



NEWS RELEASE

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New Report Urges Newspaper Publishers To Shift Research Strategies To Engage Marketplace

Newspapers must invest more in consumer research and change their research priorities if they expect to grow circulation and advertising revenues through targeted communications and tailored products.

These are the key findings in a new report released today by the International Newspaper Marketing Association (INMA) in conjunction with Kannon Consulting titled "Marketplace Intelligence For Newspapers: Understanding Customers To Grow Revenues." The report is the first step in a long-term project called "Smart Newspapers," designed to identify processes to allow newspapers to develop a new cultural formula that grows business.

"Marketplace Intelligence For Newspapers" is based on a survey of newspaper general managers and market researchers. The survey portion of the report looks at the degree to which newspapers conduct research and how they view the research conducted.

Written by Kannon Consulting president Barbara Cohen and senior consultant Craig Kaczorowski, the report features recommendations for newspaper managements centered around five key findings:

1. Newspapers should place a higher priority on marketplace intelligence, including higher levels of investment in research and market measures.
2. This incremental investment should be in research that helps to understand consumer behaviour and emotional linkages to media, product development, and strong marketing messages.
3. Newspapers should shift data collection strategies to tailored research.
4. Research needs the empowerment of chief executive officers at newspapers.
5. The talent, skill, and demeanor of market researchers at newspapers need to be upgraded.

The 49-page "Marketplace Intelligence For Newspapers" report – with its mixture of survey results and recommendations – includes eight sections looking at:

- A snapshot of today's market research department.
- How needs of internal clients are served and satisfied.
- Types of research fielded by newspapers today.
- Research expenditures at newspapers.
- Major findings across geographies worldwide.
- Major findings across newspaper circulation sizes.
- The perceived value of market research by management.
- A profile of newspapers that highly value market research.
- Thoughts on the findings looking forward.

With more than 40 charts and exhibits, the report also includes a two-part appendix consisting of the detailed original surveys designed for general management and market researchers at newspapers.

"The 'Marketplace Intelligence For Newspapers' report provides CEOs a snapshot of how their companies are gathering and using information in management decision-making – against the backdrop of the proliferation of multi-product development and how their peers in other industries are gathering and using market information," says Earl J. Wilkinson, executive director of INMA. "The days of 'build it and they will come' and blind, uninformed, mass-market communications are clearly over.

"In a fragmenting market, it is urgent that CEOs begin to listen to the voice of the market and take that voice into consideration in strategic decision-making," Wilkinson says. "Creatively applied, this report can be a building block for the management systems and processes that must be put in place to engage this emerging marketplace."

The report provides new benchmarks for research – compared with similar results in other industries, compared with newspapers in different regions of the world, and compared with newspapers of different circulation sizes. The expectations and viewpoints of general managers and research professionals are constantly revisited throughout the report.

Among the questions answered in the report: Where are research monies being invested? Which departments are being served properly, and which departments are under-served? How are budgets being allocated? What is the organisational reporting relationship of research, and what should it be? What characteristics of research professionals do general managers want today? What obstacles exist for a research department to maximise its effectiveness? What types of research are being fielded, and what outcomes do general managers envision that might change what types of research are conducted? How valuable are the relationships between newspapers and research vendors?

Next Steps In Smart Newspapers Project

Having now identified the level of research newspapers are doing and providing recommendations for what newspapers should be doing with marketplace intelligence, the Smart Newspapers project will move into its next phases. The next steps include:

- What tools, metrics, and research should newspapers be following?
- How to identify business prospects, how to pursue business prospects, and how to evaluate this process' success or failure?
- How to tie brand attributes to circulation and advertising sales results?
- How to manage and prioritise communications levers?

When all five steps have been completed in 2005, INMA aspires to have contributed to the newspaper industry a body of research and recommendations that will allow CEOs to engage a complex marketplace in new ways that will produce better results than in recent years.

"In developing this multi-step process, we knew the cornerstone of market engagement was research, and that's why we chose to focus the Smart Newspapers project's initial efforts in this direction," Wilkinson says. "The next steps will begin identifying processes that build on this new knowledge of our industry's research operations."

About the Principals

Kannon Consulting (www.kannon.com) is a strategy and marketing consulting firm focused on helping clients identify market opportunities to grow their revenues. Cohen is the president and founder of Kannon Consulting, while Kaczorowski is a senior consultant at Kannon. Both have worked with media clients to help build an understanding of consumers and advertisers in print and online businesses.

With more than 1,000 members in 60 countries, INMA (www.inma.org) is a non-profit association dedicated to promoting advanced marketing principles within the newspaper industry.