



# NEWSPAPERS CANADA

## Revenue Report: Daily Newspapers Q4 2016

October to December 2016



NEWSPAPERS CANADA  
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# Daily Newspaper Revenue Report

## Q4 2016

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***This report is intended for internal use only by participating member newspapers and is not for public distribution.***

# Daily Newspaper Revenue Report

## Q4 2016

Newspapers Canada reports quarterly on daily newspaper revenues in the following categories: print, online and mobile advertising, as well as circulation and other revenue.

### Revenue Highlights

**Total revenue** of \$495,231,000 is 17.5% lower than the same quarter last year.

- Total revenue in the fourth quarter shows that the industry continued to decline, with a drop of 17.5% compared to Q4 of 2015.
- In dollar terms, this represents a decline of \$105,249,000.

**Print advertising** revenue of \$269,305,000 is 19.0% lower than Q4 of 2015.

- 2016 revenue in Q4 is \$63,134,000 lower than the same quarter last year.
- Local/Retail advertising (40%) now provides significantly more revenue for daily newspapers than National advertising (34%); Classified advertising currently represents 9% of revenues; and Flyers/Inserts represent 17% of Q4 revenues.

**Online advertising (excluding mobile)** decreased 7.2% compared to the fourth quarter of 2015.

- Q4 2016 online advertising revenue (excluding mobile) was \$66.3 million, down \$5.2 million compared to last year.

**Mobile advertising** increased by 29.2% over Q4 last year.

- Total mobile advertising revenue for Q4 2016 was \$5,786,000 -- an increase of \$1,306,000 over last year.

**Circulation revenue** is down 17.4% this quarter with a decline of \$30.4 million.

- Total circulation revenue for Q4 2016 was \$144,266,000.
- Digital circulation revenue for the quarter (\$9.2 million) represents 6.4% of quarterly circulation revenue.

**Other Revenue** is now included in the survey and represents \$9.6 million this quarter.

This category includes revenue for commercial printing, contract publishing, distribution, promotions and events.

# Daily Newspaper Revenue Report

## Q4 2016

### Total Newspaper Revenues

*Print, Online, Mobile, Circulation and Other Revenues*

Total revenue in the fourth quarter of 2016 dropped 17.5%, continuing the industry decline. This decline is considerably larger than in the equivalent quarter last year. In dollar terms, this signifies a decline of \$105,249,000.

Print advertising continues to decline (19%) with drops in National, Local/Retail, Classified and Flyers/Inserts. Print advertising represents \$1,015,070,000 in total for Q4 2016.

Online advertising decreased by \$5,168,000 or 7.2% compared to the fourth quarter of 2015. Online advertising accounts for \$66,288,000 in Q4 2016.

Mobile advertising was up slightly over Q4 of 2015 with an increase of \$1.3 million.

Revenue from other sources has been included in this survey since the first quarter of 2014. This amounted to \$9.6 million in the fourth quarter of 2016.

	2016	2015	2014	2013	2012
<b>1<sup>st</sup> Quarter</b>	\$474,133,000	\$508,294,000	\$589,396,000	\$667,229,000	\$743,738,000
<i>% change</i>	-6.7%	-13.8%	-11.7%	-10.3%	2.4%
<b>2<sup>nd</sup> Quarter</b>	\$503,890,000	\$583,041,000	\$646,088,000	\$677,998,000	\$780,087,000
<i>% change</i>	-13.6%	-9.8%	-4.7%	-13.1%	-1.6%
<b>3<sup>rd</sup> Quarter</b>	\$456,385,000	\$500,024,000	\$568,722,000	\$606,774,000	\$728,779,000
<i>% change</i>	-8.7%	-12.1%	-6.3%	-16.7%	5.6%
<b>4<sup>th</sup> Quarter</b>	\$495,231,000	\$600,480,000	\$664,873,000	\$720,053,000	\$795,495,000
<i>% change</i>	-17.5%	-9.7%	-7.7%	-9.5%	-0.7%
<b>Total Revenue</b>	<b>\$1,929,639,000</b>	<b>\$2,191,839,000</b>	<b>\$2,469,080,000</b>	<b>\$2,672,054,000</b>	<b>\$3,048,099,000</b>
<i>% change</i>	<b>-12.0%</b>	<b>-11.2%</b>	<b>-7.6%</b>	<b>-12.3%</b>	<b>1.3%</b>

*2015 Q4 data for Sun Media represent August to November not September to December.*

*2014 to 2016 data include revenue from other sources; 2012 and 2013 revenues include data from paid AND free daily newspapers – year-over-year comparisons will be influenced.*



# Daily Newspaper Revenue Report Q4 2016

# Daily Newspaper Revenue Report

## Q4 2016

### Print Advertising Revenues

Fourth quarter revenue in print advertising is lower than in the equivalent quarter last year with a drop of 19.0% (\$63,134,000). This is a slightly higher percentage drop than in the previous year.

Many newspapers also continue to report significant declines in national advertising, including federal government, automotive and telecommunications.

	2016	2015	2014	2013	2012
<b>1<sup>st</sup> Quarter</b>	\$245,395,000	\$267,368,000	\$346,093,000	\$408,482,000	\$490,892,000
% change	-8.2%	-22.7%	-14.3%	-16.8%	3.6%
<b>2<sup>nd</sup> Quarter</b>	\$277,852,000	\$320,537,000	\$380,886,000	\$428,971,000	\$517,437,000
% change	-13.3%	-15.8%	-11.2%	-17.1%	-1.9%
<b>3<sup>rd</sup> Quarter</b>	\$222,518,000	\$265,470,000	\$314,189,000	\$372,961,000	\$475,679,000
% change	-16.2%	-15.5%	-15.8%	-21.6%	9.2%
<b>4<sup>th</sup> Quarter</b>	\$269,305,000	\$332,439,000	\$396,184,000	\$468,143,000	\$535,000,000
% change	-19.0%	-16.1%	-15.4%	-12.5%	0.3%
<b>Total Revenue</b>	<b>\$1,015,070,000</b>	<b>\$1,185,814,000</b>	<b>\$1,437,352,000</b>	<b>\$1,678,557,000</b>	<b>\$2,019,008,000</b>
% change	<b>-14.4%</b>	<b>-17.5%</b>	<b>-14.4%</b>	<b>-16.9%</b>	<b>2.5%</b>

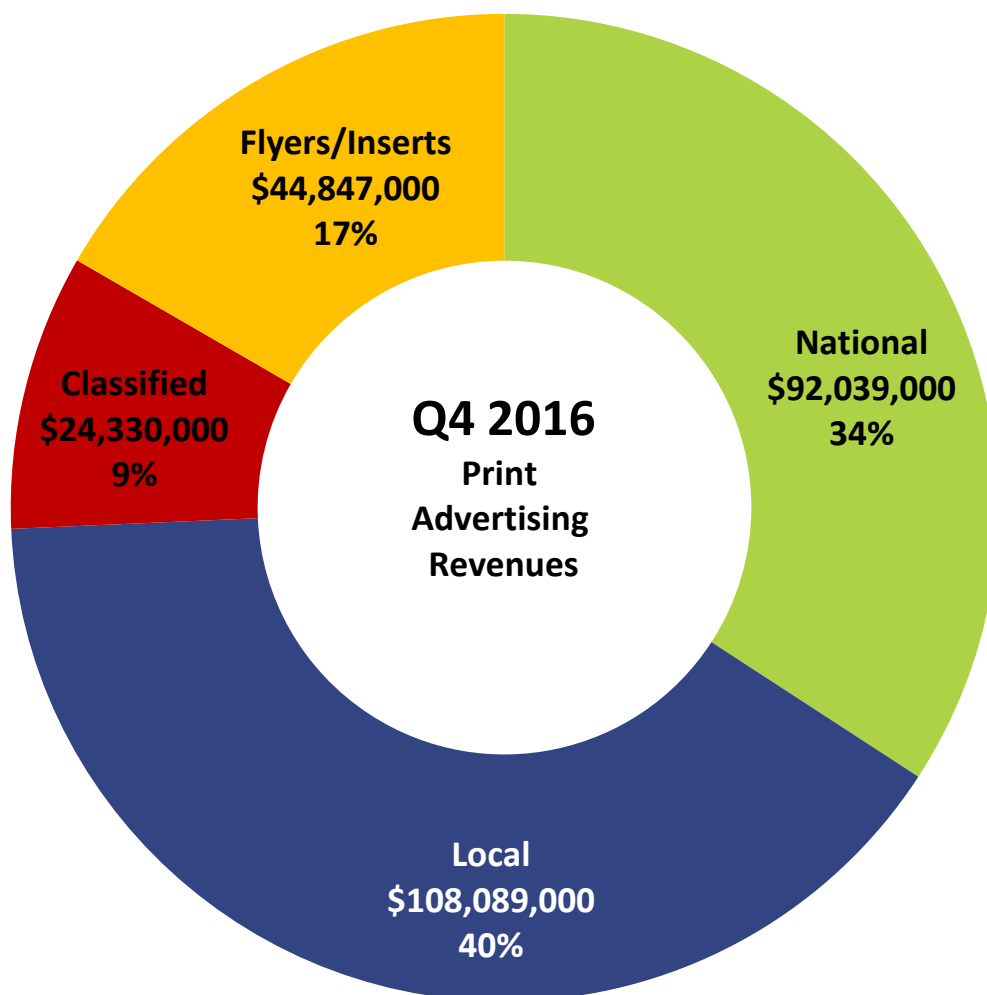
*Since 2012 revenues include data from paid AND free daily newspapers – year-over-year comparisons will be influenced. 2015 Q4 data for Sun Media represent August to November not September to December.*

Print Category	Q1 2016	Q2 2016	Q3 2016	Q4 2016
<b>National</b>	\$83,527,000	\$91,769,000	\$67,779,000	\$92,039,000
<b>Local</b>	\$99,580,000	\$114,730,000	\$90,420,000	\$108,089,000
<b>Classified</b>	\$26,958,000	\$29,011,000	\$24,508,000	\$24,330,000
<b>Flyers/Inserts</b>	\$35,330,000	\$42,342,000	\$39,811,000	\$44,847,000
<b>TOTAL</b>	<b>\$245,395,000</b>	<b>\$277,852,000</b>	<b>\$222,518,000</b>	<b>\$269,305,000</b>

# Daily Newspaper Revenue Report Q4 2016

The survey collects actual data by category in print advertising. In Q4 2016, category breakdowns are as follows:

- **Local advertising** (40%) declined (20.6%) over Q4 of 2015 but now provides significantly more revenue for daily newspapers than **National advertising** (34%);
- **Classified** advertising dropped a further 10.7% this quarter compared with the equivalent quarter of 2015 and currently represents 9% of revenues with \$24.3 million; and
- **Flyers/Inserts** represent 17% of Q4 revenues at \$44.8 million. This represents a decline of 13.7% over Q4 last year.



# Daily Newspaper Revenue Report

## Q4 2016

### Online Advertising Revenues (excluding Mobile Revenues)

Online advertising decreased by \$5,168,000 or 7.2% compared to the fourth quarter of 2015. Online advertising accounts for \$66,288,000 in Q4 2016.

**Note:** Mobile revenues are now **excluded** from Online Advertising Revenues. Data from 2011 to 2014 has been adjusted to reflect these changes to allow for trending.

	2016	2015	2014	2013	2012
<b>1<sup>st</sup> Quarter</b>	\$46,403,000	\$53,305,000	\$43,290,000	\$67,717,000	\$57,587,000
<i>% change</i>	-12.9%	23.1%	-36.1%	17.6%	-2.7%
<b>2<sup>nd</sup> Quarter</b>	\$47,269,000	\$61,580,000	\$62,139,000	\$52,703,000	\$57,739,000
<i>% change</i>	-23.2%	-0.9%	17.9%	-8.7%	-10.9%
<b>3<sup>rd</sup> Quarter</b>	\$57,516,000	\$41,326,000	\$53,965,000	\$41,516,000	\$56,118,000
<i>% change</i>	39.2%	-23.4%	30.0%	-26.0%	3.4%
<b>4<sup>th</sup> Quarter</b>	\$66,288,000	\$71,456,000	\$69,830,000	\$58,707,000	\$63,635,000
<i>% change</i>	-7.2%	2.3%	18.9%	-7.7%	-0.1%
<b>Total Revenue</b>	<b>\$217,476,000</b>	<b>\$227,667,000</b>	<b>\$229,224,000</b>	<b>\$220,643,000</b>	<b>\$235,079,000</b>
<i>% change</i>	-7.2%	-0.7%	3.9%	-6.1%	-2.8%

*Excludes certain portal revenue from non-newspaper branded sites.*

*Since 2012 revenues include data from paid AND free daily newspapers – year-over-year comparisons will be influenced.*

*2015 Q4 data for Sun Media represent August to November not September to December.*





# Daily Newspaper Revenue Report Q4 2016

## Mobile Advertising Revenues

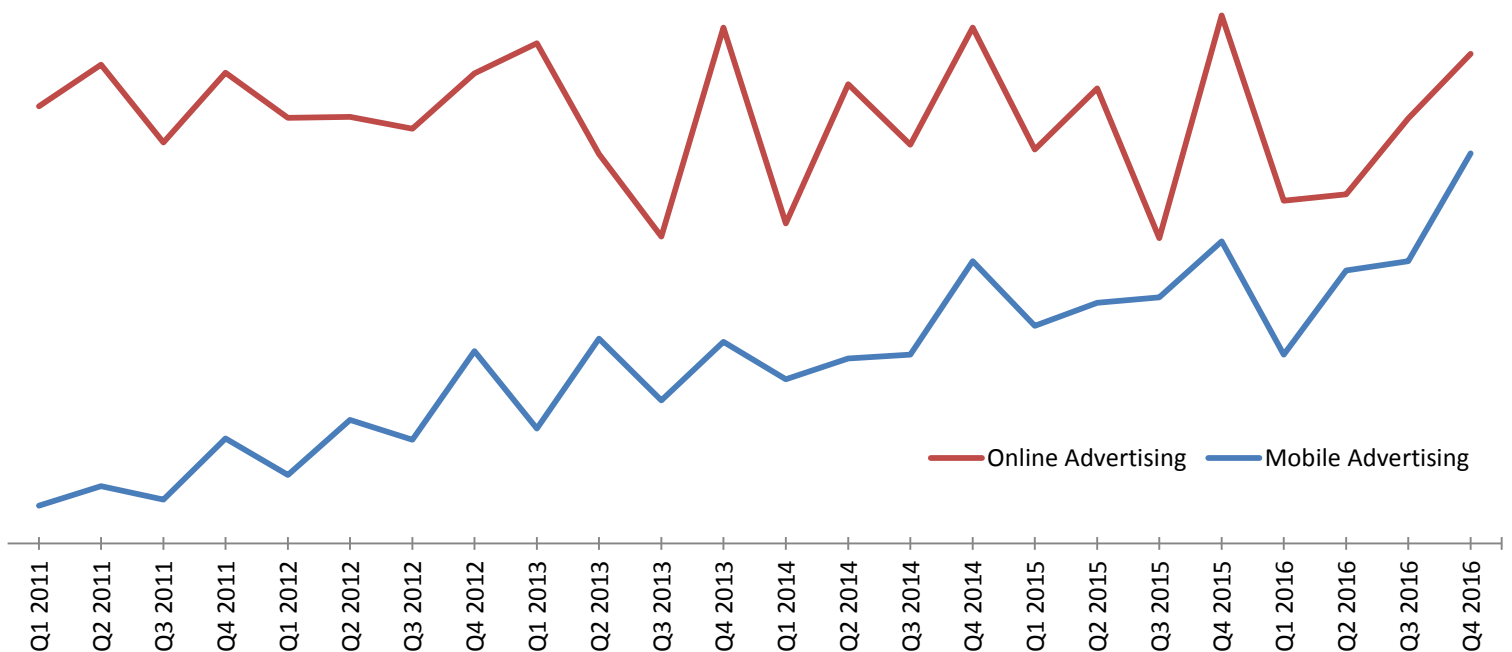
Mobile advertising increased by \$1,306,000 or 29.2% compared to the fourth quarter of 2015. Mobile advertising accounts for \$5,786,000 this quarter.

	2016	2015	2014	2013	2012
<b>1<sup>st</sup> Quarter</b>	\$2,802,000	\$3,228,000	\$2,433,000	\$1,704,000	\$1,016,000
<i>% change</i>	-13.2%	32.7%	42.8%	67.7%	81.4%
<b>2<sup>nd</sup> Quarter</b>	\$4,047,000	\$3,569,000	\$2,744,000	\$3,036,000	\$1,830,000
<i>% change</i>	13.4%	30.1%	-9.6%	65.9%	115.3%
<b>3<sup>rd</sup> Quarter</b>	\$4,185,000	\$3,652,000	\$2,800,000	\$2,123,000	\$1,536,000
<i>% change</i>	14.6%	30.4%	31.9%	38.2%	136.3%
<b>4<sup>th</sup> Quarter</b>	\$5,786,000	\$4,480,000	\$4,184,000	\$2,989,000	\$2,854,000
<i>% change</i>	29.2%	7.1%	40.0%	4.7%	83.2%
<b>Total Revenue</b>	<b>\$16,820,000</b>	<b>\$14,929,000</b>	<b>\$12,161,000</b>	<b>\$9,852,000</b>	<b>\$7,236,000</b>
<i>% change</i>	<b>12.7%</b>	22.8%	23.4%	36.2%	100.0%

**Note:** Mobile revenues are now excluded from Online Advertising Revenues.

Mobile is currently the main driver of **global** ad spend growth and is growing faster than desktop internet. In Canada, mobile revenues currently represent xx% of all online advertising revenues in Q4 2016.

### Online and Mobile Advertising Revenues 2011-2016



# Daily Newspaper Revenue Report

## Q4 2016

### Newspaper Circulation Revenues

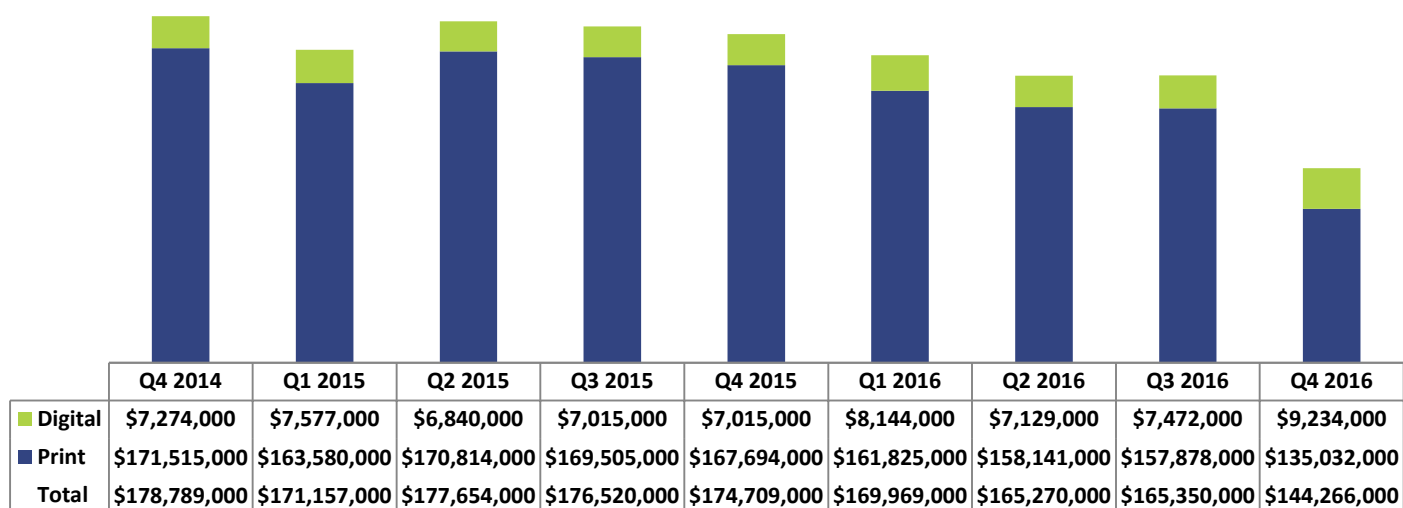
Circulation revenue in the fourth quarter decreased against the same period in 2015 by 17.4%. In dollar terms this represents \$144,266,000, down \$30.4 million compared with the equivalent quarter last year. Some of this revenue loss can be attributed to newspaper closures, reduction in frequency to weekly from daily, free tablet editions and La Presse's decision to produce their paper in digital format only on weekdays.

	2016	2015	2014	2013	2012
<b>1<sup>st</sup> Quarter</b>	\$169,969,000	\$171,157,000	\$181,413,000	\$189,326,000	\$194,243,000
% change	-0.7%	-5.7%	-4.2%	-2.5%	0.9%
<b>2<sup>nd</sup> Quarter</b>	\$165,270,000	\$177,654,000	\$185,836,000	\$193,288,000	\$203,081,000
% change	-7.0%	-4.4%	-3.9%	-4.8%	1.6%
<b>3<sup>rd</sup> Quarter</b>	\$165,350,000	\$176,520,000	\$182,950,000	\$190,174,000	\$195,446,000
% change	-6.3%	-3.5%	-3.8%	-2.7%	-2.1%
<b>4<sup>th</sup> Quarter</b>	\$144,266,000	\$174,709,000	\$178,789,000	\$190,214,000	\$194,006,000
% change	-17.4%	-2.7%	-6.0%	-2.0%	-3.9%
<b>Total Revenue</b>	<b>\$644,855,000</b>	<b>\$700,040,000</b>	<b>\$728,988,000</b>	<b>\$763,002,000</b>	<b>\$786,776,000</b>
% change	-7.9%	-4.0%	-4.5%	-3.0%	-0.9%

Q1 2010 increase attributable to change in accounting policy by 1 participant; using prior year policy, the increase over Q1/2009 is approx. 0.5%. Effective Q1 2012, measurement of digital circulation is also included. 2015 Q4 data for Sun Media represent August to November not September to December.

The survey tracks **digital circulation revenue**, including revenue from paywalls and metered access pricing plans implemented at many publications. Digital circulation revenues now represent 6.4% of all circulation revenue for the quarter -- in dollar volume it is \$9.2 million.

### Circulation Revenue - Print + Digital



# Daily Newspaper Revenue Report

## Q4 2016

### Industry Highlights

Headlines below can be found online at [www.nmc-mic.ca/newsroom/](http://www.nmc-mic.ca/newsroom/)

#### **National Post releases revamped FP Magazine**

A refreshed look and better content is at the core of Postmedia's revamped *Financial Post Magazine*, which was released on September 29. At present, the magazine is published six times per year, and reaches an audience of 782,000 Canadians, according to Vividata statistics.

<http://newspaperscanada.ca/news/national-post-released-revamped-fp-magazine/>

#### **Postmedia launches new brand awareness campaign for Sun newspapers**

On October 4, Postmedia launched a new brand awareness campaign for *Sun* newspapers across the country. A series of "We've Got It Covered", promotional ads have been designed to target local markets in Toronto, Ottawa, Calgary and Edmonton.

<http://newspaperscanada.ca/news/postmedia-launches-new-brand-awareness-campaign-sun-newspapers/>

#### **Toronto Star publishes revenue-generating niche publication for teachers**

Toronto Star's Newspaper in Education division recently launched a new annual publication for teachers in Ontario. The Toronto Star Classroom Connection Field Trip Guide was distributed free to approximately 17,000 teachers across the province in September. The 60-page guide is full of educational field trip options and offers a convenient way for educators to plan field trips for their students. While the guide was free to teachers, advertisers paid to feature their school programmes in the guide. The response was good for this inaugural edition, with more than 50 advertisers listed in the guide.

<http://www.inma.org/blogs/value-content/post.cfm/toronto-star-publishes-revenue-generating-niche-publication-for-teachers>

#### **The Sherbrooke Record moves to a new home, but isn't going anywhere**

The newspaper business has been on the ropes for a while in Canada, but one local paper serving the minority anglophone community in the Eastern Townships is digging in its heels. The Sherbrooke Record, in operation since 1897, just bought a new building to house its press and editorial staff in Lennoxville, Que., a primarily English enclave in the city.

<http://www.cbc.ca/news/canada/montreal/sherbrooke-record-local-newspaper-moving-1.3821870>

#### **Black Press launches new free daily paper on Vancouver Island**

Black Press has launched a new free daily newspaper on Vancouver Island, the *Vancouver Island Free Daily*. Available in print at designated pickup locations and online via a dedicated website and mobile app, the paper draws on Black Press' existing editorial resources in the region and provides a range of local, provincial, national and international coverage.

<http://newspaperscanada.ca/news/black-press-launches-new-free-daily-paper-vancouver-island/>

#### **Fort McMurray Today shifts focus to digital, adjusts print schedule**

*Fort McMurray Today* recently announced plans to increase online content and reduce its print publishing schedule from six days a week down to two effective November 15.

<http://newspaperscanada.ca/news/fort-mcmurray-today-shifts-focus-digital-adjusts-print-schedule/>

#### **Postmedia makes local news more visible**

Four Postmedia newspapers – *Ottawa Citizen*, *Montreal Gazette*, *Edmonton Journal* and *Calgary Herald* – have announced plans to spotlight local news in the 'A' sections of their papers.

<http://newspaperscanada.ca/news/postmedia-making-local-news-visible/>



# Daily Newspaper Revenue Report Q4 2016

## Daily Newspapers with Metered Access/Paywalls

Newspaper	Province	Market	Owner	Date Implemented
The Whitehorse Star	YT	Whitehorse	Independent	2004
Times Colonist	BC	Victoria	Glacier	May 2011
Montreal Gazette	QC	Montreal	Postmedia	May 2011
Red Deer Advocate	AB	Red Deer	Black Press	June 2011
The Daily Gleaner	NB	Fredericton	Brunswick News	November 2011
Times and Transcript	NB	Moncton	Brunswick News	November 2011
Telegraph Journal	NB	Saint John	Brunswick News	November 2011
The Daily Townsman	BC	Cranbrook	Black Press	February 2012
The Daily Bulletin	BC	Kimberley	Black Press	February 2012
The Province	BC	Vancouver	Postmedia	August 2012
Vancouver Sun	BC	Vancouver	Postmedia	August 2012
Ottawa Citizen	ON	Ottawa	Postmedia	August 2012
Le Journal de Montréal	QC	Montreal	Quebecor	September 2012
Le Journal de Québec	QC	Quebec City	Quebecor	September 2012
The Globe and Mail	ON	National	Globe and Mail	October 2012
Calgary Sun	AB	Calgary	Postmedia	December 2012
Edmonton Sun	AB	Edmonton	Postmedia	December 2012
Winnipeg Sun	MB	Winnipeg	Postmedia	December 2012
Ottawa Sun	ON	Ottawa	Postmedia	December 2012
Toronto Sun	ON	Toronto	Postmedia	December 2012
Medicine Hat News	AB	Medicine Hat	AB Newspaper Group	April 2013
Calgary Herald	AB	Calgary	Postmedia	May 2013
Edmonton Journal	AB	Edmonton	Postmedia	May 2013
National Post	ON	National	Postmedia	May 2013
Windsor Star	ON	Windsor	Postmedia	May 2013
The Guardian	PE	Charlottetown	TC Media*	May 2013
The Leader Post	SK	Regina	Postmedia	May 2013
The StarPhoenix	SK	Saskatoon	Postmedia	May 2013
Lethbridge Herald	AB	Lethbridge	AB Newspaper Group	June 2013
The Daily News	NS	Truro	TC Media*	July 2013
The Chronicle Herald	NS	Halifax	Halifax Herald Ltd.*	August 2013
Journal Pioneer	PE	Summerside	TC Media*	November 2013
The Western Star	NL	Corner Brook	TC Media*	January 2014
Cape Breton Post	NS	Sydney	TC Media*	February 2014
Trail Times	BC	Trail	Black Press	March 2014
The Telegram	NL	St. John's	TC Media*	April 2014
The Daily Herald	SK	Prince Albert	Star News	June 2014
<b>TOTAL Newspapers with Metered Access/Paywalls</b>				<b>37</b>

\*ownership change April 2017 (now SaltWire Network)

# Daily Newspaper Revenue Report

## Q4 2016

### Methodology and Technical Notes

This quarterly survey is conducted on behalf of Newspapers Canada by Totum Research Inc. and provides a high-level view of daily newspaper industry revenues. Since January 2012 data collection has been primarily conducted through online survey software.

Participation includes both paid and free dailies, representing approximately 92% of total daily newspaper circulation in Canada.

Beginning with the first quarter of 2012 several survey improvements were implemented:

- Print advertising revenue is collected by specific advertising categories (national, retail, classified) as well as flyers/inserts.
- Print/online advertising revenue for both paid and free dailies is included which prevents a direct year-over-year comparison with 2011 and previous years.
- Online advertising revenue excludes certain portal revenue from non-newspaper branded sites and as of 2011 included mobile revenues.
- Circulation revenue from both print and digital categories is included.

Mobile advertising is defined as any digital ads delivered to smartphones and tablets, whether display, classified or search. It should be noted that as of 2013 not all participants reported mobile advertising revenues.

In 2013 the quarterly report was expanded to include industry headlines and a listing of newspapers with metered access/paywalls.

In 2014 revenue from other sources, including events, promotions, distribution and commercial printing, was included.

In 2015 mobile advertising has been separated from online advertising to facilitate more detailed analysis. Previous years have been adjusted to separate the data for trending purposes.

Report produced by Newspapers Canada. For additional information contact:

*Kelly Levson*

*Director of Marketing and Research*

[klevson@newspaperscanada.ca](mailto:klevson@newspaperscanada.ca)