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Kendall: Fairfax ignores print at its own peril

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While discussing Fairfax Media's continued push into digital, News Limited head of sales Tony Kendall warned that publishers who take too much focus away from print products are shooting themselves in the foot.

"The digital brands exist only because of the strength of the print brands," Kendall told *AdNews*. "To walk away from the print brand, you risk damaging the digital brand you're trying to build. A print dollar is worth a dollar and a digital dollar is worth about 16 cents.

"So the more dollars you push out of print into digital, the more you have to make. In a market like this that's difficult."

In the latest circulation figures compiled by the Audit Bureau of Circulation figures for the three months to 31 March 2012, News Limited's metropolitan newspapers saw a drop in print sales of 3.21%, compared to a fall of 11.36% for Fairfax's metro mastheads.

"It's no secret Fairfax have a focus on digital," Kendall told *AdNews*. "They believe the lifespan of print is a lot shorter than we do and they're not investing in print products. If senior management are passionate about the products and they're good products, people will buy them. But if senior management has moved on to something else, you'll see it in the numbers.

"We have a strong view of papers: our papers are still well-connected with the readership and are marketed as such."

In contrast, the focus of Fairfax's much-publicised digital-heavy approach is a **"managed reduction"** (<http://www.adnews.com.au/adnews/fairfax-s-digital-push-pays-off-as-online-audiences-soar>) of print sales, with an emphasis on encouraging audiences to take up Fairfax products on digital platforms. This strategy has seen Fairfax's digital audiences **soar** (<http://www.adnews.com.au/adnews/fairfax-s-digital-push-pays-off-as-online-audiences-soar>).

Fairfax Metro Media boss Jack Matthews told *AdNews* last week that a focus on print circulation alone provided investors and advertisers with an incomplete picture, and argued media companies need to



News Limited director of sales, Tony Kendall.

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have a more rounded view which includes a strong focus on digital products.

“Going forward, total readership is more important than circulation: our total audience the past five years has grown by almost 30%,” Matthews **told AdNews** (<http://www.adnews.com.au/adnews/matthews-circulation-is-just-one-metric>).

However, Matthews told AdNews print is still a large part of the Fairfax strategy.

Kendall said: “The *Sydney Morning Herald (SMH)* website is what it is because of the power of the SMH brand in print. The digital brand has to work in harmony with its print counterpart. You have be careful not to shoot yourself in the foot by destabilising what has been the builder of that brand before the digital platform can stand on its own two feet.”

But Kendall also said News Limited's print ad revenue is suffering in a difficult market.

“I think we can do better and we're budgeting for that next year,” Kendall said. “We're taking new ad products to market in the new financial year. New sales structures, a host of creative ad shapes and multi-platform innovations working across all our assets.

“It's a major change process.”

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