

2001 Newspaper Advertising Conference and Expo  
'Managing the Advertising Department to Increase



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Managing the Advertising Departments  
to Increase Sales

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## Introduction

With more and more competitors fighting for a piece of the advertising pie, newspapers have to be smarter about finding advertisers and keeping them. In order to stand out, they need to think up new ideas and solutions that will help their clients achieve their goals. In this new environment, only the newspapers that are able to adapt and to anticipate changes will come out on top.

Concurrently, the explosion of new media created new career opportunities for sales people, making it more difficult for newspapers to recruit and retain good sales representatives. Discovering effective ways of motivating sales staff and reducing turnover rates is more than ever a key concern for newspapers.

As it stands, these changes are catching many newspapers off guard. But it is not too late. Speakers at the World Association of Newspapers' Advertising Conference and Expo in Monaco told participants how to get involved with advertisers before the media choice has been made, how to keep good sales staff on board and how to make sure print is always on advertisers' agendas.





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## Recruitment and Retention

Recruiting good sales people is important. But keeping them once you get them on board, is even more essential. With turnover costs high and gaps in client relationships at risk, newspapers need to find ways of keeping effective sales staff longer.

This is what six French newspaper groups had in mind when they banded together to create an advertising and human resources unit called Synergie Media. The group's role is both to recruit and retain good salespeople. "We try to keep good elements by offering them useful tools to work with, by providing them with training and by motivating them financially," Hugues de Foucauld, Director of Synergie Media says.

### History of Synergie Media

Synergie Media focuses on what is known in France as the PQR, or regional daily newspapers. It's a well-developed medium in France, reaching 18 million people per day, or 40 percent of the population over the age of 15. It developed secretly during the occupation and exploded after the end of the Second World War. Today, France's 70 regional daily newspapers distribute six million copies every day and collect five billion francs in advertising revenues every year.

Synergie Media was launched three years ago after French advertising group, Havas, pulled out of regional newspaper advertising. Havas had built up a strong regional network all across France. The company's absence caused a void in the market. "Six regional press groups found the situation intolerable and decided to band together and create Synergie Media," De Foucauld recalls. "Synergie Media became a consulting group dedicated to serving the regional press. It provides marketing, operational and advertising help." In its short life, Synergie Media has managed to build up yearly advertising sales of one billion francs, representing one fifth of total regional newspaper ad sales in France.

The six press groups were the *Courier Picard*, *L'Yonne Republicaine*, *la Nouvelle Republique*, *Centre France*, *AP Alsace Le Pays* and *la Republique du Centre*. The companies cover 26 French départements, or administrative areas, representing over 800 million francs in ad sales a year. The six companies employ 500 people, of which 220 are in sales.

### Providing Work Tools

To work effectively, salespeople need the right tools. Synergie Media tries to provide the sales teams in the group with tools that allow them to do their jobs better. There are sales kits, which include data such as consumer indicators, readership surveys and market research. This information can be shown to clients and helps bring out the qualities and strengths of each individual paper, De Foucauld says. Synergie Media also launched a communal web site. With the help of a password, salespeople from the various papers can access indicators, market studies, new sales arguments and circulation figures. The web site also lets them access a database of ad agencies and directs them to several sites related to their work.

An internal communication newsletter called *Zoom Media* has also been created to inform different sales teams of innovations and goings on in ad sales. Finally, the consulting group also asked X-Media and Price Waterhouse Coopers to create software to help keep track of client accounts. "The software, which is called Easy-C, provides easy access to client details and an agenda for events concerning them so that sales calls come at opportune times," De Foucauld says. "Easy-C also helps salespeople keep track of client and prospect databases as well as the competition. It also allows them to classify key documents so that they can pull them out quickly while on a sales call."

## Training

Another way to keep good salespeople is to entice them with training opportunities. Firstly, the group has managed to get the French state to recognize a new vocational training certificate in communication sales focussing on the regional press. The idea is to bring young people who may not otherwise have known about the specialty to join newspaper ad sales teams. "We also provide a range of continuing education courses, either in computers, graphic arts, sales or other related topics," De Foucauld says. More than 100 salespeople have gone through the process in two years.

## Motivational Incentives

Working in sales can be tough. One way to make sure salespeople stay is to make their working conditions pleasant. France's new 35-hour-work week law has helped to improve the quality of life of sales staffs. It is also important to encourage career mobility so that people feel they have a chance of being promoted or of moving on to a different job, De Foucauld says.

Another way to motivate staff is financial remuneration. The French regional press has some work to do in this department. "The current system needs to be re-evaluated since salaries are 25 percent lower than the national average," De Foucauld says. "We need to think about raising salaries and providing financial incentives to get sales staff to stay for longer periods."



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## Remuneration Systems

**H**igh turnover among sales staff is the bane of a newspaper's existence. Norway's Aftenposten daily suffered from this for many years. "In the mid-1990s, we had an average sales turnover of over 30 percent, with employees staying less than two years on average," recalls Pal Overby, the newspaper's Vice-President of Advertising.

The newspaper needed to find a solution. Training new personnel so often was costing too much time and money and was putting a lot of strain on remaining colleagues. The solution found was the magnet program; a loyalty program designed by Aftenposten to attract, develop and hold on to the most its most effective elements in media sales.

### About Aftenposten

Aftenposten concentrates its distribution Eastern Norway, where over 55 percent of the country's population lives. "Though Aftenposten's is primarily a regional newspaper, we still present national and international news and national classified advertising," Overby says. The paper is over 140 years old and is Norway's most important information source. The company employs 920 people and another 3780 to carry out home deliveries. There is a morning broadsheet edition on weekdays and an evening tabloid. Over ninety percent of circulation is subscription based. The company reported total revenues of \$235 million in 1999.

### Aftenposten's Sales Force

The newspaper's sales team is 135 strong. There are nine sales divisions, bringing in a total of \$180 million in revenues for 530,718 ads sold in 1999. "Aftenposten's sales force has always been considered among the most advanced in media sales – therefore attractive to customers and competitors," Overby says. The 30 percent turnover was becoming very costly for the newspaper; it was hurting sales continuity with clients and requiring

that the department spend too much time and resources training new personnel.

### Birth of the Magnet Program

"The objective of the magnet program was to retain sales personnel in order to boost sales revenues by increasing competence in sales and media, developing internal promotion opportunities and establishing a long-term remunerative reward system," Overby explains. The idea, which was born in 1997, consisted in finding salespeople within the company who were motivated and capable of motivating others.

Once they were identified, these "magnets," were shown what promotion opportunities were open to them both within the newspaper and within the Schipsted parent company. Aftenposten also emphasized the importance of results by creating a reward system that made good sales numbers gratifying for the newspaper and the magnets. Commissions were awarded on a quarterly basis, with an annual limit of \$35,000 a year. Back office sales and booking personnel were also eligible for commissions based on the total sales generated by their department.

In addition, magnets were encouraged to continually update their sales knowledge through training, sales and media courses and progress evaluations. Course topics included media knowledge, sales, negotiation, presentation skills and Internet usage. Courses lasted from two to five days and were offered at least twice a year. "Getting the newspaper to accept and understand the importance of investing time in this process was essential

tial to its success," Overby points out.

Aftenposten also developed an in-house trainee program for magnets that allowed them to spend up to three weeks in each individual sales department to widen their scope of knowledge. The trainee program was obligatory for all magnets. It had the added advantage of improving communication between all sections of the newspaper and of setting up opportunities for internal career moves.

The first magnets saw their careers move in July 2000, with promotions into middle management. In early 2001, there were a total of 33 magnets at Aftenposten.

### **Results of the Magnet Program**

The magnet program has brought turnover down from 30 percent to five percent and has improved job satisfaction. "What we see now is higher loyalty," Overby says. "We witness internal career moves rather than resignations." The magnet program has also generated better teamwork and a more focussed approach on sales. In addition, the newspaper has seen its advertising revenues grow and has collected positive advertiser feedback on the program.



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## The New Research Toolbox: Global Advertising Effectiveness

The program has cost Aftenposten \$130,000 in training costs, \$40,000 in personnel and \$600,000 in commission payments. "This brings the total cost to around \$800,000," Overby says. "But the investment is clearly worthwhile, because it brought in \$20 million in additional sales."

**W**hat makes people remember advertising? Is it the quality of the ad? Or the things the ad reminds people of? These are some of the questions people from British newspaper group, Business a.m., were asking themselves. To find answers, they set out to collect all the available data regarding advertising, memory and brand name retention. "Understanding how the brain processes information, might help us understand how the brain interprets advertising," says Dianne Newman, Director of Information at Business a.m.

The end goal was to determine the effectiveness of print advertising, to provide compelling reasons to consider print at the strategic level and to improve the perception of the medium amongst agency teams. "The print media faces far more competition from both traditional and emerging media than ever before," Newman explains. "Our challenge is to convince both advertisers and agencies that newspaper advertising should be an integral part of any marketing strategy."

### A Brief Look at Newspaper History

In many markets, newspapers have experienced declines in circulation over recent years. In fact, according to the World Association of Newspapers' research on world press trends, 23 out of 39 countries surveyed experienced declines in newspaper circulation in the past five years.

Furthermore, Zenith Media reports that print advertising expenditures will eventually follow suit. Their research indicates that worldwide advertising spending was up eight percent in 2000, to reach 332 billion U.S. dollars.

"This growth is expected to continue over the next few years," Newman says. "But newspapers have no reason to become complacent."

Even though newspapers have continued to attract higher levels of ad spending in recent years, they have also steadily lost part of their share of the world's advertising revenues, with 26 out of 39 countries showing a fall in the share of ad spending devoted to newspapers since 1995. "In many markets, the rate of decline is accelerating due to the increasing adoption of new marketing methods, including below the line activities, and the growth of the Internet," Newman says.

### Results of the Global Research Collecting

All the research collected by Business a.m. points in the same direction. "Newspapers are an effective medium especially when used in combination with other media," Newman says. "We feel that the studies deliver strong evidence to prove that print is underutilized as an advertising vehicle."

First all, the research shows that people tend to remember things that demanded a certain degree of effort. If there is little effort, there is little long-term memory. "This has very important implications for communication – and certainly for advertisers," Newman says.

The research also demonstrated that real memory depends not only on actual input into a situation, but also on the environment and the associations people make relating to that environment. When asked, subjects tended to associate television with pastime and stimulation, while daily papers were often associated with information, conversation topics and anxiety.

"The results were the same each time," Newman says. "Newspaper ads had a higher effect on action than tele-

vision commercials alone.” But the best results occurred when print and television advertising were combined. Each medium has its strengths. Television is good at increasing brand awareness, while newspapers are perfect for exploiting the brand awareness in order to get consumers to buy.

A Dutch test with the Gillette Sensor Excel brand showed this. “Gillette traditionally used television as its primary advertising medium, but they agreed to add a minimum level of newspaper advertising for three days,” Newman says. The research carried out three days later showed that 48 percent of men had been reached by television and that 46 percent had been reached by newspapers.



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## Knowledge-Based Selling: the QRP Solution

"But television and newspapers combined reached 71 percent of the male population," she says. Furthermore, 29 percent of those who had been reached by television said they were likely to purchase the product, compared with 53 percent of those reached by television and newspapers.

The age-old newspaper pricing card is to become a thing of the past in Denmark. That's because 20 of the country's biggest newspapers are banding together to create a new industry standard for pricing. They are applying the QRP, or Quality Rating Point system, a pricing method that has been successfully used at Copenhagen's Politiken newspaper since April 2000.

### What is QRP?

Ad pricing is pretty standard in newspapers across the world. Salespeople factor in the size of the ad, page placement and the number of colors used and charge accordingly. Politiken thought it was time to try something new. Instead of haggling over space and discounts, Politiken ad sales team now talks about value with advertisers. More precisely, they discuss QRPs: a unit of measure quantifying the reach of a particular advertisement.

The QRP system tries to get the price of an ad to best reflect its true value. Under the QRP system, newspapers don't sell space; they sell contacts. "We had to change our way of thinking because we have been selling space for 100 years," explains Poul Melbye, QRP Project Manager at Politiken. "We had to translate what we were selling to match what advertisers were interested in buying – that is, contacts with readers."

The QRP system creates a new currency based on readership figures and statistics. The number of points depends on reach, corrected by a quality index of insertion. "That

means QRP integrates quantifiable dimensions known to impact the effect of an insertion," Melbye explains. The dimensions are limited to those which are under a newspaper's control. The creativity or attention-grabbing quality of a particular ad isn't factored in, since it doesn't depend on the newspaper. However, the day the ad appears, its size, its colors, the page it appears on and its probability of reaching its target group, all determine the QRP price. These indices are given a rating of 100 if they are average, less than 100 if they are below average and over if they demonstrate higher-than-average qualities.

For example:

-Target group: Men 29-50	= 13.1% reach
-Size: Half tabloid, one color	= Index 72
-Page: Sports in first section	= Index 94
-Day: Saturday edition	= Index 115

How many QRPs?  $(13.1 \times 0.72 \times 0.94 \times 1.15)$   
= 10.2 QRPs

### QRP Being Tested as Danish Industry Standard

Now that Politiken has successfully tested the QRP system with the five largest media agencies in Denmark during 2000, 19 other Danish papers are ready to jump on board. The system has been presented to 40 advertisers and 10 agencies that are all willing to give the system a try.

"We are also about to launch the biggest page traffic survey ever conducted in Denmark," says Melbye. "Researchers are to hold a total of 20,000 interviews." The QRP system will base its pricing on the results of this detailed survey. It will show, among other things, which pages young men read, which pages mothers and how different target markets read their newspapers. QRP is

also moving beyond Denmark's borders. It was introduced in Norway at the Storbysavisene newspaper in March 2001.

### Lessons Learned from First QRP Test

Though the QRP test turned out to be a success at Politiken, there are some things the newspaper would have done differently. "First of all, we underestimated how difficult it would be to change traditional in-house procedures," Melbye says. "We didn't realize the impact QRP would have on many aspects of daily work and overlooked our technology needs." Politiken devoted a lot of energy and resources to implementing the technological aspect of the QRP system. The newspaper had to develop a new front-end system, which it had to integrate to the existing back-end systems.

The test at Politiken generated a lot of advertiser interest. Fortunately, there was a general acceptance that QRP doesn't lower prices, Melbye says. It just lets advertisers get more from their ad budget by placing the ads where their target market is more likely to see them, he adds. QRP doesn't necessarily generate new revenue for the newspaper, but protects existing revenue in a decli-

ning market.

"The agencies considered QRP to be the best improvement in the market in a long time," Melbye says. "Now print gets more attention from the agencies, including the ones that didn't participate in the Politiken test in 2000." However, agencies have said they would like to be better informed and more involved in the QRP system. Communication needs to be improved on that level, Melbye admits. "The involvement of agencies is extremely important to ensure future development of the system."

### QRP: An Advertiser's Point of View

The appearance of QRP has improved print's chances within media agencies. "Newspapers are not only low focus, they are constantly moving further and further from the center," says Einer Nicholaisen, Print Director at Initiative Universal Media. "QRP is changing that by making print more sexy to work with."

QRP has also allowed agencies to plan their print campaigns more rationally and to work more closely with their clients. "With the QRP system, advertisers aren't all



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## Managing Client Relations - A New Approach

fighting to be on page three," Nicolaisen says. "They are getting the idea that they can reach their goals more effectively if they target more precisely." However, the whole system tends to take more time and clients do not like to pay for the extra hours spent planning a campaign.

**M**anaging client relations is a key aspect of any newspaper business. With competition getting tougher everyday, what is the best way to get new accounts and keep them coming back? How can newspapers stay in the game in this time of new media and new information products?

Andrea Brockhaus, Strategic Sales Director at Publicitas Promotion Network Europe, says newspapers aren't keeping pace with the global customer's needs. "Our practice of selling no longer matches the customer's global approach and we need to change the way we do things in order to fulfil our customer's expectations," she argues.

### Four Critical Areas for Selling

There is no foolproof strategy to make a sales team

effective and successful at getting new customers on board, but there are four areas critical to selling in today's world. Newspapers, like any other business must establish good customer relations, practice effective selling skills, recognize and manage buying attitudes and build mutually beneficial business partnerships with their clients.

"To establish good customer relationships, sales people need to build partnerships," Brockhaus says. "We do this by caring about our customer and being honest and trustworthy." Successful salespeople know that effective selling starts with listening in order to understand their needs and goals and deliver solutions. The ability to recognize buying attitudes is also a key selling skill. "The best signal that the company wants to buy is that they agree to meet with you," Brockhaus says. Getting appointments with decision-makers can be difficult because they either have no interest, are confused by too many and contradictory presentations or simply lack time.

The ultimate goal in sales is to develop a mutually beneficial relationship in the long term. To do this, sales people have to become advisors and offer clients a full service package. It is better to think of the long-term relationship than try to land one-time lucrative contract.

Some basic rules of thumb sometimes fall by the wayside. Sales people shouldn't visit customers if they are coughing and sneezing. They shouldn't be late for meetings or drop their briefcases on the customers' desks or

conference tables. "Their hands, clothes, samples and car should also be clean," Brockhaus adds.

### **The Global Customer**

Publicitas Promotion Network is made up of 53 companies in 24 countries. They are in charge of advertising sales for 3000 newspapers and magazines. Publicitas' clients are multinational companies looking for multinational advertising solutions. Clients include Commerzbank, Hewlett Packard, Ericsson and NEC. "Right now they don't have a lot of choice if they want to advertise on a pan-European basis," Brockhaus says. "There is only CNN, CNBC, BBC, MTV or Eurosport, but they are seeking other pan-European outlets."

The advertising business is also changing the way it operates. Traditionally, publishers' sales representatives would visit the client and his agency to discuss the multinational budget. "Now the global client appoints an agency network for planning and buying," Brockhaus says. "This means the multinational budget is split into different segments and the decision-making process is spread over different agencies in different countries."

Germany's Henkel is a good example of this new attitude. Last year, the company announced it would create a central buying center for Europe. "They said they didn't want to negotiate prices and order volumes on a country-by-country basis," Brockhaus says. "They wanted to profit from their global buying strength and save time in doing so."

### **What Agencies Say About Planning Newspaper Campaigns**

Agencies aren't very satisfied with the level of customer service they receive when they buy space in newspapers.



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## Multiple Media under One Roof

They say the whole process is laborious and expensive, that publishers provide too little service and that papers neglect certain areas of their readership. Agencies would like them to simplify ad sizes, harmonize technical specifications for printing materials and make procedures identical in every newspaper.

### Publicitas' New Euro Business Package

The new pan-European business package goes under the name Euro Target Business, or ETB for short. "It is meant to be a global solution for the global customer," Brockhaus says. "ETB focuses on Europe as a unified market and creates additional value to the publishing partners."

The Tampa Tribune media group moved into uncharted territory recently when it merged its television, newspaper and Internet operations into the same building. The goal was to create one unit distributing news through several different mediums and to generate new advertising revenue through the sale of innovative multimedia solutions.

"Now we distribute news through NBC affiliate WFLA TV, the Tampa Tribune daily newspaper and Tampa Bay Online," explains Bruce Faulmann, Advertising Director for the Tampa Tribune. "We have also added a cable television station called Pax 66 and arranged a strategic partnership with business radio station WTBN."

### How It Works

Each of the media outlets selected for the project were leaders in their respective markets. The Tampa Tribune is the most read newspaper in the area, WFLA is the number one television station in the state of Florida, TBO.com is one of the most visited web sites and WTBN

radio reaches a unique market. "If you add that all together, you find that the newspaper, the television station and the web site reach a total of 2.1 million adults in an average week," Faulmann says. "This represents a 74 percent reach in the 10-county market area."

Now the newspaper news team collaborates with the television and Internet teams, and vice-versa. Information and skills are shared in this new environment. Reporters perform multiple tasks and have become multi-skilled in the process.

### Merging Sales Teams

Sales teams have also been merged. The 15 television ad sales representatives have joined the 75-person strong newspaper sales team. The company has also put together a four-member multimedia team to sell complete advertising solutions. "We wanted to create a customer-focused integrated marketing plan to sell advertising," Faulmann explains. "The people we recruited for this special unit are risk takers and have years of experience."

The multimedia sales team is made up of two newspaper people, one television salesperson and one online person. They have been handpicked among the company's top achievers. The four-member multimedia sales team investigates business categories and identifies prospects together. They assess advertising needs and determine the best solution as a team. However, one person is appointed to handle each individual client so that they may deal with only one person.

The Tampa Tribune's strategy is to target print advertisers who don't generally use television, television advertisers who don't use print and advertisers who use both but could spend more money in the Tampa area. "Now that we have gone multimedia, national advertisers are paying more attention to us," Faulmann notes. "The

change has created opportunities for new conversations with advertisers.”

The Newland Communities campaign is of the Tampa Tribune’s recent advertising successes. The housing developer was in the process of creating a 1,000-unit residential housing project near Tampa called Covington Park. “They were looking for buyers and were hoping to develop brand recognition of the community in the area,” Faulmann says .

Basing themselves on audience figures in their different media outlets, the Tampa Tribune proposed billboards and thirty-second spots on WFLA TV, spots on cable news channel PAX 66, and a string of ads in the Sunday real estate and in Saturday “Bay Life at Home” sections of the newspaper. The total campaign investment came to \$350,855.

The multimedia sales team doesn’t generally offer any discounts for multimedia, but they try to arrange other perks, such as a live shot from an advertiser’s location. “In the case of the Newland Communities campaign, we said the developers and builders could be interviewed as part of the local interest program aired daily on WFLA at noon,” Faulmann says .

### **Compensation for Salespeople and Results**



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## Integrated Print and Internet Sales

The Tampa Tribune still hasn't found the right solution for compensation. "At the beginning, we guaranteed them the money they were making before, including bonuses," Faulmann says. "We have started paying team members a percentage of the incremental new business, but the right compensation package is still under development."

The new multimedia operation has brought in an extra one million dollars in sales revenues in six months. But the experiment hasn't gone flawlessly. The Tampa Tribune has had to deal with the growing pains associated with merging very different sales pitch styles and rivalries between print and television. "Newspaper salespeople are very figures oriented; they come with charts and readership profiles," Faulmann says. "TV salespeople on the other hand, walk in with a note pad and talk about demographics without getting into specifics."

Though France's Télégramme may be a small regional newspaper, it is not known for being a follower. Quite the opposite. The Télégramme, which is published in Western France, was the first French daily to appear on the Internet in 1996. It now devotes nearly a quarter of its human resources to Internet-related activities.

### About The Télégramme

The Télégramme enjoys a circulation of 200,000 copies a day and a readership that is three times higher. The company's sales reached 92 million euros last year and continue to rise on a yearly basis. The Télégramme benefits from a very good penetration rate in the Brittany region. "Our site, which was the first daily newspaper site in France, now gets three million page views a month," says Jean-Yves Chalm, the Télégramme's deputy director. "Of our 1000 employees, 230 devote themselves exclusively to Internet activities." Most of them work offsite, in a web agency.

### Internet Advertising

The Télégramme has decided to integrate the sales unit of its Internet and paper editions. This is partly because advertisers prefer to deal with one sales representative, but also in order to encourage advertisers who might not have considered to place their ads online to do so. The

Télégramme also allows advertisers to bring readers directly to their site .

One recent campaign illustrates how this can work. French utility Générale des Eaux wanted to advertise on the Internet. The Vivendi unit has developed a fairly complex web site that allows users to check their water consumption online and gives all sorts of other practical information. The company wanted to get some traffic on the site and went to see the Télégramme with that in mind. Following a meeting with the Télégramme sales team, Generale des Eaux chose instead to spend two thirds of the budget on paper and the remaining third on the Internet. "We were able to show the client that it was important to reach readers who use the Internet, but are in the habit of reading only the paper edition," Chalm explains.

The ads appeared in strategic parts of the paper, including the front page, the home section, next to gardening tips or beside information on the night sky and the stars. "The Generale des Eaux campaign generated three or four more clicks per person than average," Chalm says. "In the end, the client was very satisfied and signed up for a new campaign in 2001."

#### **Job Ads and Classifieds**

The Télégramme has taken a stake in an Internet start up called "Ouest Job." The site brings together job ads from the western part of France and has become very successful in a relatively short time. It posted 1000 job openings during the month of January 2001, generating 100,000 page views. Advertisers pay 2,025 euros to



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## What Advertisers Want

advertise for a month. “Quest Job now has a paper edition because employers found that job seekers in certain job categories do not surf the Internet for employment,” Chalm says. “This was the case when one of the clients were looking to fill blue collar positions; the employer had to put an ad in the paper edition because he didn’t find any candidates online.”

For other classifieds, the Télégramme has joined other French regional newspapers in a common project, run by France PA Presse. The central ad site is accessed through links from the individual papers. It features around 65,000 ads and has become a key element in the French classified market. The central site generates 18 million page impressions a month.

### Results

The Télégramme’s online edition reported total sales of 200,000 euros in 2000, but it has yet to produce a profit. However, the newspaper is confident this will come, since most of the ads placed online are Internet-only ads. “We at the Télégramme want to be the click and paper like others are the bricks and mortar,” Chalm concludes.

“Now that the world has moved into the era of the digital platform, the information highway and the merging of distribution, sales and communication channels, the traditional media is confronted with a major challenge,” says Anthony Gortzis, the President of the World Federation of Advertisers. “Advertisers have to satisfy the needs of a new generation of consumers and the impact of each

medium is being reevaluated in relation to this.” It’s up to the newspaper industry to prove that it has kept up with the times and that it remains relevant.

### The World According to Advertisers

Newspapers remain a versatile medium. It is easily portable, can be consumed in small, digestible quantities and contains news that last more than a day or an hour. “Unfortunately, like many other traditional products, newspaper are reluctant to change because of their ingrained belief that they are the superior, more serious, and trustworthy medium,” Gortzis argues. “Radio and television have stolen their promptness, ensuring that newspapers become stale even before they’re tossed on the trucks.”

The outcome of all this is that newspapers face audience fragmentation and declining readership, especially among the young generation. They are no longer the primary source of news or entertainment.

But the explosion of new media hasn’t eliminated the key role played by traditional print media. Quite the opposite. “Because, the more complicated the gadgets become, the more we need what newspapers have always been – gatekeepers and wellheads, discussion leaders on politics and public questions, distributors of horoscopes, sports listings and comics,” Gortzis says.

### Possible Solutions to Declining Readership

According to Gortzis, newspapers should reduce their cover price in order to increase circulation. “That way,

readers get their favorite newspaper at a lower price and advertisers can sell more in light of the ensuing jump in circulation.

The solution is not to create all sorts of giveaways or other gimmicks to get more people reading the paper. These encourage people to buy the product for the gimmick, not for the content. They also create a false impression of what things cost within the populace," Gortzis says.

Another other solution is to raise cover prices significantly, while improving the quality of the product so that the newspaper becomes the local agenda setter. "An advertiser would be happy to purchase quality readership for his quality product," Gortzis says.

Newspapers should pay particular interest to female readership. Generally speaking, women tend to read newspapers less than men do. "This gap isn't surprising, given the fact that newspapers devote twice as much space to topics of special interest to men than women," Gortzis says. Working women are a prime segment for advertisers and newspapers could be an excellent medium for reaching them.

Advertisers are keen to see more efficiency, less waste circulation and more newspaper specialization. "A newspaper is a product sold twice - to the advertiser and to the reader," Gortzis explains. "This means the medium has to live up to both the readers' expectations and the advertisers'."





## New Product Ideas

Finally, advertisers would like the newspaper industry to use valid research figures and ensure that numbers are audited by the Audit Bureau of Circulation (ABC) and the Joint Industry Committees (JIC).

### Conclusion

Modern societies need fair minded fact gatherers and opinion makers to help people sort through the political, social and cultural issues they face. The press remains a child of freedom. The explosion of titles that inevitably follows the end of a dictatorship proves this.

But newspapers must not become complacent. They should continue to work on attracting new readers, while maintaining their present audience. Young adults represent a prime market for newspapers. Unfortunately, when young adults read, they tend to prefer magazines. Newspapers must demonstrate more relevance to their lives. "Reader interest in "news as entertainment" is falling, while interest in "news you can use" is rising," Gortzis argues.

"Increasing readership is a win-win situation for everyone involved," Gortzis says. "It becomes a virtuous circle: newspapers benefit when advertisers are more successful with their print campaigns." In the end, a newspaper's success depends on successful advertising and vice-versa.

The Daily Telegraph has been one of Britain's most successful dailies for many years. It enjoys a circulation of over a million readers, 81 percent of whom don't read any other quality dailies. However, it used to be known as a publication catering to an older demographic. "We used to have the death notices on the back pages when I started at the company ten years ago," Nicholas Edgley, the Telegraph's International Advertising Manager recalls. "I remember looking at

those pages and realizing just how many readers we were losing every day."

The Telegraph didn't want to wait for a crisis to rear its head before taking decisive action. Over the course of the last year, it has introduced subtle changes to the newspaper in order to bring in a younger readership. It has given the product a crisper and fresher feel, has multiplied its branding efforts and has made a string of cosmetic changes to help the reader navigate through the product.

### Changes Made

The paper began by updating the masthead and bringing in a new layout for the rest of the Telegraph. Each section was given its own identifying masthead and a thorough index was put on page two to help readers navigate through the paper.

The entire finance section was also revamped. "Your Money" replaced "Money-go-round" and "Money" replaced "Family Finance." "We made the name changes to make them more relevant to readers," Edgley says. "Our focus group research revealed many people were unsure of the personal relevance of the sections under the old names." These small cosmetic changes brought the Telegraph trade press coverage, and thus free advertising.

The Telegraph also reworked its key weekend supplement, Telegraph Magazine. The supplement boasts a readership of 2.4 million on 1.2 million copies sold. The magazine was successful enough, but the Telegraph thought it would be even better if there were younger readers and a more female audience. It started by expanding its editorial content related to fashion. Telegraph Magazine even created its first ever 48-page glossy fashion supplement in September 2000, with others coming in March and

September 2001. "We heavily promoted the restructuring of the magazine through offline and online advertising," Edgley says. "We even sponsored the Elle Style Awards and ran a "More for Me" promotion to generate awareness about the changes."

While making modifications to the format, the Telegraph is careful to poll readers repeatedly to see if the changes match their expectations. The paper set up a monthly panel of 1,500 readers. Each month they are asked how satisfied they are with the changes, what they think of promotions and how they perceive advertisers. Telegraph vouchers mailed with the questionnaires ensure a 90 percent response rate.

#### **New Product Development**

In May 2000, the Telegraph re-launched the "Connected" section as a 12-page broadsheet called dotcom.telegraph. The supplement, which has since become an essential part of the Thursday package, focuses on business and consumer issues surrounding the Internet and e-commerce. "We launched the dotcom.telegraph because we noticed that we had a lot of job ads, but not many dotcom or IT jobs ads," Edgley recalls. The Daily Telegraph has now become the market's leading newspaper for dotcom advertising, taking in more than £13.6





## Creative Newspaper Advertising in Crisis

million in 2000.

The Telegraph has also created Hollinger Telegraph New Media, a wholly owned subsidiary of the Telegraph Group, which aims to expand Hollinger's new media ventures. Hollinger's digital projects include the Electronic Telegraph, ukmax.com, handbag.com as well as corporate ventures such as buyitback.net and sharepeople.com. "The Electronic Telegraph is in the process of being renamed in a site that will bring together all the company's sites," Edgley says. The central site is to include separate sports, travel, money, motoring, property and jobs sites. "We're not making huge money with the online businesses and we won't for a few years, but we are developing revenue streams that we expect will become more and more important in the future."

### Commercial Developments

The Telegraph has also started to appreciate the power of its brand and is putting it to work. "A commercial department was created to work more closely with clients to meet specific marketing objectives by leveraging the brand," Edgley says. One of the most original ad campaigns of 2000, the one for the Chrysler PT Cruiser, did just that. Four winning readers from different socio-economic backgrounds were given free use of the PT Cruiser for three months. "They were continually interviewed and photographed during the three months to monitor their opinion of the vehicle," Edgley explains. "Their thoughts were then reported in the newspaper, no matter how good or bad." This original campaign became very successful, reaching 5.7 million readers and generating over 5000 genuine sales leads for the client.

Newspaper people in Holland have noticed a disturbing trend. It seems the brightest and most creative advertising people tend to go into radio or television rather than print. "To many of these

younger ones, creating a newspaper campaign strikes them as less sexy than a television campaign," says Burt Niewold, Director of newspaper consulting group Cebuco.

They've grown up in an audio-visual environment and don't necessarily think of print as a challenging and creative career choice, he adds. Many factors work to reinforce this. Advertising prizes tend to focus on television ads instead of the entire range of advertising genres. Cebuco has decided to take steps to change this state of affairs by organizing a sequence of workshops aimed at putting print back on the radar screens of young ad designers.

### What is Cebuco

Cebuco is an independent consulting group with an annual budget of three million euros. The group's 14 staffers provide marketing, research and development services to the Dutch newspaper industry. "Cebuco's objective is to continuously inform newspaper publishers about their positioning in the ad market to help them better compete for advertising with other media," Niewold says.

### The Workshops

The workshops, which have been held twice a year since 1993, bring together young creative people from around Holland. The workshops are held at newspapers and involve a different advertiser and agency each time.



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## New Advertising Sales Ideas

Famous agency art directors are invited to act as tutors for the young designers participating in the workshop. An ad contest is held at the end of the workshop and a winner declared.

"We've found that participants are eager to take part in these workshops," Niewold says. "It allows young people to be directly confronted with newspaper advertising in a positive light." The workshops have received a lot of coverage in the trade press and are always full. Since they are held at newspapers, participants get a tour of the newsroom and can witness the buzz and activity within it. "We've found these workshops are a good way to get creative people interested in newspapers," Niewold says.

### Going Abroad?

The crisis in newspaper advertising isn't limited to Holland. "All over Europe, people are saying newspaper ads are boring," Niewold argues. "We need to promote newspaper ads and organizing a European Newspaper Award is a good way to do this." It would help position newspapers on an international level and would give impetus to the creativity and resources devoted to the medium.

Cebuco is to host the first such contest in September 2001. The meeting will be held in Amsterdam and newspaper ad people from Denmark, Belgium, Germany, Sweden and Norway have already agreed to participate. Representatives from France and Britain are also considering attending. This award could become a yearly event hosted by a different country every time. It could feature an international jury and bring together teams from all over Europe. "We could also get a big international advertiser and agency to sponsor it," Niewold says.

Ideas are a dime a dozen, but new ideas and ideas that work are worth their weight in gold. "A good idea will never lose you a sale," says David Hoath, National Development Manager of the UK's Newspaper Society. "In many cases, a good idea will make you a sale."

The Newspaper Society represents 1289 newspapers and 99 publishers in the United Kingdom. The group has collected the six best newspaper ideas tested in Britain. That is, real life cases of ideas that have worked well for newspapers, for their advertisers and for their readers.

### The Wee Red Book

Glasgow, Scotland is known as football-mad town. Football creates enormous public interest and the people of the city crave news, statistics and facts related to their favorite game. That's why the Glasgow Evening Times decided to put out The Wee Red Book, a football encyclopedia. "It contains lists of cup winners, games to remember and fixture lists," Hoath says. "The book is compiled by journalists throughout the year, but the Evening News outsources the printing."

The book is 260 pages long and sells for £2. Around 50,000 copies are sold at newsagents, pubs and games every year, reaching one third of adults in West Scotland. The book is 20 percent advertising, much of which is for sports merchandisers, businesses that don't normally advertise in the paper. Tennents, a popular beer brand, sponsors the publication and sometimes sells the book attached to its six-packs of beer. "This is an example of a simple, but very successful way of extending an existing newspaper brand," Hoath says. "It's also a concept that can easily be adapted to other sports."

### Absolute Leeds

The Yorkshire Post had few opportunities to attract

national brand advertising, but a new product has completely changed that. Absolute Leeds, a weekly supplement aimed at 18 to 35-year-olds, has brought in both readers and national advertisers. "Leeds has experienced a massive transformation in recent years," Hoath says. "Thanks to canal redevelopment, the regeneration of industrial land and the influx of trendy loft apartments, the city has developed a new cosmopolitan atmosphere." But the city still lacked a comprehensive and stylish guide to entertainment, fashion and lifestyle. Absolute Leeds was created to respond to the gap in the market.

The Yorkshire Post conducted extensive market research to make sure the new product was perfectly targeted. The paper tried to be at the cutting edge in its promotion of the new publication, with a trendy radio campaign, models distributing leaflets out of a vintage American car and a swank launch party. The magazine is created by the newspaper's journalists, with only two ad executives devoted exclusively to the supplement.

The magazine has been given away and sold, with the number of paid copies rising. It has also brought in £109,000 in new revenues and has become important to international brands, such as Hugo Boss and Breitling, and to local trendy clubs and retailers, who don't advertise in the newspaper. "The magazine has had a great first year, and is looking into getting sponsors for selected sections in 2001," Hoath says. "The success of Absolute Leeds suggests the formula can also be tried in other cities."

### **Herald Recruitment**

Job ads are an important source of revenue for any paper. Glasgow's Herald newspaper found it just wasn't getting the amount of job ads it thought it deserved. So the Herald launched an extensive survey of 500 adults in Western Scotland to see if people were willing to relocate. Around half of them said they would consider moving

to other areas of Scotland, 32 percent to England or Wales and 48 percent to continental Europe. "The newspaper mailed the results of the survey to 200 recruitment agencies and gave presentations in London, Manchester and Scotland in person," Hoath says.

Agencies listened and started placing ads for jobs in London and other areas of Great Britain. The results confirmed the research. Forty-three Scotland-based applicants responded to an ad to recruit sales executives, account managers and graduate trainees for work in London. "In the end, the Herald ended up collecting ten times the job ad revenue it had spent on better research," Hoath says.

### **Telephone Code Change**

When the British telephone market renumbered several years ago, five cities had their codes completely changed. British Telecom wanted to find a way to communicate the changes to all residents. With the help of media outlets, the telephone company gave away daily cash prizes of £1,000 to listeners and readers of local media who could find original ways to explain the new codes to their peers and neighbors. There was also a weekly prize and a grand prize of £10,000 for the most original and outstanding idea. "The contest was fuelled by full-page





## Workshop Reports

ads in local newspapers and on-air promotions on local radio stations," Hoath says. "The response was overwhelming; following the campaign, 90 percent of people knew about the number change."

### Hands on a Hard Body

"This promotion comes from Australia, but has been used at least three times in the United Kingdom with staggering results," Hoath says. A new vehicle dealership hoping to increase its foot traffic will organize a contest with a newspaper. They will offer respondents a chance to win a vehicle if they manage to keep their hand on it the longest. "The last time this campaign was run in Britain, it took three days for the last person to take their hands off," Hoath recalls. The contest always generates enormous public interest, brings foot traffic to the dealership and inevitably creates a lot of publicity for the newspaper and the dealership.

### "Crack the Safe"

If newspaper sales representatives meet a property developer

keen to get people to see the company's new construction, salespeople should suggest a "crack the safe" contest. The newspaper should sell the property developer the largest campaign possible, Hoath explains. Then the paper should organize a contest inviting readers to try to crack a safe located inside one of the model housing units for a chance to win £1,000,000 cash prize.

The newspaper that tried this campaign rented a safe with an electronic keypad with 99,000,000 combinations and placed it so that visitors had to visit the home fully before finding it. The safe rental cost them £500 and the insurance against someone cracking the safe was £1,000. The campaign brought over 2,300 visitors to the development and all new homes were sold the weekend of the promotion. "In addition," Hoath says, "the campaign provided publicity for both the newspaper and the advertiser, who has since become the biggest spender in the category."

**H**ow should newspapers go about recruiting and retaining sales staff? What should the skills of the sales staff be, and how can they be developed? What about relationships with media agencies and advertisers; how should they be approached? Are the current client relationships the right ones? What kind of research will help a newspaper position itself? How should a newspaper organize multiple media sales? Can effect-based pricing be a useful solution?

Participants noted that client relations differ from country to country. The human relationship remains essential in Southern France, but some tools can help improve it. One newspaper has been using a client relationship-management software package since September 2001. It reminds salespeople of important dates for the advertiser.

