MEDIA MARKETS DAILY

PAPER AUDITOR MAY BE IN NEED OF AUDITING ITSELF

Newspapers are missing out on an opportunity to capture a greater share of advertising budgets, because agencies still lack the essential building blocks for determining the reach and frequency of newspaper ad schedules, a top ad executive warned publishers this week during the National Newspaper Association’s annual marketing conference in Orlando.

The executive, Tony Jarvis, senior VP-director of strategic insights at MediaCom, said this situation exists despite an abundance of newspaper audience measurement services including Scarborough Research, Gallup, Media Audit, several national syndicated studies, audited readership studies from the Audit Bureau of Circulations and a U.S. service just now being launched by Australia-based Roy Morgan International.

Out of 11 major syndicated newspaper readership studies, Jarvis said only two provide “acceptable” data for developing newspaper reach and frequencies: Gallup and Roy Morgan.

Jarvis also questioned the validity of the ABC's newspaper audits, which he said could be “flawed” and may require auditing of their own, presumably by the Media Ratings Council. More

RADIO GROWS LESS RELIANT ON NONTRADITIONAL DEALS

As the traditional advertising fortunes of U.S. radio stations improves, their reliance on nontraditional sources of revenue appears to be diminishing, according to the 2003 edition of an annual study of nontraditional radio station revenues, released Wednesday by the Radio Advertising Bureau.

Reliance on such revenues—including event marketing, cause-related marketing, Internet sales, manufacturer direct deals, recruitment and dealer group marketing—appears to have peaked in 2002, but is diminishing as stations generate a higher volume of traditional advertising sales going into 2003. More

IN THE LOOP

AOL Time Warner Wednesday reported a $44.9 billion loss for the fourth quarter of 2002 and a $98.7 billion loss for calendar 2002 due to the devaluation of its America Online and cable TV operations. The company said total advertising and commerce revenues fell 9% during the quarter, falling to just 19% of AOL Time Warner’s $41.1 billion in total fourth quarter revenues. America Online continued to be the weakest ad performer, with sales plummeting 42% during the quarter to $372 million. Surprisingly, Time Warner cable's local ad sales also fell 4% to $185 million. Syndication ad sales at Warner Bros. dropped 18% to $27 million. More