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ABOUT US



FINANCIAL
TIMES

Financial Times to launch exclusive retailer club together with Saarbach

++++ On behalf of the FINANCIAL TIMES Saarbach is to establish an exclusive FT Retailer Club. The goal is customer retention at press retailer sales outlets. The publisher will initiate a campaign with Saarbach and the dpv sales representatives which is targeted at retailers registering particularly good sales. The extensive package includes direct support of the dealer at the POS with advertising material, planning support with preliminary editorial information and advertising products for individual motivation. The campaign will be accompanied by detailed sales documentation, during the course of which the retailer can be short-listed for a prize. +++

MARKET

France with extensive reform of press distribution

+++ Unsettled times lie ahead for French press distribution: At the beginning of July, the French Parliament agreed on an amendment which could have far-reaching consequences. While until then, press distribution in France had been limited to national distributors, they can now be sidestepped by publishers. This therefore means that publishers can cooperate directly with wholesalers and supply sales outlets, which national distributors do not have in their portfolio. This new ruling was established as an extension of the "Loi Bichet" (Bichet Law), which has regulated the basis for the distribution of newspapers and magazines in France since 1947. Along with the cooperative principle (an association of publishers for the distribution of their titles must take place in the form of a cooperative) it stipulates equal treatment for all publishers and titles. Many press branch representatives feel that it is exactly this equal treatment which is now at risk. Presstalis and MLP national distributors are also worried about the law change. Promptly at the beginning of July there was a 2-day (4th – 5th July) newspaper distribution strike. Frédéric Mitterand, France's Minister for Culture and Communication, defended the new ruling as being essential for a wide-ranged supply of newspapers and magazines. He presented parliament with the bitter market figures, which then approved the bill: Retail sales of dailies for example dropped

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by over 8% in 2010 compared to a drop of 5.3% in 2009. 37 titles were discontinued last year according to Mitterand.+++

PUBLISHERS

British Sunday paper market still in a state of uncertainty following discontinuation of "News of the World"

+++ At the beginning of the month Rupert Murdoch left the high-circulation NEWS OF THE WORLD as a result of the phone-tapping scandal uncovered by GUARDIAN journalist Nick Davies. The last publication date of the 168 year old boulevard paper on 10th July 2011 tore a hole in Great Britain's Sunday media landscape. The MAIL ON SUNDAY is currently one of the papers to profit from this unforeseen situation and deserted Sunday readers (potential: over 2.5 million readers) and registers a 30% increase to approx. 2.6 million sold copies, as well as the SUNDAY MIRROR, published by Trinity Mirror, which registers an increase of 730,000 sold copies. The smaller boulevard paper DAILY STAR SUNDAY from Northern & Shell doubled its sold circulation to approx. 740,000 copies. At their hearing in the House of Commons, Rupert Murdoch and his son James vehemently denied speculations on a new Sunday paper, while the future job situation of the redundant staff of the NEWS OF THE WORLD is still unclear. There is however tough competition here. According to British media reports, the DAILY MAIL publisher Daily Mail & General Trust (DMGT) is working on a new Sunday paper, which could be entitled THE SUNDAY or SUNDAY LITE (based on the discontinued free paper LONDON LITE). +++

Retail circulations of German national newspapers drop dramatically

+++ The retail sale area is the most difficult distribution channel for newspaper publishers, as the ABC figures for the second quarter of 2011 prove. They show that the circulation drop of national dailies at the newsstand continues. Boulevard newspapers are the hardest hit: Compared to the same period last year, the circulation of BILD dropped by 7%, which is over 200,000 copies. Retail sale circulation of BILD am SONNTAG dropped by as much as 7.5%, which is a loss of 120,000 copies per issue. The big, national dailies are also registering considerable losses at the newsstand: SÜDDEUTSCHE ZEITUNG (-4.8%), FAZ (-5.0%), DIE WELT/WELT KOMPAKT (-6.8%), TAZ (-8.1%) and the FINANCIAL TIMES DEUTSCHLAND

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(-5.6%). The losses registered for the quarter by the FRANKFURTER RUNDSCHAU (-3.1%) and HANDELSBLATT (-1.0%) were not as high. Subscriptions were somewhat better: SZ, FAZ, WELT/WELT KOMPAKT and TAZ lost less than 2.5% of their subscription circulation within a one-year period. The HANDELSBLATT (-4.9%), FTD (-6.5%) and FRANKFURTER RUNDSCHAU (-11.9%) however registered higher losses. National weeklies continue to develop much better. Although retail circulation of DIE ZEIT dropped by 3%, subscriptions rose by 1%, which hardly made any difference to the circulation. The FRANKFURTER ALLGEMEINE SONNTAGSZEITUNG also registered an increase in subscriptions (+1.7%), but a drop at the newsstand (-3.4%).+++

Advertising expenditure rises to Dollar 118 billion worldwide

+++First quarter advertising expenditure rose by 8.8% to US\$ 118 billion worldwide according to Nielsen calculations based on official price lists. The TV area profited most from the development. Company investments in Channel TV rose by 11.9%. The market share of classic media increased by 65.3%, which was an plus of 1.8% compared to 2010. +++

Consumer climate 2nd quarter 2011: The low is overcome

+++ The consumer mood is improving in many EU countries for the first time since the economic crisis according to the GfK Europe Consumer Climate, which provides an overview of the economic development, price and income expectation and consumer buying inclination in 11 countries, (approximately 80% of the population of the EU states). Although in many countries the economic data is slightly positive again after the first quarter, there is still uncertainty – particularly as far as saving Greece is concerned. Europeans' second most important topic is inflation. Price increases in basic foods and petrol in particular are getting to European consumers. Economy expectations have risen on the whole in the second quarter. Germany continues to be Europe's economic powerhouse. The current economic indicator registers 50.3 points. The slightly upward economy and income expectation are having a positive effect on consumer buying inclination. The indicator is going up slightly. Germany registers the highest figure (35.1 points). Greece is currently at the bottom end of the scale with -41.8 points and Great Britain with -41.5 points.+++

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Circulation figures: Newspaper publishers report sales successes



+++ LANDLUST Magazine, published bimonthly by Landwirtschaftsverlag, Münster, reports sales increases in subscription and retail sales. Subscription sales rose by 23.1% to 309,710 copies and retail sales per issue by 16.1% to 508,441 copies. The Bauer Media Group reports a 5.2% increase in total sales for the monthly women's magazine MAXI, compared to the same quarter last year, with an average of 203,206 sold copies. AUTOZEITUNG also registers a pleasing sales development according to Bauer, with a sales plus of 7.8% compared to the second quarter of 2010. Total average sales were 220,299 copies per issue. According to Axel Springer, the fortnightly TV guide TV DIGITAL registered a 6.2% sales increase in subscription sales during the past quarter, with 1.28 million sold copies. Retail sale development was almost as good with a 5.5% increase to 453,122 copies. Axel Springer announced the sales figures for HÖRZU WISSEN for the first time: 142,880 copies per issue total sales during the second quarter of 2011. Hubert Burda Media pointed out the market launch of INSTYLE (current total sales of 449,072 copies per issue) while BUNTE with 634,780 sold copies during the last quarter registered no sales increase. The fortnightly women's magazine FREUNDIN on the other hand registered a 0.7% increase in total sales to 510,834 copies. BURDA STYLE achieved a 10.9% increase in retail sales compared to last year when 84,249 copies per issue were sold in this sector. Burda reports a retail sale increase for the news magazine FOCUS for the third time in a row, which amounted to 2.7% during the second quarter of 2011 and raised retail sales to 121,452 copies per issue. Total sales increased slightly (+0.4%) to 578,502 copies. Gruner + Jahr announce a 34% increase in retail sales for ESSEN & TRINKEN. Total sales rose by 10.6% to 173,184 copies per issue. The Klambt Publishing House reports a total sales increase of 6% to 167,022 copies for their weekly women's magazine LEA. Klambt's fashion magazine GRAZIA, which is also published weekly registered a 6% increase to 178,196 sold copies compared to the previous quarter, i.e. the first three months of 2011. The lifestyle magazine OK!, registered a 9% increase in retail sales (144,161 copies) compared to the previous quarter according to Klambt.+++

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Most quotes taken from dailies in Germany



+++ The newspaper is the most quoted media type in Germany – much more than magazines and television. This is shown by an analysis carried out by the Newspaper Marketing Society (ZMG), Frankfurt/Main, based on current quote rankings, published by the PMG Pressemonitor GmbH, Berlin, on 5th July. “It is evident from the analysis that newspapers as a whole are the most important multipliers in Germany and, as such, significantly determine public opinion“, said Markus Ruppe, ZMG’s managing director. 19 newspapers, 15 of which are dailies, 6 magazines, 4 TV channels and 1 radio channel are in the Top 30 of the national media most frequently quoted as sources. ARD takes eighth place as the first non-print medium. +++

Economic improvement not noticeable at newspaper publishers



+++ The good overall economic development in Germany has not yet reached newspaper publishers. Dieter Wolff, CEO of the Federal Association of German Newspaper Publishers, announced at the Association’s annual press conference on 05.07.11 in Berlin that advertising volume had dropped by 4.2% during the first third of 2011. “Publishers are unfortunately a very long way from the economic growth of 3.3%, forecast for 2011“, said Wolff. The 11.4% drop in business advertisements had been particularly hard. Newspaper publishers had only managed a very slight turnover plus of 0.7% in the 2010 financial year, said BDZV managing director Jörg Laskowski. The total turnover from dailies, weeklies and Sunday newspapers and supplements amounted to Euro 8.5 billion. Newspapers had suffered losses in the advertising market (-1.2%) and an advertising turnover totalling Euro 3.9 billion. Distribution turnover on the other hand had risen by 2.3% to Euro 4.6 billion. Laskowski stressed that distribution turnover in the meantime made up 54% of the total turnover. Based on the difficult situation on the advertisement market, newspapers now had to put everything into coming over as an attractive advertising medium, and deal with strong, new competitors such as Google and Facebook in the process. “Newspapers are the local heroes. But we will have to

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work harder in future for this magnificent position", stressed Wolff. The fact that the circulations of printed newspapers were declining, was, contrary to the demographic development, part of the transformation process in which publishing houses were in, for at the same time digital offers from publishers were enjoying an ever increasing public, said Wolff. The freebie culture on the Internet and the permanent inflationary price development of online advertising, present extremely difficult conditions, according to Wolff. Nevertheless, most publishers are focusing on pay contents on the web in future. It was obvious from the sale of Apps for Smartphones and tablet PCs that users are prepared to pay for digital quality products as well. Publishers had developed approximately 40 App offers for the iPad and over 60 Apps for smartphones. Most of these involved costs. Based on this, free Apps from the public TV channels, financed from fees are "the killers of a digital press business model", said Wolff. He stressed that all the publishing houses assembled in the BDZV support the lawsuit of 8 publishers against the ARD and the NDR regarding the TV news App. It was however perfectly obvious that users will not pay for a good publisher's App, if the public broadcasting authorities offer a similar product for free. "What ARD and NDR are offering – primarily with its abundant text – is a state-financed press product", said Wolff. He stressed that the BDZV has informed the European Commission of the competitive lawsuit in Germany and provided an assessment of the three-stage-test carried out. BDZV's CEO was optimistic on the outcome of the cartel case of newspaper and magazine publishers against Google. Publishers were expecting national and European cartel authorities to stop what they believed to be Google's anticompetitive activities. Publishers demanded a fair ranking of the search results from Google ("fair search") and a suitable share in the income which Google makes from the contents produced by publishers ("fair share"). +++

Reading support in schools has a positive impact



+++ Reading support projects such as "Newspaper in School" seem to have a positive impact on young people's interest in the printed media. This is apparent from a nation-wide study carried out by Promedia, a media educational institute in which 2,000 pupils aged from 8 – 19 participated. According to this, at least two thirds (65.3%) pick up a newspaper at least occasionally, even after the learning units. "The figures show that the school projects which have been run by newspapers for decades introduce children and young people to reading and as such to

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an important cultural skill“, said BDZV Vice President Hans Georg Schnücker. The projects also fostered the hope that newspaper digital media will not take over altogether. 68.2% of those surveyed are convinced that the current printed media will continue to exist in the future. This rate increases with age and intensified Internet use. 71.2% of 14 – 19 year olds confirm this statement. “Printed newspapers are and will remain an essential medium - for adolescents as well. Nevertheless we must bring more contents to our readers via digital channels“, said Schnücker. ++

E-MEDIA

Study on tablet use



Many experts are of the opinion that the future of newspapers lies in digital distribution channels in the long run. This is reason enough for the Federal Association of German Newspaper Publishers (BDZV), to look at the use of digital offers of dailies in a scientific study. The study focuses on the question as to how Tablet-PCs such as the iPad and Apps of dailies can be used, for to date there is very little information on actual user requirements, the contents that are desired and what the Apps should cost. Recommendations for the development, positioning and marketing of newspaper Apps on mobile terminals are to be made based on the quantitative and qualitative data collected for the study. Initial results will be presented at the BDZV Conference “Newspapers make mobile – E-Publishing, Apps and mobiles Internet“ on 5th October 2011 in Berlin. Eight publishers are involved in the study via online surveys of their users (Axel Springer, Rhein-Main-Multimedia, Nordkurier, Schleswig-Holsteinischer Zeitungsverlag, General-Anzeiger, WAZ Mediengruppe, Rheinische Post and Schwäbische Zeitung). RHEINISCHE POST and SCHWÄBISCHE ZEITUNG are also participating in a field test in which users provide detailed information on their daily media use in a type of diary which also allows qualitative conclusions and statements. +++

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Sources: kontakter.de 8.7., dnv-online 20.7., dnv-online 25.7., taz.de 20.7. 2011, kontakter.de 19.7., Grosso-Intern, Issue 14/2011, GROSSO INTERN Issue 16, 29/2011, 22.07.2011; *media-spectrum.de*, 18.07.2011

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