

ACTION FIGURES

The Truth About Newspaper Circulation.

1. Circulation Sales are Up: While copies sold at newspapers across the country have declined, revenue from circulation has increased due to strategic price increases and reduction of discounted copies.

2. Retaining Engaged Readers: Publishers are spending more time on retaining subscribers and less time selling new ones resulting in a 42% drop in subscriber churn since 2000. This means that there has been a dramatic reduction in subscriber stops and voluntary starts remain flat.

3. Targeted: Newspapers have responded to advertiser needs by suspending high-cost distribution outside the primary market area where the value to local and multi-market retailers is limited. Newspapers are focused on reaching those readers that advertisers covet. While these actions do reduce overall circulation, these strategic initiatives concentrate on distribution that is effective for advertisers.

4. Pricing Elasticity: Advertisers appreciate the newspaper industry efforts to balance revenue streams by maintaining ad rates at the same time as circulation is asked to share more revenue responsibility. Newspapers around the country are increasing both subscription and single-copy prices. Two years ago, only 2% of newspapers charged more than 50 cents a copy. As of the first of this year, 35% of newspapers charge more than 50 cents. A third of all daily newspapers now charge 75 cents. An increase of 25 cents in daily single-copy prices generally results in sales losses of 5-15% in single-copy circulation.

5. Individually Paid: Circulation that is paid for by individuals rather than institutions now makes up more than 90% of daily circulation according to the current ABC FAS-FAX release. Newspapers have strategically reduced copies for educational programs to just 3.5% of total daily paid circulation and a decline in copies sold through third parties. In other words, newspapers have cut back on the expensive sales to the schools and complimentary to focus on more distribution more desirable to advertisers.

6. Online Gains: While overall daily and Sunday print readership did decline by about 2.5% and 2.2% respectively in 2008, Scarborough data confirms that gains in the newspaper online audience about offsets the print decline. Scarborough reports that three quarters of all U.S. adults read a newspaper in print or online in the average week.

7. Users vs. Readers: A recent MORI research study determined that 36% of those adults who reported that they have not read a print newspaper in the past week actually "used" a newspaper in that time. Uses include 19% who checked sales in local stores, 15% who clipped a coupon, 11% who compared prices for items they were looking to buy. Overall, the 36% of non-readers who are users would lift newspaper numbers by 8%.

8. Reach: 170 million adults read a newspaper in print or online in the average week. That means that three fourths of all U.S. adults are newspaper readers. Powerful numbers by any measure.

9. Door Steps: 73.6% of all copies of newspapers are distributed via home delivery, the same as ten years ago. Despite the innovation of e-editions, the pricing increases of subscriptions, and the stability of single copy, consumers still enjoy the thud of the home delivered copy on their doorstep.

10. Bottom Line: Yes, newspapers have lost circulation and subsequently may lose some readership, but they are retaining their most engaged readers and prime consumers targeted by advertisers. The declines have been temporarily magnified by business decisions to increase prices, reduce distribution areas, and to eliminate unproductive distribution for advertisers. Newspapers continue to have dominant reach in the local marketplace.

Research Scarborough 2008
MORI Research 2009; Facts Figures and Logic 2009

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