



INTERNATIONAL CLASSIFIED MEDIA ASSOCIATION

*Making classified media work better!*

## BEYOND THE PRINTED WORD

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*Melinda Gipson, Director, Electronic Media, Newspaper Association of America*

On average, 29 million people visit newspaper web sites in the top 100 U.S. markets every month and search markets outside the US are already very well-developed.

"It is a lot of people, but not as many as go to a search engine," says Ms. Gipson, adding that 57.4 million people conducted a Google search in the same period.

Google and other search engines are making huge profits by selling "paid placement" of search results – advertisers buy the right to certain keywords and have their links appear first on search results on those words or have their ads appear on search results pages where the words are found.

The proposition boils down to:

1. show it to people who want what you have
2. only pay per click-thru
3. see what's working
4. start today

Search companies are investing in further user customization and mapping and spy satellite tracking technology.

Ms. Gipson outlined some strategies for publishers who want to compete with the search engines and take some of the revenue generated by what she called "creating contextual relevance for advertisers" (such as placing their ads on search results pages for related products). Case studies can be found at <http://www.adconnections.org>. She believes that newspapers can 'out-community' Craigslist.

She offered this advice: "Mold your products into your readers' lifestyles, not the other way around."

***Mike Blinder, President, The Blinder Group, USA***

Mr. Blinder describes himself as a multimedia street fighter, or someone who knows what it takes to convince newspaper ad salesmen and advertisers alike what it means to place a multimedia advertisement.

"We understand the street – what it takes to make money today, whether or not you agree with the technology and the platforms," he says.

Mr. Blinder, a multimedia sales specialist who trains newspaper ad representatives in the ways of the web, presented models and methods for selling multimedia to advertisers.

Many traditional newspaper reps resent online as a medium and often see it as a competitor. And they don't have a clear understanding of the value online brings to advertisers.

Mr. Blinder trains them to look beyond the technology and focus on the audience, which is "younger, affluent educated – that's what we keep telling the sales rep." As many of these web users don't read the traditional newspaper, using the web extends the newspaper's reach. And the sales reps are taught the benefit of the repetitive nature of advertising on the web, which is the true meaning of page impressions.

He believes in fewer, larger ads which deliver better response for the advertiser and better revenue for the publisher.

***Bill Murray, Managing Director, Group Business Information Strategy, Haymarket Publishing Group, UK***

When it comes to classified advertising, what is wrong with print?

"Not a great deal," says Mr. Murray, answering his own rhetorical question.

He points to the Sunday Times as an example – 280 pages, a full quarter of which are full of classified advertisements – 12 for recruitment, 20 for autos, 29 for property, eight for travel.

"Arguably, I wonder if, as print publishers, we got better by learning what online taught us, and brought it back to our print product," he says.

But while paper is great, publishers can do more to meet consumers and advertisers expectations on the web, he says.

He drew an interesting distinction between online ('sitting forward media') and offline ('sitting back media'), and also between the types of products or services advertised.

There are products that require the buyer's **presence** to complete the purchase – these traditional include higher value or non-standard items, such as cars and houses. But there are also **absence** products such as flights. His question from this was whether an operator like eBay could succeed with presence products...

Mr Murray argues that online consumers and advertisers have unique approaches and expectations to their offline counterparts. Online consumers feel that they have a degree of control over their experience which makes them behave in a more confident and assertive manner. They are more demanding as their perception of an instant media leads them expect instant gratification. In response to this, online advertisers believe in accountability and expect to pay by results. Like the users, they have higher expectations and seek to be in control of the whole process.

"Publishing is about a simple thing: understanding your audience and making sure you communicate what they want, how they want it," he said. "And if you do that, you are successful."

***Steve Anderson-Dixon, Group Advertising Director, Northcliffe Newspapers Group, United Kingdom***

Newspapers can use their unique relationship with local advertisers to develop new revenue and attract new advertising by establishing online auction services that compete with eBay, says Mr. Anderson-Dixon.

The Northcliffe Newspapers Group has done exactly that.

There really isn't any choice, says Mr. Anderson-Dixon. New competitors such as E-Bay, new online classified sites and others are causing a "radical" shift in retail and private sales and services advertising from print to online.

So, if you can't beat them – join them. Northcliffe, which includes more than 120 daily and weekly titles across the UK, teamed up with the Canadian firm CityXpress, which has pioneered short-term "events" auctions for nearly 200 newspapers, generating more than US\$50 million in advertising revenue.

Northcliffe and CityXpress created the Bid 4 It auction service. Advertisers "give" items to the newspaper group to auction, which in return "gives" the advertiser an advertising credit equivalent to the retail selling price of the item. When the item is sold, the newspaper retains the revenue generated from the sale.

But, if the item doesn't meet the reserve price, the advertiser cannot take the advertising credit. "The advertiser has lost nothing, he's had the benefit of exposure in the Bid 4 It print supplement and online, and increased store traffic at a time of heightened awareness as a consequence of the promotional activity."

Northcliffe achieved 65% ROI on GBP 250,000 (Euro 356,000) including the CityXpress charge and they are now considering moving to a continuous auction model with their classified-only publications.

***Kalle Jungkvist, Editor in Chief and Head of New Media, Aftonbladet, Sweden***

Aftonbladet is the biggest daily in Scandinavia and the leading news portal in northern Europe, but the end of the technology boom in 2000 caused a crisis.

Half of web advertising revenue disappeared. And the paper relied on advertising for 94 percent of its web income.

Searching for a new business plan, Aftonbladet turned toward classified ads and paid-for, premium content for its future.

Classified advertising was relatively easy, they bought blocket.se and bytbil.se, the Swedish mobile.de.

***Mike Coleman, Senior Manager, Digital Media, azcentral.com, USA***

The overall growth of the internet will not last forever. Newspapers should look for future growth from untapped "dayparts" attracting visitors by offering different content at different times of day, says Mr. Coleman.

That's why azcentral.com, the web operation of the Arizona Republic, has been experimenting with new content offerings when traffic for news site is traditionally weakest after work.

So what do people want from a news site at night?

Mr. Coleman and his team believe they still want breaking news, but they also want offbeat news, entertainment, sports, classifieds, shopping, photos and multimedia. This differs quite a bit from day hours, when the emphasis is more on hard news and utility features like traffic, maps and calendars.

The differences led to the creation, 18 months ago, of azcentral@night -- a redesigned home page on weekday evenings, with lighter content that takes more chances. Mr. Coleman described the content, and the results: evening page views are up 30 percent, evening visits are up 25 percent, there have been small traffic boosts in key sections, and it has offered the opportunity to showcase non-news content.

These ideas have limited application for classified-only sites but it could be worth considering what categories you run on the front page at different times of the day.

***Morris Packer and Josefina Granding Larsson, Bonnier Group, Sweden***

SMS, or text messaging, has benefits for both newspapers and their customers. For readers, it is easy to use, offers immediate gratification, and it is relatively inexpensive. For newspapers, SMS provides easier administration (no paper to sort for contests and subscriptions, for example), and it provides a new revenue stream (the reader pays a premium fee to send their message).

"SMS is a brilliant return channel for print, radio and TV, says Ms. Larsson. "Print is strengthened by SMS, and SMS is strengthened by print. SMS is an untapped source of administrative possibilities. And usage statistics are gold – knowing who is using services, when and how."

Their future plan is to squeeze the aggregator margin and then the operator margin, and finally disintermediate the aggregator and operator!

***Catherine Levene, Vice President, Product and Business Development Strategy, The New York Times Digital, USA***

The New York Times has the world's largest newspaper website in terms of unique users (14 million in September). So when Ms. Levene discusses the internet trends the paper is pursuing, it pays to listen.

Online advertising growth will continue. Search and pay-for-performance revenues are important. Broadband is reaching significant penetration. Consumer-generated content is rising in quality and value. The "distributed internet" (RSS feeds and aggregators) are creating new opportunities as well as threats. Mobility and control are becoming increasingly important to users.

Here's what Ms. Levene had to say about a few of these developments:

- Brand advertising is on the rise. "The key here to recognize is that online advertising is here to stay, and it is in a high growth mode" (at The Times, 43 percent of online revenue comes from display ads, and 30 percent from classifieds).
- Sponsored links and 'cost per click' ads that appear on the side of search results pages are also a growing revenue source. The Times will launch enhanced search features in early 2005 to take advantage of this market.
- Audiences and advertisers now expect a "broadband" experience, which means more multimedia journalism and growth in online video advertising expenditures. In classified, this can mean virtual tours of properties for sale, for example.

- ‘surround’ sessions were an interesting concept born from the improved information that registration delivers for each user. This meant that the NYTD could offer advertisers the opportunity of ‘owning’ all the ads in the session of a relevant user.