

where, newspapers have been able to move their dominance of classified advertising from print to their own websites, placing them in a better position when the economy recovers. This demonstrates that, providing that they offer attractive and effective websites to advertisers and leverage their brands, newspapers can still make money with online classifieds.

"Google is both a competitor and an important partner for us. We gain a lot of online ad revenues from their Ad Sense programme, and their search engine is a substantial generator of traffic to our website"
 UK publisher

Advertisers are also increasingly focused on the ability to measure the return on their investment, and many argue that new technologies such as mobile marketing and 2D barcodes offer better solutions in this area. Although many newspaper publishers are moving online, the advertising model that has proven commercially most successful is search marketing. The dominance of Google makes it difficult for them to gain a share in this field. Consumers often dislike online display advertising through banners and skyscrapers, especially where they are seen as irrelevant to their interests and where 'pop-ups' are used. This may change though, as advertisers are creating more and more context-based ads.

While social networking and other sites with user-generated content have become very popular, advertisers have been reluctant to use them, as they are unable to control the environment. Few of these sites have yet been able to develop commercial feasibility, and many are not established with financial motives. As we will see, however, there are some notable exceptions, where advertisers have partnered with these sites to target specific groups in a more controlled way. So how might newspaper publishers become more innovative, leverage the new technologies and respond to

changing consumer preferences and advertisers' demands? One way could be to partner with advertisers to develop cross-platform campaigns linking their core competence of content creation to the product or service being promoted. Some advertisers have successfully used social networking sites to run high engagement campaigns (see Figure 19).

Figure 19: Examples of innovative advertisement concepts



- Hyves (the popular Dutch USG website) offered Bacardi the opportunity to launch a targeted and relevant commercial; users could send a video to their friends with an invite to drink a Mojito



- Tilllate offered Absolut Vodka the opportunity to launch a targeted and relevant commercial

Source: PricewaterhouseCoopers advertiser survey

Australia and New Zealand-based energy drink manufacturer V partnered with MySpace to target young audiences for V-raw, its community website for people looking for careers in the creative industries. Hyves, a popular social networking site in the Netherlands, offered Bacardi the opportunity to

run a targeted campaign where their users could send a video to their friends with an invite to drink a Mojito. The Swiss 'nightlife Internet portal' Tilllate partnered with Absolut to run a co-branded vodka campaign. Newspapers could consider linking special interest or localised content in print and online with similar targeted campaigns.

Although most newspaper publishers offer multiple platforms, the advertisers and media buyers we talked to for this study told us that they seldom develop a common cross-platform strategy. Many advertisers set up their own platforms, such as e-commerce sites or temporary sites to run specific, targeted campaigns. Such platforms give advertisers full control over the environment in which they communicate their message. They also give them the possibility to have a continuous dialogue with customers, providing them with

valuable feedback and ideas for new product development. Here again, the value of advertisers partnering with third parties who provide content offers opportunities to newspapers. They could perhaps learn from the example of Dutch magazine publisher Sanoma, who partnered with the Rabobank to develop the 'Moviq' portal, targeted at the housing market.

Newspaper publishers could also partner with advertisers to leverage the potential of one of the new technologies: 2D barcodes. While both publishers and advertisers will need to find ways to develop a profitable business model, this is one technology that creates a connection between print, mobile and online media (see Figure 20).

Figure 20: How 2D barcode technology connects print, mobile and online media



Source: PricewaterhouseCoopers - Market Xchange Medien 2009