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Graeme Peters

NEWSPAPER MARKETING

NEWSPAPER MARKETING:
A Cinderella shakes up a struggling industry

By Graeme Peters
David Low Fellow,
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1. Abstract.

This paper is about the rising importance of marketing in the production, design and editorial content of British newspapers. It will attempt to show how professional marketers, such as researchers, promotions experts and brand managers, have caused a sea change in the traditional style of newspaper management over the past 10 years.

2. Introduction.

British newspaper circulations have been falling since the 1950s, forcing the weaker papers out of business and leaving others with sharply reduced influence and earning power. Although this decline was a source of worry for publishers, the newspaper industry remained profitable, cushioning the largest media empires from the need to usher in change. By the 1970s, however, it became obvious the phenomenon of falling readership was more than a temporary blip in a 400 year history of newspaper production.

Unless something changed, the decline was here to stay. New technologies and changing social conditions were to blame. As an increasingly "aliterate" world turned away from reading and instead tuned into television and turned on video games, newspaper circulations were the biggest casualty.

Kicked by a series of closures and retrenchments, proprietors began to invest heavily in new techniques in a bid to compete against other media and, just as importantly, against each other. Instead of sitting back and raking in profits, proprietors began to realise their survival was threatened; not today or tomorrow, but perhaps in the next 10 to 20 years.

So newspapers began to haul themselves into the modern era, buying expensive mainframe computer systems and casting an eye over new management techniques tried and tested in the United States and Japan. Newspapers, it was discovered, were products that competed for attention. In marketing speak, newspapers fighting for market share alongside television and radio, were no different to McDonald's competing to sell more french fries than Burger King, or Sainsburys luring more shoppers than Safeway or Tescoes.

Such comparisons enraged journalists, who insisted that newspapers were not "products". However, chief executives schooled in the latest marketing techniques had the final say over what advice and direction the paper should take. Newspapers were also pushed into adopting marketing techniques by the aggressive tactics of television companies chasing advertising revenue.

From small beginnings, marketing has grown enormously in influence. It now cuts daily into the design and content of newspapers, and is looked upon as vital to add value and brand awareness to the paper through competitions and promotions. Large newspaper groups have refined marketing into many tiers, with a central office which handles group affairs, and smaller, specialist in-house staff who perform research and other tasks within each newspaper.

Marketing, however, is not warmly welcomed by all newspaper staff. Some see it as an expensive distraction from the real business of producing a newspaper. For every £100,000 spent on market research and promotions, an equal sum is taken away from profits or, as journalists are likely to say, from editorial budgets already squeezed by falling readership.

In this paper, I have homed in on the marketing of Britain's regional evening newspapers, although I do mention other types of papers, especially on the subject of research. Why have I focused on regional evenings and not the nationals? Because regional papers are similar in circulation and nature to New Zealand newspapers. Why not the mornings? Firstly, circulation falls are far greater among evening papers than mornings. This is perhaps not surprising. Evening papers must compete with television. Because of this, evening papers must do more to adapt to their changing environment, and are therefore more likely to be responsive to marketing techniques. Secondly, regional British newspapers are still dominated by evening papers. For every one morning paper sold in the regions, four evening papers are sold.

In the course of my research I carried out 19 interviews with editors, deputy editors, and a variety of marketing managers with various job titles. I also used the resources of the Bodleian Library, Oxford, and the Newspaper Society, London.

3. The changing environment.

According to the Newspaper Society[1], the circulation of regional evening papers fell 23 percent between 1978 and 1992, from 6.1 million copies a day to 4.6 million

copies. Circulation fell at an average 3.2% per year between 1978 and 1982, and 1.2% between 1983 and 1990. After 1990, circulation falls accelerated well above 1.2 percent due to recession cutting into household spending. Research by the Henley Centre expects the downward trend to continue, with the market shrinking to around 4.3 million copies a day by next year.

The largest circulation falls have been among the biggest newspapers. For example, during the 1980s evening newspapers with circulations over 200,000 saw their circulation fall an average 28.8 percent. Meanwhile the smallest papers, those selling under 50,000 copies, only lost 8.9 percent of their circulation.

Reasons for the decline are linked mainly to changing social conditions. The Newspaper Society and the Henley Centre have studied people's motivations for abandoning newspapers. Some of the more far-reaching reasons include: 1. Fragmentation of the media market, meaning mass markets are giving way to niche markets. 2. The boom in television and personal computer based electronic technology. 3. "Aliteracy", or a trend, especially among young people, away from reading towards more visually stimulating media, and 4. People say they do not have enough time to read. A fifth reason revealed from interviews at regional newspapers is a perceived failure at capturing new, younger readers, especially in the 25 to 40 age group. As such, many editors are very aware that their hard-core readership is dying off, but yet are not being replaced in sufficient numbers by a new group of dedicated readers.

4. What is marketing?

According to a textbook for marketing students, Marketing for BTEC[2], marketing is about "organising a company to meet the needs of customers, not just today or tomorrow but also in five or 10 years. It is about supplying customers with well defined, good quality, reliable products at a reasonable price. It is about providing good service. Marketing is about making the company outward looking or consumer oriented. To do this you have to put yourself in customer's minds." A one word definition is "serving".

Marketing expertise was used first by American advertising agencies between the two world wars. They developed the sample survey, which helped relate people's tastes and spending power to marketing in manufacturing and service industries. Since that time marketing has blossomed into a profession and a field of academic study. Its

importance grew enormously in the 1960s and 1970s, especially among "model" companies such as McDonald's and Toyota. It was found that companies could use research to refine a product to appeal to the widest possible market, or alternatively limit its appeal to a niche market. Marketing was used also to help introduce new products, such as dish washing liquids or perfumes. If a corporation was investing millions of dollars in a new product launch, it was usually left to researchers to test if the public would like it or not. This reduced the "gamble" so often taken by senior managers when launching a new product or redesigning an existing one.

By the early 1980s marketing had established itself as a key part in industry and the service sector, but it remained the Cinderella department in newspaper offices. Of the newspapers that invested in marketing, it was used solely for helping advertising sales staff sell more advertisements.

This attitude has changed, and newspaper marketing can now be split into two main areas: market research, and promotional activity. In the next chapter I will explore market research, and how it is used to identify niche markets, refine the product and help launch new products.

5. Market Research

5.1 Targeting and niche marketing.

As mentioned above, during the 1980s marketing began to take on more importance in helping newspapers lure display advertisers. By conducting hundreds or even thousands of telephone or face-to-face interviews, researchers could work out the demographic profile of readers in the newspaper's circulation area. They used this information to prove to advertisers the paper was "reaching" the right people. After the research was collated, readers were divided into six broad groupings. This is known as the National Readership Survey[3]:

A - Upper middle class (3 percent): higher managerial, administrative or professional, (such as doctors and lawyers).

B - Middle class (15 percent): intermediate managerial, administrative or professional, (teachers and nurses).

C1 - Lower middle class (24.7 percent): supervisory or clerical, and junior managerial, administrative or professional (junior office workers).

C2 - Skilled working class (27.1 percent): skilled manual workers (tradesmen).

D - Working class (17.3 percent): semi- and unskilled manual workers.

E - Those at the lowest levels of subsistence (12.9 percent): state pensioners or widows (no other earner), casual or lowest grade worker, the unemployed.

This style of research, dividing people into classes, is now looked upon with a degree of suspicion. Many people who may fit into a C1 or C2 category may have the reading and spending habits of an AB reader. Despite these variations, demographic research is still used widely to help ad reps grab the advertiser and editors keep in touch with their readers.

Aside from splitting people into job types, sampling could also reveal the age, sex, marital status and number of children among newspaper readers. This helped prop up advertising revenue in a rapidly expanding and more competitive media market. Research also involves quizzing people on all facets of the newspaper: What is their motivation for buying it? which parts do they read first? is there too much or not enough sports coverage? would you like a fashion section? etc.

How is the research carried out? For large amounts of research (once every two years is typical), it is usually performed by specialist market research companies. For less wide-reaching and detailed research, it is often done by in-house marketing staff. Research is an expensive and time-consuming business, involving a great number of telephone or face-to-face interviews with a newspaper's hard-core readers, casual readers, and non-readers.

Advertisers like market research because they know which newspapers are the best places to advertise. Logically, newspapers with the greatest number of AB readers can charge the highest advertising rates. AB readers have higher personal incomes and are therefore prime targets for advertisers of higher quality goods and services such as overseas holidays, luxury cars, and designer clothes. At the other extreme, companies advertising Butlins-style holidays or short term loans are unlikely to advertise in a high-brow newspaper. Similarly, if the paper has a high proportion of female readers, advertisers of women's fashion would feel confident they were reaching the right people with their print advertising campaign.

5.2 How does market research affect newspapers?

Armed with a National Readership Survey, any editor or advertiser should have a good idea who their readers are. For example, through sampling research the

Yorkshire Post (a morning broad sheet) knows that 31% of its readers are in the AB social category, 32% are C1, 24% are C2, and 14% are DE.

This readership is substantially more upmarket than the corresponding social profile for the Yorkshire and Humberside population[4]. The people living in this area are 14% AB, 24% C1, 30% C2, and 32% DE. Therefore while 63% of Yorkshire Post readers are ABC1, these people represent only 38% of the population. Advertisers can see that the Yorkshire Post has an educated and well-paid readership, and is therefore a good place to advertise their products. Similarly, editors can see that their existing readership is predominately upmarket, a factor they may be happy or unhappy with, and should therefore include stories more likely to be read and enjoyed by these people.

At the Yorkshire Post this is indeed the case. It carries more "upmarket" stories, such as business and political news, than many other regional papers. Contrast this with the Hull Daily Mail, an evening tabloid, where the largest group of readers is the low paid or non-wage earners. Its profile is 14% AB, 23% C1, 29% C2, 34% DE. This almost exactly mirrors the population profile of the North Humberside region[5], and the Hull Daily Mail is therefore a "popular" paper. Its stories are shorter and about issues its mainly lower paid and lesser educated readers are interested in.

5.3 The growth in market research.

In the past, editors had little faith in marketing methods, as explained in Modern Newspaper Practice[6]: "Given the accepted slot or market within which a newspaper sells, editors' tendency has been to rely on a combination of 'gut instinct' and a study of telephone and letter reaction to given items, or sales figures in response to editorial promotions."

But changes in styles of ownership have flowed down to editors. "The old incubus of proprietorial whim has been replaced by the commercial pressures of more aggressive marketing in sales and advertising and by managements who expect all their subsidiary companies, including the newspapers, to make a profit. Financial and marketing directors have taken the place in the counsels of chairman once occupied by editors."

Every newspaper I visited had employed more marketing expertise over the past 10 years. The case of the Newcastle Evening Chronicle was typical. In 1987, the

marketing department comprised three people whose one aim was to provide information to ad reps, advertisers and ad agencies. Today it employs six people but approval has been given to boost it to 12 before the end of the year. The Bradford Telegraph and Argus recently expanded its marketing team by appointing a brand manager, a first in regional newspapers. This person is dedicated to marketing the newspaper as a branded product by organising promotions and publicity.

At another evening paper, the role of the newspaper sales and marketing department has changed enormously over the past five years. It was previously looked upon as the "Cinderella" department, According to the marketing manager: "Managers had a philosophy that in the main newspapers would sell themselves. There were small things we could do to influence that, but over the past five years that has changed enormously, mainly because of the realisation that newspaper sales are not going to recover on their own."

That sort of view is backed up comments such as this one from a marketing manager: "Traditionally, [people in] editorial were cynical. They knew their readers. They were adamant that they knew who their readers were, and if I went up to them and said 'actually, your readers are younger or older or whatever', they would just laugh. That has changed - the attitude has changed."

5.4 What is market research saying?

There is no one answer here. It depends very much on the newspaper, its existing readership, whether it wants to go upmarket or downmarket, whether it is profitable, and so on.

One of the areas where there is agreement, however, and which is borne out by market research at regional evening newspapers all over Britain, is that the prime reason people read them is for local news. While jobs advertising, television, entertainment listings, national and international news are all up there, local news is the consistent winner in the reader stakes.

This is perhaps not surprising. Many journalists could tell you the same thing. But it proves a market exists for regional newspapers, and shows where they should home in to exploit their strength. More detailed research has shown, however, that this is not enough. The large geographic areas covered by many evening newspapers result in

people reading relatively insignificant news about communities 50 miles away from their own. They are now demanding that their news be more and more focused on the community in their immediate area.

This key finding is backed up by the marked disparity between circulation falls at large newspapers, and those at small newspapers. As mentioned previously, large newspapers (those with circulations over 200,000) are losing readers at three times the rate of small papers (those under 50,000 copies)[1] .

Considering that large newspapers often have access to greater resources, this is perhaps surprising. Large circulation newspapers have more journalists digging out more stories, make more use of graphic design, and usually contain more colour. Small newspapers, employing fewer staff and publishing less colour, are often vastly inferior editorial products.

So why are large regional newspapers in a deeper slump? The widely held view is they are victims of fragmentation of the media market. This means people are becoming more fussy about what they buy. They are insisting their newspaper is tailored to their particular demographic profile and lifestyle. This phenomenon is a natural extension of what has happened to the British national press, with the market fracturing into three groupings, the popular and middle-market tabloids, and the so-called heavyweights.

Unlike the national press, the regional press did not split into upmarket and downmarket newspapers, so for decades the regional papers have tried to satisfy a wide group of readers. The same edition that went to the posh areas of a city also was delivered in the poor parts. White and black, young or old, male or female, all read the same paper. Indeed the only thing readers had in common was that they lived in a single, although large, geographical area. To borrow the words of Lincoln, regional newspapers were committing the fatal error of trying to please "all of the people all of the time".

As people demanded more and more choice from their newspapers and magazines, readers abandoned regional newspapers. They found that regionals could not give them what they wanted. If they liked business and international news, they bought the Financial Times. If they wanted a popular tabloid, they bought The Sun. Many women switched to the Daily Mail. Many others stopped reading regional newspapers altogether.

Research at a national and local level has explored the problem. It has shown time and time again what it is: local newspapers are too broadly based to satisfy all the different ages, job types, races and interest groups in a geographic area. Even the regionals' greatest weapon - local news - has come under attack from the proliferation of free newspapers since the 1970s. These homed in on small areas and delivered the parish pump news previously the domain of regional papers. Their success with advertisers who could target smaller areas pushed them along. The circulation of free weeklies jumped from 15.3 million in 1981 to 37.2 million in 1991[1] .

The reason small newspapers suffered least was linked to their smaller geographic area. A paper covering a smaller area could target its audience more easily. For example, the large Glasgow Evening Times sells newspapers to a population of 700,000. Its circulation has fallen from 250,000 in 1974 to around 150,000 today. At the other extreme is the Craven Herald and Pioneer, a conservative weekly and one of the last remaining papers to carry only advertisements on its front page. Its circulation was falling until 1988, but it has picked up and is now poised to break through the 20,000 mark.

As one editor of a large city newspaper put it: "The problem with metropolitan papers is we're trying to be all things to all people. We've got a town to the north which is a quaint town full of blue rinsed old ladies who play bridge. In the south we have a mining area which is full of bingo beer swillers who race whippets. Trying to please all those people all the time is very difficult. That's why the smaller papers have survived. The small town paper which can focus on its community in a very direct, intense way has survived better than the big papers in Leeds, Manchester, and Birmingham. They have had to cope with a diverse demographic and geographic area."

Regional papers have identified two ways of fighting the fragmentation of their market: geographic editionising, and newspapers tailored to an individual demographic group.

Geographic editionising is not new. The nationals have editionised their television pages for years. What is new is the huge growth in geographic editionising over the past five years. The Nottingham Evening Post is perhaps the best example of a paper homing in on geographic editionising to climb out of its circulation hole. Its circulation was 115,000 last year, compared with 141,000 in 1979. The Evening Post is currently preparing 6 geographic editions, but its editor wants to increase that to 17.

In effect, this would mean 17 micro-editions within six geographic editions. He plans to train 17 school-leavers in the basics of journalism, give them a bicycle, camera, and lap-top computer and, working from home, ask them to file two broad sheet pages of material a day.

The areas are within greater Nottingham, some are posh, others are deprived council estates. The editor, Barrie Williams, says the reason behind the micro-editions is to try to give readers a product which identifies strongly with the community. "It's a question of identifying your unique strength and doing something that nobody else can," he said.

Other examples include The News in Portsmouth. Until two years ago it published four geographic editions a day. Now it does six. It can change up to 15 pages between editions and may change up to 55 pages over a production day. In Leeds, the Yorkshire Evening Post runs seven geographic editions, but under a United Newspapers group initiative called the Reader Project, the paper is looking at adding another two.

The other weapon in newspaper arsenals is niche market editionising. This is still at an early stage of development, as it requires more investment in technology and, ideally, a database of all readers and non-readers in a circulation area. Niche editions are aimed at marketing the newspaper to a particular group. Again, a good example of niche editionising in its nascent form is at the Nottingham Evening Post. Once a week it publishes the university union student newspaper. The eight page paper, called Platform, is written and laid out by students and inserted inside a standard edition of the Evening Post for sale around the university campus. Some 3000 student editions are published each Monday, boosting circulation and introducing the paper to many students who otherwise may not have bothered to buy the local paper.

This type of editionising opens up a goldmine of possibilities, as it lends itself to more editionising. At present students are buying the same Evening Post as many other readers around the city, but given suitable resources and technology, there is no reason why more changes could not be made. Hypothetically, this may involve removing the front page article about a new pensions watchdog, and replacing it with a story on a drugs bust at a popular student hangout, or a proposed police clampdown on "raves".

The Evening Post is also producing an edition targeted at the partially sighted. Once a week a large-print tabloid summary of the week's biggest stories is inserted inside a standard edition.

An example of the potential for niche editionising is in Bradford, where 18% of the population is Asian. The Bradford Telegraph and Argus is exploring the idea of launching an own-brand English language paper for the Asian community, many of whom are Pakistani living in or near the central city. Obviously, the paper would carry more pictures and stories of Asian residents and their activities, but still include many other stories of wider interest.

Other newspapers are keen to move down this route, but fell hamstrung by the cost and the amount of resources needed to micro-edition. Micro-editionising is very labour intensive, requiring sub-editors to make and remake the paper many times over. New printing plates are required for each page change, presses are halted and distribution costs may also be higher. Micro-editionising also requires more reporters, many of whom may be located outside the paper's headquarters. Each reporter requires a desk, computer, phone and fax in new offices sprinkled around the circulation area.

Yorkshire Evening Post editor Chris Bye summarised the problem: "The difficulty is that as sales decline you have to cut costs. So on the one hand you know that you have to set up new offices in new areas, and on the other hand you have less money to do it."

Although some in the industry feel far too much is made of targeted editions, they are outnumbered by the sheer weight of evidence showing it is where the future lies. In the United States, where circulations are also in decline, newspapers are being urged to embrace niche marketing.

According to Ken Berents[7], managing director of First Securities Inc, Richmond, Virginia, publishers should be looking at investing in the technology that would deliver a newspaper tailored to the individual subscriber's psychographics or personal interests. Speaking at the 1993 International Newspaper Marketing Association's 63rd annual conference in Toronto, he said it may include the possibility of feeding newspapers by phone line or satellite into the home, slashing distribution costs, an expensive and time-consuming part of old-style newspaper publishing. With this type of technology, each individual subscriber could "build" their own newspaper. It would

be a paper with a heavy emphasis on the type of stories they wanted to read. If they wanted business and politics with a smattering of sport, the paper will carry more stories on these subjects. If a subscriber prefers more magazine style news such as features and entertainment, the paper will oblige.

Almost as a forerunner to these bespoke newspapers, publishers are already investing in the first stage of the 21st century technology needed to make them. Many publishers are either in the process or planning to set up sophisticated databases of all hard-core, casual and non-readers in their circulation areas. At present these are being used to help canvassers ply for new subscriptions, but inevitably they will be a store for detailed data on buying habits, interests, and demographics of each person or family at each address.

As one editor put it: "There exists the electronic means to know more and more about our marketplace. Whole communities can be broken down. We will know where the affluent people are. We will know where the people are who are likely to be interested in certain subjects and certain types of advertising."

Publishers are not, however, sitting around waiting for the electronic revolution to save newspapers. They are constantly exploring new ideas and editorial products as a way of maintaining readership into the next century. The fad for newspaper supplements is a classic example of targeting specific readers. Regional newspapers began running supplements in the mid-1980s, but first attempts were merely ways of drawing readers into classified advertising sections, such as for property and motors. Today, the launch of supplements is a heavily marketing-oriented business.

For example, the Yorkshire Post in June launched a women's supplement after a long period of market research. It identified a group of women with children aged between five and 14 years who were not being offered the type of information they could use. Research showed this large group of women could not see the relevance of the paper to their daily lives.

To target the supplement accurately, research identified the types of stories women with school age children desired. It found these women were not interested in reading about upmarket fashion in a newspaper, but preferred instead tips on "realistic" clothes. They also wanted articles on dressing a family for going on holiday, and stories on health and fitness.

As a result of the research, there is a marked desparity between an early dummy for the supplement and the first edition inserted into the Yorkshire Post on June 7, 1994. Instead of a front cover showing a woman jockey modelling expensive designer clothes, it featured a woman working out with weights. Inside, the fashion tips are disguised in a feature about "making over" a woman police constable. Overall, the style is more popular and chatty, with an obvious slant towards entertainment and careers, rather than the more feminist-style look of the dummy version. The paper is following the same route to launch a second supplement, this time on sport.

Newspaper redesigns are also increasingly researched to maximise the new appeal of the paper. A good example is The Journal, Newcastle's morning newspaper. Two years ago, still a broad sheet, it had reached a parlous state. Advertising volumes were low and circulation had slipped under 50,000, prompting a decision to redesign the paper and turn it into a tabloid. While The Journal was sick, its sister paper in the Thomson Group, the Newcastle Evening Chronicle, was selling around two and a half as many copies each day.

The initial task was to identify differences between the morning and afternoon markets. The company looked at whether it should have two papers at all. Two marketing consultants were flown over from Boston to help with the research, and they and the company's marketing staff prepared a quantitative study asking 1000 adults what they wanted in a morning and an evening paper. For example, did they prefer more local or national news in the morning/evening?

The main thing that came out was The Journal should not compete in the same market as the Chronicle, it should instead compete with the national papers. Previously, it was always thought The Journal should compete against other regional papers. Research showed people wanted to read more national news in the morning and preferred to read local news in the evening. This provided a convenient way of separating the identity of The Journal from the Chronicle, and set in stone a new editorial style. So The Journal was changed into a "regional national". Indeed the paper now markets itself as "The Journal - your regional national".

Any change in design and editorial direction, however, ran the risk of alienating the loyal readership of the paper, which at 50,000 people were still a formidable number to risk losing. Marketers set up a reader panel with 350 loyal readers who always liked The Journal in its old-fashioned broad sheet style. They were told that changes would be made in the paper's editorial slant, and were asked to report back their feelings in a

questionnaire sent out each fortnight. Gradually The Journal introduced more national news at the expense of local news.

Changing from broad sheet to tabloid also ran the risk of hurting advertisers who were used to placing larger ads. The paper launched a marketing project with the advertisers, but in the long run it was not a big factor in the final decision to redesign, mainly because there was so little advertising the paper either had to change or close for good.

The final part was getting the right look for the smaller paper. The paper prepared 50 dummies, ranging from very downmarket to upmarket, followed by two sets of group discussions with readers and non-readers. With their help, the number of dummies was eventually whittled down to four. Those four were taken back to the panels, and the best bits of the four were transposed into one design. Two years on from the redesign, The Journal is now selling 58,000 copies, an increase of 16 percent in two years.

5.5 The rise of the focus group

The ultimate aim of marketing is to try and push the product closer to the reader, to reflect their interests, catch their eye, impress them with design, and write the stories they want to read. Doing this effectively, however, is difficult. Many journalists and editors spend little time with readers. The onerous demands of deadlines and cost-cutting mean reporters may spend days stuck in the newsroom, rather than going out and "meeting the people". Indeed, the majority of readers they meet are likely to be friends and relatives. Personal relationships cloud impartial judgement, making it difficult for reporters to hear good quality feedback.

Focus groups are now much in vogue across the British regional press. Starting out as a way for senior editors to gain feedback from a selection of readers, they are now used widely to explore reader opinion and pass on that opinion to journalists and sub-editors. All of the 11 newspapers I visited were using focus groups.

They usually include 12 people representing different demographic groups from different areas. Men's and women's groups are run separately, mainly because men dominate the conversation at mixed groups. The 12 are usually chosen by a marketing company which pays each member a token sum of approximately £10 for each meeting.

The attendance of journalists and sub-editors at the focus group meetings is reasonably new. It was imported from American newspapers. Editors say there was a measure of reluctance from editorial staff to come along, mainly because they felt it would be a waste of time. This sort of arrogance towards readers surprises people on the marketing side of newspapers, but happily the suspicion among journalists at hearing feedback in the close confines of a focus group setting seems to be disappearing.

News editors are also coming under scrutiny. At least one newspaper is testing its story placement by handing out raw copy and photographs to each focus group member. They are asked to assign the stories and pictures to various pages. This research helps news editors to identify the types of material people want to read, rather than relying on old fashioned "gut instinct".

6. Pushing the Product.

While research helps target the newspaper at the right group, it is of little use if people refuse to buy the newspaper in the first place. Persuading people to pluck the paper from a newstand, where it may be competing for attention alongside the nationals, other regionals, and scores of specialist magazines, or subscribe to home delivery, is probably the toughest job of all. Everything in the paper may be well written, presented and pitched perfectly to a mother of two pre-school children in her early thirties, but what if this imaginary woman never bothers to read a paper. If she has recently arrived in the area, she may not know it exists.

The job of helping sell the paper and pushing the masthead into the community falls to the myriad of people broadly labelled the "promotions" and "canvassing" departments.

6.1 Canvassing and direct mail.

All newspapers I visited had for many years invested heavily in canvassing. This involves a sales representative making "cold calls" either door-to-door or by telephone. Without full-time canvassing, many newspapers would be shedding readers at a very fast rate as people die or move away. Canvassing is therefore looked on as a key part of the drive to hold up circulation. At one newspaper, canvassing added 450 new readers a week out of a total circulation of 69,000. Nevertheless the paper had been losing readers steadily. Its circulation was around 90,000 in 1980. As the

marketing manager put it: "We are constantly topping up a big bucket with a bloody great hole in the bottom of it."

To help sweeten the lure of buying the paper on a regular, five- or six-nights-a-week basis, canvassers offer incentives such as discount coupons or free gifts, or straight out bribes such as a £12 redeemable coupon if you sign an agreement to take the paper for 12 weeks. Such coupons nearly refund the entire cost of newspapers delivered over that 12 week period.

Like the rest of the paper, canvassers are now turning to more sophisticated techniques to help net readers. This is mainly through sales reps building up a database of all people in their area, listing not only their names and addresses but also detailed information on their interests, their jobs, what sports they like, whether they have placed an advertisement, or bought a photograph. Some papers build up their own databases from scratch, but others buy the bones of them from companies which take information from the telephone book and key it into a database on a street-by-street basis.

Using demographic information stored in a database canvassers can change their style of selling. Some newspapers are already doing this by offering different incentives to people living in different areas. For example, one newspaper offers free watches and children's toys in an area with a high proportion of lower-paid people and single mothers. On the other side of town, in a leafy area populated mainly with AB readers, the gifts are more upmarket, such as free subscriptions to a monthly business magazine.

The future of expensive and labour-intensive canvassing, however, looks uncertain. People are growing more reluctant to open their door to sales professionals or listen to the spiel of a telephone canvasser. Marketers are therefore eyeing another type of selling phenomenon which has blossomed into a huge industry in the United States.

The new method is called direct mail. It involves sending a personalised letter to a householder listed in the newspaper's database. Most of these letters are sent to selected casual or non-readers who have been identified as potential target readers of the newspaper. For example, research shows a direct comparison between readership and the number of "commitments", meaning as people get married, buy a house, and have children, they are more interested in reading a regional newspaper, a direct reflection of their concern about what is happening in schools, local politics, the

property market, and choices in family entertainment. Many of these prime target readers, however, slip through the canvasser's net.

If a newspaper has an accurate database it allows canvassers to home in on potential readers by offering them the type of incentives individual readers are most likely to respond to. For example, if the newspaper knows that a man living at a certain address once bought a photograph of the local soccer club, the paper can send him a personalised letter telling him about the soccer coverage during an upcoming event such as the World Cup. At the same time, he is offered a special discount price to subscribe with the added bonus of two free tickets to the next game of his favourite team! If the man hates soccer and was only buying the photograph as a present for his niece, nothing ventured, nothing gained. But at least it gives the canvasser a "hook" to hang his attempt to woo the potential new reader.

It is important to remember that the most dynamic sales team in the world can only have a limited long-term success if they are trying to sell a newspaper which is no good. This point was rammed home in the Newspaper Society's "Model Behaviour: The Full Report"[8]. In recommendations for best practice among newspapers, the report warned publishers against trying to market or canvass their way out of poor circulation if the product is not right. Long term success depended more on the product than marketing or promoting it.

6.2 Promotions and competitions

The power of competitions was illustrated this year when the Daily Mirror unveiled an eye-grabbing prize for its readers. It was offering one reader the chance to earn £1000 a week tax-free for life, and it promoted heavily with full-colour billboards and a large front-page blurb which ran for several weeks. Not to be outdone, arch rival The Sun launched its own competition with a near identical prize of £50,000 a year tax-free for life, effectively matching and at the same time spoiling the Mirror's promotion.

This example shows the "pulling" power of a large prize. Its primary aim is to give the paper a reason to shout "buy me" at all people who pass by a newsagent. Large one-off prizes are therefore a way of bringing new readers into the paper. The people buying on the chance of winning £1000 for life may or may not enter the competition, but once they pay their money and buy the paper, it raises the chances they will switch allegiance from their existing paper. The reader may like the lay-out, style and

length or stories, and if they are dedicated competition enterers, warm to the steady stream of smaller competitions run daily by the newspaper. To ensure these new readers continue to buy the paper, the big prize competition may stretch out over a month or involve trimming a large number of coupons from the paper over several weeks.

Such competitions are not a tabloid phenomenon. Even The Independent, which has been suffering at the hands of swingeing price cuts at The Times and Daily Telegraph, recently ran a similar promotion to that in The Daily Mirror and The Sun. Perhaps as a way of differentiating itself as a supplier of news to upmarket readers, The Independent's prize was "Pay no income tax for 10 years".

At regional evening papers, competitions serve two purposes. As mentioned above, the object of big prizes is to promote sales by grabbing the attention of potential readers. Smaller prizes aim to keep existing readers happy, thereby promoting loyalty. The big prizes seen in the nationals are not found in the regions, but editors say they still draw many entries because people perceive they have a greater chance of winning a regional competition. This marketing strength, however, is not exploited by newspapers, who should be pointing out the difficulty in winning a prize in a paper like The Sun - circulation four million - over a regional paper selling 100,000 copies a day.

Although the big draw card competitions, such as giving away a car or house, are popular in the regions, the general view is that competitions offering a greater number of small prizes are far more attractive to readers. If a reader sees a competition offering a kettle as a prize, they seem more likely to enter. The logic is that as the prize is so small, readers assume that very few other people would be bothered to send in an entry form. Indeed, this logic stretches right across the population, and as a result small prize competitions often outstrip large prize competitions in sheer weight of entries. As one editor said: "We might give away a car over a fortnight and get 3000 entries, but if we give away an electric kettle worth £40, we might get over 4000 entries."

Perhaps the best competitions are those which combine three functions: attracting new readers, promoting reader loyalty, and pushing the paper closer to the community. This ideal combination was struck at the Nottingham Evening Post in its recent "Name a Rose" competition. In conjunction with the city council, the Post asked readers to create a name for a new breed of rose. The name had to reflect the Nottingham area as it would, in effect, be Nottingham's rose. The first prize was a free

holiday in Provence, where the rose was bred. Despite the modest prize, the competition was an overwhelming success with 30,000 entries, the most for any competition in the paper's history.

The danger of running competitions over a long period is that it traps the paper into what eventually becomes something which is boring and routine. Bingo and Spot the Ball are the classic examples of competitions long overdue for retirement, but many papers are still pumping money into running them daily, risking their competitions page turning into an identical copy of two decades ago. Realising the danger of offering a competition to a smaller and smaller audience of dedicated Bingo or Spot the Ball players, some papers are using clever means to change these competitions into a new, more modern style without alienating their traditional readership.

For example instead of Bingo the Manchester Evening News numbers each of its newspapers with a code, called the "lucky Holiday Hotline number". Readers can ring in to hear if their number has won that night's prize. Calls last a maximum of 30 seconds and cost about 25p per person. Similarly, The Independent has adapted Spot the Ball by publishing a photograph of a detail in a famous sporting event. Readers are asked to identify what it is and, if they answer correctly, stand to win The Guinness International Who's Who of Sport.

The full range of competitions is too long and varied to list here. A schedule of competitions from the Glasgow Evening Times showed it ran around three a week offering prizes sponsored by hotels, theatres, petrol companies, travel agencies, and the Evening Times itself. All the competitions were aimed at building up reader loyalty as none were large enough to lure new readers. In the regions, a small competition might be a free tank of petrol, a return trip to Dunkirque for five passengers and a car, or a holiday in Wales for two. A big prize might involve giving away a house or luxury car such as a Jaguar.

A new competition started in the late-1980s has been so successful it is rapidly turning into a modern day version of Bingo. The Fantasy Leagues have been picked up by nearly all the Fleet Street papers, especially the quality broadsheets, and have been adapted into spin-offs such as the Sunday Times Fantasy Fund Manager. Fantasy Leagues involve a reader choosing their own players in fantasy games of cricket or football, or racing car drivers in The European Grand Prix Dream Team championship. Editorial to support these competitions takes over half a page in the

daily papers while the fund manager game uses an entire page in the Sunday Times section on Personal Investment.

As newspapers jostle to appeal to new and existing readers, it is likely that competitions will continue to be a popular method for drawing them in and building reader loyalty. In SWOT analysis, competitions such as fantasy leagues, which require vast amounts of detail and text, are known as a strength (rather than a weakness, opportunity, or threat). Such competitions are obviously a good idea to make the most of a newspaper's strengths, but at the same time papers should avoid turning off new readers with anachronisms such as Bingo and Spot the Ball. They should use innovation to bring these games into the 1990s, or else risk alienating a new generation of readers.

6.3 Advertising and sponsorship.

In the 1991/92 football season, the Yorkshire Evening Post sponsored Leeds United, putting the paper's masthead on the front of players' shirts for the entire season. Like all sponsorship deals, it was an expensive gamble. Sponsoring a football team can cost hundreds of thousands of pounds with no guarantee of getting the money back in free publicity. Whatever the reason for The Post taking the gamble, it paid off when Leeds United marched its way to become Football League champions.

The amount of publicity generated for the paper in the Leeds area was enormous, with live television coverage and national newspapers carrying pictures of players wearing the masthead. Editor Chris Bye said the sponsorship deal was the most successful marketing promotion in the seven years he had been in the editor's chair.

Dream sponsorship deals such as these are very rare, so it is perhaps not surprising that regional newspapers are not major sponsors of single sports teams, especially when it involves teams playing in a premier division. Large companies with a brand for sale nation-wide, such as a brewer or car maker, are more likely sponsors of the big sports teams, leaving regional newspapers to display only a hoarding alongside the field of play.

Sponsorship, however, is seen as an important part of newspaper marketing. Aside from the commercial importance of getting the masthead on public display, it is also a way of moving closer to the community by helping lower grade sports teams and promoting cultural events. Derby Evening Telegraph marketing manager Chris Baker said his role was to market the company rather than the product. "I involve the

company in the community. I work in a charity called the South Derbyshire Foundation Trust which helps charities attack problems. I also help run Sports 2000 to get kids off the streets and into playing sport. This gets our name out and turns the company from one which doesn't appear to do much for people to be more of a caring community newspaper."

Getting closer to the community is also high on the list of priorities for Pat Fleming, editor of the Southern Daily Echo in Southampton. "We do a lot of sponsorship, particularly in profile growth areas. We sponsor wedding exhibitions and fashion shows, we do get-togethers and seminars. We invest in Southampton Football Club, the children's football clubs, and charitable trusts. There are 300 to 400 events a year and the object is to make sure there is an inescapable view that if you live in this area we are the product you want."

But does it work? "In lots of different ways. Our advertising volumes are very high [although] declining sales are hitting us. We have to sort it out, but we're not going to sort it out by standing still."

Another newspaper is taking the community message to small neighbourhoods by organising 110 street parties to celebrate the 800th anniversary of Portsmouth. The News plans to take pictures of the parties and run them in a special supplement the following day. The newspaper does not usually sponsor large events due to the cost.

However, not everyone agrees on the merit of sponsorships. Barrie Williams at the Nottingham Evening Post said: "It's a waste of time. Nobody is going to buy a newspaper because your name is on a shirt. We don't have an awareness problem. We should have an awareness after 100 years of publishing."

There is more universal agreement about the value of advertising in rival media. Radio gets the thumbs up, but television is used rarely. Television is seen as too expensive and also too broad a medium for newspapers to get value for money from an expensive advertising campaign. Unless a newspaper has something very big to shout about, such as a relaunch as a tabloid or a competition offering a large prize, regional papers are reluctant to use television. The problem with television is highlighted by a circulation area at one of the larger regional newspapers. It includes one-half of one television franchise, and one-half of another. To cover the entire circulation area, the paper would have to advertise through two local television companies. It would be a case of advertisements reaching only half the people at twice the price.

Most regional papers advertise regularly on radio. Depending on the station's target audience, newspapers use the airwaves to target particular groups such as young people or thirty-somethings. The advertisements vary in nature, and may include a précis of stories in the daily paper, or marketing of classified advertising, especially for jobs, motors, and houses. Papers are also marketing their masthead on newsagents, buses, and hoardings.

6.4 Vouchers and reader offers.

If I could isolate two areas in which there has been remarkable growth over the past five years, it would be vouchers and reader offers. Vouchers (or coupons) are clipped from inside the paper and allow a discount on a product or service. Reader offers are advertisements that include the paper's masthead, which really means readers are given the security of knowing the paper is prepared to back the product with a quality guarantee.

Vouchers are included in nearly all regional papers as a way of building reader loyalty with a perceived spin-off for putting on circulation. Their primary motivation is to give more value to the newspaper. For example, a paper may include a voucher near the summer holiday period giving a two-for-the-price-of-one deal for a visit to an amusement park, or perhaps two Big Macs at the discounted price of £2. Some vouchers merely allow readers to enter a competition. Readers had to clip an entire month of individually numbered coupons from The Independent to enter the "Pay no tax for 10 years" competition. Similarly for the competitions at The Sun and Daily Mirror.

The types of products on offer vary enormously: two-meals-for-the-price-of-one, a free bedding plant strip worth 99p, a free magazine, or a half-price cocktail. Service offers include reader events such as a women's Colour Me Beautiful Evening, free entry to an historic garden, or possibly cheap transport. This happened at the Bradford Telegraph and Argus recently when it chartered a train and offered a return fare to London for only £18, compared to £55 for a normal British Rail ticket.

During a study tour in June, I met two women travelling on a train from Glasgow to north Wales who had paid only one fare. The other was included in a special two-for-the-price-of-one deal through clipping coupons in The Sun. They said they did not admire The Sun's journalism, but when it offered such a huge saving for holiday travel they were prepared to pay 20p a day to keep getting it.

What about the commercial side? What is the benefit for newspapers? Three things: 1. Newspapers make money out of selling their own branded products, or take a commission (10 percent at one newspaper) on sales generated by the promotion. 2. The paper has an excuse to publish its masthead, pushing its brand and in effect giving itself free advertising space. 3. It promotes circulation and reader loyalty.

So in effect coupons and readers offers are ideal marketing tools. In marketing speak, they are "value-added" items which will help newspapers to survive into the next century. Their rise is inevitable: especially when one spies at newsagents women's magazines giving away free romance books, music magazines giving away compact discs, and computer magazines giving away games software.

The circulation grabbing qualities of the better voucher-style promotions are obvious when one looks at the front page of many regional evening newspapers. Vouchers inside the paper are often advertised in a full-colour blurb below the masthead, meaning they have been identified as a prime motivator for people buying the paper.

Not all voucher promotions work, however, especially when it involves giving away a product worth more than the cover price of the newspaper. This was dramatically illustrated by a disastrous promotion at the Manchester Evening News when it gave away a free can of Murphy's Irish Stout worth around 70p with each copy of the paper worth 30p. As could be expected, the promotion sold record numbers of papers, but most of them went to people who showed no interest in reading and more in drinking. By the end of the day, the streets were littered with hundreds of empty Murphy's cans and an unusually large number of drunk people. Meanwhile pages from the Manchester Evening News blew around the streets.

Not all newspapers are keen on wholesale reader offers. At The News, the paper is more prudent about lending its masthead to other products. "We have a reader club with 50,000 members, we sell them holidays and day trips. So we use branding to sell products, but they are OUR products."

Although newspapers are careful over what they support, it appears likely the use of vouchers and reader offers will grow in the years ahead. Marketers have spied the benefits of adding value to their product, and are likely to keep piling on the benefits to readers as long as it remains a profitable business.

7. Conclusion

This paper was about the rising importance of marketing in the production, design and editorial content of British newspapers. It attempted to show how marketing has caused a sea change in the traditional style of newspaper management over the past 10 years.

As explained in chapter five, the changes arise mainly from greater emphasis on market research and target marketing. These are used to analyse readers in the suburbs and satellite towns in a geographic area covered by a newspaper's circulation. Armed with research, an editor can discover important things about readers, such as their demographic profile, their race, religion, and what they like and dislike about certain aspects of the paper.

Research has shown that the better regional papers should home in on their strength in local news by publishing a greater number of geographic editions, forcing more work on to the shoulders of sub-editors and a greater reliance on technology. Marketers are saying that papers should look at editionising for different social groups in a further bid to aim the paper at niche markets such as students, Asians, and the elderly.

Newspaper redesigns, changes in editorial content, and new products such as supplements, are researched before they are given the go ahead. Previously such items were decided by journalists as it was assumed they knew who their readers were. Now they work alongside professional marketers to define a target market, research what the market requires, and decide on a product most acceptable to the target group.

To keep journalists in the newsroom in touch with readers, journalists are being asked - and sometimes told - to attend focus group meetings. This allows journalists the hear one-to-one feedback on the type of stories readers from a variety of backgrounds want in their regional newspaper.

This paper also looked at new ways of luring new readers and keeping loyal readers through canvassing and competitions. In chapter six I explored the reliance on canvassing to maintain circulation. Canvassers are building up detailed databases on readers and non-readers in their geographic area to aid in the selling process. The database could also be used to help in the design of niche editions for different demographic and psychographic groups.

Competitions have grown in importance as regional papers strive to compete against the nationals. Competitions with big prizes, such as a new house or luxury car, are used as way of helping to catch the eye of non-readers and as a "hook" for an advertising campaign on radio or, less often, on television. Small prize competitions are used to keep loyal readers and, surprisingly, usually attract more entries than large and heavily marketed competitions.

Regional newspapers are growing increasingly aware that their masthead must be promoted in the community. The preferred ways for this are through advertising and sponsorship. Some papers are combining the two by organising large events such as fairs and fashion shows, and promoting them in other media. Radio is the preferred option for advertising because it allows marketers to target specific groups, such as young people or thirty-somethings, to promote specific events or parts of the newspaper.

Finally, this paper looked at the rise in vouchers and reader offers as a way of building reader loyalty and giving people a "value-added" product. Most newspapers are involved in dozens of discount and free offers to give people more from their paper than just news and advertisements. Many are cashing in on their brand awareness and reader loyalty by offering products such as umbrellas and paella dishes under the banner of their masthead, giving readers a perceived quality guarantee against being cheated.

What of the future? It appears marketing is becoming increasingly important in regional newspaper companies. The number of people dedicated to research and analysis of market data and promotions is rising, while at the same time editors are relying less and less on their old-fashioned 'gut instinct' on who they perceive their readers are. Some editors and journalists are still scornful of the role of marketing in helping to revive flagging circulations, and to an extent many marketing practices are untested over a long period, but gradually the climate of distrust is giving away to understanding and co-operation.

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