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Findings: Distribution, Circulation & Marketing

IN A NUTSHELL

This chapter unites the findings of three research areas in one because they are closely connected and each directly influences the other. Lack of system-wide support for printing, distribution, circulation and marketing functions make it especially difficult for grassroots publishers handle these functions and survive. A Distribution Net, tailored research into circulation, and extensive promotion of the grassroots are among the recommendations made.

Co-operation between competitors is the key to improving the reach and pulling power of the grassroots in communities and so raising its revenues.

No discussion of distribution, circulation and marketing can fail to take account of the broad systemic connections between these press functions. They all have to do with getting the product into the hands of readers with revenue generated from advertising to these readers. Logistics, data, and sales interlock. The diagram opposite shows the extremely complex interrelationships between publishing business functions, making it clear that no single function can predominate in the matrix of things that have to be done for a publication to reach its community of readers.

Common thrusts

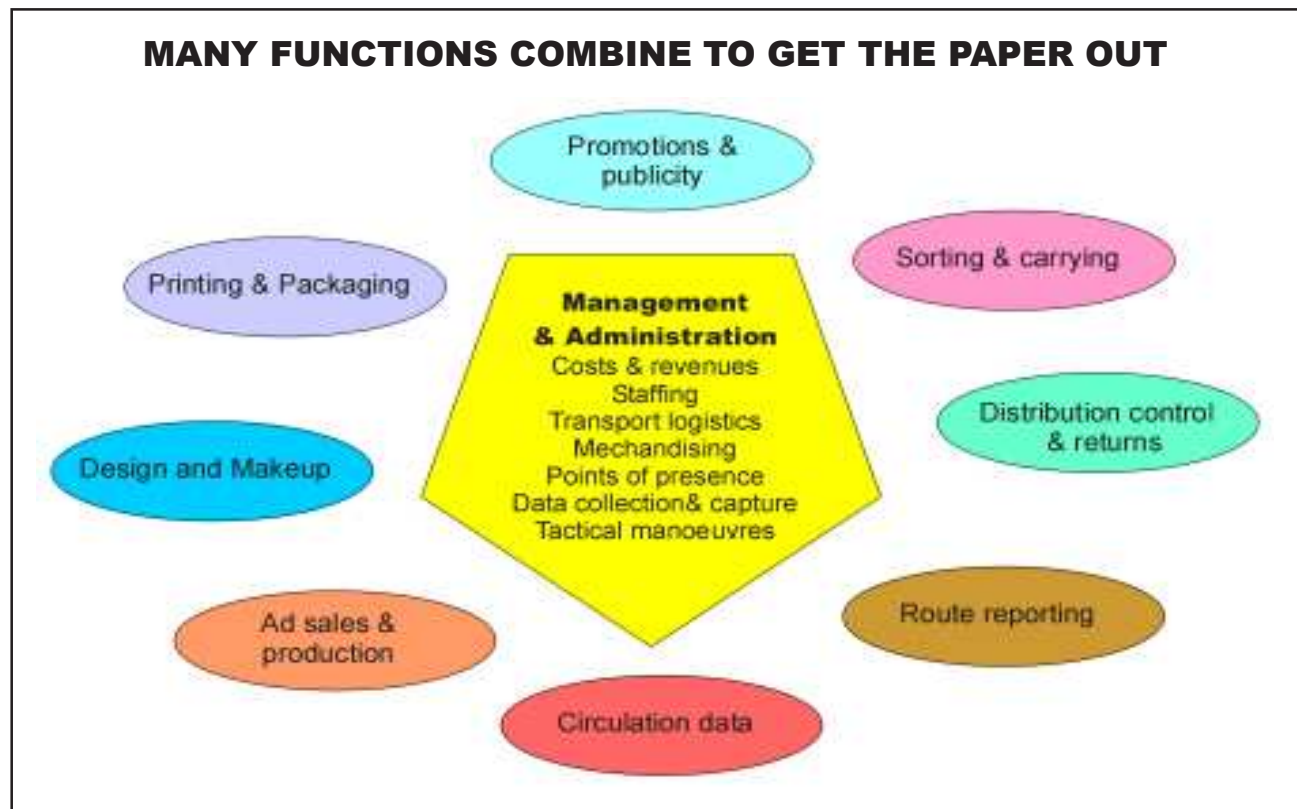
In this chapter we see them as intimately connected; and also depict them as spanning the print media system both vertically and horizontally.

- Vertically, all publishers large and small, from top to bottom, must carry out these functions, but the bigger players have the advantage in terms of the resources they bring to bear and the recognition that they receive from commerce, industry and the State. They have the wherewithal to make deliveries, promote their papers and project the statistics that will convince media buyers (those who purchase space) that the readership is being reached.
- Horizontally, within the grassroots sector, publishers share common concerns over the lack of distribution, circulation and marketing services. These are key areas of vulnerability where various forms of co-operation would certainly help to strengthen small publishers.

- At the enterprise level, as the diagram illustrates, many functions must be combined in order to put the physical newspaper in readers' hands. Small publishers are at a disadvantage not having specialised departments: the same people must handle all the activities, often leading to breakdowns and confusion.

We stress the importance of co-opetition between competitors large and small, as common interests can be identified leading to synergies. This is the vertical dimension; horizontally, it is up to the grassroots publishers to aggregate, networking with each other, and later we suggest where peer

Complex and interrelated functions are involved in putting the publication in the hands of readers.



support is to be found. The point about joining hands was forcefully made by media and marketing analyst Chris Moerdyk, a member of the MDDA Board, after a series of countrywide workshops on community advertising in print and radio:

Because of the predominance of the bigger companies, they are able to manage market conditions to some extent to suit their needs and may actively or by default limit the access of smaller players to the market.

The majority of South Africa's community newspapers, magazines and radio stations struggle to entice advertisers because they insist on going it alone instead of using their collective clout.¹

Market development cannot be effective if the focus is limited to small-scale producers alone. All producers are part of a larger market system that includes input suppliers, producers using different technologies, wholesale and retail distributors, transportation and finance companies, researchers and media commentators. Numerous commercial relationships occur between all of these actors. Because of the predominance of the bigger companies, they are able to manage market conditions to some extent to suit their needs and may actively or by default limit the access of smaller players to the market. This exclusion can be seen in the way distribution is commanded by a handful of operations owned by the mainstream press; in the way that research is conducted and compiled through the SAARF AMPS² concentrating on big numbers; and in the way that media buyers fail to see opportunities in the lower end of the marketplace as it is below their radar.

Because larger industry has resources that can be used, a synergies-plus-aggregation approach is most likely to yield productive outcomes. Throughout, the MDDA should position itself to energise the sector by coming up with ideas, facilitating meetings with potential partners, and providing funding where justified for generic or specific tasks.

Energiser

For example, it would not hurt to call a meeting of the major print distributors and ask what they are prepared to do for the small publishers: they already have national infrastructures and might be prepared to carry grassroots publications at minimal cost – provided they get the point that this

would be the right thing to do for media development and diversity. If the MDDA puts its moral authority behind the proposal it is just possible that major distributors would accede to a set of protocols granting the grassroots space in the vans, without overpricing and without totally monopolising distribution routes for mainstream products only.

Piggy-backing mainstream distributors is one possibility. An initiative that would complement it is to promote the growth of emergent distributors by urging the big companies to invest in them and procure their services; these independent operators, together with the mainstream, could then form the core of a national Distribution Net for the grassroots. In effect, the Net could combine wholesale distribution by mainstream companies with retail activities by local operators. The point-of-presence displays that are needed to attract readers might be handled by the local operators or by the publishers themselves if they have a promotional and merchandising arm.

Objections to a Net probably will be raised by small publishers who have established their own distribution systems or are already empowering emergent operators. These objections may be defused by offering to procure the services of the small distributors for the use of others – implying, of course, that there is turnover and profit in it. A “scatterlings” mentality (in which independent publishers hold on to what they have and insist on going it alone) will not bring about the desired results.

There is every reason to float the possibility of a Distribution Net and see how this is taken up. The same principles would apply in other fields. The MDDA can certainly call a range of meetings with distributors, researchers, ad agencies and others to explore the possibilities. It should consult regularly with the proposed National Community Publishers Forum and keep them in the loop of meetings, agreements and initiatives. There is a danger here of sterility by committee which can be avoided if the MDDA maintains an executive style with a pledge to keep up the momentum.

The MDDA can certainly call a range of meetings with distributors, researchers, ad agencies and others to explore the possibilities.

The MDDA should position itself as an ‘energiser’ of the whole grassroots sector, applying an up-down-and-across strategy to stimulate action at all levels.

Chapter plan

With an up, down and across strategy in mind, then, we summarise the many observations and case studies collected for this Report. The material is extensive and requires compression. We deal first with the sector’s profile, to try to reach an understanding of its composition and depth. Without this grasp neither we, nor the MDDA, nor any other stakeholders, will know how to engineer improvements in the sector. We found little evidence grassroots publishers themselves analysing the roots of their problems. Like many small businesses, they rely on makeshift systems that come into being under the pressure of work and many publishers fail to look elsewhere for model solutions.

With profiling reviewed, we turn to distribution problems and solutions, then deal with the dearth of grassroots market statistics and how to overcome it, and finally examine how to raise the profile of the grassroots to bring about a revenue turnaround for the whole sector based on local, regional and national advertising.

Sector profile

It is important to get a sense of the existing profile of the grassroots sector because what emerges is that the sector may have a very much larger mass than hitherto understood.

Figures have been produced by the Association of Independent Publishers (AIP) and we will not repeat the findings of their Census 2006. A summary is to be found in the Appendices. Suffice to say that the AIP found the grassroots to be the largest of three groups in community publishing: grassroots (238 publishers), conglomerate (221), and State media (estimated around 40). Of course, the corporate (conglomerate) newspapers have the lion’s share of advertising, which makes them far larger in terms of revenue than the grassroots. We show relevant statistics in the section below on marketing.

The AIP's definition of the grassroots sector limits the number of publishers, but as explained in our discussion of scoping (Chapter 2), if civic and other publications (such as student newspapers) are to be included in the sector definition, the number could run into the thousands. The AIP also excludes fringe community print media such as posters (very important for educators and health workers), and Internet publications (which are increasingly blurring the line between print and electronic text), as well as fax and SMS bulletins (which may contain news information of interest to businesses or youth). Some of these are certainly mass media and not just member subscription media, and the fact that media platforms are going digital means that various forms of text are interoperable.

Innovations

These are not just quibbles. Market development rests, critically, on seeking new ways of combining resources to enable those currently excluded from markets to enter business and play their part. The above discussion draws attention to aspects of the grassroots profile that could and should prompt innovation in the sector.

- Firstly, the nature of the communication medium affects the spread of messages. If, for example, SMS alerts are used to notify readers in a distribution area that their papers are ready for pick-up at the spaza store, sports club or church, this is an extension of electronic media into the print sphere. It is also an innovative way to promote publications to readers who may not otherwise go out of their way to collect the paper. The uptake of cellphones in South Africa has been dramatic in the lower income groups, making SMS a communication tool of choice for many.
- Secondly, as mentioned before, the scope for sector aggregation is immensely broadened if mass media and member media are both included in the grassroots. Getting stakeholders to appreciate the tremendous range of grassroots publishing is a first step towards building concerted communication campaigns (advertising, sponsorships, event promotions) to target the urban, peri-urban and rural masses. But before stakeholders become convinced, representatives of the sector themselves need to reach consensus on who and what they are

SMS alerts can be used to notify readers in a distribution area that their papers are ready for pick-up at the spaza store, sports club or church.

Until now, the MDDA has centered its efforts on inward marketing, bringing marketers to talk to community media representatives – but external marketing to wider constituencies is needed.

talking about. This is why the proposal was made at the May 2006 Roundtable that all interested parties should be convened to decide what the sector identity encompasses. We strongly support this proposal. From this convention should arise the National Community Publishers Forum (NCPF).

- Finally, recognition of the sector's rise and importance is going to involve promotion through marketing and media channels – directly, to the opinion formers. Moerdyk's remark above that the community sector is failing to use its collective clout is a way of saying it needs to identify itself and impress this identity especially on its external stakeholders. These include peers in the media, advertisers, government departments and business. An outward marketing campaign is needed. Until now, the MDDA has centered its efforts on inward marketing, bringing marketers to talk to community radio and press representatives to discuss their needs and inform them about what they need to do to gain advertising. Internal marketing should continue while the external campaign launched towards wider government and business constituencies.

The three pointers given here – on technologies of communication, on forming a consensus, and marketing the profile – are all ways of innovating for change and growth. They will facilitate the creation of links between the actors in the sector and the surrounding market, enabling newcomers and thus far excluded small enterprises to penetrate market structures.

Sector-wide actions

Publishers themselves bear primary responsibility for the efficient, shrewd and innovative distribution and marketing of their productions. But in this sphere there is no doubt that sector-wide interventions by the MDDA are absolutely necessary, especially to produce advertiser-friendly data.. In the course of this chapter we propose: (1) Independent Circulation Audit of the Grassroots (ICAG); and (2) a complementary system of Reader Surveys. Other interventions to provide logistical and marketing know-how are also suggested.

Distribution

The sight of a minivan brightly painted with the names of various community tabloid newspapers, making its rounds in the streets of the city, suggests that distribution systems are one and the same for everyone. But they are not. Classic methods such as trucking in the wrapped bundles, selling on the streets and to passing motorists, making the rounds of the suburbs with garden and postbox deliveries, leaving piles of freebie papers in shopping malls, and so on, are only the visible signs of distribution models that can differ markedly in tools and tactics.

Distribution is one of those business functions where shrewdness pays off. But it also requires a considerable budget outlay, staffing, transport, point of sale merchandising, and careful accounting. Because each and every newspaper develops in line with local circumstances, distribution methods become highly tailored to the publication concerned, the more so the smaller the publication is.

Metro newspapers have powerful and extensive distribution systems combining street sales, truck deliveries, subscriber drop-offs, and café and bookstore newsstand sales – and because the operations are highly routinised, the methods are pretty standardised for all such papers. But at the grassroots level this is not the case. By hook or crook, publishers find ways of getting the paper out to faithful readers and, hopefully, locating new readers through new channels. The problem, we have found, is that distribution often occurs on a hit-or-miss basis, is not fully routinised, is not designed around routes where data about uptake and returns can be properly monitored and captured, and is, in a word, haphazard.

Some small publishers have succeeded in really making their distribution operations work, and could advise the strugglers how to do it.

Homeless Talk is put together by people in low income groups, but it sells to those with middling and higher incomes – a significant feature of its market appeal.

Models

Nevertheless, some small publishers have succeeded very well in routinising their distribution operations. These model examples are not haphazard. Others would do well to learn from them and the MDDA could include them in its expert mentoring network. As publishers, they have understood and implemented the principle that distribution is the sole connecting bridge between the physical printed product and the eyes of the reader. Here, we exhibit five models from our case studies, and follow with observations about how a Distribution Net could be developed using elements of these models.

Street agents

Homeless Talk has a long-standing record of successful street sales using vendors who purchase the papers and resell them to motorists at a small profit. Street vendor projects are not rare in the world – they occur from New York to Beijing, Los Angeles to New Delhi. Street vendors working for themselves have often been harassed by police and businesses on the streets of Johannesburg because they have been regarded as loiterers, and more sinisterly, as a threat, representing the invasion of commercial space by the growing informal economy. One of the things the MDDA needs to do from time to time is inform and educate police and security guards about the fact that Homeless Talk's vendors are actually earning a living and are not a criminal element. They are a feature of daily life in the city.

As is natural for a community-driven collective enterprise, there is ongoing debate and friction at Homeless Talk over means, ends, benefits, personalities and the nature of the written product itself. This should not detract from the overall successes achieved by the paper over 11 years.

An interesting marketing aspect of Homeless Talk is that while the paper is put together by people in low income groups, it sells to those with middling and higher incomes. In other words, it has a high relatively high LSM (Living Standards Measure) profile. LSMs are rated from 1 (extremely poor) to 10 (extremely wealthy) and we estimate that the motorist readers of Homeless Talk are in the 6-8 bracket of middle and upper middle class LSMs. Only, we do not know how many there are.

The collective that runs the paper is perhaps not as aware of the LSM profile as it should be, and could make more of it in pitching to advertisers. The very nature of a paper that retails to motorists puts it in a higher bracket than those that are dumped on the pavement for anyone to pick up. But motorists are not the only targets so it is important to do systematic reader research – which perhaps the distributors themselves could undertake if paid by an MDDA grant. This kind of business remains largely unmeasured by formal media research programmes, so it is up to the management to capture data and relay it to those who can make use of it. The facts, as one American observer of street vending has said, are “hidden in plain sight”.³

- The Homeless Talk example draws attention to the need for detailed distribution and readership demographics data. The street vendor model of distribution has immense strengths because it incentivises poor people to get involved with the media, both to turn an income and reach opinion-formers with the truth about life at the bottom.

Uniform branding

In sharp contrast to informal sector street vending is the approach taken to distribution by The Bugle, a regional lifestyle magazine in Ballito, and the Highlands Panorama, a newspaper in Lydenburg. Perhaps all they have in common with Homeless Talk is that they tend to reach higher LSMs and also create jobs. These publications, which are dissimilar in content, have managed to routinise their distribution so that the weekly print orders find their way reasonably fast and efficiently to householders and other points of dispersal.

Routines and good administration form a very important part of distribution.

Bad weather can be more than a nuisance – it may disrupt the week’s distribution efforts.

Initially, The Bugle used the services of a distribution agency, Vibrant Direct, but went on to establish its own distribution company and is now doing the distribution for itself. The magazine is delivered free door to door. The major problem, according to publisher Tomas Yoko, is the weather (in rainy KwaZulu/Natal) because rain can seriously throw out the schedule if downpours occur throughout a weekend and on successive weekdays. This makes it sound as if everything runs like clockwork except when external factors impact the system.

We are getting a very good response from our readership since we took over our own distribution we are getting an even better response from potential advertisers than when we were being distributed by Vibrant Direct. We would like some funding to buy new vehicles and uniforms for our distributors as well as extra jobs to help make it more profitable for them to work for us.⁴

The Highlands Panorama distributes part of its print order, approximately 2000 copies, from house to house in Lydenburg, a job done by a team of four casual unskilled labourers who take about four hours to complete their rounds on the day. The bulk of the newspaper’s distribution is done via business outlets: Pick ‘n Pay, Spar, other shops, cafes, garages and so on in the towns of Lydenburg, Burgersfort/Steelpoort, Dullstroom, Belfast, and Sabie. Approximately 1 000 copies are also delivered to the offices of local mines in the area, from where their employees pick them up. A casual labourer goes to the mines one day in the week, using company transport. As for the Ballito paper, rain is a nuisance, and sometimes the usual deliverers do not turn-up for work. The new, untrained, people used as replacements do not know the system and will skip some areas.

In general we receive positive feedback from our readers who are by now used to finding their newspapers at regularly frequented outlets, and who would phone us if there was a delay in distributing the newspapers on time at specific outlets. Likewise our advertisers seem happy with the way we distribute our products, as shown by an increase in advertising expenditure in our publication, as opposed to competitors who also distribute their products in the area.⁵

- Regularity is a key feature of both Bugle and Highveld’s distribution efforts. Neither is highly innovative, but having chosen to go it alone with distribution each pays attention to detail and has an orderly administration and payments setup.

Free Fetch

The small business advisory publication, BigNews for the Business Owner, was recently bought by BDFM Publishers. In a decade, BigNews has gone from humble beginnings in a cellar, with staff who worked in community development, adult literacy and anti-apartheid media, to becoming a mainstream publication as part of the BDFM financial stable also including the Financial Mail and Business Day.

Here is a case where the MDDA has provided support for a fully sustainable publication. The fact that it has made the transit from being an independent SMME to joining a corporate illustrates that free market forces will come into play when the profitability of a publication is clearly established. There can be no bar on this kind of buyout – and significantly, the owners of Big News have not been amongst the ranks of publishers warning darkly of corporate machinations.

Support was also given for marketing and the training of staff. In common with other experienced small publishers, Christoff Oosthuizen, MD, has been very willing to share insight and techniques with peers and should be approached for peer mentoring. An article in Big News marking a decade of publishing, explained how the innovative and award-winning “free fetch” distribution system came about:

The launch editor, Barrie Terblanche, drove around on his motorbike, meeting up with business owners and those working in the small business support sector, while I got into my bakkie to deliver the newspapers the one day (in T-shirt and jeans) and went to sell to potential advertisers the next day (in the same bakkie, but with jacket and tie)... We knew that very few small business owners specially those just starting out went to news agents, so following the tried-and-tested model of putting out a publication on newsstands would not

A paper that has gone from humble beginnings in a cellar is now part of the BDFM financial press stable.

work. So we set out to develop a unique “free-fetch” model. We began putting it at key outlets where business owners go, so that they could fetch their copies. This, we are told by the staff where we place BigNews, has become a reason for many business owners to go into these outlets. Many go just to find BigNews.⁶

In small business the game is about anticipating and overcoming problems all the time! Bad problem-solvers should not get into small business.

Oosthuyzen councils that in small business the game is about anticipating and overcoming problems all the time! Bad problem-solvers should not get into small business. The biggest problem BigNews had was to overcome the prejudices of the advertising industry, since a free publication circulated by a small independent publisher was not the formula media planners were used to. Hard work by the marketing and advertising managers, who never tired of knocking on advertiser doors, saw a shift in ad agency perceptions over time.

Circulation is indeed the mechanism through which we deliver our market niche to advertisers and as such in need of constant tweaking so that we move along with the market. While our headline strategy is still very much the same as when we have started, we have worked our national network of agents down from 1 200 to less than 800, with the aim of ensuring a better quality delivery. We have in fact removed much more than 400 agents, since we have also been adding new ones such as some banks, airlines, service chains, etc. The difficulty is in fighting agents off that refuse to be removed!⁷

One of the greatest satisfactions arising from innovation at Big News has been the development of human abilities in response to challenges. This is perhaps best illustrated by Gcobani Ndabeni, who started doing holiday work while still a student, doing spot checks of the circulation. He ended as co-owner and Finance Director, and then left to become Fund Manager at Business Partners. Knowing that people can be groomed in the workplace gives Big News the confidence to find new recruits to replace competent staff when they move on.

- The main lesson for other publishers is that distribution can be cheap and effective if points of presence are carefully selected. By attracting readers into retail outlets, the publication formed firm alliances with shop owners.
- This lively case stirs appreciation for the hard work, energy and vision of its small business owners – and also illustrates that there is room to try out new techniques in distribution.

Municipal leverage

The most controversial model is the following. The community newspaper Dikgang tsa Mogale, produced by the Mogale City municipality to keep residents informed about council and neighborhood activities, has leveraged its position as a local authority mouthpiece to establish relationships with media houses like the Independent Newspaper Group and Johnnic Communication, and other organisations. More than 200 jobs were created in the distribution of Dikgang tsa Mogale, with people integrally involved in the distribution of the newspaper and also in the public participation campaigns of the municipality has links with BuaNews (the government news and information portal) and Media Institute of Southern Africa. These relationships go far beyond journalism training for youth:

The developmental challenges in Mogale City require that the media becomes a strategic partner in addressing and resolving some of our challenges with us. We are here to serve the readers and the community... We have held development communication and media workshops through Dikgang tsa Mogale to assist our youth to see that the media, journalism and information sector could empower them so that they are confident to go into the market to earn a living... Our conviction is that we still need a diversity of voices in the community media sector. The beauty about our democracy is that we can now choose what we read, listen and view. ⁸

Controversy surrounds the penetration of community newspaper markets by municipal media, as officials have a very different idea from journalists of what constitutes good coverage of community affairs.

The municipal model does have great strengths and there are opportunities for collaboration between municipal and independent community newspapers.

The hand of a seasoned journalist, Jon Qwelane, can be detected in this elegant statement of objectives. The model offered here is not readily going to win the approval of small independent commercial publishers because the municipal press represents a threat to their advertising base. A community media-municipal conflict is certainly brewing, according to several commentators. An article in the website magazine for local government, www.sadelivery.co.za :

Good relations between community media and municipalities are vital to keep residents informed of local developments. But in many parts of the country this isn't happening... Wherever the problems may lie, it is crucial that community media and local governments begin to deal with and resolve them, in the interests of their communities.⁹

The article correctly points out that officials and journalists have different ideas about what constitutes fair information. Here, however, we are concerned with the mechanics of distribution and marketing. On reflection, we feel that the model has great strengths and there are in fact opportunities for collaboration between municipal and independent community newspapers. Media management and skills training is one area, media promotions through community events is another, and it may just be that the municipal managers would accept to have their distribution system used by independent publications. Only asking will provide the answers.

- Conflicts of interest could be identified and avoided so that each side gains something from the relationship.

Review

These case studies demonstrate that distribution may be approached in all manner of ways. There are many other possible models for distribution, such as the “mother hen” system pioneered in America and Australia, where an agent employs school pupils or students to distribute the paper. As a core function, distribution can never be neglected; and in the initial planning of a publication it needs to be seen as constituting at least one-third of effort, staff budget, and attention span during the publication cycle.

Our examination of start-ups shows that distribution is often the least of their concerns which only emerges later as a critical – and sometimes crippling – oversight. In an earlier chapter we made the point that in the historical past, distribution could often be taken for granted because the owners of the presses (be they churches or labour unions) already had members ready to take their publications, along with physical channels whereby to reach them. This is no longer the case, so distribution is a special problem.

Circulation development

The historical comparison draws attention to one vital aspect of circulation development: that is to recreate membership or subscriber lists to whom the local publication can be delivered. (Or better still, on SMS alert model, readers who can be alerted to come and fetch their own copies). Every community, even poorer ones, has got networks of memberships for all manner of activities. Sports and youth clubs, choirs, funeral societies, mutual assistance funds (stokvels), make up some of the typical township connections. Schools, too, can be good for circulation. Publications can offer a percentage of the cover price to school funds.

In the nature of freesheets, people will not subscribe and pay, and for most grassroots publishers the technique of distribution is to drop off copies with households or make the paper available at hotspots like supermarkets rather than try to build subscriber lists. But lists could be the salvation of many a struggling paper – basically a list assures both the publisher and the advertiser that the paper is going to a definite number of persons. Better still, where the list is used to carry out reader research the result is hard marketing data that can reflect demographics (social and economic variables). This is exactly what advertisers look for.

- Allying with local clubs and organisations should standard practice for the distribution and circulation development strategies of all grassroots publications. Templates to be designed for distribution training and mentoring need to draw specific attention to this.

Reader lists could be the salvation of many a struggling paper. Basically a list assures both the publisher and the advertiser that the paper is reaching identifiable groups of readers.

PRODUCT markets are often difficult to penetrate because companies need specialised infrastructures, including distribution channels with delivery systems to get products from the factory floor to the consumer's home in a hurry. It is not surprising, then, that in South Africa the mainstream press giants have created distribution systems that work for them and keep competitors off their turf.

Taking on the giants to beat them is no mean challenge. Many small publishers have little or no market share because they cannot crack the problem of distribution access. But all is not lost if the publisher is smart and takes advantage of linkages in communities. Exploiting new opportunities and building new distribution systems is what small ventures can be good at.

Justin Arenstein, publisher of *Lowveld Living* (LL) & *Highveld Living* (HL), describes the problem of access and his company's shrewd response as follows:

The primary problem for grassroots magazines is access. Retailers refuse to work directly with publishers, and insist that all titles go through a national distributor such as RNA, NND, JMD, or some similar outfit. These companies are owned by the conglomerate media, and effectively safeguard the interests of their owners' titles ahead of upstart competitors. They also determine (often without input from the publisher) where, when, & how your title is distributed. LL has circumvented the national guys by establishing a very

Creating distribution channels to take on the press conglomerates

targeted & high profile 'niche' distribution network, ranging from LSM10 delis & to fashion boutiques, to locally-based airlines & vehicle rental companies. This created market demand for LL, forcing local mainstream retailers to then apply to carry our title. LL deliberately gave first rights to locally owned franchises, to further build brand loyalty. The strategy has seen LL rise to being the largest selling magazine at local outlets of Exclusive Books, the largest selling lifestyle title at local SPAR outlets, & selling more than all other titles combined at specialist outlets such as delis. The only mainstream retailers who currently still don't carry LL are CNA and Woolworths¹.

As a result of this strategy, readers appear happy with the current footprint, though there are complaints about non-availability at CNA & Woolworths. There are now requests for circulation outside of our core target market, to Gauteng, Cape Town, and Durban. Arenstein makes a number of submissions on how to strengthen the hand of all grassroots publishers:

LL believes that a centralised dispute resolution mechanism, with grassroots industry representation, which can impose transparent guidelines on application processes & criteria at outfits such as RNA & NND, plus some form of distribution/circulation ombudsman would be the most effective, cost efficient, & practical intervention by media support agencies.

Technical training and advice on setting up & operating inhouse distribution departments would be great, as would a regular publication of research, tips, innovations and the like. WAN's Shaping the Future of the Newspaper is perhaps a good model for this kind of approach.

Access to industry-standard FOSS (free open source software) systems for managing distribution would be very useful, as would a bargaining and/or negotiating chamber for engaging mainstream retailers & news agents.

Some publishers simply stick to standard methods of distribution, handling it themselves without fear of being controlled and messed around by competitors. Dr Hilda Grobler, labour lawyer and publisher of the Kwana papers in KwaZulu/Natal, described² how Kwana in the City (weekly on Friday mornings: 20 000), Kwana on Track (last Thursday of each month: 50 000), and Kwa News (weekly, no figure) are delivered using delivery vehicles, drivers and van assistants, with the person in charge of distribution being responsible for strategy. Kwana's publishers and staff work hard to ensure that the papers are

delivered as per schedule. They do frequent follow ups and talk to people where the distribution occurs, for example supervisors in blocks of flats and shopkeepers.

When the paper runs out, we receive calls from readers who want to know whether we have copies left, whether they can come and collect them from the office; when a new van assistant fails to deliver or delivers the incorrect amount we receive phone calls from shop keepers, supervisors, readers, etc.

Grobler says it would help to have a simple, computerised, checking system that semi-literate van assistants can read/understand and fill in.

Software solutions are in sight. Elsewhere in this chapter we mention the Dream distribution software, available from an East European developer.

What is noteworthy about both cases outlined here is that the publishers tackled distribution with energy and common sense. They have learnt how to work around institutional voids and have had years of experience at doing so. They have a lot to teach to newcomers, and the MDDA should tap into their know-how.

¹ Arenstein, Justin – personal communication with researchers, April 2006.

² Grobler, Hilda – personal communication with researchers, May 2006.

There must be many small businesses willing to undertake distribution and related branding services. The problem is to identify and get in touch with them.

Data systems

Information about distribution is important, as the case studies show. Because the information can be extremely detailed, methods of data capture and sorting are required. There are several distribution software management systems on the market that could serve the grassroots well. Dream, from the Center for Advanced Media: Prague (CAMP), is one such system that is being tried by members of the AIP in South Africa.¹⁰ Dream does two things: it is a database that stores all the relevant information about the publication, who distributes, who sells it, and details of the people involved. It is also a tool for retrieving and presenting this information in several different ways. It contains utilities for tracking products, promotions, and communications.

- We recommend that the MDDA stay in touch with the AIP about Dream. The proviso is that only if someone learns to master the system, uses it effectively, and is capable of teaching it, should the attempt be made to make it more widely available.

Identifying distributors

We have done a scan of mainstream and alternative newspaper distributors in South Africa but are not happy with the results. The names are in our database. It seems to us that there must be many more businesses in this area willing to undertake distribution and related branding services – the problem is to identify and get in touch with them. The best way to do this may be for the MDDA to advertise and call for responses, or if the General Agency for Publishing Services does come into being, let GAPS do that.

- An open access database on the Internet allowing service providers to input their details is part of our iPop proposal.

Distribution training and systems

To sum up, distribution demands special attention by publishers from Day One of the inception of a paper and it will never go away so long as the publication exists. On the basis of S-Curve analysis, we recommend that the MDDA take the following steps to ensure that publishers plan, select appropriate solutions, evolve these solutions, and impart the lessons of best practice to others through peer mentoring:

- Distribution Net: it would help all publishers if they knew that the mainstream distributors would subscribe to protocols for shared distribution on a low-price, fair practice basis.
- Start-up pack: without waiting for a Distribution Net to come into existence, if ever, training materials are needed to set publishers on the road. The write-up of templates and manuals should be subcontracted to someone with the necessary distribution experience and insights into innovation.
- Diagnosis: when things go wrong in the chasm phase, interventions should be guided by the principles mentioned above: regularity, orderly administration, clever but workable ideas, and sufficient resource allocation to make a go of things.
- Branding: established publishers will be concerned with the branding of their newspapers to differentiate them from competitors, and help can be given in the form of advice, funding for bannerings and street poster licences, and so on.
- Transport & logistics: at all levels from start-up to sustainable, the fetching and carrying of newspapers demands transport. It may be possible to enter agreements with taxi operators or local truckers to make regular deliveries, and this should be explored. We warn that the MDDA should not agree to fund a van for a hub of publishers, which will only lead to misuse and disputes. Rather, business investment institutions should be asked to advance finance for emergent distribution enterprises.

It may be possible to enter agreements with taxi operators or local truckers to make regular deliveries, and this should be explored through their organisations.

‘Circulation Science’ is the second of six annual reports published by the WAN Shaping the Future of the Newspaper project.

It goes without saying that a good deal of preparatory work will have to go into templates and training materials for distribution. Meanwhile, the MDDA should pursue talks with the mainstream distributors and possibly local government representatives to explore shared distribution strategies and the development of emergent distributors.

The local advantage

There is one thing to add. While the generic systems outline on the previous page will help small publishers to overcome distribution disadvantages, what has to be kept in mind is that distribution has to be tailormade to suit a newspaper or magazine within its community environment. Off-the-shelf solutions can take a paper only so far – the rest is up to the imagination and operational skills of the publisher/distribution strategist.

But this is where the small outfits can have an edge on larger competitors. The organisational processes of companies that print and distribute whole chains of suburban newspapers may make it difficult for them to react to local circumstances. They often end up relying on purely routine methods and may be unable to react to opportunities. Local enterprises should not suffer from those constraints. Once they get properly organised for distribution, they should be able to deliver the product faster and more directly than the opposition.

- Mentors must drive these points home, using examples like the ones in our case studies to highlight the successes of innovators.

Circulation

Alas, much has to be done before any epiphany occurs in the minds of media buyers.

Growing the circulation of the grassroots is a matter dealt with in distribution above, with some special attention under the head of “circulation development”. We need to mention, however, that the World Association of Newspapers (WAN) has compiled “Circulation Science,” the second of six annual reports published by the WAN Shaping the Future of the Newspaper project. This examines such issues as circulation trends, successful circulation strategies and ways to manage subscription sales and single copy sales. It includes techniques for determining the true value of readers, for investing in circulation and much more. Print Media South Africa (PMSA) has the electronic copies which can be made available to the MDDA and its stakeholders.

We have defined circulation purely to mean the number of copies of a newspaper or magazine that are proven to have been distributed to readers. The reason why the boundaries are so tightly drawn is that we wish to concentrate on just two issues:

- Audited Bureau of Circulations figures
- A second track of MDDA-endorsed circulation audits

Among this Report’s proposals are that small publishers should immediately take advantage of the offer by the Audit Bureau of Circulations (ABC) to verify their figures. The best way of testing a system is to engage in it. This does not preclude the development of an MDDA data system for verifying print orders and distributed copies. We propose, in any case, that reader surveys should be conducted in conjunction with Capro to provide qualitative information backing up the raw circula-

tion data. The MDDA's name behind circulation and reader survey figures would doubtless lend them authority. Unfortunately, there are several constraints, whichever option or options are chosen for data collection.

Critics said comparisons between grassroots circulation figures and those of bigger media on the basis of existing ABC methods would be invidious, and could actually result in a loss of advertising credibility.

Facts and figures

Of 85 independent or grassroots community newspapers in our database, only 18 claimed to have verified circulation. Total print orders of the 85 were claimed to be 1.54 million, but of that number, only 35 778 (2.32%) were verified circulation. This is very low and is not going to persuade anyone that the grassroots press is truly reaching the masses out there.

There is a more positive conclusion to be drawn, though. Even allowing for wastage of copies, if it is true that 1.54 million copies of grassroots publications are going out at regular intervals (either weekly, fortnightly or monthly), this has enormous implications for the size of the readership base. If each copy is (conservatively) estimated to have 5 readers, then some 5 X 1.54 million copies are reaching more than 7 million readers. This alone is probably not perceived by advertising agencies, and if they could be persuaded to accept the figure it would begin the process of re-educating these agencies.

Alas, much has to be done before any epiphany occurs in the minds of media buyers.

ABC offer

At the Roundtable in May 2006 a representative of the ABC laid the organisation's offer on the table. The Bureau offered to administer a verified circulation system for the grassroots, provided the publishers themselves agreed to the procedures. The offer is explained in an interview between Charles Beilles of the ABC and researcher Clive Emdon, included as an Appendix.

The offer is open-handed and shows the willingness of established press interests to include the grassroots in the regular circulation reports covering every mainstream publication of note. But it was not greeted with the acclaim that the ABC may have hoped for. As the MDDA's own report-back on the event said:

The debate on the ABC was quite intense. There was a concern that the ABC was applicable to the larger commercial publications but not to the sector the MDDA operates within.¹¹

Reaction to offer

Concerns expressed included the expense of registering with ABC and of meeting audit requirements. The grassroots felt at a disadvantage, said the AIP, because they were unable to match the powerful conglomerate data collection that showed market penetration and the demographics of their readers. There were suggestions that major publishers were twisting the figures and that a circulation ombudsman should be appointed in the industry to check claims. Three further difficulties were raised by grassroots publishers then and later (in correspondence with us):

- The MDDA initiated discussions with the ABC but so far the Bureau has only reported back to the Roundtable. The MDDA needs to know directly from the ABC what the proposals are.
- Publishers have not been widely enough consulted and a solution should not be imposed on the sector. Any solutions would have to be practical, affordable, and designed to enhance sector credibility, not detract from it.

Concerns expressed included the expense of registering with ABC and of meeting audit requirements.

Some publications in the ABC listings have low circulation figures but still rate highly for their pulling power or audience demographics.

- Comparisons between grassroots circulation figures and those of bigger media on the basis of existing ABC methods would be invidious, and actually result in a loss of advertising credibility. Allegations have been flying that the ABC offer is intended to trap the grassroots publishers into endorsing a system not of their making, designed to enhance the standing of corporate community papers.

Analysis of offer

Our take on the situation is that, firstly, nobody can be forced into the ABC system but publishers who feel that it would be in their interests to undergo ABC auditing, should be free to do so.

Secondly, it is definitely appropriate to consult with the grassroots over what would suit them best in terms of an audit system. A stipulation, however, that the design of a credible way of collecting and reporting circulation figures is not solely up to the discretion of the publishers or the MDDA: it is the advertising fraternity that has to be brought on board with figures that do not fudge the truth.

Thirdly, comparison between circulation figures might well be damaging, but no grassroots paper with any sense would want to enter the ABC system if it knew or suspected that its circulation was very low. That is not the issue. The issue is that the raw, audited circulation data that comes out in the ABC tables is only one factor in several that help media buyers to decide where to place advertising. Some publications in the ABC listings have low circulation figures but still rate highly for their pulling power or audience demographics. Key determinants are readership (a multiple of circulation, as shown above); Lifestyle Measures (LSMs) reflecting the income and living standards of audiences; and audience trends such as growth of the black middle class from the ranks of the lower class. This issue of class mobility is taken up again below.

The AIP has cautiously accepted the principle of circulation audits:

AIP has also engaged with the ABC to streamline accreditation processes for the smaller guys, with the aim of bringing them into the “audit” fold, and has made significant input into the ongoing transformation of CAPRO into a more representative and effective structure. AIP is furthermore about to launch a major independent probe into additional mechanisms for providing media buyers with convenient, “one stop” access to credible, audited grassroots newspapers – and to also look at the best way to conduct credible independent research on the grassroots sector to offer the same depth as ROOTS and similar marketing tools.¹²

Conclusion

A two-pronged strategy should be adopted.

- The MDDA should reopen discussions with the ABC, consult with its constituency, and reach an agreement with the ABC based on voluntary submission to audits by publishers who choose that route. Some may not wish to or be able to, so a second level audit should be instituted as well.
- An Independent Circulation Audit of the Grassroots (ICAG) could be set up and run separately from the ABC system, to complement it. The detailed design and implementation of ICAG should be put out to tender to auditing firms. The AIP’s expertise should be sought to help design and implement credible tools. In the Appendices, we suggest how such an audit could be set up with a framework to impart essential circulation reporting skills to publishers.

The MDDA should reopen discussions with the ABC but also consider setting up an independent audit of circulations to cover grassroots papers that might not qualify for ABC or may not wish to join ABC.

In the past, and still very much today in many marketing quarters, the “real problem” of placing advertising in the grassroots press has been that marketers do not believe that the poor have much disposable income.

Marketing

Far from being despondent about poor advertising success, we think all the signs point to a rapid upturn in the fortunes of the grassroots. In this section we propose that Reader Surveys should be embarked upon to supplement – and indeed, enlarge – the picture of grassroots audiences.

LSMs and class mobility

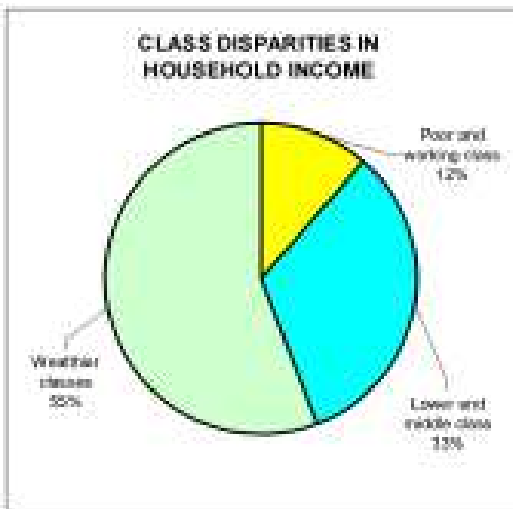
It makes sense for advertisers to invest in publications that catering for rising tastes and lifestyles even if consumer disposable income is still relatively low. Rising expectations that adspend will come the way of the community press are based on bullish research findings on class mobility. Market researcher Debbie Milne, speaking at the Gordon Institute of Business Science’s (GIBS) marketing conference titled “Understanding the South African Consumer Markets and its Segments”¹³ in 2006, pointed to class mobility as a factor driving new attention to the markets in working class and lower middle classes. Marketers now saw the need to harness the massive numbers of highly desirable consumers in the working and lower middle class.

Milne said mobility – or growth of higher LSM groups – is based on change in complex of factors contributing to living standards. Many people, especially from the previously disadvantaged communities, “are now doing whatever it takes” to catch up with their ‘white’ counterparts in terms

[continued on page 144]

‘Lack of disposable income’ given as reason for no ads

The “real” reason why ads are not placed with the grassroots, according to some marketers, is that the lower classes have too little disposable income. But disposable for what? Figures presented by Martins (2006)* certainly show that 80 percent of income is received by the top wealthy 20percent of the population (LSM 10s), while at the other end of the scale, the poorest group (LSM 1s) who make up 7.8 percent of households, earn less than 1percent (.7%) of the income. The chart at right has been derived from Martins. He goes on to show, however, that considerable buying power is exercised by



LSM groups 1-4 especially on household fuel and food, while their share is the lowest for savings. The share of LSM groups 5-7 is the highest for dry-cleaning and laundry and support of relatives but they also spend on recreation, entertainment and sport, domestic workers and holiday and weekend excursions. More than 70%

of all cash expenditure in 2005 could be attributed to LSM 8-10 households which showed outlays on medical and dental, insurance, communication and transport.

What this analysis tells us that advertisers of upmarket products will certainly prefer publications with higher LSM profiles. But this does not exclude other publications as advertising media. Almost a quarter (24,8%) of the R80,2 billion spent in cash on food was spent by LSM 1 to 4 households. There is plenty of evidence that, though relatively poor, LSMs 1-4 and the lower middle class are valuable targets for certain types of product advertising. One only has to look at the Daily Sun - which has a similar LSM profile to many grassroots publications - to understand that advertisers can and do seek to contact the lower LSMs through print.

The comparison with the Daily Sun is moot: here is a tabloid paper which, though owned by a mainstream chain, has certainly managed to deliver content to the lower LSMs which have turned it into the largest circulation paper in the country. Its advertising success is built on a combination of editorial quality and effective distribution.

* Martins, JH - Household Cash Expenditure by Living Standards Measure Group. 2006. Journal of Family Ecology and Consumer Sciences, Vol 34. ISSN 0378-5254.

Measures LSM No	PERCENTAGES	
	income	households
1	0.7	7.8
2	1.8	11.5
3	3.4	13.4
4	5.6	14.2
5	8.8	13.2
6	14.4	14.3
7	9.5	6.8
8	9.1	5.4
9	16.2	7
10	30.5	6.5
TOTALS	R 873,044,000	12356155
	total income	households

Identifying products aimed at lower LSMs

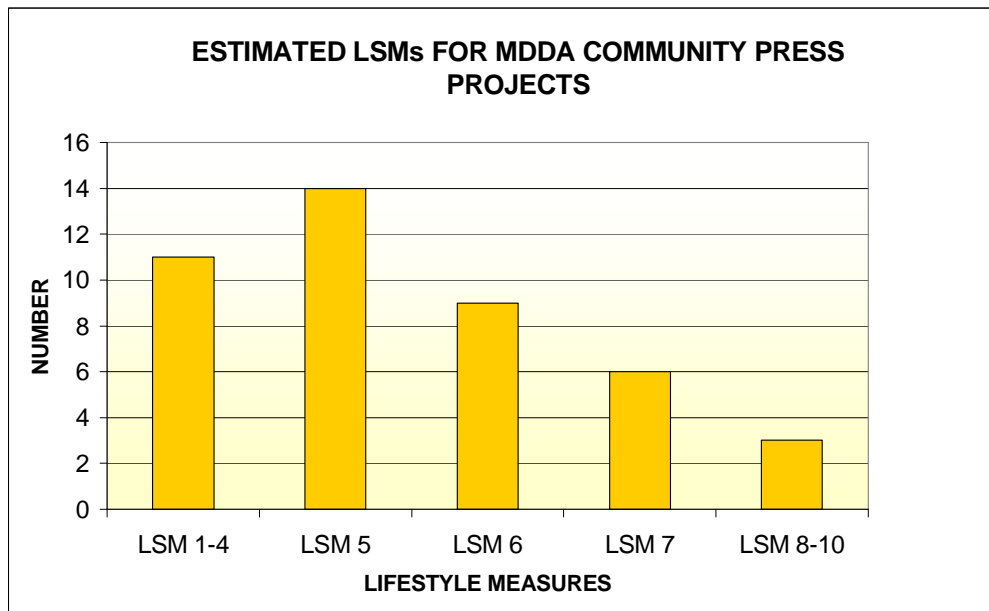
IN HEAD-TO-HEAD competition with corporate community newspapers in quest of advertising, grassroots papers will often come off second best. But analysis of the reader base helps the grassroots to target the right advertisers in the right way. The chart on this page shows the LSM profile of MDDA-supported print projects where we estimated the LSMs

of the readers of these papers. It is clear that they have middle class readerships (LSM 5s and above), but more readers are found in the relatively low income LSMs 1-4.

Lifestyle modelling is a tool used more by the advertising fraternity than by editors, who tend rather to estimate the interests of readers by gut-feel and what sells off street posters. The comparative profiles shown here are well known to advertising agencies. It is because they assume that the upper LSMs have all the “disposable income” that they tend to ignore media reaching lower LSMs.

The big groups exploit this perception to their advantage. As Independent Newspapers SA Group Editor-in-Chief Peter Sullivan said in response to our survey:

In an age of hyper-measurement, large advertisers quantify response and put the big bucks where they get the best response. There is little sentiment involved anymore, but bang for the buck is all important. When research shows response is good, advertisers place ads. There is also huge reliance on the AMPS figures supplied by SAARF, which can cut and dice readership



according to income, geography, age, likes and dislikes, gender, living standards and a host of other selective criteria.¹

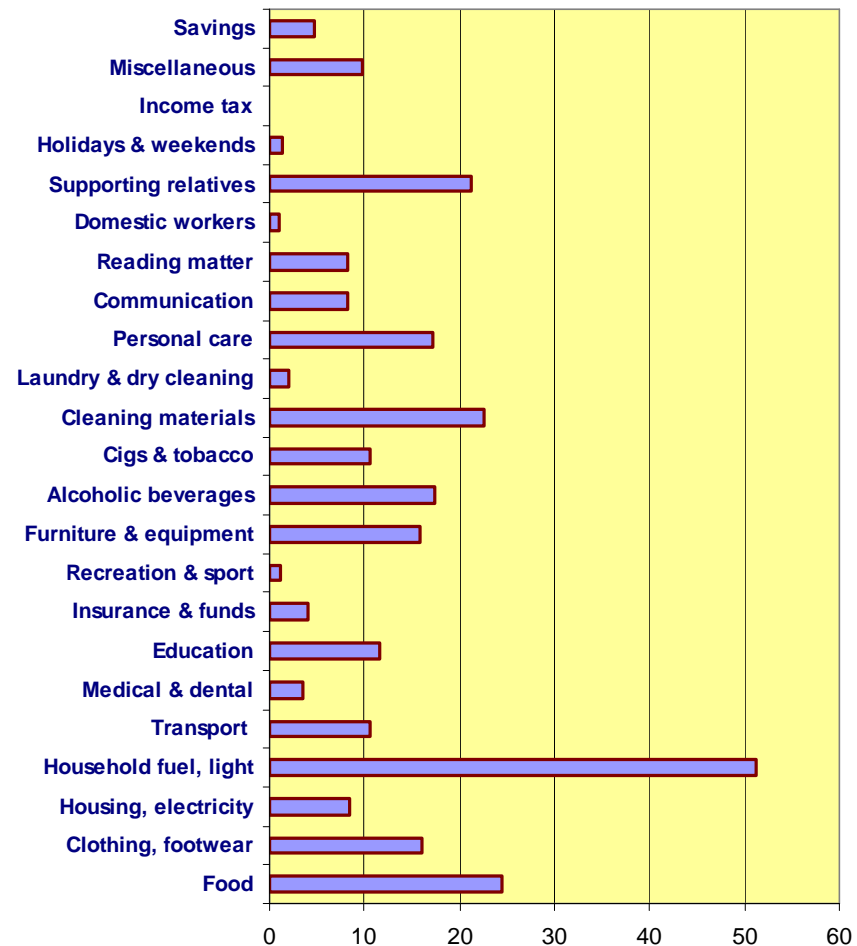
The lesson is: get scientific. Data is hard, compact, structured, and lends itself to decision-making on the basis of unarguable fact. Innovation, however, rarely springs from the minds of data-gatherers and bean-counters but it is prominent in the thinking of entrepreneurs and thought leaders.

It is not necessarily the case that the lower LSMs have no disposable income, nor that only certain kinds of basic products will sell to them. We quoted from Prof JH Martins of the Bureau for Economic Research on the previous page, and asked “disposable for what?”. It was suggested that lower middle class are valuable targets for certain types of product advertising. What are these products?

Publishers and their advertising staffs would do well to study the chart at right that we have derived from figures by Martins. Household goods, clothing and personal care, and luxuries like cigarettes and alcohol, are common avenues of expenditure for the lower LSMs – and hence the advertisers of these products should be approached to buy space.

¹ Sullivan, Peter – personal communication with researchers, January 2006.

PERCENT OF NATIONAL SPENDING, LSMs 1-4



Adapted from Martins, 2006

Rising expectations that adspend will come the way of the community press are based on bullish research findings on class mobility.

of financial and materialistic achievement. This has engendered the black middle-class or upper middle-class that can be seen nowadays driving flashy cars, joining multi-racial social clubs, relocating in the suburbs and addressing people in English as much as they can. Milne went on:

While nearly half of our population (45%) believes they fall into the middle class, 31% say they are still in the lower/working class, 12% are in the upper middle class, and only 2% say they are in the upper class and 10% do not know or can't say.

People did not see themselves in the present but in the future where they wanted to be, and would often extend their budgets to buy products that reflected this mindset. The implications for South African marketing organisations are that advertising is far more complex in a mobile society; the focus is now on upwardly mobile groups; certain products will take off exponentially; and there would be a need for more credit in the economy.

Rising tide

Improved prospects for grassroots advertising do not arise only from class mobility. The absolute numbers of people with more money to spend is a major factor, as the rising tide of economic prosperity lifts the whole ship. It is true that absolute poverty is probably on the increase (“a rising tide can erode the sea floor”) but, as far as advertisers are concerned, there is growing evidence of consumer demand from the lower LSMs. In the past, and still very much today in many marketing quarters, the “real problem” of placing advertising in the grassroots press has been that marketers do not believe that the poor have much disposable income.

The problem of how to quantify what advertising is, or could be, worth for the community print sector was brought to a head by figures released by the Nielsen survey, AdEx, in 2004. According to AdEx, R605 million was spent on community newspapers in that year, an increase of 51% constituting the highest increase in ad spend across all media types this past year. The problem here is that

“community newspapers” include all the corporate community papers and there was no breakdown for the independent grassroots papers (which would certainly have garnered only a small proportion of the total).

Nevertheless, the figure did mean that support for the community print sector was getting stronger. Looking at the previous five years, AdEx said community newspapers outstripped competitive media types with an ad spend growth of 112%. By comparison, AdEx indicated the percentage increases and advertising revenues for the other major media types during the past year as follows: television 22%; radio 15%; print daily 11%; print weekly 22%; magazines 8% and outdoor 20%. “In addition, Media Inflation Watch (MIW) shows community newspapers to be the only media category to have kept in line with the Consumer Price Index (CPI) over the past five years in terms of rates and audience delivery,” the Joint Managing Director for the Newspaper Advertising Bureau (NAB), Gill Randall, was quoted as saying.

A breakdown of adspend on community print media is given in the accompanying chart. Figures obtained through Nielsen Media Research showed that in the 2004-5 year, the largest amount of community advertising business was received by Caxtons, at R506,190,450 (46.08%), with the total of all business being R1,098,518,561. This was for advertising inserts and run of paper advertising.

Role of Capro

Capro – the national procurement agency that has represented community newspapers for many years – makes an impressive showing in the chart and figures above. Capro’s share was roughly the third or fourth largest in the media buyers’ pie. In 2005 Capro lost about one third of its papers – the Caxton papers – and since then has been looking for a renewed mission. From being the national procurement agency for advertising for mainstream community press, Capro suddenly found itself somewhat sidelined. This respected 52-year-old cooperative that has long infused national ads

The MDDA should open talks aimed at bringing Capro fully into the grassroots media fold, as this national procurement agency has represented community newspapers for many years.

into the bloodstreams of regional and small-town papers faced its biggest challenge yet. It would seem natural and sensible for the MDDA to initiate talks aimed at bringing Capro fully into the grassroots media fold.

Marketers love hard figures, and apart from circulation data the grassroots press desperately needs to produce reader surveys.

Marketing strategies

This brings us to the question of what methods and instruments should be used to attract advertisers, given class mobility and the rising tide that favours the community press. We make several practical suggestions below, but it needs to be said that improvements in grassroots marketing field must be accompanied by product improvements – that is, improved journalism, better information provision, more campaigning and investigative reporting, and closer news coverage of community affairs. If the situation in the grassroots at the moment is disastrous, as we believe it is, but all the signs point to augmented fortunes, then small publishers now have the chance to dig themselves out of a very deep hole.

The MDDA's role must be twofold: to upgrade the journalism and enhance the overall management and marketing of the sector.

Reader Surveys

Marketers love hard figures, and apart from circulation data the grassroots press desperately needs to produce reader surveys. A proposal for reader surveys has arisen as a direct result of a successful survey conducted for the Zoutnet group in Limpopo.

We did some market research via Capro that was conducted by John Annandale [of Media Marketing Services, and former marketer for Readers Digest in South Africa]. This turned out to be a very cost effective way to compile a reader profile. ... It is the ideal way for small publishers to give media buyers the information that they need, without spending tens of thousands of rands in doing so.¹⁴

Sample material from the Media Marketing Services (MMS) type of survey is shown in the Appendices. It would be in the industry's best interests to have a fairly uniform study as a solution to the problem of showing media buyers who reads the papers. Annandale points out that even if the grassroots press attempts to get surveyed by SAARF under AMPS, certain conditions that are set out on their website make it difficult to comply and obtain the figures. Reader surveys conducted independently would provide credible, quantitative and qualitative information. Reader surveys would still be useful and relevant even if the publications in question had AMPS and ABC ratings, since the data relates specifically to their own readers and area.

Micro level: Nicheing

In Chapter 3 on S-Curves we stressed the importance of nicheing as a means of establishing and protecting a publication's turf. This technique should be vigorously pursued. Local brand architect Patrick Collings, who writes an influential blog, believes that the way to niche and at the same time generate advertising is to

a) Identify the market segments reached by the community newspapers and b) identify the smallest commercial entities within those market segments. This may be a general store run out of a garage or even a street vendor. I'm guessing, but I am pretty sure that many of them don't advertise beyond their place of business if at all. I would then develop an extremely affordable model that would let them advertise a "super classified" type of ad in the local community paper. The page layout would have to be attractive. ...Then promote this new service within the existing, known distribution area of the individual papers. Attach a discount code / coupon system to some offers that would require people to provide basic information in order to get the discount. For collecting this information, the business owner may have the discount subsidised by the community paper which would benefit from collecting demographic information.¹⁵

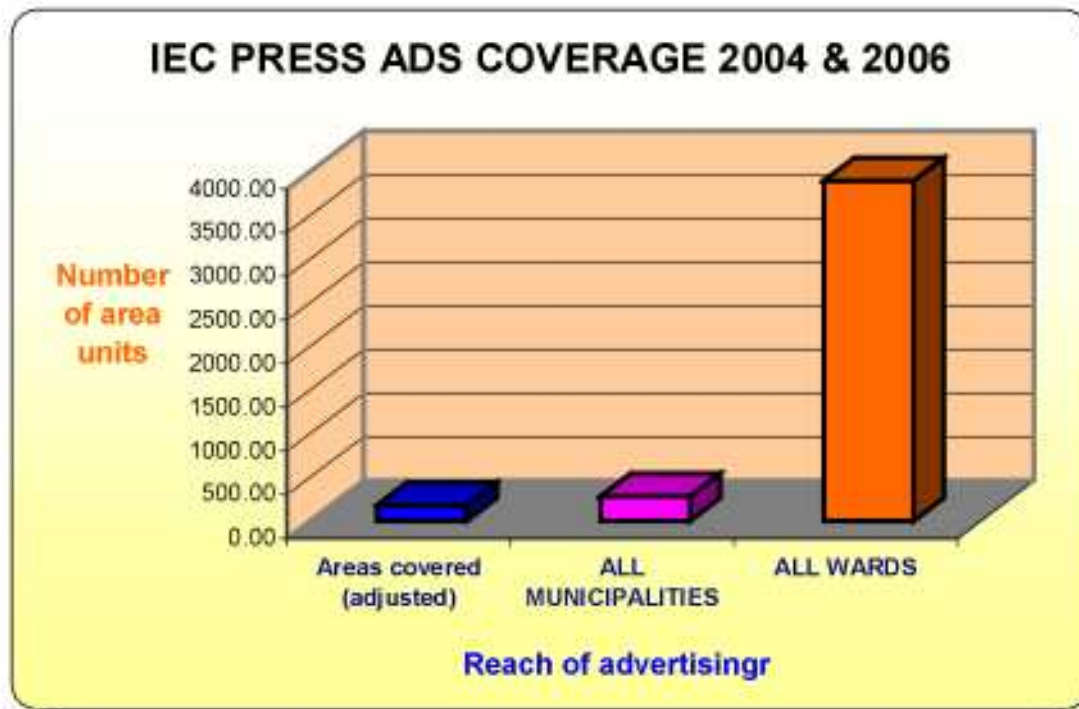
A discount coupon system could be used to attract readers into shops and thus collect data on readers.

This is a prescription for beefed-up local retail advertising. It may seem technical to apply a coupon system but it is not really so – these things operate on a small scale – and it may be quite unnecessary to pay the business owners to collect the data if they can be won around to the project.

The IEC decided most of the small grassroots papers had no track record or were unreliable

Macro level: national advertising

Nationally, the approach has to be broader: the individual publisher cannot make a big impact on the perceptions of marketers, but the MDDA and its partners can. This is a situation where macro interventions are most likely to filter down through regional to local level, lifting the fortunes of many enterprises together. Big business and government both advertise nationally, and it is time the grassroots sector made a determined, not-to-be-denied pitch to get a slice of the pie.



There is plenty of slack to be made up in national advertising. We undertook a study of how the Independent Electoral Commission (IEC, which runs elections in South Africa) placed its advertising in 2004 and 2006, and were shocked at the results. Figures obtained from the IEC revealed that 71% of all their print advertising went to corporate community newspapers, and 29% to independent media. This was not a bad split but the bad news was the IEC decided most of the small grassroots papers had no track record or were unreliable. In making its choice of print outlets the IEC was advised by Capro, whom they approached for a rundown on print media.

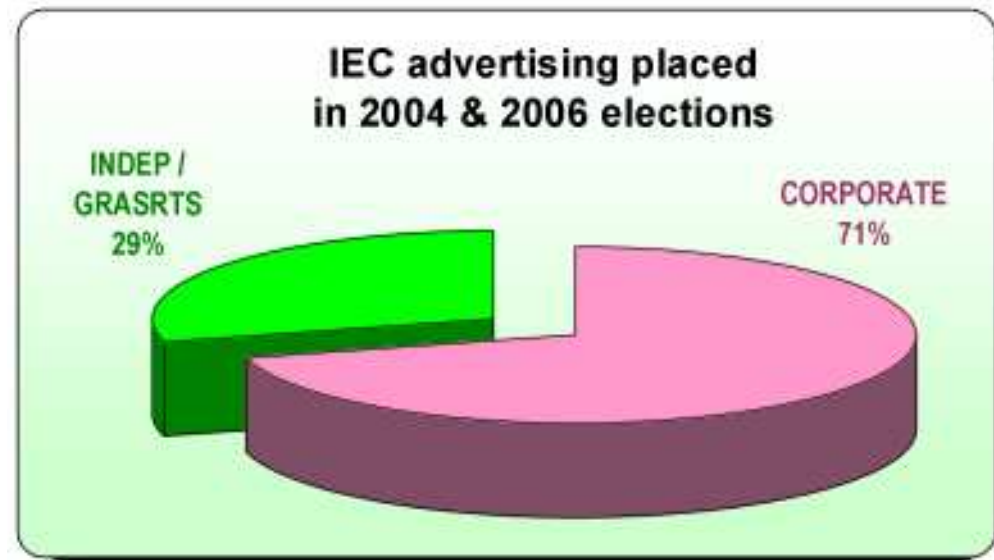
More bad news followed. Our analysis compared the number of IEC wards in the country and found that only 4.62% of all municipal wards received IEC advertising coverage. The spread of advertising was overwhelmingly allocated to metro areas where community newspapers tended to cluster, serving relatively better off urban readers.

These findings may be considered as an indictment of the IEC and Capro, but they should not be. They are more an objective reflection of the structural gaps in community media coverage produced, no doubt, by a combination of little available capital or advertising and few available management and media skills to launch papers in large areas of the country. Neither the IEC nor Capro can be blamed for excluding publications that, indeed, have little or no reliable data to show for themselves; and the community media sector cannot be blamed for failing to cover the whole country.

Government advertising

What can be said with assurance is that national advertisers are ignoring even those grassroots publications that do have a good track record and figures to prove it. Business has its own reasons; but government has already accepted responsibility for taking out advertising to promote media diversity and is not doing enough of it. The Comtask report of 2000,¹⁶ asserted that there was a “need to embark on a number of initiatives to increase media diversity”, such as financial subsidies and “the promotion of and advising on support mechanisms for community print and broadcast media” Comtask realised that financial subsidies would not be enough to make the independent media sustainable – other mechanisms were also needed in the areas of distribution, partnerships, and advertising.

What can be said with assurance is that national advertisers are ignoring even those grassroots publications that do have a good track record and figures to prove it.



Knowledgeable ad salespersons have warned us that it is unlikely, for the time being at least, that small community publishers will manage to raise “blue chip” national advertising

- Ironically, the MDDA owes its existence to Comtask, but it is now time for the Agency to hold government departments to account over the matter of State advertising. GCIS should be pressured to convene a meeting of key departments to work out how much advertising could be made available, what forms it could take, and how to make the placements speedily and effectively – which we propose should be done via iPop.

Adpacks and websites

Big business advertisers are not going to come knocking on the doors of publishers looking for display space, at least not until the sector has a far higher profile. In the Recommendations chapter we set out a the proposal for iPop, the Internet portal serving grassroots publishers which should devote a large part of its content to showcasing what publishers have to offer. Part of the problem in securing national advertising is there is no effective channel of communication between publishers and advertising agencies or sponsors.

Most mainstream publications have advertising information packs, including rates sheets, that are delivered directly to major agencies; they put the same materials on the Internet for ready access by marketers who naturally turn to the web for information. It is expensive to print eye-catching ad prospectuses and get these into the hands of agencies throughout the country. Though the more advanced grassroots publishers do have adpacks and websites, most others do not.

Knowledgeable ad salespersons have warned us that it is unlikely, for the time being at least, that small community publishers will manage to raise “blue chip” national advertising – that is, ads from the top supermarket chains, fuel companies, cellphone giants and so on. The ad agencies and companies concerned are sensitive about their placements, not just because they want to see bottom-line returns but because they manage their brands through careful association with the “right” media. Perceptions need to be changed here and this will take time.

We have specific proposals that would, we think, quickly boost the reputation of the grassroots sector and result in a more rapid and extensive placement of major advertising.

- The iPop architecture should include publisher websites with printable ratecards that agencies themselves can access and print out.
- Also on iPop, a syndication system is needed allowing advertisers to place ad offerings on the site where publishers may go to download them and receive payment via ecommerce.
- The MDDA should produce a collective ad prospectus to publicise the grassroots in general and draw attention to the web portal as the place to go for detailed publication descriptions and rates.

Community radio and print

In 2004/5 the MDDA conducted advertising workshops for small commercial and community print and broadcast media. These workshops were done in partnership with the Advertising Industry with the aim of building awareness of the tools available and accessible to these sectors, as well as to introduce the Industry to the sector - as a force to be reckoned with. At the time of the workshops (in Durban; Johannesburg, Cape Town and East London) there was immense praise for the effort.

From internal MDDA reports we learn that one result of the workshops was that on a very limited scale, community print and broadcast media have begun to assist each other in terms of marketing. One community newspaper secured five minutes airtime every Friday at a community radio station. The paper used this time to market itself and to inform businesses about advertising opportunities. This became more beneficial to the paper because audiences who did not know about their paper were introduced to it by listening to the community radio.

The MDDA should produce a collective ad prospectus to publicise the grassroots in general and draw attention to the web portal as the place to go for detailed publication descriptions and rates.

Press mentors should draw attention to the possible synergies between community radio and print in advertising and marketing.

Cross-selling of radio time and print space is likely to prove a lot more problematic because the enterprises are separate and different, share no managements, and lack technology platforms to bridge from one media to another. Sponsors of sports events, and probably national departments like Health with its HIV campaigns, may well jointly commission promotional coverage in both types of media.

- The enthusiasm first expressed for the workshops has evaporated, and it is time to revive the whole issue of synergies between community print and radio. The obvious first step is to call for practical suggestions (like “airtime every Friday”). The objective should be to make every member of the radio audience an ambassador for print publications.
- The MDDA has shown that it supports any synergies between radio stations and print projects. Mentors should draw attention to this and encourage project leaders to set up meetings with community stations so as to consider sharing core functions in marketing and advertising.
- The proposed convening of a National Community Publishers Forum is partly intended to bring radio and print media together in search of common solutions.

Peer support

The World Association of Newspapers (WAN) is currently using a South African instructor, Marilyn Honikman, to run training courses for publishers and editors in Arab countries on the theme of economic sustainability for press freedom and independence. Honikman established her credentials with the start-up of the Weekly Mail in the 1980s when she managed to garner national advertising such as job vacancies for the paper; and later she helped put BigNews on its feet. Honikman is the type of highly effective professional that should be approached to set up specialised training and mentoring for the MDDA.¹⁷

Another form of support has been offered by Christoff Oosthuyzen at BigNews:

We are in the final stages of developing an Internet-based software solution for small publishers (PIC - Publishers Interaction Centre, it is called) which allows for contact management, sales process management, subscriber management, agent management, queries/feedback management, editorial workflow management and a hotline to the leading media planners in SA. It is a tool that helps a small business to systemetise all its internal and external interactions.¹⁸

We cannot overstress the value of these and other offerings. In the following chapter, attention is given to the mentoring system, and one of the points is that drawing up a register of mentors who truly know their craft is going to require a serious effort of recruitment. Suffice to say here that whenever we asked professionals if they were prepared to show others how they do things, the answer was a resounding yes – and we were often surprised by the depth of resources that could be made available.

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To rectify what is lacking in the reach and pulling power of grassroots newspapers in this country is going to be a never-ending task.

Conclusion

Detail

It should be apparent from this chapter that distribution, circulation, and marketing functions involve a tremendous amount of detail.

The production-distribution-data-marketing chain is complex and interconnected, making it very difficult for the small average publisher to pay attention to all the detail and co-ordinate activities effectively. Enterprises can and must seek their own local solutions to the difficulties that confront them, but our analysis repeatedly reveals that large-scale systemic causes underlie these difficulties. Although daunting in scale, the challenge of applying macro and meso level methods to micro-activities does need to be undertaken.

Training and infrastructures

A start should be made by designing training materials and templates for enterprises, emphasising functional flows (the illustration at the beginning of this chapter identifies linked functions). To rectify what is lacking in the reach and pulling power of grassroots newspapers in this country is going to be a never-ending task.

Problems of grassroots publishing are best tackled using a combination of enterprise self-responsibility, sector-wide combinations to leverage strengths, and top-down interventions by organisations best equipped to enable markets to grow. If all three techniques are used, we are sure that publishers will reap the benefits.

- Distribution infrastructures will expand if empowerment, innovation and reliable routines are applied. Distributors at the moment seem few and far between but it should not be difficult to attract more operators to this business, especially as the grassroots market is sent to expand.
- Circulation figures should be harvested from various sources and enhanced with qualitative information about readerships. The proposed Independent Circulation Audit for the Grassroots (ICAG) is not meant as a longterm substitute for the ABC system. We believe that the discipline instilled through ICAG would eventually contribute towards the entire grassroots joining the ABC.
- New advertising revenue streams should derive from national, regional and local display ads, from event-linked sponsorship, employment ads, legals and classifieds. Finally, the market profile of the grassroots sector is at a dismal low but the prospects are upbeat. Perceptions will not change overnight (especially if the journalism, that is, product substance, does not improve) but there are several strategies worth pursuing to alter perceptions.

Money is coming the way of the community press but the MDDA and its constituents will have to work hard to collect it.

The journalism – that is, product substance – must improve in to raise the appreciation of the value of grassroots publishing.

Footnotes

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- ¹⁰ Silber, Joseph - Dream: A Distribution Management System for Print Publications. Manual: Version 1.0. Undated. Center for Advanced Media—Prague (CAMP). www.campware.org/en/camp/dream_news/
- ¹¹ MDDA Print Roundtable Working Team - Review of Roundtable, May 2006
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- ¹⁴ Van Zyl, Anton – personal communication with researchers.
- ¹⁵ Collings, Patrick – personal communication to the researchers, October 2006.
- ¹⁶ Comtask [1996] Communications 2000: *A Vision for Government Communications in South Africa*, Final Report of the Task Group on Communications to Deputy President Thabo Mbeki
- ¹⁵ Honikman, Marilyn – personal communication to the researchers, October 2006.
- ¹⁵ Oosthuizen, Christoff – personal communication to the researchers, September 2006.

Summary

Argument

Bigger players have an advantage in terms of resources and market dominance, allowing them to control distribution, research and advertising in ways that exclude the grassroots.

Clever counter-strategies can work and should be tried, though plain managerial efficiencies will often win the day. There is currently not much effective grassroots networking to share solutions to major publishing problems. We investigate various for what they teach. Smaller players are close to the community and can innovate.

Distribution tends to be haphazard and data is not properly captured nor do publishers have the tools to analyse data.

The dearth of grassroots statistics on circulation and readership must be corrected soon. Grassroots publishers are somewhat suspicious of an ABC offer and are also calling for an ombudsman to investigate mainstream circulation claims.

Advertising should be looking up, given the economic conditions in the country and new research, but adsales tools and training are lacking. There is a great deal of grassroots expertise on hand to turn the situation around.

Recommendations

- The mindset of going it alone is hampering creative responses by the whole sector to generic problems, and it is time to change this by emphasising the benefits of aggregation and synergies.
- Publishers need training and support to manage the cycle of production-distribution-data-marketing functions.
- Interventions by the MDDA need to take the form of promoting the grassroots, negotiating on their behalf, empowering new operators, recruiting truly experienced mentors, and putting community media players in touch with each other.
- Possible ways of setting up a national Distribution Net include piggy-backing on large distributors – something that should be canvassed for reactions.
- Software solutions for distribution; reader research surveys; and expert mentoring are among the things that the MDDA could organise on behalf of the grassroots sector.
- The MDDA could compile an advertising prospectus for the sector and promote the development of websites and rates sheets for grassroots publishers.

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