

# A media market update – an in-depth look at what's been happening in: Print: Revenue forecast for 2016 -14%

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Print revenue year to date has fallen to -14% YoY. Of that, national press ad revenue decline has reached -13% YoY and for magazines, -7%.

There may still be some lingering uncertainty in the UK advertising industry following Brexit, however these figures highlight the steady evolution of print brands as they develop their digital offerings, with the likes of The Sun dropping their paywall to acquire 8 million unique users.

Interestingly though, ad revenue is up for entertainment and leisure brands by +1%, mainly driven by national press, which is up year-to-date +14% YoY. This is likely due to the Euros and Olympics which generated a wealth of advertising opportunities in the print market particularly for brands like Paddy Power and Betfair. Similarly, the referendum in June saw

a significant increase in demand for trusted journalism and opinion, allowing national press and news weeklies to increase the number of ad spaces for brands wishing to book in issues with soaring circulations.

However, the print market has undeniably been significantly hit by advertising giants like Tesco slashing print spend in favour of digital and social media platforms, with Ebiquity quoting newspaper digital spend for 2016 at an increase of +2.5%, regional digital spend +14.8% and magazine digital spend +6.1%. This is a far cry from print forecast spends for 2017 with a national press forecast of -11%, regional -8.5% and magazines -7%, publishers can take little solace in growing digital revenue.

## The Guardian go programmatic

With newspaper ad revenues in steady decline, it's not a huge surprise that The Guardian have posted a pre-tax loss of £69m for 2015/16. As Campaign have commented, with 'programmatic auctions driving down costs and the gravitational draw of the tech giants,' even 'The Guardian's supposed saviour, digital ad revenue, actually declined by 2.3% to £81.9m in the year to April 2016.'

However, tackling this challenge head on, The Guardian have launched a new programmatic platform which promises to deliver more effective and targeted campaigns. This is divided into two options, a pre-defined category for media buyers based on demographics and audience interests and the other, a custom data option built to bespoke audiences for individual advertisers.

Despite his former stint at AOL and Google, the Guardian's Chief Revenue Officer Hamish Nicklin has said "I think advertising is broken because we're focused on these short-term metrics like click-through rates," but "there's so much more to what we do in advertising than getting people to like or share things. We change behaviour," saying The Guardian's "context and environment are such that we can get our readers to do things." It seems that the publisher's new proposition could marry the best of programmatic buying, digital

advertising and the online environments a trust worthy news brand has to offer.