Publishing during a pandemic

Mapping a path through the Covid-19 crisis

FIPP
Connecting
Global Media

Why produce this report?

A message from FIPP president and CEO, James Hewes

The coronavirus crisis represents the biggest opportunity – and biggest challenge – for our industry in 75 years. The rapid changes that we're seeing in the way that consumers access our content is accelerating many of the trends that we had been seeing for many years. Our response will determine the shape of the industry for decades to come.

FIPP's mission remains to share knowledge, to enable cooperation and networking across the world, and we have a key role in recording the impact of this crisis. More importantly, we also have the responsibility to record how our industry faces up to these challenges.

This report marks the start of our effort to track the impact, response and ultimately the survival strategies of our industry in the response to Covid-19. By doing this, we intend not only to record the process of dealing with this crisis but also to map strategies to overcome future challenges.

This report would not have been possible without the support of our members and member organisations. Through a series of Zoom meetings and a flurry of emails, we were able to bring together insight and information from more than 20 representatives from national publisher associations around the world, as well as almost two dozen senior executives from international publishing businesses. Collectively they offer clear insight and knowledge of how Covid-19 is impacting publishing right now.

This report is only the beginning, however. From here we will continue with more initiatives to gather and share information with our members. The aim is to back up our initial findings with hard data and to keep track of emerging trends as well as Covid-19 response initiatives.

Our hope and belief is that this living report will be of vital importance to the survival of many businesses within our industry.

If you have any comments on this report or would like to add your own experiences to the next update, please don't hesitate to contact me at james@fipp.com

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Content creation

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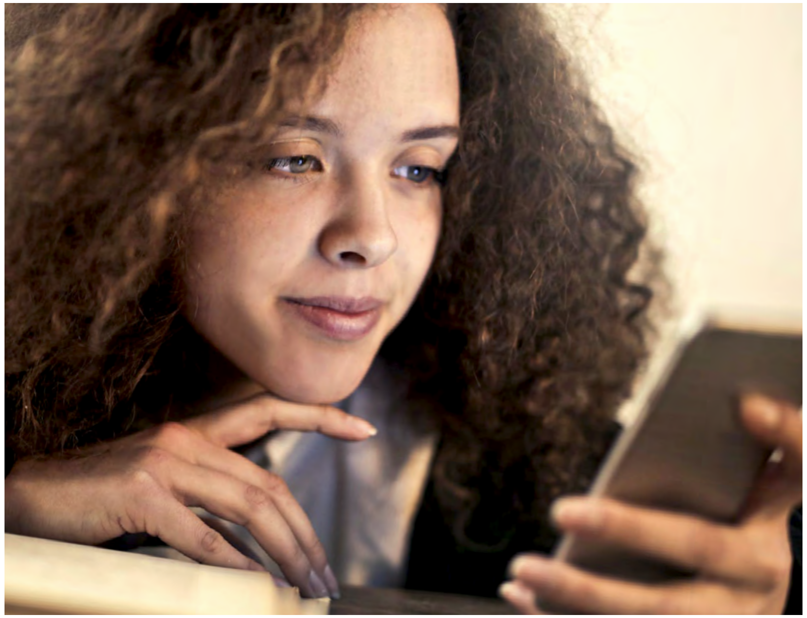
Adapt or die

With most journalists stuck behind closed doors like everyone else, publishers are finding that toilet roll and hand sanitiser aren't the only in-demand items during the crisis. For many the cupboards are nearly bare when it comes to content.

A weekly Covid-19 tracking study by global media and marketing services company Mindshare found that nearly half (46 per cent) of American consumers have run out out of media content to watch, read or listen by the end of April. This was up from 33 per cent by mid April and 30 per cent at the end of March.

For magazines, FIPP members have been quick to pick up on this trend. "Fashion, cycling and automotive magazines, in particular are being hit hard," says **Ian Bedwell**, International Licensing and Syndication Director for Dennis, UK. "And over the next few months we are going to start really



struggling with a lack of content."

This is being echoed by **Akiko Nakakoshi** of the Japanese Magazine Publishers' Association (JMPA) who says hundreds of photoshoots with models for glossy titles in the fashion and lifestyle sector needed to be cancelled due to social distancing measures. This has led to the publishing of several issues being postponed, many of which are now expected to only appear after May.

Collaboration on digital level

For celebrity bible OK! a lack of incoming content has forced them to engage with the rich and famous in a different way. "We obviously can't do shoots with

"Now that people are looking for trusted resources, our online orders are up 38 per cent"

celebrities anymore, so we've had an interesting time trying to replace that content," says **Emma Radford**, Head of Brand Licensing at Reach PLC. "It has bolstered our digital side of the brand and traffic since we are getting a lot of celebrities collaborating with us on a digital level like never before. We hope the trend continues afterwards. Digital traffic has just exploded for us."

According to **Rachel Shaw**, Head of Print Licensing at Future PLC, there has been such a dip in content, they have had to reduce pagination in almost all of their magazines. "We are supplementing this by giving our readers added value like ebooks so they get a bit of extra content," she says.

One topic generating more than enough content is Covid-19 itself and publications covering the outbreak have seen an upswing in readership.

"While there has been a decline in sales at newsstands for car and sports magazine of between 20 and 25 per cent, news orientated titles in Germany disseminating information about the virus, like Bild and Welt, has seen a huge increase in digital subscriptions," explains **Alexander Broch**, General Manager of Licensing at Axel Springer.

The New York Times has seen a similar demand for their news coverage. "We have continued to produce a lot of content so we are not going to run out," says **Alice Ting**, GM and VP, NYT Licensing. "And while some categories like travel content has seen a decline, we are writing a lot about the virus, business and policy around the virus, or being at home with kids. We are delivering content about how to be both mentally and physically strong in these tough times."


Alice Ting: General Manager and Vice President, NYT Licensing


Emma Radford: Head of Brand Licensing, Reach

With parents and their kids confined to their homes there has been a renewed interest among consumers for content that educate and entertain the sprogs and tell you how to make living in isolation more bearable.

"Our kids portfolio had been suffering a lot before the virus, but now that people are looking for trusted resources, our online orders are up 38 per cent," explains **Yulia Boyle**, Senior Vice President of International Media at National Geographic. "Kids are probably our biggest success story in this time."

Distribution and newsstands

02

Mixed blessings

The newsstand as a distribution point for printed products has not been kind to newspapers and magazines for many years now. Ink on paper had to compete with a growing number of consumables in street kiosks, shops and airport or station outlets. The Covid-19 crisis has exacerbated this demise. And as seen in several countries where publisher products have been declared non-essential services, it has killed off the presence of newspapers and magazines in these spaces altogether.

In China, where the impact of Covid-19 was first experienced, the sale of magazines declined by at least 30 per cent, says Wu Shangzhi, President of the China Periodicals Association (CPA). The greatest reason for this was the closure of kiosks where magazines and newspapers are traditionally sold.

In Japan 60 per cent of bookstores in major centres such as Tokyo closed despite the fact that these stores were not on the government's list of stores that were deemed necessary to close. Even those that remained open operated shorter opening hours, which led to a reduction in magazine sales, says Akiko Nakakoshi of the Japanese Magazine

Publishers' Association. These losses have not yet been quantified, but there is some evidence that some of those losses could be offset by an renewed interest in titles which publish study materials, children's interest, picture books and comics.

With small exceptions in countries such as Belgium and Switzerland, the picture across Europe and the Americas is similarly grim.

In the UK newsstand sales dropped between 25 and 40 per cent, according to Tim Hudson, Director of International Licensing and Syndication for Immediate Media. This reduction can be directly attributed to the social distancing measures introduced by the government as well as the closure of around 5,500, mostly small independent, stores responsible for selling magazines and newspapers, said **Owen Meredith**, Managing Director of the Professional Publishing Association (PPA) in the UK.

Yolanda Ausin: CEO, ARI (Spanish Magazine Association)

In Italy the only newsstands that remained open were in the big cities. Here overall sales have dropped by 20 per cent while in other European countries it's down 30 to 35 per cent, according to **Francesca Brambilla**, International Brand Manager Grazia Network, Mondadori.

Initial uplift in Spain quashed

In Spain the situation is much worse. According to **Yolanda Ausin**, CEO of ARI, the Spanish Magazine Association, despite most magazines still being produced "as usual", there are huge challenges with distribution, both with regards to subscriptions and newsstand. "Our postal service employees did not have gloves or face masks and most decided not to work. This ended the delivery of magazines and newspapers for at least three weeks."

She says postal services were restored towards the middle and end of April, albeit with huge delays. Newspaper subscriptions suffered the greatest losses.

After initial closures of magazine and newspaper kiosks around Spain (up to 25 per cent decided to close voluntarily when the country went into official lockdown on 14 March), many have now re-opened. Around 15 per cent, however, is estimated to still be closed at the beginning of May. Almost all bookstores were still closed at this time.

According to a recently updated report by Distripress, the international trade association established in 1955 to support and promote the global circulation and distribution of press products, the estimated reduction in press outlets across mainland Spain and its islands can be as high as 35 per cent.

Distripress also noted that an initial uplift in magazine sales at supermarkets during the early phases of the Covid-19 outbreak was quashed when many outlets started to give

"Across the rest of Europe percentages in newsstand and distribution losses vary from country to country in terms of severity"

up newsstand space to foodstuffs.

In Portugal the situation with newsstands and distribution look much rosier. According to **Dr João Palmeiro**, the President of the Portuguese Publishers Association, postal and distribution services of magazines and newspapers ran as clockwork during the lockdown. Some newsstand kiosks did eventually close, merely because they are mostly owned and managed by elderly people who started to fear contracting Covid-19 and decided to close. Early estimates are this could have led to losses of around 40 per cent during peak closures.

He said the same social media rumour that killed off magazine and newspaper distribution in Brazil, also made a brief appearance in Portugal but was dealt with within 24 hours (*see breakout: 'The (paper) borne conspiracy'*)

Yulia Boyle: Senior VP, International Media, National Geographic

In Germany 10 to 15 per cent of the newsstands were still closed by the end of April, according to **Alexander Broch**, General Manager of Licensing at Axel Springer. And while there has been a decline at newsstand sales of car of sports magazines, the shutdown has had no or little effect on computer and consumer electronics magazines.

Across the rest of Europe percentages in newsstand and distribution losses vary from country to country in terms of severity. Yet, there seem to be no winners, however. In France, where distribution channels remained as close to "normal" as possible because newsstand distribution was classed as an essential service, 15 per cent of kiosks decided to close voluntarily.

In Italy distribution remained in place and 21 per cent that closed have now reopened. There have been an increase in some sales trends (special interest magazines) according to a report by Distripress.

Hungary seems to be the hardest hit with newspaper sales down 80 per cent and magazines down 50 per cent, according to **Katalin Havas**, Hungarian Publishers' Association.

Feeling the strain

In America sales of magazines at groceries and drugstores are down 20 per cent according to **Yulia Boyle**, Senior Vice President of International Media at National Geographic. Sales at outlets such as Walmart, Target and Costco are down even more, up to 30 per cent, and at airports a whopping 90 per cent. She said with the American bookseller Barnes & Noble stopping the intake of magazine delivery nationwide, English language magazine circulation has dropped by 10 per cent.

North of the border, in Canada, the situation is even worse. While some

THE (PAPER) BORNE CONSPIRACY

In at least two countries, rumours on social media that Covid-19 can be spread through the distribution of newspapers and magazine have had a severe detrimental effect on press sales. Brazil seems to be the hardest hit with almost all newspaper and magazine kiosks being closed amid huge cancellation of subscriptions to printed products.

According to Juliana Toscano of Brazil's National Association of Magazine Editors (ANER), many people have cancelled their magazine and newspaper subscriptions because of

social media warnings that Covid-19 can be spread on paper surfaces. This means that sales are decreasing week on week, with digital revenue too small to cover print losses.

The same rumour about the virus being spread on paper found a footing in Portugal, says Dr João Palmeiro of the Portuguese Publishers Association. He said these rumours were challenged both online and in print by publishing hard facts. The setback was confined to a period of around 24 hours.

The World Health Organisation (WHO), stated that it was safe to receive packages such as newspapers, even from areas with reported cases of coronavirus. "The likelihood of an infected person contaminating commercial goods is low and the risk of catching the virus that causes Covid-19 from a package that has been moved, travelled, and exposed to different conditions and temperature is also low."

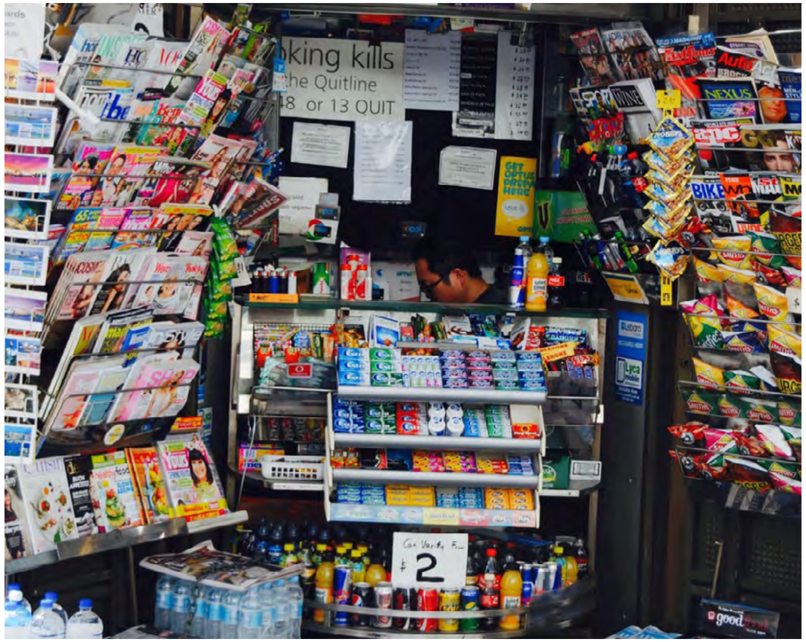
Evan Dickson: Director, Business Development, Magazine Canada

Mike Greehan: Partner and COO, Cue Ball Digital

independent bookstores, mainly in smaller centres, remained open, the largest book and magazine distributor, Chapters Indigo, closed. Evan Dickson, Director, Business Development at Magazine Canada, explained that from around the end of March newsstand distribution remained in hiatus with only around 25 per cent of outlets still open.

Another country that has really felt the strain is Mexico, according to Mike Greehan, Partner and COO of Cue Ball Digital. "The country has been particularly hard hit because of a currency devaluation," he points out. "Also a lot of newsstands sales in Mexico are done by people out in the street and they are not allowed out on the street at the moment. So the newsstands are hurting."

In Australasia it's also been a mixed bag. In Australia, where the government put measures in place to reduce the movement of people, distribution remained strong. In New Zealand, however, where the government declared publishing a nonessential



An uplift in sales during the early phases of the outbreak was quashed when newsstands started to give up space to foodstuffs

service, it took a massive dip.

Distripress reports that despite WH Smith in Australia closing all their travel location outlets on 27 March with airport supply volumes down 60 to 80 per cent, and rail volumes down by 40 per cent, newsagent sales of press products continued to hold up.

The categories which were strongest include women's weeklies, puzzles, special interests and children's titles, food, health and fitness with an estimated 90 per cent of printed media still being delivered to doorsteps or sold in stores.

But in New Zealand government policy has seen the cessation of press distribution by 31 March. It is within this milieu, but not necessarily directly linked to it, that Bauer New Zealand ceased operations.

Virtually no newsstand left in India

In India, despite government declaring that the printing of newspapers and magazines are essential services, there is little of the newsstand infrastructure remaining while the means of distribution has also come to a standstill, says R Rajmohan, President of the Association of Indian Magazines.

"Virtually there is no newsstand because the trains are not moving and postal services are not working. Many monthly magazine title owners did not print any April editions, while those that were printed are still lying at the presses." Because of this, and with sales in decline, newsstand kiosks are now selling consumables in order for owners to supplement their income.

Many weekly magazines are still being produced but sales remain low and subsequently advertising income is dropping, says Rajmohan.

R Rajmohan: President, Association of Indian Magazines

03 Subscriptions

Silver linings

If consumers can't go to newsstands for magazines, then magazines need to come to them. It should come as no surprise, then, that the virus outbreak has seen a huge increase in demand for subscriptions.

According to **Tim Hudson**, the International Licensing & Syndication for Immediate Media has seen a huge spike in print and digital subscriptions. "It's 100% across a lot of areas," he says. "It's from a low base when it comes to digital subscriptions and it's not mitigating the newsstand low - but it is very bright part of the business."

Ian Bedwell, International Licensing and Syndication Director for Dennis, UK says some of his biggest partners in India and Australia are trying to replace the paper subscriptions with digital ones, while, in America, subscriptions to WSJ.com are up an eye-catching 110% according to Nick Pimm, Vice President Commercial Partnerships at Dow Jones International.

Members of the Professional Publishers Association (PPA) in the UK have also witnessed a spike in subscriptions. PPA Managing Director Owen Meredith says they need better data but initial numbers would suggest that some members have seen spikes "north of 200 per cent", although some have started at a very low base. At this early stage many PPA members are not yet sure how this will contribute to overall revenue but expectations are that overall subscription revenue will grow by five per cent.

Lessons from Asiatic countries

A concern for many publishers around the world has been that they have little experience of pivoting from ad-funded publications to being funded by reader revenue. Important lessons can be learnt by looking at what is happening in Asiatic countries like Korea and China where publishers have been very successful in navigating this transition, says Francesca Brambilla, International Brand Manager Grazia Network, Mondadori in Italy.

"They are very creative when it comes to digital packages. In Italy we are now working on similar packages."

Nick Pimm: VP Commercial Partnerships, Dow Jones International

Owen Meredith: PPA (UK's Professional Publishers Association)

Francesca Brambila: International Brand Manager, Grazia Network, Mondadori

She said this is important because Italians are accustomed to going out to the newsstands, "but now we are pushing digital subscriptions and it is becoming more and more important."

Holding on to the recent windfall of new subscribers once the lockdown is over, is already top of mind for some publishers. It is for this reason that the Financial Times' consulting arm, FT Strategies, is running a nine-month-long project to help grow sustainable, digital reader-revenue businesses with eight European subscription publishers. The publishers include The Independent in the UK, La Croix in France, El Mundo in Spain, MittMedia in Sweden, RP Online in Germany, Kurier in Austria, Gazeta Wyborcza in Poland) and Dennik N in Slovakia.

Digiday quotes Tara Lajumoke, managing director of FT Strategies, as saying a key issue for publishers is how to maintain the surge in engagement and new readers as a result of Covid-19. "Most publishers saw a massive spike at the start of the outbreak…the concern is, as that peak flattens, will engagement and interest go back to pre-crisis levels? Or can publishers engage and retain the kind of audiences who will become loyal readers for the long term?"

Web traffic spikes

04

Monetise this?

People have been tied to their computers during the Covid-19 outbreak, using it as a gateway to the outside world to get information, stay in contact and entertain themselves. While having a captive audience presents opportunities for publishers - it's far from clear how to monetise the spike in internet use.

It comes as no surprise that while many publishers around the world are clocking record traffic online, most media companies are struggling to mitigate losses in ad revenue amid the pandemic.

An example that speaks for almost everyone is Verizon, the media giant that owns brands such as Yahoo!, AOL, HoffPost and TechCrunch. The company announced in the last week of April that despite experiencing "increased levels of customer engagement on its platforms" in the first quarter of 2020, advertising rates "have declined in the current environment".

PublishersDaily reports that prior to the Covid-19 crisis, year-over-year revenue trends for all Verizon titles "continued the steady improvement seen in full-year 2019". But in the first courter or 2020 media revenues were down 4 per cent year-over-year, a loss "driven almost entirely by Covid-19 impacts," according to the company.

According to **Alex Broch**, Axel Springer managed to do just that when the launch of Disney + around the time of the lockdown saw a sharp increase in affiliate revenues for their computer magazine.

Reader revenue for a UK freebie?

With its print publication in hiatus, the London based The Stylist is experimenting with ways to monetise from the spike in interest in online content during the lockdown with its first consumer revenue push.

The free weekly magazine for women being published since 2009 launched a free-to-download app during the second week of April. The app offered a digital version of the magazine - at a small price.

Readers can pay for an annual subscription for GBP £21.99 (US $27.35). Six-monthly and quarterly tiers are available for £11.99 ($14.91) and £6.99 ($8.69) respectively.

In the first two weeks, nearly 10,000 people downloaded the app. While some content could initially still be accessed for free, all app content went behind a paywall by the end of April. The number of actual subscribers have not been released.

Zero revenue for online content

In the UK many publishers, even those with paywalls, have started giving free access to articles and news related to Covit-19 information, says Owen Meredith of the Professional Publishers Association. "Some have seen some uptick on income generating on the back of it but nothing significant enough to offset the newsstand or advertising decline."

Similarly, in Japan where many publishers were faced by distribution challenges, educational content was made available online for free.

In China website traffic has also been high in the past few months with publishers hosting some successful webinars, according to Gurjeet Chima, Senior Director Asia, Penske Media Corporation. "A lot of the partners in Asia had zero revenue in February but people have been creative in how they approach clients, especially in Korea," she says.

Gurjeet Chima: Senior Director Asia, Penske Media Corporation

In Italy and Austria web traffic has exploded by between 200 and 300 per cent, especially for segments like cooking, DIY and other activities you can do at home. The same figures are reported from France, but digital advertising income remains very low.

The overarching theme reported by all these publishers is that they need to innovate and find commercial partners to start to monetise from spikes in web traffic. This sentiment has been confirmed by the latest Advertising Association / WARC Expenditure Report. The report found that online visits to premium UK news brands were up by between 30 and 60 per cent, depending on the property but that little of this has translated into rising advertising investment.

One explanation offered in the report was that many brands are blacklisting Covid-related keywords when buying audiences to avoid the risk of negative adjacency.

Events

05

Virtual: the new reality

The scourge of social distancing has played havoc with businesses that plan and stage events.

Publishers who saw a rich revenue stream by branching out into that sector has seen the tap close in no uncertain terms by the coronavirus. And with the real possibility that events will only take place late in the fourth quarter – if at all – event organisers have had to box clever.

“Our business is 40 per cent conferences and it took a big hit,” says **Jim Jacovides**, vice president of Licensing and Development at Fortune. “We still have them scheduled for the fourth quarter so we'll see what happens. But even in this horrible time - the business affect and human cost - we are still innovating. We've developed these virtual conferences that are surprisingly engaging and have found sponsors for them. It will involve into a new product for us that will be part of the new norm.”

Accelerating the uptake of new technologies

Elizabeth Stewart, Editorial and Programme Director of Embassy Magazine, a media and events company for London's diplomatic community, agrees that adapting to Covid-19 has

Jim Jacovides: Vice President, Licensing and Development, Fortune

Rachel Shaw: Head of Print Licensing, Future

opened new horizons. "Covid hasn't changed the basics of what we do – to engage and connect our readers – but social distancing has accelerated the uptake of new technologies to reach our audience – which in normal times is quite a slow adopter of digital media. So we are adapting together, and in so doing so we have found another revenue stream.

"But content remains king. And while webinars can't replicate the buzz of a live event, for an international audience like ours, it does open new and quite exciting opportunities."

"But content remains king. And while webinars can't replicate the buzz of a live event, for an international audience like ours, it does open new and quite exciting opportunities"

Future is also scrambling to adapt. "Events have been very difficult and we have cancelled quite a lot," says **Rachel Shaw** Head of Print Licensing, Future. "What we are looking at now is how we can mitigate the cancellations by running them in other ways – such as online or a live event with pre-recorded content."

In Brazil all live media events have been cancelled but a large percentage of media companies have found ways to replicate this online, says **Juliana Toscano** of Brazil's National Association of Magazine Editors.

In India, Spain, New Zealand and Australia, where events are not scheduled until the end of 2020 – or in some cases the beginning of 2021 – publishers are bracing themselves for huge revenue losses.

Ad revenue

06

How long will the bloodbath continue?

Limited funds and erratic distribution have seen advertising revenues take an almighty nosedive. So how do businesses pull out of the tailspin?

BIA Advisory Services, the recognised authority for data-centered research, analysis, consulting and valuations for the local media industry in the US, warned at the end of April that even with the expected rise in political advertising in the US in 2020, local media will now see a 3.6% per cent year-over-year drop in advertising due to Covid-19.

According to a new survey, this represents a double digit decline nationwide across all US local advertising from its original 2020 forecast. The company now estimates the total local advertising market for all of 2020 will be $144.3 billion, which is a 10.6 per cent decrease from BIA's prior estimate of $161.3B in November 2019.

The new estimate also represents a 3.6 per cent decline from 2019, even with the added political advertising revenue of $7.1B anticipated this year. As the coronavirus continues to significantly impact the US economy, BIA now estimates the total local advertising market for all of 2020 will be $144.3 billion, which is a 10.6 percent decrease from BIA's prior estimate of $161.3 billion in November 2019.

In Western Europe there has been a general decline in the ad market of around 40 to 50 per cent since the lockdown in most countries started in March, according to **Tim Hudson** of Immediate Media in the UK. Some countries were harder hit. **Yolanda Ausín**, CEO of ARI, the Spanish Magazine Association, say losses in Spain will hit at least 80 per cent while members of the UK's Professional Publishers Association (PPA) predict losses of 60 per cent, according to the PPA's Owen Meredith.

In Portugal estimates indicate ad revenues will be down 70 per cent during the lockdown period, in Austria between 50 and 70 per cent, in France 70 per cent

Tim Hudson: Director of International Licensing and Syndication, Immediate Media

and in Hungary more than 80 per cent.

In Canada official numbers and estimates are not yet available but according to **Evan Dickson** of the Magazines Canada early indications from anecdotal information sharing suggests losses of between 50 and 70 per cent despite government pledges to spend $30M with local publishers. A similar pledge has been seen in the UK (see breakout: When government becomes your 'big spender')

Similarly, in Portugal, the government has invested in publishing with state advertising. These ads are not only restricted to measures to combat Covid-19 but also about measures on how government plans to reopen the economy.

But in Spain government adverting has not reached publishers. Here publishers are blaming the government for only investing in television advertising to keep the public informed about Covid-19 related updates and news. They say none of it reaches online or print publications.

In India the only sector from where magazines have seen an increase in advertising support was services providing online education, says **R Rajmohan** of the Association of Indian Magazines. Echoing what has been happening in Spain, Rajmohan says as far as the hope that government advertising in relations to Covid-19 measures would assist the printed media, this has not materialised. "Those adverts have gone to television," he says.

Silver linings

There are some silver linings appearing in certain areas, says Hudson, referencing Asia/Pacific were some of the huge advertising losses are already on the up again. "In China and South Korea we are already seeing partners looking for new opportunities."

Alexander Broch: General Manager, Licensing, Axel Springer

He warned, however, that the markets being disproportionally impacted are Eastern Europe and the UAE. “We have noticed markets there have been heavily impacted. UAE is a very ad driven market and we have seen some pressure there.”

Looking at title sectors where advertising suffer the most, car and sports magazines seems to take the biggest hit. “In terms of ads we have seen a decrease of around 60 to 70 per cent,” says Alex Broch, General Manager of Licensing at Axel Springer in German. “For car magazines the decrease has been 90 to 95 per cent in all our advertising. Obviously, nothing is happening in sports and our key advertising clients in this field are also suffering a lot.”

When government’s your ‘big spender’

Since early March, the UK government has aired a coronavirus public information campaign across print, TV, radio, digital and outdoor.

With the now well-known tagline, “Stay home. Protect the NHS. Save lives”, a government spokesperson said the campaign recognises “the vital role that media organisations play in ensuring the provision of reliable, high-quality information during this time”.

She said government “understands the acute pressures newspapers are facing financially due to the steep drop in advertising revenues and the implications of the lockdown on print circulation”.

Digiday quotes “UK publishers” as saying the government is now “one of their biggest spenders” — alongside the likes of supermarkets, utilities, banks, telecommunications and online entertainment clients who have continued spending throughout the crisis”.

The publishers also pointed out that the lack of activity from other advertisers in the current market means the government campaigns will have an outweighed share of voice compared with normal times.

According to Nielsen Addynamix data analysed by newspaper marketing body Newsworks, the UK government spent £6.2 million ($7.7 million) on news brands in the 12 months to 31 January 2020, making it the 30th biggest spender on news brands in the period before the crisis started. In total, the Government spent £12.4 million ($15.5 million) across all media in February 2020. March 2020 data was not available at the time of publication.

The UK government has also ring-fenced budget specifically for news brands.

Kicking off on 17 April, the government and newspaper industry launched a three-month advertising partnership. The campaign is worth approximately £35 million ($44 million) with all the UK’s national and regional daily news brands running near-identical cover wraps and homepage takeovers.

Bailouts

07

Can governments offer a lifeline?

Just how much of a helping hand will governments – already stretched to the financial limit - extend to publishers?

In China the government has moved swiftly to put measures in place to protect the publishing industry, which played an important role in sharing critical information about the spread of the virus and protection measures – both physical and psychological – with the public, says Wu Shangzhi of the China Periodicals Association.

These measures include preferential policies ranging from reductions in rent, increases in social security and bank loans to smaller sized media enterprises. The magazine industry as a whole is also engaging with government to seek further support for the transformation of the industry in a post Covid-19 era.

In the US media businesses, large and small, are increasingly looking towards what the government is offering in terms of support, says **Brigitte Schmidt Gwyn**, President and CEO for the The Association of Magazine Media (MPA). No specific measures are in place for media companies.

But in Canada support is strong, says **Evan Dickson** of Magazines Canada. "We already have a funding body for magazines. What they

“Most governments are putting into place support to keep businesses alive but unlike Canada, there are not many government support programmes specific to media”

have decided to do is to fast track these payments this year.”

The Aid to Publishers programme has been in place for several years. It is designed to provide Canadian publishers of print magazines and non-daily newspapers with the financial support they need to produce and distribute high-quality, Canadian editorial content for Canadian readers. As of last month the Canadian government announced further measures to support the Canadian news and broadcasting sectors during the Covid-19 pandemic, including the establishment of an Advisory Board and its membership to assist the Government in administering support the journalism.

Brigitte Schmidt Gwyn: President and CEO, MPA - the Association of Magazine Media

Nothing special for media

In Brazil the government programmes to save businesses “are for every segment of the economy”, which means there is no special programme for media, says Juliana Toscano, Associação Nacional de Editores de Revistas (ANER).

Along with television and radio associations they have been trying very hard to lobby the government to offer an additional programme to safeguard the media as a specific entity. Whilst the government has indicated that it would introduce a system to delay tax payments “we have (also) asked the government for tax reductions.”

In Europe most governments are putting into place support to keep businesses alive but unlike Canada, there are not many government support programmes specific to media.

In the UK support offerings for businesses, small and large, are general with government backed loans being offered for large companies, SMEs and start-ups. Support for self-employed and other job retention schemes cuts across all industries.

France and Hungary’s general recovery measures for businesses are also not focussed on the media sector specifically but mention has been made of a possible tax credit for advertising investment.

In Spain there has been at least two policy changes that will specifically benefit the media. Value added tax charges on online and printed magazines, newspapers and books has been reduced to 4 per cent, and existing measures for companies to apply for temporary employment help schemes have now, for the first time, been opened to media businesses.

FIPP
Connecting Global Media

What we do

FIPP – Connecting Global Media represents content-rich companies or individuals involved in the creation, publishing or sharing of quality content to audiences of interest. FIPP exists to help its members develop better strategies and build better businesses by identifying and communicating emerging trends, sharing knowledge, and improving skills, worldwide.

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Connecting Global Media

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