



INTERNATIONAL CLASSIFIED MEDIA ASSOCIATION
Making classified media work better!

International Newspaper Marketing Association

Classified Conference 2004

INMA is an association similar to ICMA in that it emphasizes networking and interaction as core to its activities but focuses on the broader newspaper publishing sector rather than classifieds-only. It originated 1930 in the US and now has an active European chapter run from Antwerp. ICMA is a member of INMA and passes on benefits to ICMA members.

Recently, INMA recognized the importance and dynamism of the classified category and arranged a dedicated one and a half day conference in Amsterdam. Five ICMA members – JunkMail, De Vondst, Koopjeskrant, Infosto and Associated Newspapers – took advantage of the discounted rate negotiated by ICMA and attended the conference.

This is a brief report of the key conference sessions – two of the speakers will feature in the Hague programme so their presentations are not covered in depth here.

Classifieds: dealing with the new challenges from the digital world.

Danny Meadows-Klue, CEO of the Interactive Advertising Bureau, UK

Danny, who will be presenting the keynote address in The Hague, gave a presentation crammed with statistics and research on the development and take-up of Internet access. He analysed the threat of disintermediation for classified media – cutting out the middleman, asking how media audiences, and advertiser and shopper behaviour was changing. He concluded that advertisers and shoppers have started to follow audiences online and that we will see increasing channel-switching in the key classified categories of jobs, cars and property with the UK and German markets leading the way in Europe.

Danny outlined five major challenges for publishers – fighting disintermediation, fighting the new intermediaries, fighting the new business models, successfully deploying new technologies and developing effective long-term strategies – and described seven possible strategies - do nothing, grow organically, specialize, compete on their terms, partner with your old friends, buy them or partner with the new players.

What strategy options do newspapers have?

Ian Foulds, Senior Advertising Planner, News International, UK

As part of one of the world's major media groups, Ian related his experience with properties such as the Times and the Sun, two of the leading UK newspaper brands. Newspapers are rated as the most trusted media in the UK, and increasingly, portfolios are developing to serve different reader 'need-states' such as 'search engine', 'feed me', 'my time', 'what's new' and 'bonus time'. 'Search engine' is the need state most relevant to classified but Ian gave examples of how classified can be integrated into the print offering for the other need-states.

When evaluating the effectiveness of any one particular channel, it is essential to recognize where it falls in the process of the purchasing decision. Ian gave the example of the motors purchase funnel where print media can contribute to the decision at the need/desire, inspiration, information consolidation, trial, information on the best deal, (final decision) and purchase. He pointed to the increase in competitors with newspapers fighting off recruitment trade titles, TV, outdoor, regional press, CRM, travel sites, databases, radio, other national newspapers, supermarkets, jobs boards, other consumer magazines, motoring trade titles, specialist internet sites and other online publishers. Perhaps it is telling that he did not include classified media in that list?!

The strategic opportunities of a regional newspaper and how web services can create a successful classified marketplace on the web and in the newspaper

Harold Rimmelzwaan, General Manager, Wegener Multimedia, NL

Harold addressed the issue of classified from the separately established online only division of Wegener, one of the major regional publishers in The Netherlands. Wegener Multimedia's initial focus has been on creating leading online portals in the key areas of jobs, autos and property and they have been remarkably successful, particularly when they have collaborated with national associations. Wegener has created funda.nl, the leading property portal in the Netherlands which has over 80% market share, Jobtrack.nl and AutoTrack.nl which swallowed a competitor, AutoTotaal, in 2001.

Despite these successful initiatives, the hard facts are that newspapers have lost € 4 in print for every € 1 that they have gained online, so there's still work to do. Wegener Multimedia are deploying the following strategy - further strengthening their position in existing markets, leveraging online/offline audience for advertisers, simplifying workflows for customers at much lower cost, using the web to its fullest extent and introducing customer self-care. An example where this has proved successful is via a reverse publishing exercise with AutoTrack.nl where ads received online are then published in print.

However, this was still not enough and so Wegener Multimedia have decided to launch kleintjesmarkt.nl, a C2C and B2C website similar in business model and strategy to marketplaats.nl but supported by Wegener's offline marketing muscle. This follows eBay's mantra of making inefficient markets efficient by removing several stages from the total process.

Harold ended with a challenging series of statements and recommendations to all classified publishers: wake up!, be an online market leader on classifieds, get rid of your traditional workflows, fire 80% percent of your sales reps and staff, your customers are in charge, do everything via the web as this is the scourge of slack, inefficiency, bureaucracy, missing or incomplete customer data (Tom Peters 2003), and beware of eBay.

Print and online working together: to provide a complete recruitment solution
Sally Winfield, Group Classified Director, Associated Newspapers, UK
Mark Milner, Commercial Director, Associated New Media, UK

Sally and Mark introduced londonjobs.co.uk and explained how Associated Newspapers had successfully integrated the online recruitment service across all the relevant local print properties in their portfolio.

londonjobs.co.uk is closely linked with the Evening Standard. London's daily evening paper, which carries a print londonjobs.co.uk supplement every Monday and as London is home to 26% of the population but 31% of the online population, the provision of an effective and efficient online service for advertisers and readers is essential. Marketing emphasizes the link between the products and consistently reinforces the londonjobs.co.uk brand regardless of the channel used. The online ad can be booked via either the print or online sales teams which act as a consultant for London, attributing a real value to online advertising. 65% of online ads are actually sold by the print sales team.

The results speak for themselves: the Evening Standard's circulation has grown by 7%, the website's audience has grown by 66% and londonjobs.co.uk is now the 4th largest site in London and the South East. Interestingly, the cross-media KPIs underscore this success – 59% of readers/users consume both offline and online, 53% of readers specifically buy the Evening Standard on Monday for the supplement and both the website and print audiences have increased.

We do not need to advertise ourselves
Frank Crébas, Site Manager, Marktplaats.nl, NL

Most ICMA members will have seen the presentation that Marktplaats.nl made at the Dublin GM, and this presentation was much the same. The only new information was the brief overview of their non-NL operations where Frank explained that Spain and Germany were developing slowly but that they had experienced personnel difficulties in the UK which they were in the process of resolving.

Reverse Publishing
Mariah Howard, Rosetta Classified Ads, NL

Rosetta supply software that supports classified media publishing operations and Mariah described a project that they undertook for the Irish Independent which facilitated customer booking and management of ads online. The first phase enabled recruitment agencies to manage their own bookings and the second provided services for individual companies and display ads. Initial benefits are lower costs, improved customer service and higher revenues per ad.

Positioning through co-operation
Niklas Jonasson, Citygate, SE

Citygate was founded in 1997 as a co-operation between 11 Swedish newspaper groups. Citygate creates joint solutions for the owners' web sites, for example www.lokusjobb.se. It develops new businesses and is either the owner or a partner in a number of successful companies. Citygate also organizes the cooperation between the newspapers that are in the network. Citygate has developed an umbrella of brands called Lokus which cover recruitment, autos, property and miscellaneous, and operates in conjunction with commercial third-party partners. Niklas has also modeled some interesting scenarios relating to pricing and volume for online and print ads. His next three priorities will be to enable reverse publishing, sorting applications for recruitment ads and direct import of objects from third-party partners such as auto-dealers.

Why should newspaper companies use SMS for classified ads?
Peter Norman, Commercial Director and Co-founder, Wireless Information Network, UK

Peter will be speaking to ICMA publishers at the Publishers' Meeting in The Hague and explaining how mobile can be used to provide new revenue streams around the core advertising product as well as extra functionality and services to advertisers and users alike.

Aggressively selling employment advertising**Anita Schögl, Classified Ads Manager, Kleine Zeitung, AT**

The Kleine Zeitung group is a major newspaper publisher based in southern Austria. They have separate products for jobs, cars and property and, interestingly, have a shared co-operation with other Austrian publishers to create an online platform called dermarkt.at. Kleine Zeitung have also launched a classifieds-only product called Privatmarkt which is published weekly and serves the Carinthia and Styria provinces. The advertising is bundled with Kleine Zeitung and dermarkt.at to leverage the portfolio. Kleine Zeitung are conducting round-table meetings with groups of key advertisers in certain sectors to add value, sell more advertising and to get feedback on the products. This has been extremely successful for recruitment with an average of € 17 000 worth of advertising sold per talk.

Recruitment bureaux and their role in this changing market**Rob Bloemen, COO, De Witte & Morel, NL**

De Witte & Morel is part of the Hudson Highland Group, a multi-national search and selection agency. Rob made a very interesting presentation that perfectly captured the sometimes adversarial relationship between recruitment agencies and recruitment publishers. He acknowledged that the principal reason for agencies to advertise was often to promote their agency so that they would pick up more vacancies, not necessarily to attract candidates [Maybe this is why they are reluctant to use classified media?] Once having retained an agency, clients were often reluctant to pay extra for print advertising which they consider expensive. However, print advertising was seen as valuable for building the client's brand and employee perception, and was effective at attracting the passive job-seeker (online is usually only effective for active job seekers) Rob also pointed out that recruitment agencies feel that newspapers are trying to compete with them by launching their own jobs databases and online career products.

This one will run and run!

For copies of any of the presentations, please contact Lucie Hime at ICMA Head Office on l.hime@icmaonline.org