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TO ALL REPUBCO EMPLOYEES:

Anyone interested in his job should be interested in current affairs of his industry. Following is a report on the newspaper industry as made at the recent ANPA meeting in New York by George Biggers, president.

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Publisher

Newspapers have seen the biggest year of them all, 1953, fade into history. Circulation reached an all-time high, 1,785 daily newspapers with a total circulation of 54,472,286. National advertising revenue scaled a new peak—\$634,300,000. Retail advertising revenue hit the jack-pot total of \$2,021,000,000.

Newspapers never had more impressive figures to show to advertisers, agencies and prospects than the figures of 1953. These facts forbid me to "view with alarm". I prefer to call attention to unmistakable trends and conditions.

Circulation in 1954 may continue on its merry way, but advertising isn't. In January, the 118 cities measured by Media Records showed gains in 68 cities and losses in 50. In February, the 118 cities measured showed gains in 56 and losses in 62. February is the first month in a long time that the balance tipped over to the "losses" side.

March returns are not tabulated yet; but when they are, we are likely to get a mild shock. March's unusually poor showing might be because of losing the fifth Sunday out of March and into January this year. It might be because of Easter coming so late. Regardless of the cause, including bad weather, I'll wager March wasn't so good with you in 1954. I'll wager further that when advertising revenue shrinks from 8% to 10%, a big hole is torn in the final line of your P. and L. report. Certainly your production costs have risen rapidly and it has been exceedingly difficult to adjust these costs to the drop in revenue during the last three months.

Let's be realistic and look at some other trends, even though one can hardly be cheerful as he mentions the economic factors that have caused such a shrinkage in the number of newspapers in the United States. I am informed that 840 newspapers have suspended, merged, or gone out of business in the last 25 years. That number increases. Just recently, The Washington Times-Herald was sold to The Washington Post, and when the dispatch came to our desks, we were shocked. There was one less editorial voice in our national Capitol. One more newspaper had become a casualty to add to the statistics cited above. There were more newspaper people seeking work.

When will this trend stop? What causes such shrinkage in the number of newspapers? Is it waste and extravagance in our operations? Are we poor manufacturers and lack technical "know-how" after we create such a fine product as the daily newspaper? Have we kept pace with the rest of the country in modern production methods and the handling of our people?

We all know that costs have spiraled in recent years. Newsprint that cost \$61 per ton at the close of the war now costs \$126 per ton,—more than doubled in 6½ years. Payrolls have at least doubled in the last 10 years. Newsprint and payrolls together consume anywhere from 50% to 67% of a newspaper's income. Some run higher.

To look to the reader and the advertiser for the additional revenue that newspapers require is an outmoded formula. In certain cities there already is a retail price of 7¢ to 10¢ for daily newspapers and 20¢ to 25¢ for Sunday newspapers. Advertising rates have been increased frequently in late years. These recent increases have resulted, for many newspapers, in less volume. Circulation was slower to come back after that last increase in rate. Advertising volume didn't quite retain its peak.

Let's remember always that newspapers are a mass medium. When we no longer deliver our market—every income bracket of it—to the advertiser, we are heading into difficulty. The retail stores of this country were built on fast merchandising, big sales, lots of advertising. The manufacturers gauged their operations accordingly. Merchandise is manufactured fast and sold fast. To move it requires advertising, lots of advertising, frequency of advertising, multiple pages of advertising. And let's never delude ourselves with any occasional thought about our newspapers being too big, about advertisers getting along just as well with less space. American business wasn't built on reduction of volume.

At this juncture, it might be well to glance over our shoulder at the big, overgrown boy who has moved into the block,—television.

Within five years—1949 to 1954—television has developed almost incredibly. In 1949 there were 3,950,000 TV set owners. Today there are 27,500,000—an increase of 596%.

In 1949, TV advertising volume was \$68,400,000. Last year, it was \$688,700,000—a growth of 907%.

TV stations have increased from 98 to 344, or 251% since 1949. Moreover, there are no signs of shrinkage in this business.

Television is the first visual advertising medium to go directly into the home and compete with newspapers. Don't treat it lightly. Never take solace in the hope that since we weathered radio, we need only ignore television or not look at it too closely, and it will go away.

Television is competing with newspapers in two ways: fighting for the advertiser's dollar and fighting for the reader's time. We still have the advantage of being a printed medium,—one that can be laid aside for awhile, picked up again at the reader's convenience and read leisurely. We also have the advantage of being a permanent record. But contemplate for a moment the gigantic—"colossal" is actually the word,—atomic advertising bomb that was dropped into the homes of this country one Sunday night recently by General Foods.

The occasion was their 25th anniversary. So they bought one hour and a half on all networks, then hired the top enter-

tainers to recreate the happy moments we have spent watching and listening to Rodgers and Hammerstein shows and music. Network time is reported to have cost \$250,000, while the talent is supposed to have cost \$500,000. Think of it! Three-quarters of a million dollars spent in an hour and a half. Can you imagine an advertiser figuring such an expenditure in the newspapers of this country on a given day? Have any advertisers tried to buy the entire issue of your newspaper for one day and block out all competition? I mention this to illustrate how television is soaking up the advertising dollars and at what speed it is developing.

Lest I be accused of being a "croaker of doom" in the newspaper business, let me hasten to the other side and tell how I think we can continue with the best medium of them all!

1st. Better editing. More local news. What are the home folks doing? Brighter newspapers, shorter stories, fewer jumps, more pictures. More background material, more interpretation of top news stories, more explaining what people saw on television last night, more articles on "how to do it". More information on home furnishing, home designing and decoration. More food articles, recipes, menus and how to cook it yourself. More articles and features designed to capture the eye and attention of the teen agers.

2nd. Keep the editorial page alive. More controversial subjects. This is one feature that television hasn't got and never can have. Your editorial page should be the conscience of the community in which you live and publish your newspaper.

3rd. Better selling of our medium. Better selling to the point that we need never worry about department stores seeking another and cheaper medium. Nor need we ever have a doubt about the service that our classified pages render to advertisers and readers alike. Certainly there is no glamour in the want ads. It's just column after column of type,—dreary, deadly type. But it paints a picture of homes and used cars and help wanted and rooms for rent and merchandise for sale, and it brings seller and buyer together cheaper and quicker than any other advertising medium. So long as we carry the want ads of the community, we have the greatest advertising medium.

4th. Better and earlier delivery of our product. Outside of the larger metropolitan cities we must solve the problem of delivery. When the reader wants and expects his newspaper to be delivered to him, is the time we must get it there. Afternoon papers must get into the home early enough to compete with the evening television programs. Morning newspapers must get into the homes before breakfast, no matter how far they have to go to get there.

5th. Mechanical improvements. Whatever will set type faster, make mats quicker, and print newspapers in greater quantities—and with fewer man-hours required in the effort—should attract our interest. Technological advances should hit the newspaper business some day with a resounding crash. When they do, we want to be ready. Improved printing and

quicker methods, along with the corresponding reduction in costs, is what we are searching for and something that we must have.

6th. Co-operation of our employees. Somehow, somewhere along the line we must make our people understand that we cannot continue pyramiding our costs through feather-bedding our contracts. Our people simply cannot go on producing less and less of what costs more and more, while refusing any of the responsibilities and obligations now borne by ownership and management. Newspaper workers must be shown that they cannot possibly prosper when more and more newspapers go out of business. Higher and higher pay for less and less work, will never create more opportunities for newspaper employees and some day they must face this fact.

7th. Learn to print color. Many newspapers over the country are doing excellent color reproduction now, in one, two and three colors and black. But many other newspapers are burying their heads, hoping that color will not stick around to torment them.

I have referred to television and the impact it is making on the American home. Now I call your attention to "color television" which is closer than you think. Color TV just isn't way off in the future, Color TV is being televised now. It will be seeping into metropolitan areas on a limited basis by mid-summer. Next fall it may be common. When that comes about, newspapers must be ready to compete with color as well as black and white. There are quite a few newspapers, the leaders in this respect, who are doing a fine, enterprising service in showing the newspaper business its need for color in both advertising and editorial columns.

8th. Demand of the syndicates that they develop new features for newspapers. Comics have followed a definite pattern for years and they need new patterns. Do you know at what age the kids are deserting comics nowadays and seeking their "cops and robber" thrills from TV? Do the syndicates know that their hottest comic strips have less reader interest, young and old, than they have had for years? Are we developing new material for our newspapers as fast as the TV folks are arranging new stuff for their programs?