



Revenue Report: Community Newspapers 2013

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This report is produced by Newspapers Canada and the Canadian Community Newspapers Association (CCNA) with the financial support of the Government of Canada through the Canada Periodical Fund of the Department of Canadian Heritage. The content of this study represents the opinions of the authors and does not necessarily represent the policies or the views of the Department of Canadian Heritage or the Government of Canada.

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Community Newspaper Revenue Report 2013

Revenue Survey Highlights

Newspapers Canada conducts an annual revenue survey of community newspaper revenues on behalf of the Canadian Community Newspapers Association (CCNA). This survey provides a high-level overview of the community newspaper industry advertising revenues.

The 2013 revenue survey reports the following:

- Total 2013 advertising revenue for community newspapers in Canada is **\$1,027,166,000**.
- Print advertising revenue represents the majority (97%) of revenue at **\$995.9 million** and the balance is online revenue at **\$31.3 million**.

(\$000)	2010	2011	2012	2013
National Advertising	291,771	131,066	123,337	107,409
Local/Retail Advertising	741,411	705,236	798,738	601,455
Classified Advertising	109,739	112,523	105,671	82,604
Inserts/Flyers		218,549	225,885	204,389
Total PRINT Advertising Revenue	1,142,921	1,167,374	1,253,632	995,857
Online Advertising	32,241	43,703	35,201	31,309
Total Advertising Revenue	1,175,162	1,211,077	1,288,832	1,027,166

Circulation of community newspapers remained stable from 2012 to 2013 with more than **19.6 million** copies distributed every week. Controlled circulation (free distribution) newspapers account for 95% of community newspaper distribution across the country.

Community newspapers in every province were asked to participate in the survey in order to provide a snapshot of the industry for member and non-member publications, independent and corporate publications as well as English and French language publications.

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Print Advertising Revenue Analysis

Overall, print advertising in 2013 is **\$995,857,000**.

In the 2013 survey, participants were again asked to report their print advertising revenues as national, local, classified and inserts/flyers. Some participants may categorize revenues differently so this data should be used as a guideline only.

The majority of community newspaper revenue comes from Local/Retail. Local advertising fell from 63.7% of total print revenue in 2012 to **60.4%** this year. Most of the share difference went to inserts/flyers. This is the third year collecting data for inserts/flyers as a separate category and as such there is only a comparison to 2011.

Many newspapers across the country highlighted significant declines in Government advertising, specifically at the Federal level. Spending on Internet advertising and Television by the government is on the rise, apparently at the expense of print. Provincial government spending on Public Notices is also seeing a shift from print to online.

Another major category in decline is Automotive advertising which is split between Local/Retail and National. A considerable amount of Automotive revenue has shifted online.

	2011	2012	2013
National	11.2%	9.8%	10.8%
Local/Retail	60.4%	63.7%	60.4%
Classified	9.6%	8.4%	8.3%
Inserts/Flyers	18.7%	18.0%	20.5%

Online Advertising Revenue Analysis

Online advertising in 2013 totals **\$31,309,000** and represents **3%** of all revenues, up from 2.7% in 2010. By mid 2013 **91%** of all community newspapers reported having websites up and running, although not all were able to accept or sell advertising.

Community newspapers have been slower to generate online advertising revenues as many independent publishers have resource challenges monetizing their websites. Regional community newspaper associations have been working with independent publishers to assist with the transition to online with website development programs.

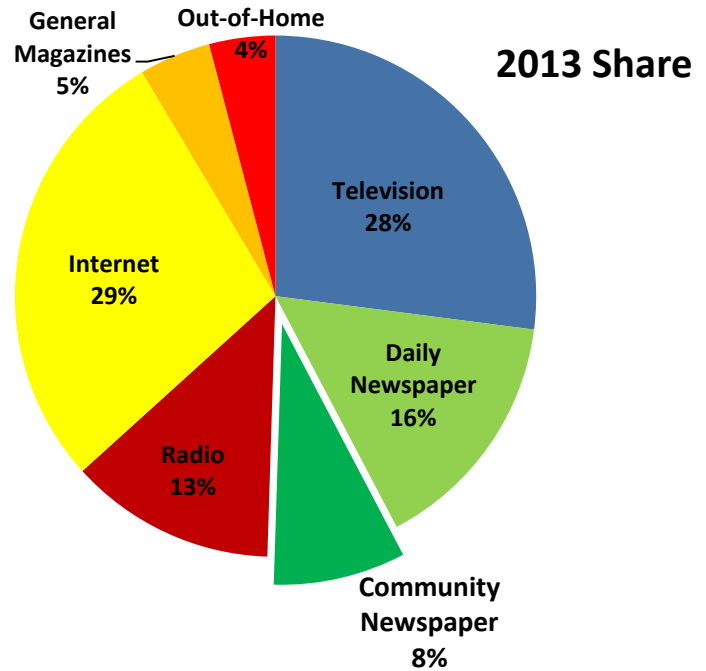
Online revenues reported for 2013 differ considerably by province from previous years. These variances were reported almost entirely by larger chains and do not appear to have any obvious explanation. As in previous years, the great majority of independents continue to report minimal online revenue.

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Net Advertising Volume in Canada

Community newspapers accounted for over a billion dollars in revenue in 2013 and rank 5th behind Internet, Television, Daily Newspapers and Radio.

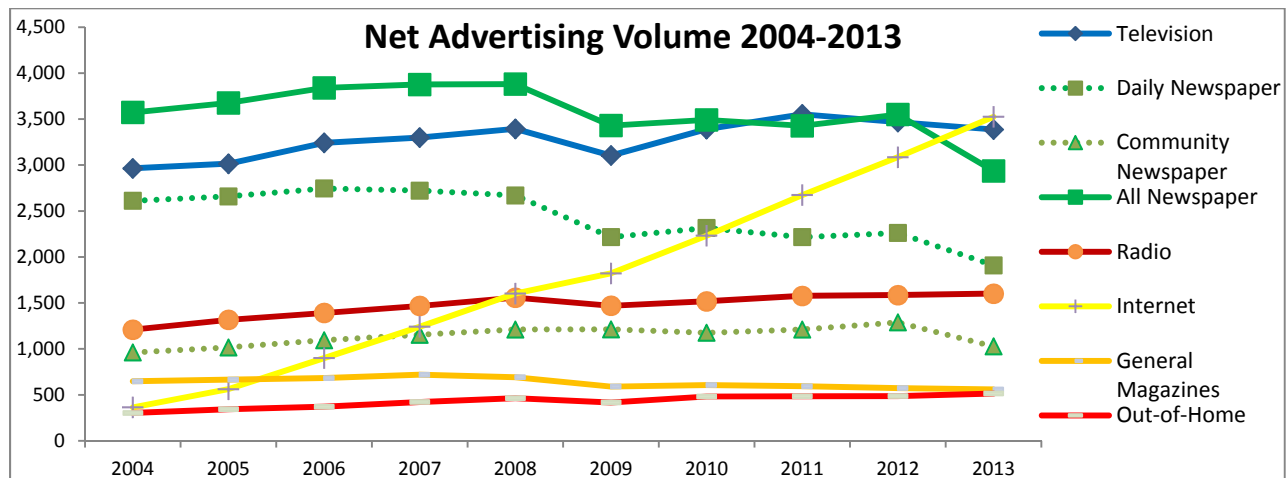
Community newspaper revenue accounts for more than 8% of all 2013 advertising revenues in Canada.



Trending 2004-2013 (\$millions CAD)

Medium	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Share
Television	2,964	3,014	3,241	3,299	3,393	3,104	3,391	3,552	3,467	3,387	27.6%
Daily Newspaper	2,611	2,659	2,745	2,722	2,670	2,216	2,316	2,216	2,261	1,909	15.6%
Community Newspaper	961	1,016	1,094	1,154	1,211	1,213	1,175	1,211	1,288	1,027	8.4%
Radio	1,209	1,316	1,391	1,468	1,558	1,470	1,517	1,576	1,585	1,600	13.1%
Internet	364	562	900	1,241	1,602	1,822	2,232	2,674	3,086	3,525	28.8%
General Magazines	647	665	682	718	692	590	606	593	573	558	4.6%
Out-of-Home	302	344	370	422	463	416	482	484	486	514	4.2%
TOTAL ACTUALS	9,059	9,576	10,313	10,873	11,408	10,618	11,473	12,017	12,470	12,258	

Sources: Television: Linear revenue - CRTC; Online revenue - TVB | Daily & Community Newspaper: Newspapers Canada | Radio: CRTC | Internet: IAB | General Magazine: Magazines Canada | Outdoor: Estimate of net revenue based on NMR data



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Industry Snapshot – June 2013

Publications and Editions

- Total number of community newspaper titles: **1,019**
- Total number of community newspaper editions published: **1,130**

Circulation

- Total weekly circulation of all community newspaper editions: **19,612,930**

Paid vs. Controlled Circulation

The majority of community newspaper circulation is free (controlled).

- Paid weekly circulation of community newspapers: **1,027,609 (5%)**
- Free (controlled) weekly circulation of community newspapers: **18,585,321 (95%)**

Format of Community Newspapers

- **13%** of community newspapers are broadsheet format (**146** editions)
- **87%** of community newspapers are tabloid format (**984** editions)

Ownership of Community Newspapers

- Corporate ownership: **59% (605 titles)**
- Independent (group/single)/Unknown: **41% (414 titles)**

Owner	# Titles	Number of Editions	Paid	Controlled	Total Circulation
Independent Titles	272	275	417,037	2,235,285	2,652,322
Independent Groups (with 2-9 titles)	142	147	162,978	1,306,051	1,469,029
Black Press Group Ltd.	86	117	48,733	2,041,302	2,090,035
Brunswick News Inc.	20	21	31,033	252,867	283,900
Department of National Defence	12	12	260	63,663	63,923
FP Newspapers Inc.	8	8	7,675	200,971	208,646
Glacier Media Group	74	93	61,177	1,719,750	1,780,927
Great West Newspapers, LP.	19	20	44,671	131,772	176,443
Metroland Media Group Ltd.	115	155	37,330	5,344,531	5,381,861
Multimedia Nova Corporation	1	1	-	44,065	44,065
Postmedia Network Inc.	7	7	2,669	209,547	212,216
Quebecor Media	5	5	10,569	36,313	46,882
Sun Media Corporation	154	162	121,439	2,361,243	2,482,682
TC.Transcontinental	100	103	78,081	2,492,952	2,571,033
The Halifax Herald Ltd.	4	4	3,957	145,009	148,966
TOTAL	1,019	1,130	1,027,609	18,585,321	19,612,930

Source: Newspapers Canada database, June 2013; * Glacier Ventures International Corp. is a 50% shareholder of Great West Newspapers, LP.

The Year in Review: Industry Highlights

New Publications

In August 2013 the Amherst (NS) Daily News moved to a weekly publishing schedule. The 120-year-old daily paper re-launched on Friday, August 2 as the Amherst News. The paper also enhanced its online presence, providing increased local news and events coverage through the www.cumberlandnewsnow.com site.

Metroland launched a new community newspaper in Norfolk, ON. On October 3, 2013, Metroland Media's Brant group of publications launched the first edition of the Norfolk News, a weekly newspaper covering the Norfolk County community.

Community Newspaper Changes

The Amherst (NS) Daily News' sister publication the Citizen-Record shifted to a Wednesday publishing schedule beginning on July 31, 2013.

In August, BC paper The NOW, re-launched as The Tri-Cities NOW to better reflect its regional distribution. For almost 30 years, the Glacier Media-owned paper has served the communities of Coquitlam, Port Coquitlam, Port Moody, Anmore and Belcarra. The publication also updated its website by implementing a new design, increasing news and events coverage and adding more photo galleries.

In September, the Ontario papers, Scarborough Mirror, North York Mirror and Etobicoke Guardian published their final Tuesday editions. All three publications are now distributed once a week on Thursdays. The Metroland community papers were previously published on Thursdays and Fridays, until last spring when the Friday edition was converted to Tuesday.

In December 2013 Black Press (BC) adjusted the publication schedule for its two Chilliwack papers following changes to the Abbotsford papers in October. Publication days were changed so the Chilliwack Times and the Chilliwack Progress would publish on different days.

Newspapers Mergers

Three Black Press (BC) papers amalgamated to become two new papers with a broader reach throughout the region. The Cariboo Advisor, the Williams Lake Tribune, and its weekend edition Tribune Weekend merged on September 4, 2013. The new Williams Lake Tribune is distributed on Wednesdays and the Weekend Advisor edition is published on Fridays.

Purchases or Ownership Changes

In May 2013 Multimedia Nova Corp ceased publication of its Town Crier newspapers in the Greater Toronto Area after filing for bankruptcy. In August 2013 the Town Crier newspaper chain was purchased by a group of former employees with plans to re-launch the paper in September. First launched in 1979 in East York, the Town Crier chain expanded across nine different local markets across the GTA during its 34-year history. Multimedia Nova purchased the chain of English-language newspapers in 2001.

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In July 2013 Glacier Media Group purchased Pique Publishing Inc. which publishes the Pique, a weekly independent newsmagazine in Whistler, BC. The award-winning publication was originally founded in 1994 by Bob and Kathy Barnett. Glacier owns more than 100 community newspapers in Canada including three additional media outlets in the Whistler region: The Whistler Question, the Squamish Chief and Whistler the Magazine.

In September Black Press purchased the Yukon News from former co-owners and publishers Steve Robertson and Barbara McLeod. Yukon News is a free paper based in Whitehorse with a twice-a-week publishing schedule on Wednesdays and Fridays.

In September The Chronicle Herald (NS) purchased three community newspapers from TC Media as well as its flyer distribution network. The three weekly papers-- Bedford Sackville Weekly News, the Halifax West Weekly News and the Dartmouth Cole-Harbour—are now part of the Community Herald network. Flyers are now consolidated into a singular package delivered by the Herald.

In October 2013 Black Press (BC) purchased two community newspapers and sold four publications in separate transactions with Glacier Media. Black Press takes ownership of The Abbotsford/Mission Times and the Chilliwack Times, while Glacier Media now owns the North Shore Outlook, the Westender, South Delta Leader and Bowen Island Undercurrent. Each chain already operates competing publications in the communities affected, except for Bowen Island where the Undercurrent is the only newspaper.

In November 2013 the newly created Grasslands News Group (SK) purchased the Melville Advance, Fort Qu'Appelle Times and Whitewood Herald. The Advance and Fort Times were purchased from Mark and Lin Orosz. Chris Ashfield, former owner of the Herald, will work with the sales consultants to strengthen the ties between the three papers to offer new products and new advertising possibilities for businesspeople in east-central Saskatchewan.

In December 2013 TC Media and Sun Media Corporation announced an agreement under which the 74 Sun Media community papers and associated web properties in Quebec would be acquired by TC Media for an amount of \$75 million. The list of newspapers included in this deal can be found at <http://www.newspaperscanada.ca/news/industry/tc-media-acquires-sun-media-s-community-papers-quebec>. As part of this transaction, TC Transcontinental also signed a parallel agreement with Quebecor Media to print some of its magazines and direct marketing materials.

Digital Changes

In February, Glacier Media teamed up with Layar to introduce augmented reality (AR) technology throughout all of its properties in Lower Mainland, British Columbia. Glacier publications now feature extensive use of AR in both editorial and advertising content. Unlike QR codes in print, Layar allows reader's to link to multiple assets; watch video, listen to audio, share content on social networks and even buy products – right from the page.

In May 2013, Manitoba-based francophone newspaper La Liberté celebrated its centennial anniversary by digitizing the 5,000 plus newspapers it has published since its founding in 1913. The newspaper's entire archive is now available in a free searchable online database.

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In June TC Media launched a new bilingual automobile website designed for drivers interested in purchasing a new or used vehicle. AutoGo.ca includes editorial content covering industry news and product reviews, as well as an e-commerce component featuring both new and used vehicle listings from across the country.

In July Glacier Media Group entered into a new partnership with SocialShopper, an online commerce site that provides special offers from local businesses. Founded in Vancouver in 2010, Social Shopper features daily deals and other marketing campaigns that connect local businesses with consumers via social and mobile channels.

In August 2013 Glacier Media acquired online lifestyle publication VitaminDaily, an online lifestyle magazine for women. Founded in 2004 the VitaminDaily.com digital publishing platform has grown to six editions (Vancouver, Calgary, Toronto, Montreal (English and French) and Moms & Kids).

In September the Cambridge Times expanded its online content to include national and international news coverage. Their website features local news prominently, with regular updates on breaking situations, additional photos and video taken during events covered in the print edition, and last-minute items that may not make it in before the print deadline.

In October TC Media revamped over 160 local newspaper websites and unveiled a sleek new look for its local newspaper websites across the country. The media company redesigned all of its regional and community newspaper sites to improve navigation and mobile optimization. The new sites also put a greater emphasis on content and feature enhanced photo slideshows, video galleries and events calendars.

Newspapers Closures

In July 2013 Sun Media announced the closure of 7 weekly publications in Quebec, Ontario, Manitoba and Saskatchewan:

- L'Action Regionale in Monterege (Quebec)
- Le Magazine Saint-Lambert (Quebec)
- Le Progrès de Bellechasse (Quebec)
- The Midland Free Press (Ontario)
- The Lac du Bonnet Leader (Manitoba)
- The Beausejour Review (Manitoba)
- The Meadow Lake Progress (Saskatchewan)

In October 2013 TC Media closed Placentia (NL) community paper The Charter after 16 years of publishing. TC Media's paper in Carbonear, The Compass, extended its coverage to the Placentia area.

In December 2013 Black Press suspended publication of the Abbotsford/Mission Times (BC) in order to focus its publishing resources on its other community papers in the region, the Abbotsford News and the Mission City Record. Black Press purchased the community paper from Glacier Media in October 2013.

Revenue Survey Methodology and Technical Notes

This survey was conducted at the request of Newspapers Canada on behalf of the Canadian Community Newspapers Association (CCNA) with the financial support of the Government of Canada through the Canada Periodical Fund of the Department of Canadian Heritage.

There have been ongoing changes in scope since the study's inception in 2009:

- In 2009, all print advertising was reported as a single category.
- In 2010, in order to obtain a more detailed understanding of weekly newspaper revenues, participants were asked to show the amounts attributable to national, local and classified advertising, and also to report any circulation revenue.
- In 2011, inserts/flyers were included as a separate category.
- In 2012 the supplier was changed, the questionnaire was completely overhauled, additional definitions of advertising revenue sources were added and a higher completion rate was achieved than in previous years.
- In 2013 the supplier was changed again, the questionnaire was again revised and now presents as a spreadsheet to respondents with circulation revenues asked last to avoid previous confusion on the part of respondents. Responses were received from more than two-thirds of the eligible publications although almost all group publishers responded for the group as a whole rather than for individual publications.

Data Collection

Data collection began in April 2014 and continued through until August 2014.

As in previous years, the executive directors of the regional associations were asked to endorse the study with their independent members by advising them of the request to provide data and encouraging them to participate.

Respondents were sent an email by Totum Research Inc. (returning supplier for this survey) which contained a link to the online questionnaire which was blindly hosted by Market Pulse. A few respondents subsequently asked for a paper or Excel version of the questionnaire and they responded directly to Totum. Most completed the online version.

Participation

Participation rates for independents were much higher than in previous years with 67.9% of eligible publications being reported on.

As in the past, independent response was high in the eastern and Prairie provinces, moderate in Ontario and lower elsewhere, especially in the Northern Territories. However, given the higher overall response rate, the received data provided sufficiently reliable samples to model the 2013 totals.

All but two of the smaller corporate groups participated, meaning that almost 97% of chain revenue was reported, which accounted for more than 80% of total weekly newspaper advertising revenue across Canada.

Substantial effort was made to improve the response rate among independent publishers with this study.

- The independent response rate in 2011 was 18%, with varying levels of participation at the provincial level.
- The response rate for 2012 among independent publishers was 24% with responses from more than 100 independent publishers across the country.
- In 2013 independent participation rose to 30% with 141 independent publisher responses.

The survey includes English and French-language titles and beginning in 2012 French-language independent newspapers were surveyed as well. Francophone papers outside Quebec were also included through the support of the Association de la Presse Francophone (APF).

Methodology

The census level of chain participation produced an accurate picture nationally for their print and online advertising. In comparing 2013 and 2012 advertising levels, the results make sense intuitively and may therefore be accepted as representing an accurate picture of the revenue patterns.

To avoid the risk of identifying survey respondents, and to smooth out possible sampling errors in smaller provinces, the 2013 data is only shown at the national level.

There were substantial provincial variations for advertising revenues, compared with previous years. The reasons for this are not entirely clear but are most probably the result of different approaches to estimating provincial breakdowns.

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The calculation of revenue involved projecting data for non-respondents using the average revenue per unit of paid circulation applied to the known paid circulation totals.

To generate the final 2013 report, these are the calculations applied:

For respondents – both chain and independent – actual claimed revenue by revenue source was summed. Provincial proportions were then calculated by percentaging the circulation breakout for all publications reported on and applying those percentages to the claimed revenues.

For those publications that did not respond, the revenue by source was first projected using the circulation of each newspaper as a basis for the calculation. Average revenues per unit of circulation were calculated for those publications that did respond. This was done in six groups based on circulation size:

- Over 40,000 circulation
- 20,000 – 40,000 circulation
- 10,000 – 20,000 circulation
- 5,000 – 10,000 circulation
- 3,000 – 5,000 circulation
- Under 3,000 circulation

Revenue by source for each non-responding publication was then projected using the appropriate circulation-based averages.

Francophone newspapers outside Quebec were reported separately.

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