

Tying Online Sales to Print Leads to Disaster

By Peter M. Zollman



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Pardon me for saying it, but “I told you so.” However, I’m not saying that to gloat. I’m saying it to point some people in the right direction.

For years, the AIM Group has been warning publishers about tying their interactive-media sales to print. Packaging makes sense. But just tacking an upsell onto a print sale, we warned, was a recipe for a disaster. And “hiding” the upsell in the print rate without actively promoting the value of the online service? An even bigger potential for disaster.

What’s happened? The disaster has struck with full force for newspapers that weren’t selling standalone Web services.

Let’s back up and start at the beginning.

When Internet services became important, say nine or 10 years ago, many newspapers began posting their print classifieds online. They’d take the print line ads – “3 bdr, 2 ba, frpl, pool,” – and post them on the Web. Typically, they added a \$1 charge to the print price. Rarely, if ever, would they tell the advertiser about the online posting; after all, why tell the advertiser his ad’s going anywhere *but* the newspaper. If it works, let him assume the ad in the newspaper worked. Slowly that \$1 upcharge became \$2 or \$3, but even a few years ago newspapers rarely wanted to tell their advertisers about the ad going online. We used to conduct “mystery shopper” calls regularly to newspapers, and they were very blatant in their print orientation.

While much of that has changed in the last 18 months, one thing has not. Many newspapers still rely on the “print upsell” for their online advertising. And as newspaper classified advertising has dropped – nearly 30 percent at U.S. newspapers in 2008, according to the Newspaper Association of America – *upsells* aren’t selling.

By now, of course, many newspapers have started direct sales of Web services, some focused on “display ads” (banners, buttons, skyscrapers, etc.); some focused on classified services, like recruitment and automotive (either Yahoo HotJobs or Monster, or independent sites), and some working in new areas, such as mobile news alerts.

Even so, many are still *dabbling* with interactive media services. They commit only half-heartedly to their Web services, and take the same approach to mobile media as they did five years ago to the Internet – that is to say, they’re hoping mobile will go away.

So, what’s a publisher to do?

- First of all, make sure interactive media are considered as important as print operations. Does the person who’s responsible for interactive media have the same level of responsibility and pay as the print VP? Or are they the same person?
- Are you being as aggressive about updating your online services as you were about adding color capacity or additional insert capacity 10 or 15 years ago? The good news is that it’s much less expensive to upgrade online services than print equipment, especially if you work with vendors that are “best-of-breed” that are steadily improving their services. Unfortunately, the cycle of upgrades is demanding and relentless. And it’s an operating expense rather than a capital expense.
- Are your services truly interactive? Do you *drive* community on your Web sites? Do you have someone who manages and develops participation? Do you focus on the passions – the things that people in your community care about? And do you tie them to revenue? Shouldn’t your coverage of Little League, junior football, even the local employment scene, be sponsored?
- Have you shifted from an inbound sales model for classifieds to a non-stop, outbound sales program? This is essential for print sales as well as online, especially in today’s economic climate. But it’s a permanent, fundamental change in the way newspapers will do business – and if you’re not there yet, you’d better be soon.
- Do your sales reps truly *sell* interactive media? Do they understand what they’re selling? Even better than

they understand print? (Interactive media are newer, more ephemeral and more complex to sell than print.) Can they explain unique users, page-views, behavioral targeting and CPM vs. CPC as readily as they can explain the benefits of four-color ads? If not – train, train, train.

If the precipitous decline in print advertising hasn't convinced publishers to view interactive media as their future, nothing will. If you're on track, focus harder. If you're not on track, either retire and let someone else take over, or get yourself on track. Otherwise, the secular shift from print to interactive media will shut you down and you won't be worrying about how to save your print business – you'll be learning to use recruitment sites.

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