



# NEWSPAPERS CANADA

## Revenue Report: Daily Newspapers Q1 2016

January to March 2016



NEWSPAPERS CANADA  
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# Daily Newspaper Revenue Report

## Q1 2016

### Contents

Revenue Highlights.....	3
Total Newspaper Revenues.....	4
Print Advertising Revenues.....	6
Online Advertising Revenues.....	8
Mobile Advertising Revenues .....	9
Newspaper Circulation Revenues.....	10
Industry Highlights .....	11
Daily Newspapers with Metered Access/Paywalls.....	14
Methodology and Technical Notes.....	15

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

# Daily Newspaper Revenue Report

## Q1 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 \$474,134,000 is 6.4% lower than the same quarter last year.

- Total revenue in the first quarter shows that the industry continued to decline, with a drop of 6.4% compared to Q1 of 2015
- In dollar terms, this represents a decline of \$32,487,000.

**Print advertising** revenue of \$245,254,000 is 8.2% lower than Q1 of 2015.

- 2016 revenue in Q1 is \$21,933,000 lower than the same quarter last year.
- Local advertising (41%) now provides significantly more revenue for daily newspapers than national advertising (34%); Classified advertising currently represents 11% of revenues; and Flyers/Inserts represent 14% of Q1 revenues.

**Online advertising (excluding mobile)** decreased 12.9% compared to the first quarter of 2015.

- Q1 2016 online advertising revenue (excluding mobile) was \$46.4 million, down 12.9% compared to last year.

**Mobile advertising** decreased by 13.2 % over Q.1 last year.

- Total mobile advertising revenue for Q1 2016 was \$2,802,000 -- a decrease of \$426,000 over last year.

**Circulation revenue** is down 0.7 % this quarter with a decline of \$1.2 million.

- Total circulation revenue for Q1 2016 was \$169,969,000.
- Digital circulation revenue for the quarter (\$8.1 million) represents 4.8% of quarterly circulation revenue.

**Other Revenue** is now included in the survey and represents almost \$10 million this quarter. This category includes revenue for commercial printing, contract publishing, distribution, promotions and events.

# Daily Newspaper Revenue Report

## Q1 2016

### Total Newspaper Revenues

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

Total revenue in the first quarter of 2016 shows that the industry continues to decline, with a drop of 6.4%, but the rate of decline is significantly lower than in the equivalent quarter last year. In dollar terms, this signifies a decline of \$32,487,000.

During Q1 2016 there were a number of newspaper changes. Two newspapers closed on January 29, 2016: Nanaimo Daily News and the Guelph Mercury. On March 31, 2016 the Alaska Highway News announced it would be shifting to a weekly publishing schedule rather than daily. And La Presse switched to a tablet edition rather than a printed one on weekdays but its advertising revenue is still recorded as print in this analysis.

Revenue from other sources has been included in this survey since the first quarter of 2014. This amounted to \$9,706,000 in the first quarter of 2016, \$2.04 million less than in the equivalent quarter last year.

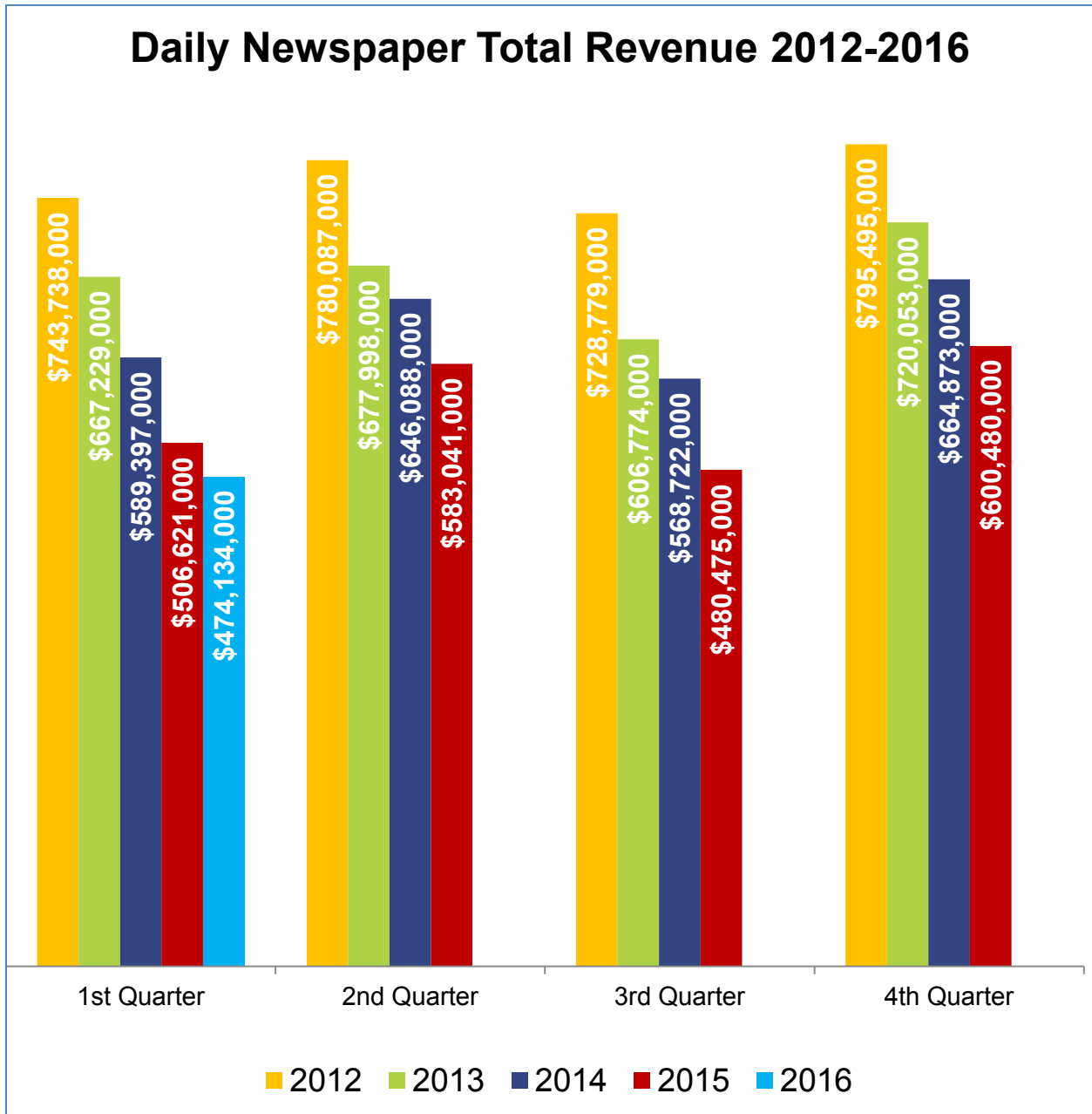
	2016	2015	2014	2013	2012
<b>1<sup>st</sup> Quarter</b>	\$474,134,000	\$506,621,000	\$589,396,000	\$667,229,000	\$743,738,000
<i>% change</i>	-6.4%	-14.0%	-11.7%	-10.3%	2.4%
<b>2<sup>nd</sup> Quarter</b>		\$583,041,000	\$646,088,000	\$677,998,000	\$780,087,000
<i>% change</i>		-9.8%	-4.7%	-13.1%	-1.6%
<b>3<sup>rd</sup> Quarter</b>		\$480,075,000	\$568,722,000	\$606,774,000	\$728,779,000
<i>% change</i>		-15.5%	-6.3%	-16.7%	5.6%
<b>4<sup>th</sup> Quarter</b>		\$600,480,000	\$664,873,000	\$720,053,000	\$795,495,000
<i>% change</i>		-9.7%	-7.7%	-9.5%	-0.7%
<b>Total Revenue</b>		<b>\$2,161,691,000</b>	<b>\$2,469,080,000</b>	<b>\$2,672,054,000</b>	<b>\$3,048,099,000</b>
<i>% change</i>		<b>-12.4%</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 Q1 2016



# Daily Newspaper Revenue Report

## Q1 2016

### Print Advertising Revenues

First quarter revenue in print advertising is lower than in the equivalent quarter last year with a drop of 8.2% (\$21,933,000). 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>	\$245,254,000	\$267,187,000	\$346,093,000	\$408,482,000	\$490,892,000
<i>% change</i>	-8.2%	-22.8%	-14.3%	-16.8%	3.6%
<b>2<sup>nd</sup> Quarter</b>		\$320,351,000	\$380,886,000	\$428,971,000	\$517,437,000
<i>% change</i>		-15.9%	-11.2%	-17.1%	-1.9%
<b>3<sup>rd</sup> Quarter</b>		\$265,320,000	\$314,189,000	\$372,961,000	\$475,679,000
<i>% change</i>		-15.6%	-15.8%	-21.6%	9.2%
<b>4<sup>th</sup> Quarter</b>		\$332,223,000	\$396,184,000	\$468,143,000	\$535,000,000
<i>% change</i>		-16.1%	-15.4%	-12.5%	0.3%
<b>Total Revenue</b>		<b>\$1,181,354,000</b>	<b>\$1,437,352,000</b>	<b>\$1,678,557,000</b>	<b>\$2,019,008,000</b>
<i>% change</i>		<b>-17.8%</b>	<b>-14.4%</b>	<b>-16.9%</b>	<b>2.5%</b>

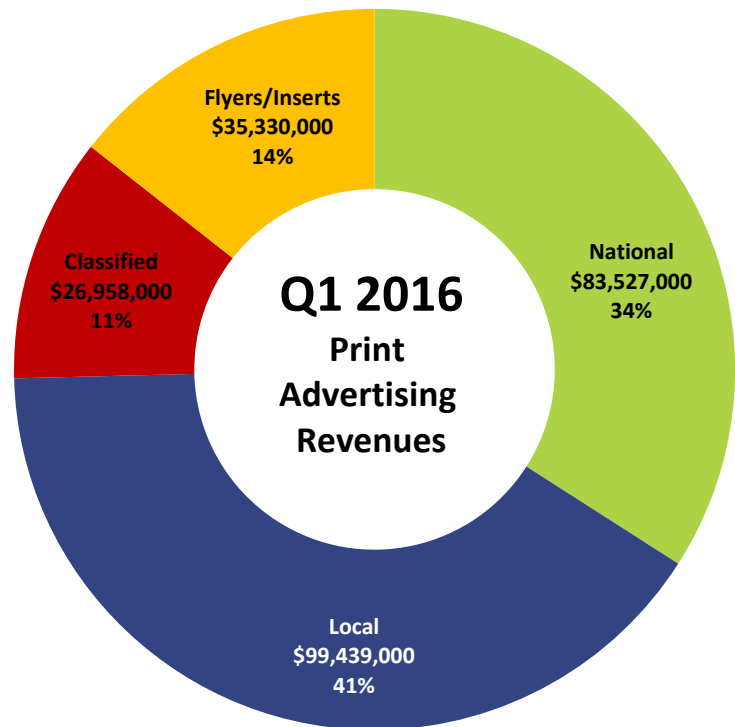
*Since 2012 revenues include data from paid AND free daily newspapers – year-over-year comparisons will be influenced. 2015 Q4 data for Sun Media represent August to November not September to December.*

# Daily Newspaper Revenue Report

## Q1 2016

The survey now collects actual data by category in print advertising. In Q1 2016, category breakdowns are as follows:

- **Local advertising** (41%) declined (15.8%) over Q1 of 2015 but now provides significantly more revenue for daily newspapers than **National advertising** (34%);
- **Classified** advertising dropped a further 13.6% this quarter compared with the equivalent quarter of 2015 and currently represents 11% of revenues with \$27 million; and
- **Flyers/Inserts** represent 14% of Q1 revenues at \$35 million. Flyers/inserts were the only form of printed advertising to show an increase in Q1 over the same period last year.



Print Category	Q1 2016	Q2 2016	Q3 2016	Q4 2016
National	\$83,527,000			
Local	\$99,439,000			
Classified	\$26,958,000			
Flyers/Inserts	\$35,330,000			
<b>TOTAL</b>	<b>\$245,254,000</b>			

# Daily Newspaper Revenue Report

## Q1 2016

### Online Advertising Revenues (excluding Mobile Revenues)

Online advertising decreased by 12.9% compared to the first quarter of 2015.

**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
% change	-12.9%	23.1%	-36.1%	17.6%	-2.7%
<b>2<sup>nd</sup> Quarter</b>		\$61,580,000	\$62,139,000	\$52,703,000	\$57,739,000
% change		0.9%	17.9%	-8.7%	-10.9%
<b>3<sup>rd</sup> Quarter</b>		\$41,326,000	\$53,965,000	\$41,516,000	\$56,118,000
% change		-23.4%	30.0%	-26.0%	3.4%
<b>4<sup>th</sup> Quarter</b>		\$71,456,000	\$66,260,000	\$58,707,000	\$63,635,000
% change		2.3%	12.9%	-7.7%	-0.1%
<b>Total Revenue</b>		<b>\$227,568,000</b>	<b>\$225,654,000</b>	<b>\$220,643,000</b>	<b>\$235,079,000</b>
% change		<b>0.8%</b>	<b>2.3%</b>	<b>-6.1%</b>	<b>-2.8%</b>

*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

## Q1 2016

### Mobile Advertising Revenues

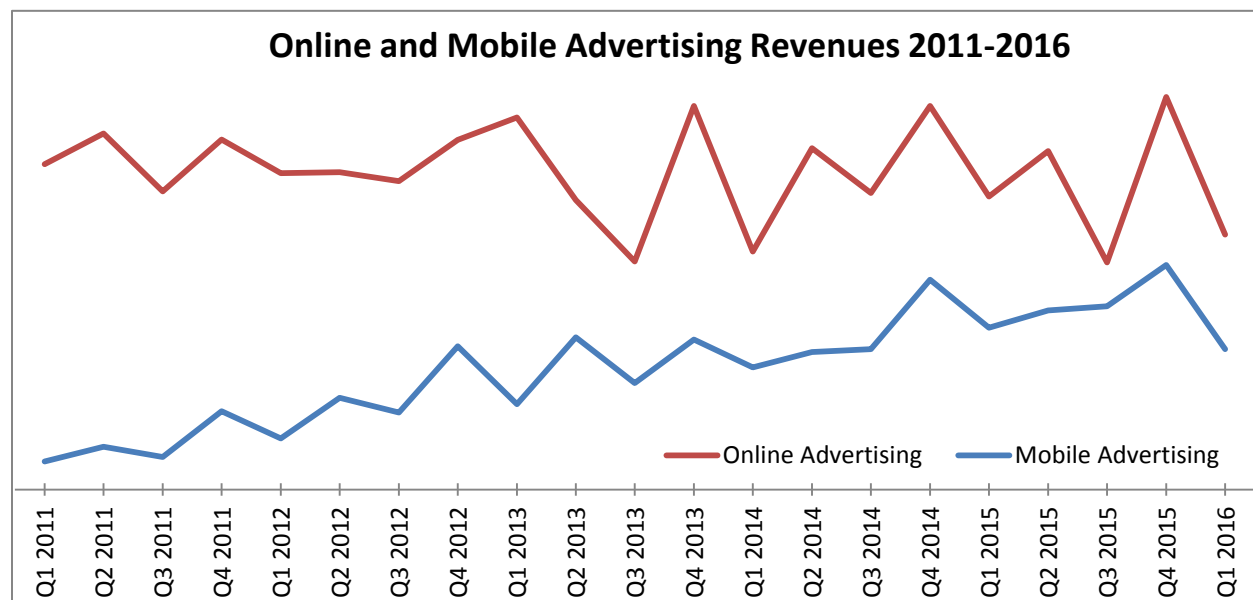
Mobile advertising decreased 13.2% compared to the first quarter of 2015. Mobile advertising accounts for \$2,802,000 this quarter.

	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>		\$3,569,000	\$2,744,000	\$3,036,000	\$1,830,000
<i>% change</i>		30.1%	-9.6%	65.9%	115.3%
<b>3<sup>rd</sup> Quarter</b>		\$3,652,000	\$2,800,000	\$2,123,000	\$1,536,000
<i>% change</i>		30.4%	31.9%	38.2%	136.3%
<b>4<sup>th</sup> Quarter</b>		\$4,480,000	\$4,184,000	\$2,989,000	\$2,854,000
<i>% change</i>		7.1%	40.0%	4.7%	83.2%
<b>Total Revenue</b>		<b>\$14,929,000</b>	<b>\$12,161,000</b>	<b>\$9,852,000</b>	<b>\$7,236,000</b>
<i>% change</i>		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.

This is the first quarter that mobile revenues did not increase over the previous year within the newspaper industry. Mobile revenues currently represent 6% of all online advertising revenues in Q1 2016.



# Daily Newspaper Revenue Report

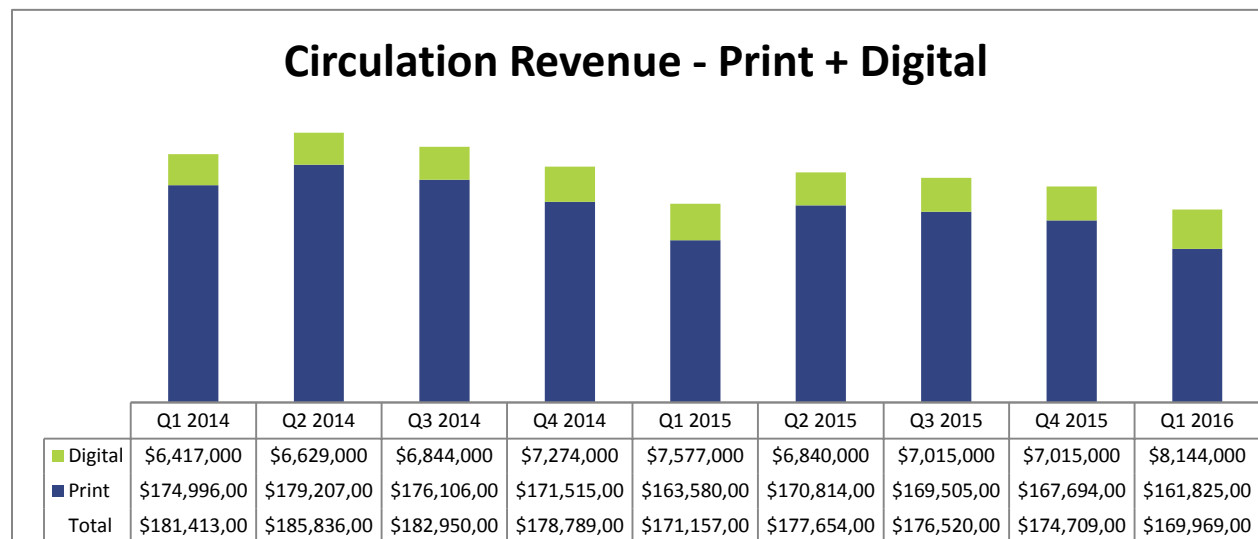
## Q1 2016

### Newspaper Circulation Revenues

Circulation revenue in the fourth quarter decreased against the same period in 2015 by 0.7%. In dollar terms this represents \$169,969,000, down \$25.8 million compared with the equivalent quarter last year.

	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>		\$177,654,000	\$185,836,000	\$193,288,000	\$203,081,000
% change		-4.4%	-3.9%	-4.8%	1.6%
<b>3<sup>rd</sup> Quarter</b>		\$176,520,000	\$182,950,000	\$190,174,000	\$195,446,000
% change		-3.5%	-3.8%	-2.7%	-2.1%
<b>4<sup>th</sup> Quarter</b>		\$174,709,000	\$178,789,000	\$190,214,000	\$194,006,000
% change		-2.37%	-6.0%	-2.0%	-3.9%
<b>Total Revenue</b>		<b>\$700,040,000</b>	<b>\$728,988,000</b>	<b>\$763,002,000</b>	<b>\$786,776,000</b>
% change		<b>-4.0%</b>	<b>-4.5%</b>	<b>-3.0%</b>	<b>-0.9%</b>

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 4.8% of all circulation revenue for the quarter -- in dollar volume it is \$8.1 million.

# Daily Newspaper Revenue Report

## Q1 2016

### Industry Highlights

Newspapers Canada publishes a weekly update of industry happenings. Headlines below can be found online on the Newspapers Canada website at <http://newspaperscanada.ca/newsroom/>.

#### La Presse shifts to digital-only publishing model on weekdays

Montreal daily La Presse published its final weekday print edition on December 31, 2015. The 131-year-old newspaper is embarking on an innovative new a digital-only strategy, focusing efforts on its free La Presse+ tablet app and web content throughout the week. <http://newspaperscanada.ca/news/la-presse-publishes-final-weekday-print-edition/>

#### Toronto Star closes online comments

Toronto Star has turned off commenting functions on thestar.com. The Toronto daily plans to showcase reader comments on social media and via its Letters to the Editor section in order to “foster more insightful and meaningful conversations.” <http://newspaperscanada.ca/news/toronto-star-closes-online-comments/>

#### Postmedia to merge newsroom resources in Vancouver, Calgary, Edmonton and Ottawa

Postmedia announced plans to merge newsroom operations in four cities across the country as part of a strategic plan to reduce production costs. <http://newspaperscanada.ca/news/postmedia-to-merge-newsroom-resources-in-vancouver-calgary-edmonton-and-ottawa/>

#### Toronto Star announces new printing agreement with Transcontinental

Torstar has entered into a five-year printing agreement with Transcontinental to print the *Toronto Star*. As a result of this new partnership, Torstar will be closing its printing plant in Vaughan. <http://newspaperscanada.ca/news/toronto-star-announces-printing-agreement-with-transcontinental/>

#### Métro Montreal signs exclusive distribution agreement with the STM

TC Media has entered into an exclusive agreement with the Societe de transport de Montreal (STM) to distribute Métro newspapers in the Montreal transit system. <http://newspaperscanada.ca/news/metro-montreal-signs-exclusive-distribution-agreement-with-the-stm/>

#### Postmedia partners with Mogo on new revenue-sharing initiative

Postmedia has entered into a strategic marketing partnership with digital financial brand Mogo. Under the three-year agreement, the companies will work together to market Mogo’s current and upcoming financial products and services. <http://newspaperscanada.ca/news/postmedia-partners-with-mogo-on-new-revenue-sharing-initiative/>

#### La Presse hits circulation milestone with tablet-only weekday edition

La Presse has released new numbers highlighting the impressive of growth of its tablet app. Data from Localytics shows La Presse+ attracts more than 243,000 daily tablet users throughout the week. <http://newspaperscanada.ca/news/la-presse-hits-circulation-milestone/>

# Daily Newspaper Revenue Report

## Q1 2016

### Guelph Mercury moves to digital-only publishing model

Metroland Media has announced it will cease publication of the Guelph Mercury's print edition. The [guelphmercury.com](http://guelphmercury.com) website will continue to operate and will be managed by the Metroland's regional digital team. <http://newspaperscanada.ca/news/guelph-mercury-moves-to-digital-only-publishing-model/>

### Nanaimo Daily News to cease publication

Black Press has announced plans to close the Nanaimo Daily News at the end of the month. The Vancouver Island daily newspaper has been in operation for more than 140 years. <http://newspaperscanada.ca/news/nanaimo-daily-news-to-cess-publiation/>

### Star Touch hits 200,000 downloads

The Toronto Star's recently launched tablet app, Star Touch, reached a download milestone last week. The free app, available on both Apple and Android devices, reached 200,000 downloads and is now averaging more than 45,000 user sessions every weekday and more than 50,000 on weekends. <http://newspaperscanada.ca/news/star-touch-hits-200000-downloads/>

### Print subscriptions on the rise for two Quebec newspapers

Two Quebecor-owned daily newspapers have seen their hard-copy subscriptions increase over the past year despite the challenging economic climate for print media. Le Journal de Montréal and Le Journal de Québec are reporting a collective growth in their print subscriber base by 10 percent (approximately 16,000 additional subscribers) from 2014 to 2015. <http://newspaperscanada.ca/news/print-subscriptions-on-the-rise-for-two-quebec-newspapers/>

### Postmedia launches An Edition of NP in the Ottawa Citizen

Postmedia has introduced a daily print supplement for the Ottawa Citizen powered by the National Post. The six to 10-page section – An Edition of NP in the Ottawa Citizen – features a curated selection of national and international news as well as commentary and analysis from Postmedia reporters and columnists. <http://newspaperscanada.ca/news/postmedia-launches-an-edition-of-np-in-the-ottawa-citizen/>

### Newspapers reflect on Canada's changing media landscape

Despite a challenging start to the year in 2016, publications across the country are spreading the word about the enduring strength of Canadian newspapers. Publications large and small are adapting, evolving and demonstrating constant resilience and relevance in an ever-changing media landscape. <http://newspaperscanada.ca/news/newspapers-reflect-changing-media-landscape/>

### Postmedia purchases Ampifii social media platform

Postmedia Network has acquired Toronto-based social media amplification network Ampifii from Start23 Inc. The technology platform is specifically designed for publishers and marketing services companies to help clients manage social media campaigns, boost the performance of native ads, and increase digital engagement. <http://newspaperscanada.ca/news/postmedia-purchases-ampifii-social-media-platform/>

### Toronto Star crowd-sources reader input on new website design

The Toronto Star has launched a new beta version its website for desktop, smartphone and tablet devices. The Star will test the new design over the next several weeks while gathering input and feedback on the user experience via an online survey. <http://newspaperscanada.ca/news/toronto-star-crowd-sources-reader-input-new-website-design/>



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# Daily Newspaper Revenue Report Q1 2016

## **Alaska Highway News shifts to weekly publication**

Alaska Highway News in British Columbia is shifting to a weekly publishing schedule. Effective March 31, the newspaper will become a free weekly publication distributed every Thursday. The Glacier-owned newspaper serves communities in Dawson Creek, Fort St. John, Fort Nelson and the surrounding region. <http://newspaperscanada.ca/news/alaska-highway-news-shifts-weekly-publication/>

## **Globe teams up with SlimCut to offer in-article video ads**

The Globe and Mail has partnered with SlimCut Media to launch in-article video advertising embedded within its digital content. SlimCut's Outstream video units are currently available on desktop and will be rolled out on mobile platforms in the coming months. <http://newspaperscanada.ca/news/globe-teams-slimcut-offer-article-video-ads/>



# Daily Newspaper Revenue Report Q1 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/Sun Media	September 2012
Le Journal de Québec	QC	Quebec City	Quebecor/Sun Media	September 2012
The Globe and Mail	ON	National	Globemedia	October 2012
Calgary Sun	AB	Calgary	Quebecor/Sun Media	December 2012
Edmonton Sun	AB	Edmonton	Quebecor/Sun Media	December 2012
Winnipeg Sun	MB	Winnipeg	Quebecor/Sun Media	December 2012
Ottawa Sun	ON	Ottawa	Quebecor/Sun Media	December 2012
Toronto Sun	ON	Toronto	Quebecor/Sun Media	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	TC Media	June 2014
<b>TOTAL Newspapers with Metered Access/Paywalls</b>				<b>37</b>

# Daily Newspaper Revenue Report

## Q1 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. Effective January 2012, data collection is primarily conducted through online survey software.

Participation is at an all-time high among paid and free dailies, with only a few papers representing a very small slice of total circulation not providing data. Participating newspapers represent 98% of total daily newspaper circulation.

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.

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