TODAY B&T

MARKETING/ ADVERTISING/ MEDIA/PR

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NEWS

Fairfax open to online charging

Fairfax has reported a net $380 million loss in the last financial year, with the publishing company admitting that it was open to talks with News Ltd over plans to charge readers for online content.

The loss is in stark contrast to the $386.9m profit experienced last year. Underlying revenue fell 10.6% to $2.59bn, with earnings before interest, tax, depreciation and amortisation (EBITDA) dropping 27.2% to $605m.

Brian McCarthy, managing director of CEO of Fairfax, said that shareholders would be "very happy" with the results, given the current economic climate.

"In my 33 years in the industry, I've never seen conditions like the second half of the year – it was quite amazing," he said. "Our performance, once you take that into account, is right up there, especially in relation to other media companies.

"We'd obviously like to see a change to that cycle. We are running along the bottom at the moment, there's no real improvement."

McCarthy said that Fairfax was assessing its options in terms of charging readers to view online content published by its titles, which include *The Age* and *The Sydney Morning Herald.*

He indicated that he would be happy to speak to rival News Ltd about devising a common plan to charge for online content. Rupert Murdoch, chairman and CEO of News Corp, recently revealed that the company's titles would all start charging for online copy in response to a drop in advertising income.

"We are looking at all the alternatives, but I don't like to publicly debate strategy," he said. "If there was an opportunity to engage with News Ltd, we'd look at that, but we won't have our business run by Rupert Murdoch.

"We aren't going to sit here and be dominated by a competitor. It's certainly not the only strategy we have."

Fairfax revealed that costs had been cut by 4.3% on last year, mainly due to widespread job cuts. McCarthy said that around 1,000 staff had left the company in the past year, 9% of its total workforce in Australia, New Zealand and the US.

To comment click here.

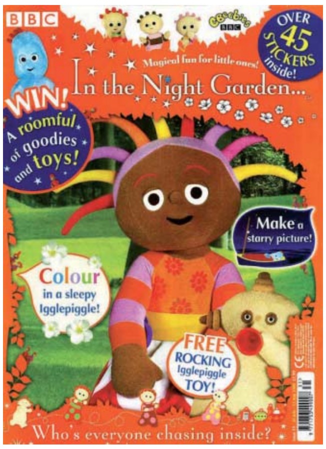
OLIVER MILMAN

ACP and BBC to launch kids mag

ACP has joined forces with BBC Worldwide for a third time, to launch a magazine spin off of popular children's TV series *In the Night Garden* next week.

The new monthly title will be published by Park Publishing, the ACP/BBC Worldwide joint venture which also publishes *Good Food* and *Top Gear* in Australia.

The TV series, aimed at pre-school aged children, airs daily on the ABC and attracts a 30% share of available audience. DVDs, books and toys have also



rolled out. In the UK, the *In the Night Garden* magazine boasts a circulation of more than 80,000 a fortnight according to the UK Audit Bureau of Circulations.

The magazine will be sold in newsagents and supermarkets. It will be interactive and feature free gifts, stickers, stories and activities.

Phil Scott, general manager of Park Publishing and publishing director of men's, specialist and custom titles at ACP, said: "This will be the third magazine launch from our joint venture in a little over a year."

To comment click here.

NEWS

Half of online dollars going overseas

Australian retailers need to "act fast" to meet growing demand in the online retailing space or risk being "disrupted" by global players, the head of eBay Australasia has warned.

Deborah Sharkey, managing director of eBay Australia and New Zealand, said the slow move of Australian retailers to sell products online is at odds with consumer's appetite for online shopping, and has seen almost half of all Australian dollars spent online going to overseas retailers.

According to Forrester Research, Australian's spent $23 billion on online goods in 2008. However a report by the Australian Payment Clearing Association (APCA) revealed that just 57% of total ecommerce spend was domestic in December 2008, down from 86% of total spend in 2005.

"Put another way, 43% of the $23bn spent online was going offshore (last year), that's staggering," said Sharkey.

"The challenge is that global retailers are beating us to the chase with our own Australian customers."

Forrester Research has forecast that in 2012, Australians will spend $32bn online. Sharkey said most of this growth will come from fixed price products and brands people are used to buying in real world stores.

She added: "According to IbisWorld, less than 3% of total retail sales are made online in Australia at present, compared to 7% to 8% in the US and the UK, so there's tremendous growth potential."

The growth in online spend is at odds with the downward slide in real world retail revenue, with IbisWorld predicting a -0.2% decline to $350.2m this year.

"I think the tough economic conditions have accelerated people's appetite for online shopping because they get more cost conscious, they come online and want to research and shop for bargains," said Sharkey.

"In June alone 5.35m Australians visited eBay," said Sharkey.

Major Australian retailers such as Harvey Norman, Myer and David Jones have resisted the move into etailing, with Myer only having an online gift shop.

Simon McEvoy, director of digital agency Tangent One in Australia said many retailers were burned years ago having invested heavily in online retailing without the technical, or consumer support.

"Old excuses such as getting burned in the past or the challenges of meeting store and franchisee demands just don't wash any more," he said.

"Based on our experience in the UK it's clear that all they need is the right tools and guidance to reap the huge financial rewards of a thriving online store."

To comment click here.

CELIA JOHNSON

Austereo profits down, challenging 2010

Austereo has suffered a 15.2% drop in annual profits, with Australia's largest radio group admitting it faced a "challenging" 2010.

The company's full year results revealed that financial year profit was $41.4 million, down on last year's figure of $48.8 million. Underlying revenues slipped 2.9% to $258.9 million.

Austereo said that it expected a "challenging" start to 2010, with revenues set to fall by up to 5%.

However, the group pointed out that 'non-traditional' revenues had climbed 27% on the year, with 30% of all ad campaigns now spanning across several different media platforms.

Austereo, owner of the Triple M and Today networks, has been embroiled in controversy over the widely-publicised suspension of Kyle and Jackie O's show over a lie detector stunt.

Peter Harvie, Austereo's chairman, refused to reveal how many sponsors had been lost due to the furore, but said: "At this stage, the impact is not material. It's not a material number. We'll continue to monitor the situation."

Optus and Qantas pulled their campaigns from 2Day FM following public outrage at the stunt.

Harvie added: "The station has implemented new systems for the show, including pre-recording to avoid the situation that occurred. We've apologised and so have Kyle and Jackie O.

"We have to be very careful in our standards in order to meet codes (of conduct). In terms of the tone of the shows, I think we must be sure that we don't introduce elements that could preclude the flavour of shows, which obviously does have some appeal to audiences around Australia."

Asked whether he personally enjoyed the format of Kyle and Jackie O's Sydney-based show, Harvie said: "I don't hear much of the Kyle and Jackie O show as I reside in Melbourne."

Harvie wouldn't conform when Austereo would announce a successor to CEO Michael Anderson, who will depart the network in June next year.

However, Austereo did say that a new Melbourne breakfast show for Triple M, replacing the sacked Peter Helliar and Myf Warhurst would be revealed in the "next few weeks."

Triple M, which has struggled in several different markets recently, has already introduced new breakfast and drive time shows to its Sydney operation.

To comment click here.

OLIVER MILMAN

NEWS

Row pushes ACP out of MPA

Advertisers could be faced with two different print readership metrics, after magazine publishing giant ACP pulled out of the Magazine Publishers of Australia (MPA) in support of Roy Morgan's survey.

ACP's decision to end its MPA membership follows the magazine body's announcement last Thursday that it was joining The Newspaper Works in its overhaul of existing readership measurement, which Roy Morgan currently supplies as part of its Single Source survey.

However it is understood that ACP, which publishes titles including *The Australian Woman's Weekly*, *NW* and *Cleo*, had been planning to leave the MPA for some time, downgrading its membership from a full member to the lowest level possible in the last nine months.

Matthew Stanton, chief operating officer and chief financial officer at ACP, who also represents the publisher on the MPA committee, would not comment when contacted by *B&T Today*, but told The Australian that its decision was "around the readership process that is going on at the moment."

He said the current readership survey provided by Roy Morgan worked well for ACP and given the magazine sectors different requirements to newspapers he did not see any need to be involved in the review.

"We will continue to use Morgans (and) we're actively supporting Morgans," he said.

He added it still has an "amicable" relationship with the MPA, which now has five members, Pacific Magazine, News Magazines, Lovatts Publishing Group, Reader's Digest Australia and Time Magazine Asia Pacific. ACP represented the largest stakeholder in the organisation, with one in every two magazines produced in Australia coming from ACP.

The readership review, which was announced in June by The Newspaper Works, was launched to find a better alternative to Roy Morgan's survey in line with fragmenting media consumption habits, emerging methodologies around the world and increasing pressure for advertisers to demonstrate return on investment.

The Newspaper Works launched its tender process on Friday, with applications to close on September 25. Michelle Levine, chief executive of Roy Morgan, said the company had not ruled out tendering for the contract, despite previous statements that it would not take part.

CELIA JOHNSON

BREAKING CAMPAIGN

DrinkWise, Smart

A national campaign aimed at delaying the age at which teenage children first start to drink has been launched by DrinkWise.
Created by Smart, the ads highlight research showing that alcohol is not safe for the developing brains of teenagers.
Called 'Kids and alcohol don't mix' it was launched by Sport Australia Hall of Fame, DrinkWise ambassador and mother of two, Susie O'Neill.

Scientists now know that through a process called 'frontalisation' the brain forms all the critical parts it needs for learning, memory, planning, emotional stability and thinking during a period of intense development from age 12 or 13 until the early twenties.

Over the past five decades, the average age of initiation to alcohol in Australia has dropped from 19 to 15.5 years and studies show that the early onset of drinking is more likely to result in risky adult drinking behaviours in later life.

To view the ad click here

BREAKING CAMPAIGN

Legacy, AdPartners

AdPartners has unveiled its first work for Legacy since retaining the creative account for another three years.

A new TVC launched last night to mark Legacy Week, a fundraising drive that takes place between 30 August and 5 September.

The campaign will aim to raise funds for Legacy, a voluntary organisation set up to support widows and dependents of veteran and current servicemen and women.

The 30-second TVC focuses upon the history of a promise made in the trenches in World War I and how Legacy has helped veterans and their families since its inception in 1923.

The 15-second spot features prominent Australians who have been helped by Legacy. The two ads will run during the same commercial breaks.

To view the ad click here

Credits: joint creative director Andrew Ostrom; copywriter Sylvianne Heim; art director Kon Marinis; producer Martin Brown; director Diana Leech.

NEWS

IN BRIEF

Ooh! Media revenue up
Out-of-home advertising group Ooh! Media has reported revenue growth of 19% and a profit of $800,000 for the first half of the year. Earnings before interest, tax, depreciation and amortisation grew by 194% from $1.6 million to $4.7 million. Profits before tax stood at $1 million. Ooh! CEO Brendon Cook, said: "All of our products have delivered revenue increases compared to the previous corresponding period as a direct result of the hard work from all of our team. "Of particular note is the retail and regional products, which have experienced strong demand – both from national advertisers and smaller local advertisers who want to reach their consumers through an effective and cost efficient medium."

Come Dine with Me in Oz
The LifeStyle Channel has acquired the format rights to hit UK series *Come Dine With Me* and has commissioned Granada Media Australia to produce the show for the Australian market. Granada will produce the 20-part half-hour series which follows amateur chefs competing against each other in hosting a dinner party for the other contestants. IT will launch early next year.

Underbelly 3 starts filming
The third series of *Underbelly* has started production today in Sydney. Called *The Golden Mile,* this series is set in Kings Cross in 1989 and features corrupt cops and criminals in action up to 1995 when the Wood Royal Commission threatened to collapse the criminal empire.

Newlight hires strategist
Brisbane-based digital media agency Newlight has hired digital strategist Cameron Reilly. Reilly has worked in senior roles for Microsoft and Ozemail. He will review Newlight's clients online presence and work alongside its parent company Gallery De Pasquale.

Priceline in for 30 Days
Priceline has signed on as a sponsor for ACP's 30 Days of Fashion & Beauty campaign. It is the third consecutive year the retailer has been a diamond sponsor of the event. Priceline saw sales growth of 11.39% following last year's partnership.

Kim joins Isobar
MinSun Kim has been appointed as the new client services director for Aegis-owned Isobar Australia. MinSun joins Isobar from Manning Gottlieb OMD, London where she was online account director for over four years. Prior to that she was account manager, online with Diffiniti, part of the Aegis group in London and has also worked at Mindshare in the UK.

COMMENT

TELL US WHAT YOU THINK
CLICK HERE

TV RATINGS

Top 15 programmes for week ending 22 August OzTAM data (Total people 5 city metro)

		m'
1. Packed To The Rafters	Seven	1.894
2. Seven News – Sunday	Seven	1.714
3. Nine News - Sunday	Nine	1.609
4. Better Homes And Gardens	Seven	1.549
5. Talkin' 'Bout Your Generation	Ten	1.523
6. World's Strictest Parents	Seven	1.521
7. Dancing With The Stars 9	Seven	1.492
8. Seven News – Monday-Friday	Seven	1.475
9. Seven News – Saturday	Seven	1.440
10. City Homicide	Seven	1.390
11. Today Tonight	Seven	1.377
12. Bones – 8:30pm	Seven	1.376
13. Two And A Half Men – Monday	Nine	1.372
14. 60 Minutes	Nine	1.327
15. Getaway	Nine	1.309

Seven won week 34 of the ratings, with eight of the top ten shows coming from the network. *Packed to the Rafters* was once again the most popular program. Seven had a share of 28.3%, followed by Nine 26.6%, Ten 20.8%, ABC 16.5% and SBS 7.8%

TV RATINGS

Top 15 programmes for Sunday 23 August OzTAM data (Total people 5 city metro)

		m'
1. Seven News	Seven	1.650
2. Dancing with the Stars	Seven	1.352
3. Midsomer Murders	ABC1	1.264
4. Nine News	Nine	1.256
5. Bones – 8:30pm	Seven	1.142
6. Domestic Blitz	Nine	1.142
7. Stephen Fry in America	ABC1	1.129
8. Australian Idol	Ten	1.086
9. 60 Minutes	Nine	1.040
10. ABC News	ABC1	0.920
11. Rescue Special Ops	Nine	0.878
12. Bones – 9:30pm	Seven	0.857
13. Rove	Ten	0.832
14. Ten News	Ten	0.688
15. The Einstein Factor	ABC1	0.671

A poor showing from *Australian Idol* which drew in just 1.086 million people saw Ten pushed into fourth place in last night's ratings. Meanwhile Nine's *Rescue Special Ops* slid even further in the ratings, attracting a total audience of 878,000. Seven won the night with a 26% share followed by Nine 24.2%, ABC 20.8%, Ten 19.9% and SBS 9.1%.

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