

mei-ster:  
Suffix denoting  
a professional  
practitioner

# ProfitMeister

M A X I M I Z I N G   Y O U R   M A R K E T I N G   M O N E Y

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## Time to trash newspaper ads?

**Given declining circulation and rising costs your firm needs to decide: ads in the daily paper: good or bad?**

*“There is no such thing as national advertising. All advertising is local and personal. It’s one man or one woman reading one newspaper in the kitchen or watching TV in the den.”*

Morris Hite

Newspaper no longer warrants the bulk of an advertising budget. Household penetration – the number of newspapers sold as a percentage of households in the country – averaged 123 percent or 1.23 newspapers per household in 1950. By 2000 the number stood at 50% and experts predict it will decline again to less than 25% by 2010.

Declining circulation combined with increasing costs of paper and production makes print advertising expensive. Even businesses that have relied on newspaper advertising for years must now rethink their strategies. The success or failure of an advertising campaign depends on return on investment (ROI). This ProfitMeister reviews the positive and negative aspects of newspapers and offers three questions to help you formulate conclusions.

### Print Positives

Newspapers represent one of the oldest forms of advertising and offer an assuring presence via visibility to advertisers. It’s easy to track newspaper success because in many instances, consumers clip the advertisement and bring it with them when they visit the store..

The medium reaches a varied audience. Most newspaper sales pieces tout “pass-along readership” and estimate it at 2.5 people per copy. Print advertising requires little lead time and the paper’s staff will prepare your advertisement for approval at no charge. The fact that each paper pub-

lishes different sections also reflects print’s ability to target potential customers.

### Print negatives

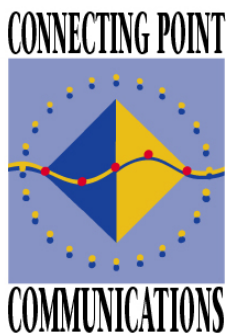
Research shows the average reader browses the paper looking for specifics such as movie listings or sports scores and doesn’t see ads. Because there’s no separation of advertisers in the paper, one store’s ad might appear directly beside its competition’s. Clutter affects every section with some sections being primarily advertisements.

The commitment of time required to read is a huge drawback for newspapers. Television and radio allow consumers to do other tasks as they watch or listen. Most people complain that newspapers provide second cycle news. Consumers first hear news on the radio or see a report on television or the internet. The newspaper provides a follow up source of information.

In addition, a newspaper subscription is expensive at \$150 or more per year. Since the subscription provides no guarantee of delivery time, some subscribers don’t get their paper before they leave for work.

### Advertising decisions

In spite of increasing competition, newspaper retains one of the top ranks for advertising expenditures, pulling in more than \$49,436 million, or 18% of all expenditures according to the Newspaper Association of America, 2005 published numbers. Detractors argue that habit contributes to these



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“If you can substitute your competitor’s name in your advertising statement and it remains true, you have a problem.”

totals. Store owners who grew up with newspaper simply continue to spend dollars there, ignoring the fact that circulation has declined and the average person spends less and less time with the paper. Scarborough Research, which reviews newspaper data, shows readership is a problem particularly with the young. In 2003 data only 40% of people aged 18-24 read a paper on weekdays. Research indicates that everyone reads newspapers less.

This conclusion offers concerns because newspapers used to do a good job of attracting affluent, educated readers. Statistics show declines in readership for these groups as well. Only the *Wall Street Journal* which grew at 0.6% as recently as March 2007 and *USA Today* offer exceptions to declining statistics. *USA Today* has grown in circulation from zero to 2.1 million and continues to garner audience increases. Unfortunately, these two national papers are cost prohibitive for local advertisers.

## What to do

No matter how bleak the outlook for newspapers, they continue to be effective advertising choices for some situations. Since every marketing opportunity is different, effectiveness requires tracking and evaluation. ProfitMeister has developed three “how” questions for your use in evaluating newspaper as an advertising medium for your business: how does print fit into my plan, how strong is my print message, and how will I know if it works?

## Consider fit

If newspaper is the only advertising that you are doing, stop. A stand-alone, one-time only advertisement is a risky purchase because too many factors must align for it to work. All advertising produces better in cross-promotion, a technique in which different media present the same message. That means that in-store flyers might call

attention to your advertisement; radio spots support the same sale; your direct mail campaign occurs during the same time period and so on. These opportunities augment effectiveness by increasing impressions and awareness among target customers.

Another way to ensure the fit of your advertisement is to relate it to the section in which it’s placed. Although this may cost a bit more, it offers increased assurance that your target market will see you. A smaller advertisement in a weekly health section may be more effective than one giant single display.

## Consider message

How strong is your print message? Test your ad. If you can substitute your competitor’s name in your advertising statement and it remains true, you have a problem. Make your offer worthy of the advertising dollars behind it.

Develop and use a unique selling position (USP) that defines your business; this is the reason that customers come to you rather than your competitors. Think in terms of benefits that you can own. Instead of “the best service,” think instead “a complete selection of amenities for seniors.”

## Consider return

How will you track the effectiveness of your advertisement? Use urgency to your advantage with a limited time offer. Get specific with products. Unless you have an unlimited budget, generic “image” campaigns are a luxury you can’t afford.

## Summary

There’s no easy answer to the question, “Should I advertise in the newspaper?” It simply depends. I like to change the question to “How can I effectively advertise in the newspaper?” That answer makes all the difference.



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