The Power of Newspaper Editorial & Advertising

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We are today at the convergence or crossroads of two revolutions:

– the technological revolution, epitomised by Google – borderless, without boundaries or barriers;

– the cultural revolution – barriers and boundaries everywhere – communities that are almost fortress-like in their ability to lock out those who don’t belong. There are examples everywhere – ‘tribes’ in football, cliques at school, ‘clubs’, opera buffs, Harley Davidson fans, art lovers, students, professors, mothers in mothers club, alumni, etc.

Media and communications are intrinsically intertwined with these two revolutions, powering them and at the same time, being drawn in and teased out.

At the heart of the crossroads is the consumer – a consumer increasingly in control or at least increasingly taking control.

Today we see television coming to us through computer screens (New York Times August 1, 2005).
We see advertising through mobile phones (Wall Street Journal on-line, August 22, 2005) and Advertisers being turned into content producers (AdAge.com online August 23, 2005).

So many communication channels.

Not so long ago, if you wanted to introduce a new product or brand into the marketplace, you could almost guarantee to reach 90% of Australia’s population by doing a Sunday Night “Road block” – that is, advertise at the same time on Channel 7, 9 and 10 during the Sunday night movie.

Then came the Internet, Pay-TV, DVDs, PlayStations, Palm Pilots, I-pods, etc. The last 10 years have seen dramatic change in media – predominantly focused on Internet take-up.
Internet has resulted in a net reduction in a whole range of activities.

Increased comfort with the technology is obvious – with substantially more Australians now agreeing:

“Computers and technology give me more control over my life.”

“I feel comfortable giving my credit card details over the Internet.”

The channels to the consumer are now greater than ever before and increasing faster than ever.
We are pleased that you have invited us here today to talk about newspapers. It has forced us to go back and revisit the lessons learned many years ago. We’ve come full circle, and there is some wonderful news for newspapers.

1940s – 1950s

In the 1940s and 1950s, Roy Morgan, under the direction of Sir Keith Murdoch, conducted many surveys for The Herald and Weekly Times, Associated Newspapers, News, Advertiser, etc. The studies focussed on understanding reading preferences and behaviour.

The following examples show just some of the learnings from those times.

On the front page of The Sun, Melbourne, Wednesday May 1, 1946: The headline “Plot to kill MacArthur” was read by 100% of readers – male (red) and female (blue). The “Surprise Senate Move” was read by 100% of males but only 56% of females.

The picture at the bottom left hand corner was looked at by 93% of male readers and 94% of female readers.

At first glance, it looks as though the further down the page, the lower the reading levels. This is not a general phenomenon as we’ll see later.

1 Source: Archival material from The Roy Morgan Research Centre Pty Ltd.
The Sun, Saturday November 17, 1945, demonstrates the interest in local news.

A small article, tucked away in the right hand column, “Tram stop talks postponed” was read by 65% of male readers (20% of female readers).

Again, it’s clear the pictures are noted by large proportions of readers.

Page 6 of The Sun, Wednesday April 3, 1946, shows cartoons have strong appeal among “Artisan” (blue collar) readers. (High readership of cartoons is still true today.)

The cartoon, “Mr. Melbourne Day by Day” was read by 96% of male readers and 88% of female readers.

Even the tiny “Sleepwalker” cartoon at the bottom of the page was read by 92% of male readers and 60% of female readers.

If we now look at the Editorial on this page, female readers were consistently more likely to read the Editorial than were male readers.
If we now look at two J Kitchen & Sons soap ads – we see one for Velvet Soap on Page 9, read by 6% of male readers and 6% female readers, and one for Lux on Page 19 which was read by 17% of male and 39% of female readers – the highest on the page (The Sun, Tuesday January 15, 1946).

If we look at the Editorial on Page 6 of The Sun, Tuesday January 15, 1946, we see male readers higher than female readers for most parts of the Editorial. It would seem people will look to the Editorial, but will only read the topics which interest them, and not surprisingly, different things interest different people.

This page also shows high levels for Artisan (blue collar) readers of FIFTY-FIFTY (letters), 67% of male readers and 72% of female readers.

This “letters” reading is particularly interesting. We tend to think of interactivity as a recent, or even new phenomenon. This data from 1946 suggests that feedback, the opportunity to have your say, or hear what others like you have to say, is perennial.
From an editorial perspective, at face value, this example is less than interesting. However, there are several important myths exploded here – of relevance for both editorial and sales:

(a) The later page (page 19 cf page 9) did not receive less reading;
(b) A soap ad can attract interest with the right “creative” picture;
(c) The top of the page is better for attracting attention.

We now come to an early newspaper-inserted (magazine) supplement – The Sun Women’s Magazine – Wednesday April 3, 1946. At least the front page of this supplement was read by 84% of female readers and 46% of male readers.

It is important to note that a newspaper-inserted (magazine) supplement, like any article or component of a newspaper, will not be read by everyone – and that those who choose to read it may have a different profile from the total reader base.

This is relevant for some of today’s newspaper-inserted magazines such as The Weekend Australian Magazine which has more readers than The Weekend Australian (To March, 2003: 927,000 readers cf 910,000 readers); and more female readers.

Other newspaper-inserted magazines also have fewer readers than the newspaper which carries them.
The data also shows evidence that different subgroups in the community have different degrees of interest in various topics. For instance, “MONEY MARKETS, MINING” on Page 17 of The Sun, Tuesday February 5, 1946, was of much greater interest to the “Better off” people than “Artisans” (blue collar), Page 23 of The Sun, Saturday June 22, 1946 – see all the zeros!

But note the cartoon at the bottom of the page achieved 75% of male and 71% of female artisan readers.

The same page, “MONEY MARKETS, MINING” on Saturday June 1, 1946, did achieve interest from Artisans, with the headline “General Motors – Holden’s Preparing For Production of Australian Car” – read by 24% of “Artisan” males and 5% of “Artisan” females. This was obviously something that held some relevance for the group – even though as a general rule, company information was not of interest.
Sport, it appears, was not as important in 1946 as it is today. This is an interesting phenomenon, a man-made phenomenon – even a media-made phenomenon.

Finally, like today, there is now no doubt that “Beautiful Women” interests both male and female readers – 62% of women, 61% of men, see Page 7 of The Sun, Tuesday February 5, 1946. It is worth noting the high readership by women (57%) of the “STRAIGHT or Swirl” advertisement while 71% of men read “Double Tax Deadlock with Britain”.
When Sir Keith Murdoch died, little interest was shown in this kind of research – the focus shifted to sales, ie circulation and readership audience measures to demonstrate reach to advertisers.

1960s – 1970s

In the 1960s, the focus was predominantly on measurement of media audiences to help in selling ad space.

Another important issue in the ‘60s and ‘70s, was that of “regular” reading vs “casual” reading. This was important from both a content/editorial perspective and an advertising sales perspective.

From the editorial perspective “loyal” or “regular” readers are very important. In 1974, Roy Morgan Research provided the attached special analyses for Sir Philip Jones (Chairman, Herald Weekly Times) which showed that The Sun had more “loyal” readers than The Age, The Sydney Morning Herald, or the Sydney Sun/Mirror. (Attachment 4)

From an ad sales perspective a more “casual” reader base will result in the publication reaching a larger audience over several issues.

1980s – 1990s

The focus in the 1980s was readership profiles and matching the profile of readers against the target market:

– Who is the reader?
– What do they buy?
– What else do they read, watch, listen to (early multimedia)?
– What motivates them? What are their values?

Multimedia and Media-Mix

The 1990s saw a real focus on newspapers within the multimedia context. The new paradigm of communication productivity emerged, along with the notion of targeting customers with engineering-like precision.

In 1998, we presented a paper at the Inch Club, “Proof! Same budget, get 30-50% greater value!”). In this paper, we demonstrated that the replacement of some TV in the media budget with print would significantly increase reach and reduce the total cost (see below).
In the 1990s it became obvious that increasing newspapers share of the advertising dollar relied on multi-media advertising.

**The real issues since the 1990s** are major changes in media environment.

Lots of things have changed. We have seen: colour in newspapers, newspaper-inserted magazines, dramatically improved free and community newspapers (including strong regional branding), internet usage soared, pay TV etc.

The one constant is that at the end of the multitude of offerings is the consumer - a consumer making choices. Roy Morgan Research data shows clearly that newspapers, and newspaper-inserted magazines, are a channel by which the consumer can be reached quickly (newspapers and their magazines communicate significantly faster than magazines).

If the newspaper is thought of as the end point – the choice the consumer makes– it is easier to understand how to drive readership (and readers-per-copy).

We believe there are three main driver areas:

(a) **External factors** - Everyone knows there are good news days and bad news days. For instance, during the War in Iraq readership of Time Magazine increased from 353,000 readers in March 2003 to 561,000 readers in April 2003. Other external factors such as competition also have an impact on readership, eg if there was no television or internet, there would probably be more newspaper reading and more time spent reading newspapers.

But there’s more to it than the luck of the day (a good news day).

The other two drivers of readership are:
(b) **Content** – Everything about the publication serves to create interest and credibility, and the particular reading experience which in turn creates readership, re-reading, pass on reading, purchasing, deeper, longer and more exclusive reading (ie no need to read any others); and

(c) **Promotion** - Advertising, marketing, and promotional activities.

That brings us to the present and the future.

The good news is that newspapers are transforming not disappearing. The following example shows that while average issue readership of the Sydney Morning Herald is flat over the last three years, if we include readership online the total readership has increased by 23%. For more examples see [Newspapers are transforming rather than disappearing](#), and also [Roy Morgan Research and Website Visitation Measurement](#).

<table>
<thead>
<tr>
<th></th>
<th>2003 '000</th>
<th>2006 '000</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday - Friday av. Issue readership</td>
<td>879</td>
<td>879</td>
<td>0%</td>
</tr>
<tr>
<td>Newspaper only</td>
<td>683</td>
<td>637</td>
<td>-7%</td>
</tr>
<tr>
<td>smh.com.au only</td>
<td>299</td>
<td>457</td>
<td>+53%</td>
</tr>
<tr>
<td>Both newspaper &amp; online</td>
<td>196</td>
<td>242</td>
<td>+23%</td>
</tr>
<tr>
<td><strong>TOTAL READERS</strong></td>
<td><strong>1178</strong></td>
<td><strong>1336</strong></td>
<td><strong>+13%</strong></td>
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The overall trend for country newspapers is similar to other newspapers – indeed, other non-internet media.

The clue to the future comes from the on-line world – the growth of such phenomenon as My Space – and the whole idea of communities of interest and shared interest. This is the cultural revolution mentioned at the beginning.

While all media compete for Big News events – international news, national news even State news, the individual also wants to be part of their local community that’s relevant to them – both for:

- that community’s news, and
• an understanding of how the big news events will relate to their community.

Today only the regional newspaper delivers that.

The challenge is to ensure that this strong need continues to be met by regional newspapers (back to Sir Keith Murdoch’s focus on understanding what readers want). But also, today, remaining relevant will probably mean that the actual medium (hard copy) will have to be supported and enhanced by community feedback and involvement via on-line, community websites, blogs etc. Embrace them and use them rather than fight them and fear them (the early research told us people love seeing their views in print).

2000 - The 21st Century

The early research done by Roy Morgan for Sir Keith Murdoch debunked many of the myths that people still believe today.

1. Articles/ads on the front pages are always read by more people - False
2. Articles/ads on the top of the page are always read by more people - False
3. Ads in deeply interesting pages have greater impact than those in low interest pages - False

Let us make sure that the disappearance of newspapers is just another myth we can debunk.

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