

# 5.5

## Advertising Science

Small steps can lead to big rewards in this report, which describes how attention to each contributor to revenue growth can result in increases in revenue, and advertiser loyalty.

# Shaping the Future of the Newspaper



[www.wan-press.org](http://www.wan-press.org)  
A WORLD ASSOCIATION OF NEWSPAPERS PROJECT,  
SUPPORTED BY WORLD'S LEADING BUSINESS PARTNERS



[www.man-roland.com/en/p0001/index.jsp](http://www.man-roland.com/en/p0001/index.jsp)  
A LEADING COMPANY FOR NEWSPAPER PRODUCTION SYSTEMS

## PUBLIGroupe

[www.publigroupe.com/en/hom.cfm](http://www.publigroupe.com/en/hom.cfm)  
THE SWITZERLAND-BASED INTERNATIONAL ADVERTISING  
AND PROMOTION GROUP



<http://w3.upm-kymmene.com/>  
ONE OF THE WORLD'S LEADING PRINTING PAPER PRODUCERS



[www.telenor.com/](http://www.telenor.com/)  
THE LEADING NORWEGIAN TELECOMMUNICATIONS, IT AND MEDIA GROUP



[www.samsung.com/](http://www.samsung.com/)  
A GLOBAL LEADER IN SEMICONDUCTOR, TELECOMMUNICATIONS  
AND DIGITAL CONVERGENCE TECHNOLOGY

## CONTENTS

Executive summary	5
<b>1</b> Introduction	<b>7</b>
<b>1.1</b> Advertising trends	<b>8</b>
<b>1.2</b> Advertising in the new media environment	<b>8</b>
<b>1.3</b> Cyclical v structural	<b>10</b>
<b>2</b> The revenue multiplier	<b>13</b>
<b>2.1</b> The volume drivers	<b>14</b>
<b>2.1.1</b> The market	<b>14</b>
<b>2.1.2</b> The staff	<b>14</b>
<b>2.1.3</b> Prospects	<b>15</b>
<b>2.1.4</b> Conversions	<b>15</b>
<b>2.1.5</b> Advertisers	<b>15</b>
<b>2.1.6</b> Advertising planning	<b>16</b>
<b>2.1.7</b> Frequency of advertising	<b>16</b>
<b>2.1.8</b> Advertisement count	<b>17</b>
<b>2.1.9</b> Advertisement size	<b>17</b>
<b>2.2</b> The price drivers	<b>17</b>
<b>2.2.1</b> The advertising offer	<b>17</b>
<b>2.2.2</b> Advertising design	<b>21</b>
<b>2.2.3</b> Advertising quality	<b>22</b>
<b>2.2.4</b> Target audience	<b>22</b>
<b>2.2.5</b> Environment	<b>22</b>
<b>2.2.6</b> Medium effect	<b>23</b>
<b>2.2.7</b> Response	<b>24</b>
<b>2.2.8</b> Colour	<b>24</b>
<b>2.2.9</b> Position	<b>25</b>
<b>2.2.10</b> Format	<b>25</b>
<b>2.2.11</b> Price	<b>25</b>
<b>2.2.12</b> Revenue	<b>26</b>
<b>3</b> The new advertising sales organisation	<b>27</b>
<b>3.1</b> Client sales	<b>28</b>
<b>3.2</b> Category marketing	<b>34</b>
<b>3.3</b> Brand management	<b>35</b>
<b>4</b> Implementing advertising science	<b>37</b>
<b>4.1</b> Knowledge	<b>37</b>
<b>4.2</b> Specification	<b>38</b>
<b>4.3</b> Implementation	<b>38</b>
<b>4.4</b> Performance	<b>40</b>
<b>4.4.1</b> Effective advertising sales	<b>40</b>
<b>4.4.2</b> Economic advertising sales	<b>40</b>
<b>4.4.3</b> Efficient advertising sales	<b>41</b>
<b>4.4.4</b> Enterprise in advertising sales	<b>41</b>
<b>5</b> Conclusion	<b>43</b>
Appendix	<b>44</b>



## Executive summary

This report is about attention to what matters. It shows how, by concentrating on the drivers of advertising revenue, newspapers can grow their business, not only in the core print product, but also across the growing range of complementary products.

The report identifies 28 components of advertising revenue that determine the value of advertising revenue that the newspaper generates each year. Only three of these factors are out-with the newspaper's control: the market in which the newspaper operates, the product that the advertiser chooses to advertise, and the market they choose to target (which is not necessarily in line with the newspaper's readership). The rest can be all be measured, managed and maximised.

What matters is the measurement of the drivers of performance, as much as the performance itself. This is not sexy, or revolutionary, but it works, and it leads to growth not only of the core newspaper business, but to a sales environment where sales people can adopt and sell a wider range of services.

This concept is underpinned by a new approach

to sales organisation; a tri-partite structure where the three key dynamics of advertising revenues – client sales, the specific features of the markets, or categories, within which we operate, and the newspaper or other brands, that we are selling - are each represented.

The sales operation is geared to the drivers of long term growth, namely advertiser loyalty, frequency, and commitment, rather than simply representing the priorities of the newspaper.

Specialists are dedicated to identifying and growing new revenues from each of the different market categories that we serve. Each is very different, with different opportunities but also requiring a different approach.

Today, newspapers are emerging into a new era of advertising sales. One where sales people, selected to complement and respond to the demands of a particular type of advertiser, are promoting a range of products, supported by top quality initiatives, and outstanding market knowledge. The road ahead is challenging, but small steps, in the right direction, will secure a strong future.

Go for it.