

THE HARMELIN MEDIA REPORT

A Monthly Newsletter Published By Harmelin Media

March 2006



Volume 17 No. 3

Yellow Pages Becoming a Bigger Player in the Media Mix by Christina Esposito

Yellow Pages have always been a big player in the media mix. Knowledge Network/SRI conducted a study to determine just how big a player they've become.

In creating the Yellow Page Market Reporter (YPMR), KN/SRI conducted



75,000 in-depth consumer interviews that delivered specific directory usage data for 125 geographies covering 161 directories. The YPMR was developed

due to requests by advertisers, ad agencies, and marketing representatives for independent third-party syndicated research to measure the directory audience. Ten publishers participated in the YPMR research including Yellow Book USA and Verizon Information Services. "YPMR gives us an important new tool for making buying decisions in this unique medium," said Janice Lucente, Marketing Manager for Allstate.

The study shows Verizon is ranked first in usage in three New York City boroughs (Manhattan, Bronx, and Brooklyn) and Washington DC. The company has a positive response to the YPMR research. Jim Palma, director of marketing and services for Verizon, states, "This is a huge step for the Yellow Pages industry. Customers, including advertisers and agencies, now have uniform usage data from all publishers in the mar-

(Continued on page 4)

Virtual Reality for the Olympics by Mark Hogan

The Olympics - the games have always been the epitome of athletic competition, with fans and spectators flocking to stadiums and arenas around the globe to view the best of the best. Since the first TV coverage of Olympic Games in the winter of 1960 from Squaw Valley, the games, the prestige, and the audience of the Olympics grew larger and faster than anyone could have imagined. In 1968, ABC and the Summer Games forever changed the Olympic viewing interests of America as Roone Arledge took the helm and began a combination of an in-depth and personalized approach to sports broadcasting. Now fast forward a few years to the Internet, cell phones, Palm Pilots, Blackberries, and so on.

The 2006 Opening Ceremonies for the Winter Olympics came and went with a large percentage of Americans unaware, according to Nielsen ratings. February 12th's primetime Olympic viewership was an estimated 22.8 million, down 50% from 2002's 45.6 million in Salt Lake City. No one, including analysts and NBC execs, expected the 2006 games to perform near what ratings were in Salt Lake City. And as the games went on, that became excruciatingly clear.

ABC and FOX decided to take an aggressive, unprecedented risk, running first-run programming against the Olympics. CBS took a more traditional approach, conceding most of its primetime programming with the exception of *Survivor* and *CSI*. The gamble for ABC and FOX paid off. During the first weekend of the Olympics, ABC's *Desperate Housewives* and *Grey's Anatomy* outperformed the Olympic Games, posting some of the best ratings either show has experienced (23.5 million and 25.4 million respectively). And FOX's *American Idol*, a show which has been averaging nearly 30 million viewers per run, captured 27 million viewers Tuesday Feb. 14th and 31.1 million view-



(Continued on page 3)

Newsweeklies Struggle and Innovate to Grow

by Steve Zartarian

The recent woes of the newspaper industry, with its declining circulation and ad revenue, have been well publicized. But their distant cousins, the weekly newsmagazines, have also fallen on hard times. Like newspaper publishers, the newsweeklies are trying to reverse the trend.

Ad pages and revenue for the five major news-weekly magazines have decreased dramatically, especially in the past year. Publishers Information Bureau (PIB) data show that category leader *Time* saw its ad pages decline by 12% in 2005 and revenue was off by 8%. For *Newsweek*, the decline was 11% in pages and 14% in revenue.



U.S. News & World Report, with a smaller base, actually bucked the trend: it was

even in pages and up 9% in revenue. The two weeklies with a business orientation also reported differing results. *Business Week* had a 13% decline in pages and 9% loss of revenue, but *The Economist*, with a smaller base, fared better. It lost 2% in pages but was up 11% in revenue. Overall, the five publications were down by 8.6% in pages and 4.8% in revenues.

Unlike newspapers, however, these declines have not come about specifically because of dwindling audience numbers. The circulation and readership have been consistent for the past five years. According to the Audit Bureau of Circulation (ABC), *Time's* circulation has been even at

TIME

just over four million copies, with *Newsweek* reporting just over three million, *U.S. News* at two million, and *Business*

Week around 980,000 copies. *The Economist's* North American edition has actually grown, from 338,000 copies in 2000 to 482,000 in 2004.

Readership has had some ups and downs in this period, but MRI reported that total adult readership has increased slightly for the five.

So why the loss of advertising revenue? While younger news consumers are still reading the newsweeklies, they are also using other outlets, particularly cable news networks and the Internet, for news and analysis, and advertising dollars have been migrating to these media. In addition, these outlets, particularly online ones, are providing new, creative formats to capture

younger news consumers - formats that magazines have not been able to duplicate. Finally, spending in the newsweeklies' primary revenue categories - automotive, computers, communications, and other technology products - has decreased significantly overall. These categories were off by 22% in revenue and 28% in pages in the newsweeklies in the past year. Minimal increases in other categories didn't make up the losses.

To offset lost ad revenue, the magazines have embarked on two strategies: adding special sections in their print versions and expanding their online offerings. They're designed to build advertising from the magazines' traditional advertisers.

Time now offers targeted special sections, including a monthly Global Business and Inside Business. Its parent, Time, Inc., has bolstered its online operations with CNNMoney.com, which now serves as an umbrella for several titles, including *Fortune*, *Fortune Small Business*, *Business 2.0*, and *Money*. The site includes up-to-date stock market reports and analyses, and sections on technology, jobs, the economy, personal finance, autos, real estate, and small business as well as business lists, including the Fortune 500.

Newsweek has not made any major additions to its online offer-

ings. Its site is a joint venture with MSNBC and in-

Newsweek

cludes content from the print version as well as web-only material. However, *Newsweek* has increased its print special sections. These now include a cover story series on leadership that runs in the spring and fall, two cover packages on "The Next Frontier" which focuses on technology, and four cover stories a year on health care. All are designed to attract advertisers who have a specific interest in one of the areas.

Business Week has taken the most drastic steps. It has just killed off its European and Asian print editions and plans to replace them with online editions later this year. Its domestic site now includes a variety of blogs, podcasts and slide shows, and it has won several website awards from marketing publications. It plans to bring this expertise to its international versions. On the print side, *Business Week* re-launched a small business quarterly two years ago (*Small Biz*), and has boosted efforts to sell special sections, similar to its competitors, *Forbes* and *Fortune*.

(Continued on page 3)

(Continued from page 2)

U.S. News, as noted, has not witnessed the same decline in advertising revenue, and its expanding array of special sections has played a key role. Although the publication does not enjoy the same circulation or ad revenue as *Time* or *Newsweek*, it has gained recognition for these sections. They include "America's Best Colleges and Universities," "America's Best Hospitals," and "America's Best Health Plans." These have garnered considerable advertising revenue. They have been effective public relations vehicles for the magazine, as they're often quoted in the mainstream press when they appear.

The Economist is shown growth in recent years, is a somewhat different animal. Published in Great Britain, it is really an international magazine. The North American edition accounts for slightly less than 50% of its circulation and less than half of its advertising pages. Its editorial reflects this orientation, with news reports and analysis from Europe, Asia, the Middle East, Africa and Latin America, as well as the United States. Its growth in the U.S. may be due to its cost structure, which is lower than that of the other newsweeklies, and its greater orientation to business, both of which make it attractive to business-to-business advertisers (who typically have smaller budgets).

How effective will these measures be in stanching the flow of ad pages and dollars? It may well benefit marketers who can take advantage of these expanded print and online offerings to develop new, innovative and more impactful ad campaigns.

(Continued from page 1)

ers on Wednesday the 15th, crushing the Olympics' average 15.4 million viewers.

When asked if this impact on ratings is a result of TV viewing audiences tiring of the Olympics due to the still-new 2-year alternating of Summer and Winter games, WCAU-TV's Vice President of Sales Joe Collins pointed out the recent realization of audience fragmentation by all networks, broadcast and cable. For the local Philadelphia market, NBC affiliate WCAU is performing at-to-slightly-above network ratings (NBC guaranteed a HH ratings performance range between 12.0-14.0). But with the home favorites rarely reaching the medal podium, America found no one story to latch on to. There's Bode Miller's wild night life leading to DQ's and bad time postings, Michelle Kwan's decision to not participate due to injury, Lindsey Jacobellis' trick-turned-blunder when she had a gold medal locked up, and the U.S. hockey team's early demise, but none of these stories provided the necessary platform for news anchors to build a good story. There's been a lack of standout success to grab America's attention.



Collins also points out that while ratings may have tumbled back to 1998's Nagano numbers, the Web has been increasingly busy. A key demographic which many networks strive to reach is Adults 18-34, the next generation of viewers. In study after study, this demographic has proven to be increasingly reliant on technology, spending more time online than any other age group for instant information on current events. When gossip circulates around the office that Jacobellis just tumbled on an unnecessary jump that cost her the gold, this age group quickly minimized their on-screen workload and opened an Internet browser to stream the video.

On Monday, February 13th, an estimated 29 million page views were recorded on NBCOlympics.com, with nearly double that number of videos being streamed. These numbers are more than twice Athen's internet numbers and nearly 10 times higher than Salt Lake City's. The Internet is revolutionizing the way audiences get their information. Americans went home and watched their favorite programs such as *American Idol* or *Survivor*, because they already knew that the U.S. hockey team had been eliminated, or Bode Miller missed a gate on the downhill.

NBC went one step further this year to create a youth-targeted website, OffThePodium.com - a website that allows users to download national anthems as mobile ring tones as well as receive cellular updates of scores, standings and medal counts.

The world of technological gizmos and gadgets is revolutionizing every day. And as these changes take place, the Olympic Games and networks are also changing their ways of delivering the news. From the way the information is disseminated, to the way that it's received, viewers will continue to push for faster results while networks and sponsors continue to find ways to provide it and sponsor it. In the end, the Olympics will always be a unique and traditional event with a loyal fan base. America will just have more ways to continue following the games without ever having to turn on the television.

(Continued from page 1)

ket. This is another good tool for them to use in making advertising decisions."

AT&T Yellow Pages was also very impressed with the 2005 YPMR results.

Looking at the largest independent Yellow Pages publisher, Yellow Book's press release states that they are the most used Yellow Page directory in Philadelphia and other markets including Lubbock TX and Lehigh Valley PA where three competitor books are needed to match the geography of Yellow Book. In Chicago, they were only eight points off the lead. They achieved near-parity with competition in Cedar Rapids IA and Middlesex NJ as well as a strong second in Des Moines IA and S. Orange County CA. And unlike other companies, Yellow Book gives calculated examples of how they are the lowest cost-per-lead in the Yellow Pages industry, which is directly related to a higher ROI for the advertiser. The YPMR has shown major growth for Yellow Book, which is newer to the Yellow Pages industry. Joe Walsh, the president and CEO of Yellow Book states, "This is the beginning of the end for the dueling pie charts of proprietary research and it will help the entire Yellow Pages industry to grow."

This new research has the potential to change the marketing and planning strategies of the Yellow Pages companies and create a more competitive Yellow Pages industry. Other companies may feel the need to step-up in certain markets to try to become #1 in usage. This could include launching more advertising campaigns for awareness and to combat the competition vying for the limited ad budgets of small businesses. For example, the new yellowpages.com (a joint website by AT&T and BellSouth) recently launched a new campaign in an effort to create awareness and generate more usage of their site and ultimately to get more businesses to advertise with them.

Yellow Pages are now able to see exactly how they're doing in a market compared to the other Yellow Page directories, creating a battle for the top usage share in each of their markets while keeping the lowest cost-per-lead for a better ROI for businesses. YPMR will become an extremely important tool for strategizing and planning for this medium in the future.

The Harmelin Media Report is published by

**Harmelin Media
525 Righters Ferry Road,
Bala Cynwyd, PA 19004
(610) 668-7900**

**CEO: Joanne Harmelin
Editor: Terry Maher**

Visit our website at www.harmelin.com

Harmelin Media Welcomes Owens Corning Basement Finishing System

Harmelin Media is pleased to announce that we've been named the media planning/buying agency for Owens Corning Basement Finishing System. This system allows a homeowner to finish his basement in about two weeks. The system is superior to dry-wall or lumber for finishing a basement. Those traditional methods were designed for above-ground use. The Owens Corning system provides durable, dent-resistant walls designed to resist the moisture, mold, and mildew typically found in a basement environment. The wall panels are insulated thermally and acoustically. Owens Corning provides the homeowner a limited lifetime warranty for its Basement Finishing System.

Harmelin Media looks forward to a long-lasting relationship with Owens Corning Basement Finishing System.



Around the Coffee Machine

**A Completely Unscientific Survey of Harmelin Media Employees...
This Month's Question:**

How much total time did you spend watching the recent Winter Olympics?

None	22%
One Hour	11%
Two Hours	11%
Three Hours	18%
Four Hours	14%
Five Hours	7%
Six or More Hours	17%

