniel, director of printing, said at the time.

Converting to digital ink also reduced press downtime by 16 percent, while the amount of paper rolls per web break went up by 23 percent.



## 4. Newspaper Case Studies From Around the World

*“We have to quit touting our demise. I think it’s crazy we point to the fact that we’re losing market share. Radio is losing market share. TV is losing market share. When radio came along, it was going to be the demise of the newspaper. Same with TV and Internet. We have to adapt to the lives of our readers. There has to be a compelling reason for someone to pick up a newspaper. We provide those compelling arguments every day, but we don’t tell our story well enough.”*

Bill Masterson,  
publisher,  
Times of Northwest Indiana,  
USA

The newspaper industry of late has been the newspaper industry’s worst enemy. Countless gloom and doom stories, including predictions of the death of newspaper industry, have fixed a negative connotation in the minds of readers, which has perpetuated the notion of an industry on its knees. In fact, scores of newspapers around the world are living proof of the Power of Print.

### United States Market

#### MediaNews Group

**Flagship:** Denver Post

**Chairman:** Dean Singleton; also the chairman of the Associated Press

**Holdings:** 100 newspapers, including 52 dailies; 32 of the 52 are in California

On one hand, MediaNews Group has reflected the faltering newspaper industry in the United States. MNG, anchored by the San Jose Mercury News in California and the Denver Post in Colorado, is experiencing double-digit declines in advertising and flattening or declining circulation among many of its 100 newspapers during the economic downturn. In April 2009, MNG ended its eight-year joint operating agreement between the Post and the Rocky Mountain News when the “Rocky” ceased publication.

But in the process of challenging times, the unthinkable happened. The circulation of the Denver Post dramatically increased since the Rocky closed, from about 200,000 to 375,000.

“We picked up most of their circulation. We offered subscribers a deal to take the Post instead of the Rocky for the same price. We lost about 29,000 circulation total,” said MNG Chairman William Dean Singleton. Denver is the second most penetrated newspaper market in the United States after Washington, D.C.

The shuttering of the Rocky Mountain News has opened the door to a higher subscription price. The Rocky and the Post for years fought a cut-throat cover price war, which drove prices to a rock-bottom \$110 per year, at least half the average in most U.S. newspaper markets. Single-copy sales are 50 cents. Singleton said he will raise the cover price to 75 cents this year. “We have found that this market is very price sensitive,” he said. “We did a study asking readers if we would raise the price 20 percent, and asked if they would cancel their subscription. They said they would. However, they are willing to give up comics and stock tables.”

“We can stem churn if we increase the number of people on 'autopay' with their credit card. Thirty-five to 40 percent of the readers pay by autopay. We figure any time we send a bill, it's an opportunity to not pay it.”

Singleton emphasised that the successful recapture of Rocky subscribers is testament to the devoted newspaper readers in Denver. “Denver residents want to read newspapers,” he said. Singleton added that MNG hired 11 of the Rocky's popular columnists and 17 local news writers, all of which had a loyal following among Rocky readers. “With the economics of Internet and retailing in United States, it really puts a strain on the operation to support two newspaper newsrooms,” Singleton said. “The instant conclusion is that the Internet is winning over newspapers, which is wrong. Our readership is very, very strong.”

Two phenomena have struck newspaper companies across America, including MNG. First, the recession has hit hard businesses that sell durable goods, such as houses, cars, employment agencies, etc., which has adversely affected advertising revenues. Second, for more than a decade, circulations have been declining in double-digit numbers, causing a decline in circulation revenues, averaging about one third of total revenues at American newspapers. While an economic recovery is projected to restore growing

advertising revenues, most American newspapers will continue to wrestle with declining circulations.

The surge in Internet advertising has softened the blow of declining revenues, but has not made up for the losses. Most American newspapers make about 10 percent of their revenues from digital advertising.

“Not only are we losing money from a structural change in the business, we are selling Internet advertising at a low rate, that is plummeting,” Singleton pointed out.

Because of the revenue challenges, he has led the company through a major cost-cutting and revenue-making transformation, with the assistance of Bain & Company consulting. The two-year project produced major changes in operations, production and distribution, and with the emphasis to maintain journalistic excellence and local news reporting in each market. At least 20 percent cost savings have been realised so far.

The closing of the Rocky has reduced costs by \$64 million, including content, production, printing and distribution associated with publishing a second newspaper. The unions also made concessions, which also saved the company money.

Singleton said the company is planning to cut more, including distribution outside the state of Colorado. Distributing to neighbour states Wyoming and Utah, for example, costs several millions of dollars. “We have decided to stop distributing to far corners of the state, and publish in print on Sunday only. It takes eight hours to get to Durango. We'll give subscribers the electronic edition six days a week, starting in June.” Subscription to the electronic edition costs \$30 per year.

“We'll lose 10,000 subscribers out of state, and will save \$2.5 million, but we think we'll keep about half of them with the electronic edition.”

MNG, Hearst and Freedom newspaper chains joined forces to hire Bain & Company consulting to embark on a two-year consulting project in order to cut costs across the chain of newspapers by more than 20 percent and as much as 40 percent.

One major finding in the Bain study is that 80 percent of the newspaper's advertising revenue is derived from three days of the week:

Thursday, Friday and Sunday. Readership is low on Monday and Tuesday, when there are no classifieds and fewer sections netting fewer display ads. Sunday is a slower news day and therefore Monday's paper is lighter on news. In some markets like Detroit, those days of publications have been eliminated. The Post eliminated feature sections on Monday because the readers said they did not have time to read them. At MNG newspapers in California's San Francisco East Bay, there are two sections instead of four, which cut millions in costs for the newspapers.

The MNG chain shares content across the network of newspapers. "We are sharing existing content and we are devising new products so we can share across our papers," said Singleton.

One such content sharing scheme was a 20-page section dedicated to U.S. presidential inauguration coverage, which earned \$390,000 in advertising revenue. Advertisers clamoured to get into the full colour, upscale product, and local content and advertising could be inserted into part of the publication.

"We're doing the same for a section about the first 100 days in office; so far it's made \$150,000 in advertising, with additional space and more coverage. The strategy has really worked out well for us," said MNG Vice President of News Dave Butler. "The advertising is sold locally, rather than sold across the entire footprint."

The Associated Press does this differently, creating specialty pages about topics that newspapers don't typically cover. For example, science news goes out to newspapers, which sell the ads for the content sections, Butler said. MNG brought in \$63,000 on eight pages of content, which appear once a week, such as a science theme, with some being more successful than others.

"In the East Bay of California, we continue to zone in order to bring local content to different areas. In order to print and distribute these zoned papers, it takes a big window of time. With the help of the Bain consultant, we came up with a better way, though it's complicated. In the past, we printed feature sections early in the evening, and news sections and sports sections at midnight. We didn't finish printing until 3 a.m., which meant carriers started delivering the newspapers and they each had

300 customers. By printing the morning edition, which was all of the late news in the section instead of the news and sports sections, that meant carriers can start delivering the papers earlier and can deliver more, which saved millions of dollars. When first asked if we can print the main section early, we said no," Butler said.

By placing late-breaking news into the front section, the traditional sports and news sections are completed four hours earlier.

"We have had more positive response from readers, and we didn't screw around with readers. In the process, we could keep our delivery times, we have fewer carriers and they are making more money, advertising is unaffected, and it didn't change deadlines. Now there are advertisers who have asked for the late news section. We're stunned by the fact that what seemed like a hair-brained idea is turning out pretty well."

## TV Listings: Increasing Quality, Revenues

TV listings books have been a money-losing proposition for American newspapers. "We have been trying to get out of the TV listings business because we lose a ton of money. We used to do quarter fold books, then tabloids and then cut them down again. Only a small percentage of readers use the TV book. But, there are those who do really want it in their newspapers. So a number of newspapers have gone to delivering it to people who request it," Butler said.

Butler said MNG knew the TV book had to change, and made a series of changes to achieve better value for readers and the company.

"First we took our crappy book and made it good again. Then we decided we would like to charge for it, and asked ourselves how do we justify the price? We said, 'let's give them something more.' We create eight pages of Sudoku, entertainment, and wrapped the 24-page TV book with eight pages of TV programming, and tested in a market for 50 cents a week. We received an overwhelming positive response. The readers see it as worth 50 cents. We had really given them something. The way we do that, we save half million by not giving to people who don't want it," he said.

The TV book is distributed individually to homes. “You can give the carrier a few extra cents to deliver the paper, and they insert it with the paper upon delivery, following a list of subscribers.”

Despite the economic downturn and market shifts, Singleton still believes strongly in newspapers. “The power of the newspaper is still very evident. We see it all the time. When the Rocky closed, we met with groups of advertisers. The theme we hear from all of them, ‘print advertising is the only thing we know that works well. We haven’t figured out the Internet yet. What we want from you is more print advertising for less money. And by the way, can you show me Internet advertising, because my friends tell me I should.’”

Singleton told the story of a furniture store that used MNG newspaper advertising to promote a sale. The store received 6,000 customers after the advertising campaign. It was the newspaper that drove the customers. The advertiser had never seen so much response from an advertisement before.

“When the recession ends, it will be print advertising that will bring us out. Our future is very tied to print because more readers read print than anything else, and print delivers results for advertisers. Every time we get a chance to prove out print, it works.”

### Bakersfield Californian

**Circulation:** 65,000 on weekdays and 75,000 on Sundays

**Audience penetration with Bakersfield Californian newspaper, plus 15 print and digital products:** 80 percent

**Publisher:** Ginger Moorhouse

The Bakersfield Californian serves a population of 350,000 in the mountains of southeastern California, and has 36,000 registered users for Bakersfield Californian online products, 4,000 blogs and 15 print and online niche publications

Known for its aggressive product development strategy, the Californian aims to capture a greater amount of the audience in this isolated mountain community. Each product has print and online components. The main newspaper reaches only about 20 percent of the population, but the company’s 15 print and

online niche publications together reach more than 80 percent of the market when combined with the main newspaper.

The Californian's business executives wanted to gauge its market share in order to determine which audience members were reached and to what degree. The market share was measured in two ways: advertiser market share and the newspapers’ reach among consumers, including how the portfolio of products reached 80 percent combined in a 30-day period.

Although Bakersfield is isolated geographically, with no outside newspaper competition, 42 percent of the city's population is Hispanic, and “definitely we have challenges reaching the less elite audience,” said Vice President Mary Lou Fulton, who left the company in May. “We don’t have problem reaching new consumers. However, on the advertiser side, we’re not as strong. Now we assess ad opportunities with revenue, instead of aligning content with advertising.”

Indeed, the downturn in the economy has had a dramatic impact on the newspaper as a direct result of advertisers spending less with the paper. In late March, The Californian cut 11 percent of its staff, or 26 people.

“The real culprit is not people abandoning us for the Internet, but rather a heavy-fisted economy that has our advertisers reeling,” Californian President and CEO Richard Beene wrote on his blog and chronicled in Editor & Publisher. “Newspapers have always been an economic barometer of sorts: when people stop buying cars and new homes and shopping at Home Depot to spruce up the nest, advertisers curtail their spending and we have a bad day. If Realtors get a cold, we get the flu.

“None of this of course is any comfort to the people who lose their jobs, who often have families and mortgages and bills to pay. And I can't really blame the former employee who spotted me on the street today and gave me the angry finger.”

New product development has been a hedge against the economic downturn because the strategy allows the newspaper company to reach more audience and satisfies more advertisers. Executives at the Californian have made new product development a science.

Among the products in the niche line-up include:

- Bakotopia, a local entertainment print and online product that includes interaction, classified advertisements and multimedia content
- MÁS magazine, an English-language Hispanic print and online product, about Hispanic traditions and pride
- Bakersfield Voice, a local blogging and social media duo of print and online, allowing readers and users to interact with each other and multimedia content
- RaisingBakersfield, a parents Web site and print publication, which includes multimedia, interactivity and expert contributors

“One of the most important lessons is that just because it is a good idea, it doesn’t mean that it will survive. I’ve been in new product development, and it’s not uncommon we have to close or change new products. The Bakersfield Voice is in its third or fourth iteration of design and content; we’re trying to adapt. You think have a good plan and your assumptions turn out to be wrong.”

Bakotopia started out as a social media product online, like Facebook for the Bakersfield community, but soon after its launch, it became clear that Bakotopia needed a print counterpart, Fulton said.

“Print for us is an important part of our new product world. All products have print components,” she said. “We hired an editor who is hip and cool to lead it because readers respond to that. You have to be a different type of person with a new publication. Also, different advertisers are found in Bakotopia and not the Bakersfield California, for example, tattoo parlours.”

In order to be more precise in developing products and targeting sales efforts, executives at the Californian embarked on an 18-month market analysis to determine market position and market share.

“We did a major study so we can set some benchmarks, and to see how we’re progressing. This helps us target our sales efforts and research and development prospects,” she said. “We estimated the size of ad market and looked at estimated total sales, and we estimated the budget from that.”

On the revenue side, the Californian extracted

total revenue garnered from the business to determine how much their share is, and then used data mining software to refine it and calculate market share, Fulton said. “We determined what is the penetration of individual businesses and categories of businesses, to see penetration and see what the opportunities are for more, such as low hanging fruit, high growth and development.”

For many small businesses in Bakersfield, it was determined there is a disconnect between ad rates and what advertisers have in terms of their marketing budget, she said. “It’s no wonder they don’t advertise with us.” Now the advertising department can use market research that is a better fit for the advertisers’ needs, including market analyses by size of budget. We created new products that are targeted locally so the small businesses could afford to buy these advertisements, she said. “The new and niche products can be priced at a much more affordable rate.”

In order to generate new business, the new product development team is always considering new product ideas. Last year, the team opened new product ideas to the newspaper staff, and generated 20 new product ideas within a four-month period. One of the strongest ideas was a print and Web publication for mothers.

“We evaluated each idea with a score card. Ideas score more points if there is a large audience potential, which is a characteristic desired by advertisers,” Fulton said. “Another important score is if the target audience is underserved by current Bakersfield Californian products.”

The new product team used Scarborough local demographic research to determine how many mothers lived in the Bakersfield area with children under age 12, and what percentage of all moms they represent. The team also looked to see if there is an average Internet use among these mothers.

The new product staff interviewed several owners of parent Web sites around the United States, including MileHighMamas.com, SBParent.com and SacMomsClub.com, in order to gather more ideas and approaches. The team also interviewed advertisers and target audience members to define the product further.

After launching on Mothers Day in 2008, with

promotional activities such as an Easter egg hunt, health fair and a contest to win tickets to the musical Annie, the site now has 521 user profiles, 4,000 to 10,000 unique visitors per month who view an average of eight pages and spend 10 minutes per visit. The site also has advertisers and a platinum sponsor, the American Kids Sports Center. Other advertisers include: Skateland, Child Haven Preschool, appliance repair specialists, Great Clips salon, Toddler Town resale store, Stork Connection, Inner Bodyworks Yoga and more. Two thirds of the advertisers are businesses that were never advertisers before.

Another solution to selling local ads for niche products is to a launch self-service advertising functionality. The Californian launched its self-service advertising programme, Bakersfieldezads.com, in May 2009. The Web site enables the creations of a variety of ads, including print ads, announcements and online display and classifieds.

“It doesn’t make sense to make five sales calls for a \$50 ad. We do extensive profit analysis and an elaborate sales planning process and cost analysis. We determine how much it costs us to run an ad, and how much profit we can make. If we’re making profit, it’s worth it to us. We know in the future our profits will be lower. We can’t count on our current profit for the company of 15 percent,” said Fulton. “As an industry, we were historically second most profitable after pharmaceuticals, but not any more in the U.S.”

It costs between \$200 and \$400 per month to take care of an advertising customer. The self-service functionality minimises the changes to an advertisement, and the newspaper passes on a 40 percent discount accordingly. The ads are paid for in advance, so there is no chasing bad debt. Wave2Media also provides the self-service technology for the Houston Chronicle and the Orange County Register.

The company also launched a new business sales team in June 2008, with the express goal of acquiring new advertisers for print and online. By the end of 2008, the team acquired 173 customers, for a total incremental revenue of \$600,000, or 2.5 percent of the company’s \$27 million advertising revenue. The revenue was split 90 percent for print and 10 percent for online.

New advertisers are considered those who

have not advertised in the past 90 days. These advertisers are pursued by an aggressive sales person. After they are retained for 60 days, they are transitioned to a development sales representative, according to Michele Hatfield, ad director for Interactive.

“These staff members have a unique skill set of acquiring new advertisers, but be wary of burnout over time because they get a lot of rejection. The approach is all about the customer service relationship, albeit short term.”

Training the reps is the key to success, she said. But she warned that the burnout factor has reduced their new acquisition from six to three. Regardless, it’s a “great” training ground for new reps. Another hazard includes account battles. “You will have account battles, but ultimately, the account belongs to the person who closed the deal,” she said.

### Times of Northwest Indiana

|                                     |  |
|-------------------------------------|--|
| <b>Publisher:</b>                   | Bill Masterson   |
| <b>Part of the newspaper chain:</b> | Lee Enterprises  |
| <b>Circulation:</b>                 | 84,000 daily, 92,000 on Sunday, 78 percent home delivered  |
| <b>Coverage area:</b>               | Northwest Indiana and southeastern suburban Chicago, with a population of 700,000 in the target zone |

The Times of Northwest Indiana, a locally-focused newspaper serving Chicago's southeast suburbs, is among the few American newspapers growing its circulation and its audience reach in 2009. They use a two pronged approach: electronic newspapers, and new niche products.

“We have just discovered a new circulation stream that people are excited about, (and) we expect to be up for 2009,” said Times of Northwest Indiana Publisher Bill Masterson. “One of the things that made it more compelling, is that our PDF version is counted as single copy and individually paid in real numbers, and a tremendous feat and a testament to what we do as a newspaper.”

Several local schools use newspapers in the classroom in PDF, paper and online. “We are also making the PDF available to our subscribers

and we have been pleasantly surprised by the numbers. We expect to have 6,000 to 7,000 customers (by summer). We will make it available to those who don't want to take the newspaper, giving them an option to read the PDF version online," Masterson said, noting it is important for the paper to make sure it is "relevant in terms of our readers and it's a must-read. We are not going to focus on what you can get in other places, we're going to cover the (local professional sports teams)."

The Times has been successful because it focuses on community news and advertising that can only be found in the local newspapers. That strategy has had a big impact on readership and advertising in a down economy. The initiatives include:

- Seminars for advertisers about marketing techniques for print and online
- "Diversity" job fair for local and national businesses to recruit minority job applicants, and to help the community to improve its unemployment rate
- Community "garage sale" to build community cohesion and to bring together local retailers with consumers
- Expansion of niche newspapers and magazines targeted to event-goers, enthusiasts, hobbyists, age groups, gender, etc.

"Advertisers know that we are relevant in this community, and we invited hundreds of advertisers to an event next week to hear how to market their businesses better," Masterson said. "More than 400 advertisers have signed up for the free seminar. In the past, we have held a similar session on how to leverage online as an advertising medium.

"We did that for our advertisers, and now they are coming back for more. The advertisers like it, and it's an opportunity for us to get to know them. If they are successful, then we're successful. If they walk out with an understanding about why it's important to advertisers in their business and then we're going to be better partners in this community."

The Times' diversity job fair was launched last year and attracted thousands of people, as well as national interest among other newspaper companies. The element of diversity was particularly relevant because northwest Indiana is a culturally diverse region.

Masterson envisions the Times' niche publications as being "just as important" in the

future as newspapers in terms of reach and revenues. "Back in the '60s, '70s and '80s, the newspaper is where you found out about ball scores, stock market, etc. - your world revolved around the newspapers," he said. Now, niche magazines and newspapers are becoming much more important in terms of time and attention for consumers. For the past several years, the Times' has developed a variety of niche publications, including:

- Healthcare magazine is produced six times per year
- NWI Parent has print and online components
- Now Hiring is a rack-distributed publication for job seekers
- NW Business is a business-to-business magazine to allow businesses learn from each other and to interact with one another

"Our goal is to develop more niche products as we go along," Masterson said. "Niche publications represent 3.4 percent of the revenues, and growing. I think over time it will represent the majority of revenues. Niche publication is what no one else provides and people want. I believe our readers will determine how deep we go with particular niche products; as they are needed they will be provided."

The Times determines which niche publications to launch by employing market research. "We do a lot of surveys here. We don't do them just to sell advertisers on the wonders of the newspaper, but also to find out what are the strengths and weaknesses so we can improve."

Before a recent redesign, the newspaper held "town hall" meetings and asked readers what they liked and didn't like about the prototypes, and about what content they wanted and could do without. "We involved hundreds of people from around the area, and from those meetings, we came out with a product whose acceptance has been overwhelmingly positive. It shows that we did our homework. We found out what they want, not what we think they should have wanted."

Surprisingly, they did want more national and international news, but with a local tie-in. For example, a story about the national economy, and how that would affect their daily life, he said. The readers also wanted lots of high school sports coverage, the more the better.

Another strength of the local newspaper is getting involved and even producing local events. In 2008, the Times launched a giant community garage sale, in which retailers and citizens sold their cast-offs in a large auditorium setting. The vendor exhibition sold out quickly, and more than 10,000 people came to attend, overwhelming local streets and highways leading to the event venue.

“We only advertised in our newspaper,” he said. “It’s a testament to the fact that the newspaper is an effective news and information vehicle, and quite honestly, as effective as it’s ever been.”

Masterson created two contests that benefit consumers, sales representatives and advertisers. The first is a holiday gift guide contest, where printed gift guides are distributed to subscribers in November, and contests to win a trip are published on participating advertisers’ ads in the holiday gift guides. Subscribers, ad reps and advertisers all get the chance to win the trips.

“We had more than 100,000 entries in our holiday contest, and it’s only promoted in the newspaper,” Masterson said.

Bracket basketball is another contest, where 63 spots on a grid are sold at US\$495 apiece. The newspaper invites 63 advertisers to an exclusive party of customers and guests. Masterson draws the names, and the first name drawn gets the lowest ranking spot on the basketball season game roster. Wild cards can be drawn for a better chance for higher-ranking basketball teams. Winners get free advertisements ranging from quarter, half and full-page ads.

The Times partners with the Taste of Home magazine on a full-day cooking exhibition with local cooking celebrities. The newspaper sells vendor booths, admission to the show and advertisements for the accompanying newspaper supplement.

“The customers love the show, the advertisers love it because they can showcase their wares like grocery stores,” and the annual event is always sold out, he said.

“I see the effects of newspapers, I see the passion, if readers agree or disagree with the story we may cover,” Masterson said. “Shame on us as newspaper executives for not beating the drum harder because we all know how

important we are to our communities. People have strong reactions to decisions we make and stories we write every day.

“We have to quit touting our demise. I think it’s crazy we point to the fact that we’re losing market share. Radio is losing market share. TV is losing market share. When radio came along, it was going to be the demise of the newspaper. Same with TV and Internet. We have to adapt to the lives of our readers. There has to be a compelling reason for someone to pick up a newspaper. We provide those compelling arguments every day, but we don’t tell our story well enough.”

## United Arab Emirates Market

### Gulf News

**Editor-in-chief:** Abdul Hamid, Gulf News

Most circulated newspaper in the Gulf region, owned by the Al Nisr group, owned by three private UAE shareholders

**Circulation:** 188,000 for Gulf News, plus magazines like InsideOut, Property Weekly, XPRESS, Aquarius and 4men

The Gulf News focuses more on the higher end of the market. The 72-page newspaper, wrapped in glossy heat-set paper pages, contains a mix of news, sports, lifestyle and other UAE and Gulf news. About 200 of the 800 employees are editorial, and the newspaper is 70 percent subscription and 30 percent retail. The company owns its own newspaper distribution network for Gulf News, XPRESS and non-Al Nisr titles such as Al Hayat from Lebanon, the Financial Times and Manorama from India.

“Print is still alive and well in the UAE and much of the Arab Gulf” for three main reasons, according to Francis Matthew, editor-at-large of the Gulf News:

- **Reporting:** TV, radio and news Web sites haven’t invested in hiring reporters, so they’re cut off from spot news, and aren’t main channels for breaking news, serving more as aggregators of print news. Meanwhile, much of online news focuses on financial news only.

- **Classifieds:** In the UAE, online hasn’t touched print classifieds. Through marketing and aggressive pricing, the print has remained

a top classified source. The Gulf News has also have developed its own online site, but print remains main medium, partly due to reach. Print moves everywhere – people pick it up, use it, keep it. Many people in the area don't have computers and don't regularly use them.

- **Distribution:** UAE doesn't have mass transit systems, so newspapers can't be sold at bus stops or metro stations. The Gulf News owns its own distribution network with more than 1,000 staff, delivering the newspaper to peoples' doorsteps on time, each morning. Seventy percent of the paper's readership is subscription based, and revenue so far is holding up in the recession.



**Because the UAE does not have mass transit systems, newspapers cannot be sold at metro stations or bus stops. The Gulf News solved this problem by hiring more than 1,000 people to deliver the paper to doorsteps early each morning. More than 70 percent of the newspaper's sales are through subscription.**

Another reason the Gulf News dominates in the region, with an audited circulation of 124,380 daily, is that because it is inclusive to the entire UAE population, as only 15 percent of the UAE's population is native, and the population has doubled in the past 15 years.

“The copy must be inclusive, and we work to make sure no group feels excluded,” Matthew said.

Editorially, because there is no open political debate in the UAE, there is no political dialogue to report. Instead, the Gulf News must follow issues important to readers, listening to their concerns and covering topics

vital to their daily lives. It also engages readers through campaigns such as Go Green, a campaign against plastic bags, and Wipe Out Waste, which dealt with ways to blunt the impact of the global recession. The campaigns both aimed to energise and address reader concerns, while also forcing government and commercial reaction to the issues.

Go Green began by showing how plastic bags wasted resources and also killed free-range camels in the desert, and matured into a general campaign for sustainable consumer and commercial behaviour. The Gulf News gave every subscriber two colourful jute bags to replace plastic shopping bags. Wipe Out Waste showed readers how waste in their daily lives, such as time spent in traffic, overspending and excessive energy bills could be remedied, to help save money and help the environment.

About 10 percent of the newspaper's advertising comes from agencies, with agencies paying a premium to run on heatset, coated stock pages. Only a small percent of the agencies are local-only agencies, while the rest are affiliated with larger agency groups.

The newest in the publication lineup is XPRESS, the glossy weekly entertainment newspaper published on Thursday and Friday, which sells about 120,000 to 124,000 copies per week. It is circulated with the newspaper on Thursday and Friday, and distributed separately at petrol stations, kiosks and apartment buildings.

The high-end niche magazines are controlled free circulation between 25,000 and 40,000.

Both XPRESS and the Gulf News contain very local Emirates news, but in an English-language paper for all nationalities in this diverse country made up mostly of expatriates, including Indian, American, Sudanese, Pakistani, British, etc., Matthew said.

Attracting and maintaining an audience is key, and Matthew said the Gulf News does this by:

- Include readers. The Gulf News has established a Readers' Desk as the single point of contact – it handles readers' e-mails, calls and other communications, and it channels comment and news into print, online and radio editions. A dedicated readers page was started at the end of 2008.

- Maintain relatively large reporting staffs. “We have reporters to cover our stories. We have news editors and chief reporters who think about what we want to cover. We develop our own news agenda, stories and content. We have the institutional capacity to think about what is important to the country and our readers. We stay relevant to people. Others cannot do this and they simply quote the morning newspapers with yesterday's news.”
- Market the newspaper like a fast moving consumer good, with a variety of offers and promotions.
- Develop an ethics policy, then publish it on your Web site and write about it in your publications.
- Invest in multimedia development, recognise that your company is a content generator at heart.

### Khaleej Times

**Publisher:** Didier Brun  
**Circulation:** 80,000

After years of losing market share, last year the Dubai-based Khaleej Times was relaunched by the board, and new publisher, Didier Brun, was installed. Brun previously was the senior vice president and development director for the International Herald Tribune. The relaunch included a rebranding advertising campaign.

“We repositioned ourselves, the look and feel of the paper, trying to make it more elegant, sharper,” Brun said. “Dubai is the most international place, we need to address all nationalities: Indian, Lebanese, French, or British, like IHT caters in this is my former paper.”

In addition to expat news, Brun will seek differentiation from the old Khaleej Times in creating more “good news,” he said. “We will put more emphasis on positive news ... The whole thing about bad news sells is wrong. I think people are fed up with bad news, dead bodies, people stuck under rubble. Not everybody out there is greedy. You can look at the glass is half empty or half full. I believe strongly, you need more uplifting stories.”

Brun said the newspaper will also cover hard

news stories, but in doing so, will look for the silver lining.

The Khaleej Times’ target market is expats, who make up the majority of the UAE market. Only about 20 percent of the population is native Emirati. The target market is by demographics of people from Asian and European countries with the same lifestyles aspirations, needs and wants, he said.

The UAE market is a subscription market. While the Gulf News has almost 1,000 delivery people, Khaleej Times has about 250 delivery people.

## Turkey Market

### Dogan Media Group

**Flagship:** Hürriyet, an influential paper with a circulation of 518,000, plus eight more national papers, 16 TV channels and a digital platform

**Chairman:** Aydin Dogan

While not the most circulated paper, Hürriyet earns the most in advertising revenues in Turkey. Another Dogan title, Posta, is the most circulated paper and is more downmarket than Hürriyet.

The media group measures advertising market share by gathering data on competitors, many of which are not publicly traded. Thirty-five national dailies publish in Turkey, a country of 72 million. In addition, the country has 91 TV channels, 182 national magazines and 27 national radio stations.

Posta is the No. 1 most circulated paper in the Dogan portfolio, and a rising star, according to Altug Acar, deputy head of advertising at Hürriyet. The tabloid is targeted to the 30 to 40-year old group, middle class and low income. “We made a new survey on Posta and consumers said it was light and entertaining and cheap, with less news, more pictures, colourful and easy to read. You don’t need a lot of time to read it.”

The Dogan group enjoys 60 percent market share in publishing, 40 percent in broadcast and 30 percent in Internet in Turkey, he said.

The strategy moving forward is to develop and acquire new long tail publications. “The

long tail is unbelievable. It's an important thing to increase your revenue incrementally. But one disadvantage is it is not easy to come down to little communities. We need to create them."

One way Hürriyet discovered to gain readership of its new weekly sports supplement was to run a sponsored contest in which the public voted on the best Turkish football players of the past 25 years, Acar said.

All media was involved in publicising the campaign, but votes were collected through digital television and the newspaper's Web site. A list of 98 candidates was vetted by sports personalities, who reduced it to 44 before the contest was opened to public voting.

Results included:

- 200,000 people participated – 180,000 voting through the Web and 20,000 through digital TV
- Sponsorship produced adequate revenue.
- The campaign produced media coverage and "buzz" and increased the audience and recognition for the sports supplement.

In Turkey, newspaper advertising is very effective, as shown by last year's test by the country's newspapers. In the test, several fast moving consumer goods companies agreed to abandon other media and advertise in newspapers alone, said Nükhet Vardar, managing director of El Izi Communications Consultancy in Turkey.

The results were so spectacular that they want to repeat the test, which isolated the attributes that make newspaper advertising most effective, she said. Advertisers would do well to choose newspapers when:

- Creative solutions must be informative, where advertising almost has a "news" effect.
- Public relations campaigns are conducted as part of the overall advertising campaign. Newspapers magnify the impact of public relations.
- The message should be delivered to the consumer in their leisure time, when they are ready to take it in.
- Flexibility is needed for tailor-made executions.

## Scandinavian Market

### Helsingin Sanomat

The Modern newspaper is like a portfolio of specialised magazines, but with one brand and style of content, said Mikael Pentikäinen, president and CEO of Sanoma News in Finland, which publishes flagship Helsingin Sanomat.

Newspapers face four main questions today, he said. They are:

1. How long and deep will the current economic downturn be?
2. What is the nature of the upturn, when it comes?
3. How does the economic crisis affect media convergence?
4. To what extent will print revenues return when the economy recovers?

Pentikäinen said the answers to dealing with these challenges are:

1. Resource-based strategy
2. Content management to different channels
3. Continuous development of new and old
4. Increased operative cost-efficiency

Channel management is a key part of thriving now and in the future, he said. The distinctive features and their effect on business must be taken into consideration. The strength of online lies in breaking news, finance, sports results and entertainment. The strength in print lies in its ability to give background, in-depth analysis, interviews and expert opinions in news related to foreign and domestic affairs, politics and culture, as well as the best of information from readers.

Focusing on what works best on each platform, while also having strategies for the future, has led Sanoma News titles to see stable readership numbers, Pentikäinen said.

"Our newspapers were founded to change the world," which means success should be based on quality journalism, he said. If costs are needed to create value, then they are good costs. If they damage value, then they are bad costs and shouldn't be undertaken.

"We must win battles in digital media and print media. Success is based on those two. We have to be able to serve customers, consumers

and advertisers in both spaces, maximising value in long-term. Many of us think we've been giving away too much good content for free. In future, we have to manage channels so that content creating value for print is used there, and content creating value for online and mobile is used there," Pentikäinen said.

### El Informador, Venezuela

Venezuelan regional daily El Informador increased its circulation 14 percent this year compared to the same period last year to become the top newspaper in its market. There were a number of factors that made the paper a success, including it meeting the needs of an overlooked community, as well as a redesign that helped it to be more useful.

Because it is a regional daily, El Informador decided to take a hyper local approach and draw its readers into its content. Section fronts were redesigned so they all were topped by invitations to readers to interact and send suggestions and information by mobile telephone. "They could start to become reporters," said Rodrigo Fino, president, Garcia Media Latinoamerica, for El Informador.

The opinion page was redesigned to include daily comments from readers, who could also send comments via SMS from mobile telephones. Guest editors, meanwhile, are drawn from the community.

"As a regional newspaper, we needed to fit in closely with readers, which means calling on important people in the region to give information on their specialities," he said.

### Knowing Your Readers & Serving Them Best

As with any product, an important key to success is knowing your consumer. Newspapers that understand and relate well to their audiences achieve a credibility with readers that can only come with trust, which only gets stronger with time. The following newspapers have achieved just that, and have become not just newspapers, but integral, irreplaceable members of the communities they serve.

### JoongAng Ilbo, South Korea

New technologies and advancements can make a strong print product even more powerful, as Korean daily newspaper JoongAng Ilbo has found, after investing \$100 million in switching to a Berliner format, buying new printing presses, refurbishing its printing facility and putting more emphasis on quality news and information.

However, spending money on merely cosmetic changes would not be enough to slow or reverse sliding circulation and subscriptions,



Staff writers and designers at JoongAng Ilbo were repositioned to work together throughout the life cycle of a story, from inception to print, giving readers a more visually dynamic experience.

but building upon the cornerstone of trust, which is the bedrock of every quality newspaper, was a way to use state-of-the art technology to build up the power of its print newspaper, said Jeong Do Hong, director of strategy at JoongAng Ilbo.

Before doing anything, however, the newspaper conducted benchmark research, asking the Guardian and Independent to review possible changes, as both papers had taken similar steps; interviewed 10 media experts; conducted in-depth interviews with 67 people and talked to 600 readers.

When asked if they would prefer a Berliner format, 97 percent of readers said they would continue their subscriptions if the format was switched, 70 percent of non-readers said they would switch to JoongAng Ilbo and 66 percent said they would get a new subscription.

When conducting interviews with both media experts and readers, the key issue of trust was a common theme.

“The current crisis is not from outside, but from inside. We will not survive if we can not provide information that is trustworthy. Trust became our main core strategy,” Hong said.

After the newspaper infused money into the value chain, printing capacity was increased from 50,000 copies per hour to 90,000; the number of machines were reduced from 15 to six, the cost of raw material was reduced from US\$96 million per year to \$76 million; and the newspaper was given an extra six hours until deadline, which is extremely helpful when covering breaking news, Hong said.

“Before the launch, news was pushed to the reader. After, news is given to readers ... and they can give us questions and answers. We ask readers what they're curious about, what the issues are, and then we try to answer them. That was a pretty remarkable change,” he said.

The changes were made in March 2009, and so far there has been positive market results, the existing readership has remained loyal and advertisement rates have been retained.

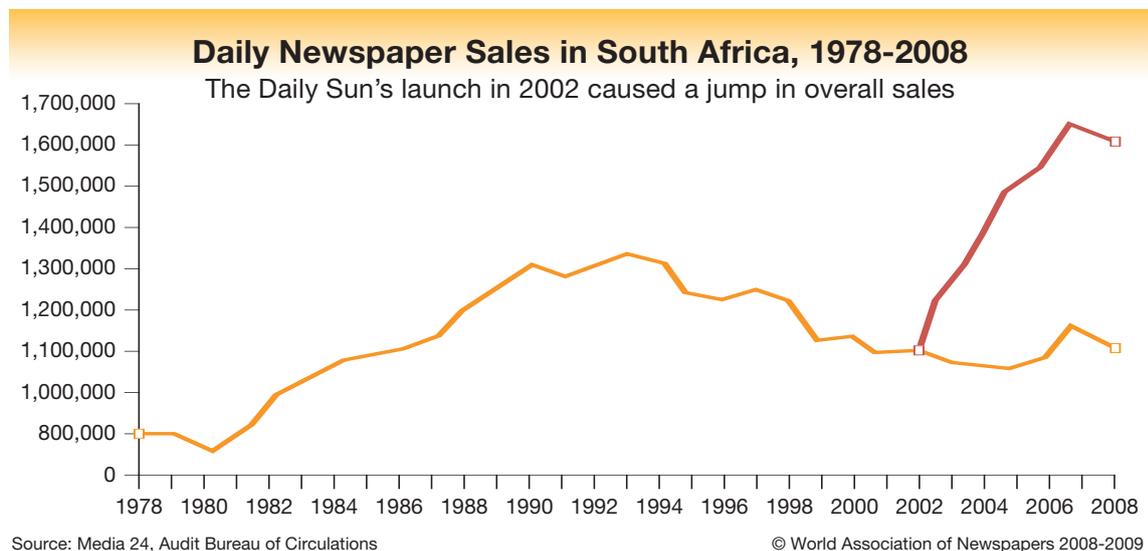
Opinion leaders have commented that the new JoongAng Ilbo “feels like an old fashioned TV turned into an LCD panel,” and advertisers say ads are more clear, and even though the pages are smaller, the ads don't seem smaller.

“We acknowledge that newspapers have lost credibility and readership is in free-fall. People say it's a worse-case scenario and a crisis, and no one is investing – we refuse to do so. We are investing, and gaining confidence with readers,” Hong said.

### Daily Sun, South Africa

Just five years after its launch, the Media24-owned Daily Sun grew to become the largest newspaper in South Africa, with a circulation of 500,000, all by finding, understanding and staying loyal to an under-served, and even non-served audience, said Fergus Sampson, CEO of emerging markets at Media24.

The newspaper's success, however, has less to do with editorial, advertising and circulation, and more to do with the Daily Sun seizing the opportunity that opened up thanks to a



confluence of circumstances happening in social, political and economic realms in South Africa in the 1990s, in the time following the fall of apartheid.

“We knew we had to deal with the issue of the black market, which in South Africa was political term, not economic. We knew there was something stirring – there was no reason all those people should be classified the same. We needed to find differences and carve out a niche,” Sampson said.

The audience Media24 identified was “young, but not young enough to not remember past, but not so old they didn't have baggage. They inherited new land, a new reality, and came of age at a time of freedom. But what they didn't have was a newspaper – didn't have companion or vehicle to lead them into this strange, often hostile environment.”

The newspaper became a voice to lead them, and teach them things they didn't know, but needed to know for their new lives, such as where to go to school or how to manage their money, Sampson said. It also needed to be affordable and accessible – a non-decision of whether to buy it.

“It does not try to be all things to all people. It does not include anything that wouldn't interest its people. The formula is dictated by the market and needs of the market,” he said.

Currently The Daily Sun sells 500,000 copies nationwide, accounts for 50 percent of all newspapers sold in South Africa and 11 percent of the total advertising market. It also accounts for 20 percent of Media24's revenue.



Readers are often drawn to The Moscow News for its lighter content ...

## Moscow News, Russia

The Moscow News is the oldest English-language newspaper in Russia, and was once known as the mouthpiece of Stalin. Yet this newspaper is now as editorially independent as is possible in Russia, and attracting readers again.

Owned by Ria Novosti news agency, the paper has gone “from Stalin's mouthpiece to Russia's wake-up call,” said Tim Wall, editor-in-chief of the newspaper. “We had to show that we wanted to be independent and look honestly at the future, as well as the past.”

The paper, which serves Russia's foreign audience, had two problems when Wall began working there: “boring content and being viewed as pro-Kremlin propaganda.”

To break both barriers, the weekly changed itself, and peoples' views of it, by covering controversial issues, such as citizens clashing with government entities and gay rights, as well as running a sex column and regularly profiling controversial figures, all with the aim of making every aspect of Russia's culture accessible to outsiders living in the country.

Surprisingly, the sex column, called sExpat and focused on relationships between expatriates and Russians, written by expat Deidre Dare, got readers' attention before the political coverage, Wall said.



... and become loyal readers when they find important news is covered and made accessible to an English-speaking audience.

## Sojormedia Capital

### Grupo Lena, Portugal

In April 2009, Sojormedia Capital, part of Grupo Lena, in Portugal launched *i*, a unique niche newspaper among 13 mass market daily products, and has so far seen a healthy readership, said Martim Avillez Figueiredo, *i*'s publisher and editor-in-chief.

Launching a new daily newspaper aimed at upscale readers might seem like folly in the current economic environment, but *i* isn't like any other newspaper.

When preparing to launch *i*, Figueiredo said he had to face two myths: First, that the market is too crowded. In Portugal, there are 13 mass market products each day, but if you look closer, you find only four products aim for the same audience.

“So, we started to find the place for *i*. Divided by high and low class, and south and north of the country, we wanted to aim for high class, and mostly in the south, which gives room for a new info brand if targeting that audience.”

The second myth is that high class papers have low circulation, low sales and low income.

“The fact is, when you look at sales, you see huge gap between popular and serious papers. Income divided by edition sales is 5 percent,” Figueiredo said.

*i* deconstructs the newspaper and rebuilds it as something different, which is why it's called *i* – it doesn't mean anything in the Portuguese language, it's just a letter, and its creators didn't want potential readers to associate it with anything that has come before.

“The idea is not to build a new daily paper but to try to build a new media brand,” he said.

To differentiate itself from other papers, although it has four sections, they're not like traditional newspaper sections

“They aren't sections like politics, sports, economy – they follow the reading pattern of people,” he said. The newspaper opens with editorial and opinion and commentary. The second section, called Radar, includes small summaries of the day's news. The core section is called “Zoom” and provides in-depth articles on important subjects. The final

section, called “More,” is a mélange of everything, and also includes sports.

In addition, the newspaper's Web site does not reproduce the paper but provides aggregate news from many sources, a YouTube-like video page and a social network feel.

“The paper and online content are completely different because we are targeting different audiences,” Figueiredo said.

The company hired staff through an “I want to be a journalist.com” Web site, starting with 1,350 candidates and choosing and training 18 to join a seasoned staff of 55 journalists. “We wanted to hire new kids with no previous experience,” Figueiredo said.

## Strategic & Regional Magazine Publishing

### Fairfax Media, Australia

As Fairfax Media-owned newspapers *The Age*, in Melbourne, and *The Sydney Morning Herald* watched their business models move from selling many advertisements for a small amount, to having bigger clients spending bigger amounts, they found they had to think about how that could affect editorial, as it translated to having quite demanding advertisers.

“We could say we'd take revenue at any cost – but that would cost brand and goodwill. We could refuse it, which is what the editorial team initially wanted to do; however, we'd have integrity, but no business. So, we decided to blaze a new path,” said Kylie Davis, managing editor of strategic publishing and business development at Fairfax.

The Fairfax team first had to address the elephant in the room, advertorial, and then clearly define what they could and could not do. At the core of the business is news, which is the most important, and must be protected. Around that core of news are the newspapers' various sections, which were also a no go zone for advertising.

“Outside of that is air,” Davis said. “Outside that, we can deliver anything we want, labelling it clearly.” That space is where strategic content comes in, and because that space is outside of news and related sections, it sells context, not content.



Strategic publishing creates new context for advertisers, and creates client-driven advertising and publishing. This type of publication is primarily done in tourism, food and wine and charities sectors. Fairfax Media's *Wow! Queensland* was positively received by readers, with more than one million people reading the magazine.

“We still deliver the same content how we always have, but we can create new context for advertisers,” she said.

Fairfax explains strategic publishing to advertisers as the client bringing their product expertise to the newspaper, which in turn has publishing expertise, and they meet in the middle. For Fairfax Media to produce its *WOW! Queensland* tourism magazine, of which there was a series of three, journalists were able to travel and do that reporting outside of their regular news reporting, all on a voluntary basis.

The AUD\$1.3 million *WOW! Queensland* campaign matched each print article with additional online content, maps and photo galleries, as well as asking for reader photos and suggestions. Of the one million people who read the magazines, 92 percent said it changed their opinion of the area, and 61 percent said it made them want to visit.

Other strategic publishing done by Fairfax has included the publication of two new newspapers for a day as part of INGDirect's

national savings week and a tourism publication for South Australia, among others.

### Archant Life, United Kingdom

Archant is the United Kingdom's largest independently owned regional media business, publishing four daily newspapers and 60 weeklies in its Archant Regional newspapers division, and 80 magazines across its three magazine companies: Archant Specialist, which produces hobby titles; Archant Dialogue, which does contract publishing; and Archant Life, which specialises in 52 county titles, as well as other city titles and several French magazines.

Ten years ago, Archant didn't own any magazines. Today, the magazine division accounts for £55 million in revenue, or about a third of the business.

“Regional publishing in the UK is alive and well. Our revenues are down, of course. Whose are not in this unprecedented recession? But there's never been such business as what's going on in the UK,” said Johnny Hustler, managing director of Archant Life.

Archant began publishing magazines because it already had the skills to do so in house; the CEO had run a magazine business in the past, which created confidence; the group saw an opportunity to build additional scale when newspaper acquisition opportunities were rare; and it could reduce the company's dependence on classifieds. Also, because Archant already published regional newspapers, they saw a chance to reach similar readers in a new editorial environment, all while creating new opportunities for advertisers and new revenue streams.

For the magazines to be a success, Archant identified four pillars:

- A dedicated team needed to oversee magazines
- Delivering the right size and print quality to the audience
- Fantastic editorial quality
- An investment into marketing

After launching the first regional magazines in 1999, there are now just two counties Archant does not publish regional titles in, due to the recession, “but we'll be there soon,” Hustler said.

The magazines cost about £3 each, about a million copies are delivered each month and paid circulations were up 9 percent in 2008, compared to 2007, he said.



Archant's magazines rely on display ad revenue for 71 percent of advertising, while its newspapers are 39 percent display revenues. Because display was hit the least hard by the recession, "it's likely to do better after the recession, which is good for us," he said. And as the recession continues, "Archant is doing substantially better than the rest of the (UK) industry, thanks to more diversification compared to our competitors. The Daily Mail is doing well, down just 44 percent, due to diversification. Trinity Mirror's share price is down 88 percent. Johnston Press down 94 percent, because they only have regional newspapers. Meanwhile, Archant is down only 60 percent, to a share price of £3.50."



Archant Lifestyle's magazines division account for a third of the company's business, or about £55 million in revenue.

These include Archant Life, regional magazines, each of which cover a county in Britain; Archant Specialist, hobby titles; and Archant Dialogue, which does contract publishing, for companies such as Saab, The Whisky Shop, British Eventing, Harley Davidson, and others.



## 5. Future of Newspapers in Print

*“Print is good at the things the Web is not good at – watchdog, explanatory, enterprise, narrative storytelling. The two media complement one another. One is the flowing river, changing constantly; the other is the rock on the shore, fixed and solid.”*

Charlotte H. Hall,  
senior vice president and editor,  
Orlando Sentinel, and president,  
American Society of Newspaper Editors

Traditionally, newspapers have been structured to produce one product per day – the general purpose newspaper. Now and in the future, newspaper companies will expand their print and digital product offerings in order to capture a wider swath of audience. Many newspaper companies will control an ever increasing portfolio of printed products in order to reach new target groups and expand advertising opportunities.

As time goes on, the newspaper industry will see an avalanche of highly targeted printed products for highly segmented audiences.

Technology will provide efficiencies in production, printing and distribution, which will make producing short-press run printed products profitable with subscription and advertising models.

### Smart Publishing

The Shaping the Future of the Newspaper project has developed a database-driven portfolio expansion strategy for newspaper companies called “Smart Publishing,” which takes into account the entire newspaper company value chain, from new product development, to editorial processes, to production, to printing, to distribution. The database-driven process begins and ends with the focus on the individual customer. The process, in summary:

- New print product development begins with relational database analysis of the consumer needs in the marketplace, with the objective to identify publishing opportunities to age, ethnicity, gender, geographic and socio-economic groups, and even small, highly

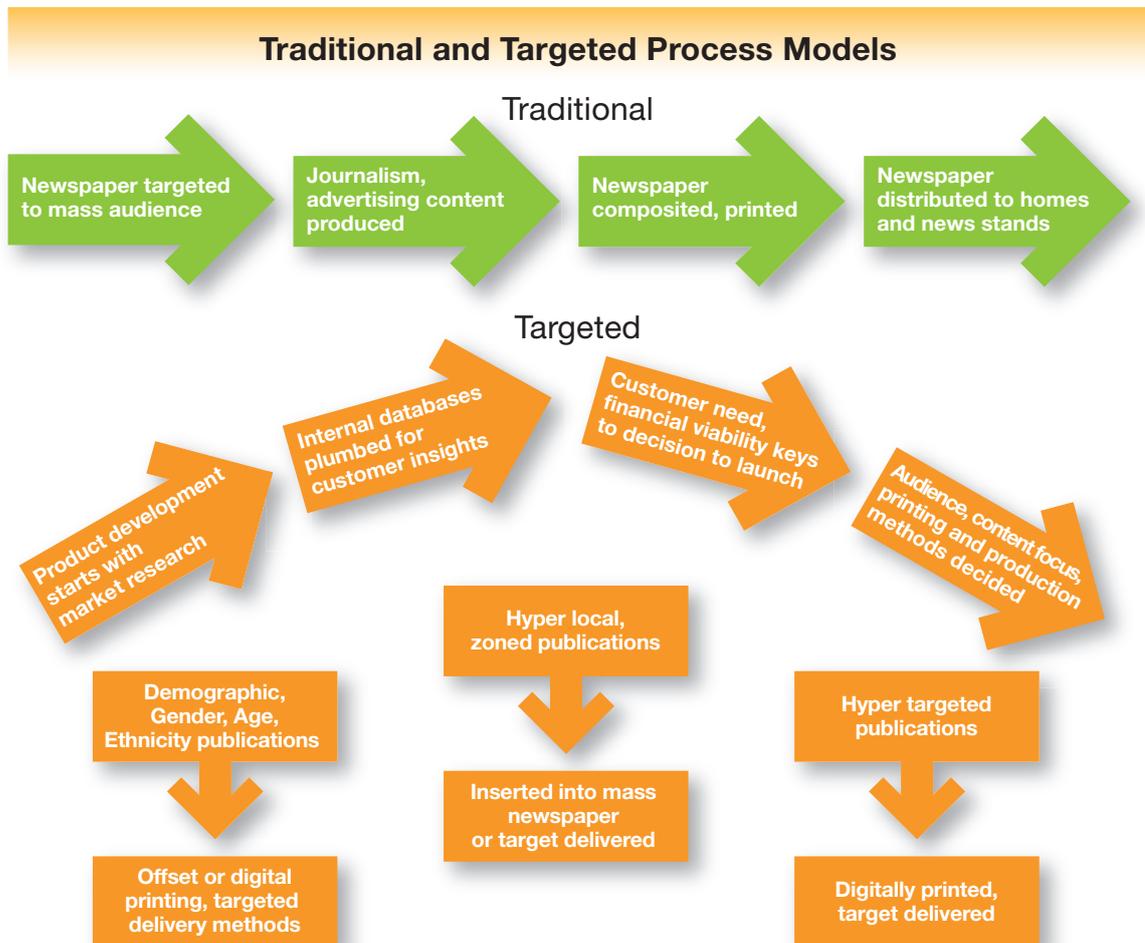
targeted audiences, such as local private pilots, doll collectors, knitters, football fans, woodworkers, and so on.

- Data is collected about readers, users and advertisers across the entire newspaper enterprise. This includes customer service, circulation, advertising, online, mobile and event registrations, and other databases. The data is aggregated into one database, in order to achieve a 360-degree view of the newspaper company’s consumers. In some countries, such as the United States and United Kingdom, these databases are interwoven with consumer spending databases such as Claritas’ Prizm and Experian’s Mosaic to achieve enriched data about individuals. In some countries, it is an illegal practice to tap consumer databases for marketing purposes.
- Before launching a new print product, the financial viability of the product must be vetted. This is done by assessing the advertising market for that product, including an analysis of appropriate targeted advertising

for the publication, and interviews with potential readers and advertisers for the product.

- Once a market opportunity has been confirmed and advertisers have committed to advertising, the process of developing and launching the product commences.
- Depending on the size and distribution ambitions for each product, (see chart) the product is produced and printed with offset or digital printing processes.
- A sophisticated distribution system is employed by using carriers who deliver publications only to those who fit in the target audience, depending on database dictates, and subscription specifications. Carriers are given detailed subscriber manifests, which specify which publications must be delivered to which household. (See SFN 8.1, A Publishers Guide to New Technologies).

A variety of initiatives across the newspaper industry are showing a clear trend of the



Source: Shaping the Future of the Newspaper Smart Publishing model

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proliferation of targeted print products, the use of digital printing for short-run targeted products, and the smart distribution of targeted products through an adaptation of the existing home delivery system. The topic of targeted newspaper products will be explored in depth in fall of 2009 with the report called SFN 9.1, "Publishing to Targeted Audiences." Among the initiatives are:

- The liberal use of database technology in order to determine viable products for audiences through such technology at the UK company SmartFOCUS, which works with newspaper companies around the world, and integration with consumer behaviour databases such as Prizm and Mosaic.
- The launching of Printcasting.com, an open source content management technology that allows users to create their own digital or print publications.
- The experimentation of the Individuated News concept, which allows publishers to create a "Daily Me" product based on the express content desires of the consumer, based on Associated Press content.
- The printing of these highly targeted publications on digital inkjet printers, and even home printers.
- The home delivery of targeted printed products using a database-driven manifest of subscribers and demographic profiles transforms the old-fashioned home delivery process into a home delivery service for individuals who want specialised publications to fit their interests and lifestyles.
- These targeted products also can fetch higher cost per thousand rates, compared with general purpose newspapers.

## Database Technologies

Most newspapers maintain multiple databases chocked full of subscriber, advertiser, registration, accounting and other structured data about its customers. Problem is, most of the time, the information is not aggregated into one database, where a marketer or product development executive can access a 360-degree view of each customer.

Enter companies like ASTECH Intermedia SmartFOCUS, based in the United States and the United Kingdom, which assists more than 200 media companies in aggregating their

databases, and uses the searchable findings for multiple revenue-making and cost-saving projects and improvements, including new product development. Among the databases they integrate:

- Subscriber data
- Advertiser data
- Telemarketing dispositions
- Customer service
- Do not solicit
- Web interaction
- Demographics
- Competitions
- Business data
- Postal delivery data
- Advertiser customer files
- Retail sales data

After integrating these databases, the single database can enable a variety of functions: planning, reporting, segmentation and analysis, modelling and data mining, multichannel campaign management, online marketing and product development options.

Among the many newspaper companies that have integrated their databases are The Globe and Mail, Toronto; the Guardian, London; McClatchy Co., United States; Gannett Co., Inc., United States; and Wegener, the Netherlands.

The Sacramento Bee, part of the McClatchy newspaper chain, has used the integrated database technology since 2005.

"We provide information for study discussions for advertising, circulation, newsroom and strategic planning," said Darrell Kunken, market analysis manager for the Sacramento Bee. "We know how important it is to know your customer. We are focused on customer as a reader and an advertiser."

Kunken added that demand for segmented information across departments has "been through the roof." Some of the most recent projects have been a circulation project to determine which customer segments have the most potential to be new subscribers and to pay their bills, based on data from previous experience with socio-economic groups, age groups and geographic information.

The data collected across database groups helped advertisers reach specific audiences by segmenting the Sacramento Bee's database and use only the target audiences for the advertising campaign.

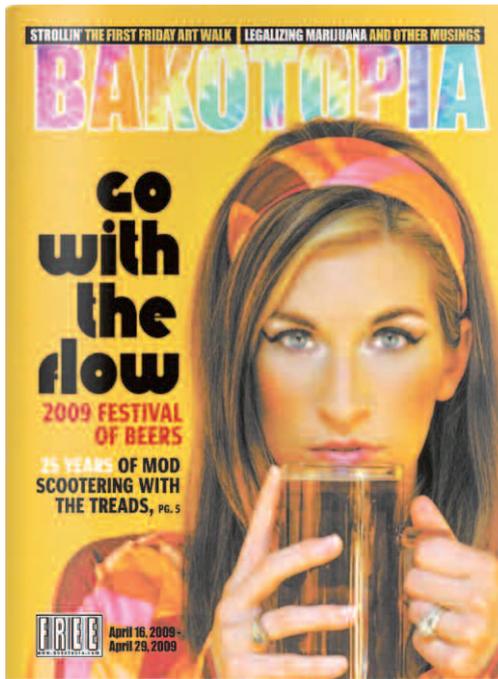
## Printcasting

The Knight Foundation awarded its Knight News Challenge, a two-year grant, to Dan Pacheco's Printcasting, which aims to allow anyone to create a printable magazine, as well as making print advertising "easy, fun and affordable," Pacheco said.

"If you can e-mail or post blogs, you can place ads that appear in printed magazines."

Printcasting, ideal for use by community organisations, local thought leaders (especially bloggers) and local businesses, is being rolled out nationally in the United States as of summer 2009. For example, a local bicycle shop can create its own PDF magazine for customers, a real estate agent can create his own informational guides and libraries can produce local publications about books and events.

"Local printed products that people find at coffee shops, car washes, businesses and racks are picked up and read, assuming they're relevant to the audience," Pacheco said. "If you increase relevance and choice in print, it can be as compelling as content found online."



The Bakersfield Californian's Bakotopia, published through Printcasting.

Pacheco said he plans to open "city hubs" for 15-20 geographical areas and work with at least five partners by December. By spring 2010, Printcasting is expected to be open source.

Because contributors and advertisers can be anywhere, a publisher can collect all the content, from RSS feeds, blogs, news sites or elsewhere, put it together, and then publish, sending the PDF to subscribers by e-mail, who decide if they want to print. Publishers can also print the publication themselves, using anything from HP MagCloud to Kinkos as the printer, he said.

Printcasting was first used by The Bakersfield Californian, which has 10 local print-online products, most of which publish content submitted through associated social networks.

In Bakersfield, 65 percent of businesses have annual ad budgets under US\$10,000, but only 39 percent of the Californian's current advertisers have ad budgets under \$10,000, Pacheco pointed out. This means, local print products need to target that 65 percent through self-service advertising, in which advertisers reach target audiences, and Printcasting is perfect to meet that need.

"Readers prefer more relevance and choice, something the Internet excels at. We've found as you increase relevance and choice in print, people continue to read," he said.

"Customised niche 'printable' content costs less, and is better for the environment. Digital inkjet technology is making print-on-demand more affordable."

Revenue is shared with every participant in Printcasting, with 60 percent going to the publishers, who can mark up ad rates to cover print and marketing costs; 30 percent to contributors, proportionate to content use; and 10 percent to the network, to cover Printcasting's costs, such as bandwidth and servers, as well as ongoing improvements.

Why invest in print? "It's a natural way to grow audience and revenue together," Pacheco said. "New advances in print-on-demand and digital inkjet printing create a compelling picture for on-demand, personalised and niche publishing." Meanwhile, social networks grow audience and print ads pay the freight, he said.

## Individuated News

The “individuated,” or personal, newspaper may finally be within striking distance as user-content selection evolves, workflow systems improve, digital printing develops and distributors grow accustomed to new practices, said Peter Vandevanter, vice president for Targeted Products at MediaNews Group.

The individuated newspaper would make possible very targeted advertising and begin to compete with direct mail advertising, a category which has grown tremendously in the last 10 years.

Although the individuated newspaper has been tried in the past and failed, today the situation is different. “We have unlimited source of content, easy access, technology is there. In beginning – it was just different distribution, but today if we can deliver it, we can get individuated content, and that gives us hope,” Vandevanter said. “The medium is actually personalisation – it isn’t format, topics, design, etc. They could have it in print, online, e-reader, PDA – all that is secondary to that they’re motivated by personalisation.”

So what exactly constitutes an individuated newspaper?

“The U.S. Supreme Court is famous for saying that no one can define pornography, but everyone knows it when they see it. The same goes for individuated news. You know it when you experience it.”

The personal newspaper is also inevitable, as digital platforms arise and the search for content becomes increasingly difficult, as the amount of content grows larger. “People today pay dearly for search – people in future will pay for content – the exact right content,” he said.

Individuated news also gives greater value to advertisers, allowing them to target customers. “Direct marketing ... is growing. But this is direct marketing on steroids – the people actually asking for it,” Vandevanter said.

## E-Editions & Home Printing

By Emily Dilling

Since the fax machine was invented by Scottish inventor and mechanic Alexander Bain in 1843, publishers have been interested in the possibility of alternative forms of delivering their newspapers. Nearly 100 years after Bain received a British patent for his invention, the St. Louis Post-Dispatch conducted the first experiment with home printing. In 1939, it sent its paper to facsimile printers in readers’ homes. Similar attempts were made in the 1940s, 50s and later in the 80s, as fax machines become more prevalent in homes and offices.

While experiments with home printing technology applications became mostly obsolete with the advent of the Internet, changes in newspaper printing and delivery is leading newspaper publishers to once again explore alternative methods of printing.

Currently, newspapers, especially in the United States, are looking at cutting printing and delivery costs, leading many to re-examine the number of editions they print and the areas to which they deliver.

The Detroit Media Partnership, which runs business operations for both the Detroit News and the Detroit Free Press, is at the heart of the issue. The newspapers’ launch of paid e-editions in March 2009 has been greeted with positive feedback and overall success in its first few months, with fewer cancellations of the print edition than expected and a steady stream of visitors to the online editions.

Rich Harshbarger, vice president of marketing/audience development at the Detroit Media Partnership admitted to having to work out some kinks with the PDF versions in the beginning, but said older, loyal customers who may have been put off by the reduction in home delivery days are enjoying the format of the online edition.

“We have found that many people are adopting new habits rather quickly and are adapting to this new reality,” Harshbarger said.

Subscribers can access both the digital Free Press and The Detroit News e-edition for

US\$12 per month, or buy single editions for 50 cents Monday – Saturday and \$1.50 on Sundays, via the newspapers' Web sites.

The Denver Post has cut circulation of its newspaper from 13 states to just the state of Colorado because of the high cost of distribution.

“We’re eliminating distribution outside the state. It costs an enormous amount of money to deliver in Wyoming and Utah – several million per year. In the far corners of the state, we’re going to Sunday distribution only, and are offering the electronic edition only the other six days. It takes eight hours to drive to Durango, and we will give subscribers an electronic edition, six days a week, starting in June,” said Media News Group chief Dean Singleton.

By eliminating out of state circulation, the company will lose 10,000 subscribers, and will save \$2.5 million. “We think we’ll keep about half of them with the e-edition,” Singleton said. Subscription to the electronic edition costs \$30 per year, and each e-edition subscriptions is credited to ABC as a single subscriber.

Cutting expenses has also inspired the Memphis Commercial Appeal to reduce printing and delivery schedules and launch its own e-edition, the “e-Appeal.” Karl Wurzbach, vice president of sales and marketing, said the newspaper was able to cut newsprint and delivery expenses by 3.5 percent.

The e-Appeal is available to the newspaper's print subscribers, who can also manage their accounts online or sign up for a print/e-Appeal subscription online. Sunday-only subscribers can access the e-edition on Sundays.

The printer-friendly PDF format bridges the gap between the reduced printing schedule and the online edition, by offering readers a “middle tier,” Wurzbach said.

## Don't Stop the Presses!

**By Mary Lynn F. Jones**  
**PRESSTIME magazine**

Try to count the number of times a death knell has sounded for the print newspaper, and you'll quickly run out of fingers. Despite continued rumours of its impending demise, print still accounts for the overwhelming majority of revenue at most newspaper companies. It also plays an important role for readers.

In this time of transition, PRESSTIME asked 10 experts – inside and outside the industry – to write a mission statement for today's core print product, tell us what elements of the current paper they would include if they were starting a print product from scratch and gaze into their crystal balls to predict what that product will look like in two, five and 10 years.

We found areas of agreement and divergent opinions. Think of this as a stimulating dinner party conversation about the future of print, and pull up a chair at our table.

**Q: What is the mission of today's core newspaper?**

**Mario R. Garcia, chief executive officer and founder, Garcia Media:** The core newspaper is: 1) provider of news summaries for readers who may not be reading online; 2) provider of analysis and interpretation for those readers who are what I call "printnets" – those who read both online and in print; 3) source of advertising supplements and other items that readers still seek and need.

**Ken Doctor, blogger, ContentBridges.com; affiliate analyst, Outsell Inc.; and former vice president of content services at Knight Ridder Digital:** Our daily print newspaper must remain, first of all, daily. Publishers should not be the ones to break the daily print reading habit for the tens of millions of Americans who still look forward to their morning hit. Second, the core paper must please its core audience – which is becoming more niche-like, baby boomer-plus in age – and likewise retain as much of the print advertising that will sustain companies' transition to hybrid print/digital companies.

**Alan D. Mutter, blogger, Reflections of a Newsosaur (newsosaur.blogspot.com) and managing partner, Tapit Partners, an information technology consulting firm:** Even though the newspaper generates 90 percent of a typical publisher's sales, it is a

mistake to think of it as the "core product." The true core products of a newspaper company are its abilities to produce compelling content, build large audiences, sell advertising and make a profit. The publishers who succeed in the future will be agnostic about the platforms they use to capitalise on those core strengths.

**Tim J. McGuire, Frank Russell Chair, Walter Cronkite School of Journalism and Mass Communication, Arizona State University in Phoenix, former editor and senior vice president, Star Tribune in Minneapolis:** Print products cannot get caught up in "commodity" information. Everything a print source does must "add value." Even weather and sports must be presented in ways that distinguish the information from commodity sources.

**Ted Leonsis, founder, chairman and majority owner, Lincoln Holdings LLC, which owns the Washington Capitals and Washington Mystics, and vice chairman emeritus, AOL LLC:** The core mission is to reinvent (the newspaper) to be a more integrated community information programmer. Newspapers now need to focus one-third on presentation of national news and activation of discussion around a topic, one-third on hyperlocal news and get community comment and a Wiki-like environment created around each local bit of information, and then one-third on creating a third-party network to sell advertisers within its environment as well as related affiliated print and online environments.

**You're starting a newspaper print product from scratch. What stays, and what goes (sections, beats, days published, classified ads)? How do you rethink the parts you keep?**

**Mutter:** The traditional, one-size-fits-all newspaper should be a concise, reasonably comprehensive and extremely well-organised guide to the community. It should leverage the strengths of print: deep reporting, thoughtful analysis, fine writing and elegant visuals. It should avoid the weaknesses of print by de-emphasising warmed-over coverage of stale, widely reported news.

**Kenneth A. Paulson, president and chief operating officer, Newseum, and former editor, USA Today and USAToday.com:** Most newspapers have an extraordinarily loyal core audience that has been doing the crossword puzzles, reading the obits and scanning the

stock tables for years. These are generally older readers who will need and read our content for decades. The challenge is to weigh whatever changes you may have in mind against the expectations of this core readership. Yes, you can drop TV listings and replace them with new content to try to attract younger readers, but at what price? Will the gain offset the loss?

**Charlotte H. Hall, senior vice president and editor, Orlando Sentinel, and president, American Society of Newspaper Editors:**

Readers want perceptive and analytical coverage of national and international news, plus advertisers love it, so the A-section stays. Local news, commentary and interactivity with readers are our franchise, so the news reports, the columnists, the editorial page, the letters to the editor and other interactive commentary are our core. Sports (remains and) focuses on opinion, enterprise and analysis.

In features, the comics, puzzles and advice stays, and all the fun stuff to do and see (movie reviews, local day trips, concerts, etc.). But some lifestyle content goes away unless there is advertising to support it (food or travel, for example). Excellent photography and graphics stay. They engage the reader emotionally and intellectually.

Traditional storytelling morphs into a combination of alternative story forms for short, explanatory information and narrative storytelling for compelling human stories, and the 25-inch story on incremental government action disappears.

**A number of newspapers are eliminating sections or days of distribution. Do these efforts strengthen the core product in the long run?**

**Mutter:** Publishers should make every effort to sustain the continuity of their publication cycles, because disruptions will anger and disorient loyal readers and send a not-so-subliminal message to advertisers that it really isn't important to be in the newspaper on a regular basis. To the degree a publisher is in extremis because there is insufficient readership or advertising to support a traditional, one-size-fits-all newspaper on certain days of the week, she should begin to develop niche publications such as sports on Monday; family and kids on Tuesday; food, dining, health and fitness on Wednesday; weekend planners on Thursday; and guy stuff like cars, sports and electronics on Friday.

Niche days will give newspapers an opportunity to revitalise the relevance of print while attracting the attention of new, unexploited audiences and fresh advertising dollars.

**McGuire:** Printing some days may be a viable answer, but it's happening for all the wrong reasons. More newspapers ought to be asking where are the holes in my media market, and how can I fill them? And they should be asking if we make certain moves in this market like publishing three times a week, what are the counter moves I can expect? I am going to be stunned if a competitor does not put a Sunday-Monday sports product into Detroit. The Detroit papers should do that before a competitor does.

**Howard Weaver, blogger, Etoain Shrdlu (<http://editor.blogspot.com>), and former vice president of news for The McClatchy Co. in Sacramento:** Traditional sectioning is perhaps the easiest and most obvious thing to change. Some papers that have done so have faced less audience reaction than many anticipated. Skipping days seems to me a more draconian and less viable approach.

**Doctor:** I call it "dayscrapping," and it needs to be done judiciously. I've talked to publishers who are going to cut Monday and Tuesday classified sections and believe they can just extend 11-day buys out further. That makes good sense. Dropping days altogether saves significant costs in the short run but accelerates the transition to digital—and we know there's far less money in digital publishing at this point.

Let's not, above all, fool ourselves. Cutting back the core product doesn't strengthen it. It may be a necessary evil, but pitching a less-is-more approach to readers won't fool them. Rethinking and reorganising the core product (and coming clean with readers about the impetus for the changes) is the way to go.

**Who is the audience for the core newspaper in terms of readers and advertisers? Who should it be aimed at?**

**Mutter:** Editors and publishers need to adopt a zero-based, market-driven approach to what they do. They need to learn to ask their readers and non-readers what they want—and then respond creatively to the answers. Ideally, a paper in Kansas City should not look, act and feel like a paper in Orange County, Calif., or Orange County, Fla. Yet, apart from the datelines on the local stories, they mostly do.

That's because newspaper people are more comfortable copying each other than taking the risk of trying something new.

**Weaver:** As grandma always said, "You dance with them that brung you." Serving the existing audience is a primary concern. That difficult transition – letting go with one hand while grasping the new with the other – remains a huge challenge.

**Doctor:** The average (U.S.) print newspaper reader is about (age) 57. It's a great audience, with above-average income, wealth and education. It's just not the mass audience of yesteryear. Newspapers have to match their real audiences with advertisers who really want to reach those audiences and price accordingly.

**Giner:** Print newspapers cannot be "newspapers for everybody with everything" because they will end up as newspapers for nobody. Focus on la crème de la crème of your specific market.

In the past, reinventing the core product might have been seen as just redesigning the look of the paper. Is that still part of it? What else needs to be done?

**Jacobson:** For 20 years, I've been saying that cosmetic redesigns are a waste of time and money. Here's what needs to be done: Change the editing to include content that is compelling, relevant, interesting and useful to readers—and eliminate everything else.

**McGuire:** Print publishers need to totally rethink what they are doing and (ask):

- Do I want to deliver eyeballs to customers, or do I want to entice customers to pay for the product or a combination of the two? How do I support the news gathering I want to do?
- Is this a mass endeavour, or it is targeted? What are the information opportunities for that market?
- What is my role in the democratic process? If you want one, go for it. If you want to be all Britney (Spears), all the time, chuck the democracy façade.
- What are the market's information needs and potentials?
- What is it that we can do for our market that nobody else can, and how valuable will that be to the market? If it is a commodity product, I can't charge much. If it is truly special and distinguishable, the value of my product is greater.

- Invent a new product that is not tied to yesterday but is tied to serving your market or community. Create and add value that meets the market's needs.

**Leonsis:** (Develop) a core competency in ad sales so that the organisation can represent other local media companies to build scale and create mini advertising.com-like businesses in each market. Who would or should know more about local buying habits in a market or seasonality or traditions than a local paper? Who knows the advertising community better? Leveraging and making databases and metric-based marketing programmes will be very important for the organisation's future.

In a Web-first, print-second world, what role does the core newspaper play? What is its relation to other products?

**Jacobson:** The core product is the delivery vehicle for free-standing advertising inserts and an opportunity to introduce print-centric readers to online offerings.

**Hall:** It stops the clock once a day and takes an assessment, offering the kind of in-depth and analytical work that the 24/7 breaking news world on the Web cannot provide. Print is good at the things the Web is not good at—watchdog, explanatory, enterprise, narrative storytelling. The two media complement one another. One is the flowing river, changing constantly; the other is the rock on the shore, fixed and solid.

**Doctor:** My sense is this. It's a comfort product, one that tens of millions of Americans like, just as they like their trip to Starbucks. It's a convenient product, browsable and portable, something the Web still isn't. I love being able to read The New York Times on my iPhone but not for long stretches. It oozes community, if its journalism is authentic and good, much more than any wonderful news Web site. All these qualities should be emphasised in product creation and marketing.

*Excerpts of "Don't Stop the Presses!"  
from the Newspaper Association of America's  
PRESSTIME magazine, published in April 2009*



## Conclusion

The newspaper industry is faced with two distinct challenges: a global economy at its worst point since the Great Depression, and the barrage of absurd reports touting the demise of printed newspapers. In response, newspaper companies have maintained their strong position in the media world, and in fact, continue to grow circulation and number of titles worldwide. While ad spend across media is dwindling, many newspaper publishers worldwide are rethinking their publishing models and business models for the future.

Many newspapers chronicled in this report have returned to core values of focusing on strengthening their credibility and their audience-focus assets in order to bolster their position in the media mix.

In response to the negative campaign against newspapers, the World Association of Newspapers and News Publishers has launched the “Get the Facts About Newspapers” campaign in 2008 to set the record straight about newspapers’ strong business and audience positions around the world. Among the facts about the newspaper industry for 2009:

- A US\$182 billion industry worldwide, taking into account advertising and circulation revenue
- More than 12,580 newspaper titles exist worldwide, up from 10,830 in 2004
- Printed newspapers have a 34 percent daily global penetration, while the Internet has a 24 percent penetration
- Combined with magazines, print is the world's largest advertising medium, garnering 42 percent of the advertising ad spend
- More than 1.9 billion people read a newspaper every day, around the world.

Despite the negative economic indicators and detractors’ comments, newspapers continue providing unmatched content and services to billions of consumers every day.

Just as sliding doors have not replaced hinged doors, as William Powers noted in Chapter 1, digital will not replace print. Each media will be used when and in a way that is most appropriate, as elevators make use of sliding doors and most doors in homes are hinged.

“My sense is this. (Newspapers are) a comfort product, one that tens of millions of Americans

like, just as they like their trip to Starbucks. It's a convenient product, browsable and portable, something the Web still isn't. I love being able to read The New York Times on my iPhone, but not for long stretches. It oozes community, if its journalism is authentic and good, much more than any wonderful news Web site. All these qualities should be emphasised in product creation and marketing," Ken Doctor, affiliate analyst at Outsell, Inc.; blogger at ContentBridges.com; and former vice president of content services at Knight Ridder Digital, pointed out in Chapter 5.

In fact, new technologies are being harnessed to give print products added value, make them faster and more economical to produce, more environmentally friendly and lucrative. Newspapers are turning back to core values in order to bolster their position in the media mix, particularly strengthening their credibility and audience-focus assets.

As discussed in Chapter 4, newspapers are capitalising on their reach and knowledge of local markets to serve readers better. In the case of JoongAng Ilbo in South Korea, building upon the cornerstone of trust by investing in print is adding to the title's credibility, leading to an even more loyal readership base.

"The current crisis is not from outside, but from inside. We will not survive if we can not provide information that is trustworthy. Trust became our main core strategy," said Jeong Do Hong, director of strategy.

At the Daily Sun in South Africa, understanding and staying loyal to readers has made the paper an integral part of the community, and led the paper to its status as the most circulated in the country, accounting for 50 percent of all newspapers sold and 11 percent of the total advertising market.

"It does not try to be all things to all people. It does not include anything that wouldn't interest its people. The formula is dictated by the market and needs of the market," said Fergus Sampson, CEO of emerging markets at Media24, which owns the Daily Sun.

Fairfax Media in Australia and Archant in the United Kingdom have also built on their reach and strengths in print to offer readers high quality print products, increasing revenue and value. In the case of Fairfax, strategic

publishing is bringing in millions of dollars that wasn't there before. For Archant, a foray into quality regional magazine publishing, built on its regional newspaper expertise, now accounts for a third of the company's business.

The power of print, then, is not about ignoring technology or continuing to print the same newspaper that has been printed for the past hundred years, refusing to change. It is about using our collective assets to make print even stronger, from the journalist's ability to convey a story, to the printing press, to the newsstand. It is about better journalism, better reader relations, a better print product and a renewed strength as the most valuable, trusted news source available.

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## Shaping the Future of the Newspaper

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