

Fairfax

The Sydney Morning Herald

THE MARKET

It is well known that Australians are big consumers of media. In this intensely competitive marketplace, the Fairfax name stands out, with three media superbrands amongst its newspaper businesses: The Sydney Morning Herald, The Age and The Australian Financial Review.

This is a fast changing market and in the last ten years alone, the number of special interest magazines has increased from 139 to 700 - one new title every week. There are another 700-plus business publications, 50 mass market women's and general interest magazines, 150 radio stations, 140 suburban newspapers and 44 television stations as well as access to a vast amount of information on the worldwide web.

Amid all this media choice, one of the oldest mass media - newspapers - continues to capture the attention of 56% of the Australian population. More than 8.1 million people read a metropolitan newspaper during the week with the readership figure rising to 70% when weekend papers are included. On a paid circulation basis, 5.4 million metropolitan daily newspapers are sold each Monday to Saturday. Another 3.3 million papers are purchased nationally on Sundays.

The Fairfax Group newspapers hold an enviable position at the quality end of newspaper street - representing 25% of national daily metropolitan newspaper sales.

The Sydney Morning Herald, The Age and The Australian Financial Review superbrands are also becoming more than newspaper brands. CD ROM products, internet services and other media forms are increasingly being used to complement the classic paper product.

ACHIEVEMENTS

Since The Sydney Morning Herald was established in 1831 and acquired nine years later by fledgling media proprietor John Fairfax, the company's ethos has centred around independent and investigative reporting. Indeed the company has an internal mission of 'Information with Integrity'. The strength of this culture is demonstrated by the long list of awards won by Fairfax journalists through the decades for outstanding coverage and investigation into major political, economic and social events which have shaped our society.

Throughout its history, Fairfax has been at the forefront of journalism and technology. In recent times, one of the biggest leaps made by the company is its \$330 million investment in new colour printing plants which now puts it at the forefront in newspaper production technology. A

further \$28 million pagination system now means The Sydney Morning Herald, The Australian Financial Review and The Age stories are filed and laid out electronically and then, in the case of the Sydney based titles, transmitted by microwave to state-of-the-art production facilities 25 kilometres away. The fully automated colour presses of Fairfax

Printers print up to 80,000 copies of a 64 page The Sydney Morning Herald section an hour.

HISTORY

In the 19th century race to announce the latest news from English shores, Herald editors anxiously awaited the signal for sighting of sail from South Head. Immediately, the Herald and its only other rival at the time, The Liberal Empire, would put their respective marine reporters to sea in specially commissioned whale boats to meet the approaching vessel outside Sydney Heads and be first aboard. After the intrepid

journalists had scouted for news, the boats would again hastily depart for South Head where news and mail were handed to a horseman who would ride like the wind back to the city office. The arrival of

news was often awaited by eager crowds numbering in the hundreds and sometimes thousands. By 1914, technology capable of reproducing photographs and engraving was in use. This was a major technological step forward. Then an editorial milestone was passed when the redoubtable Column 8, under the direction of Syd Deamer, first appeared on January 11, 1947 in The Sydney Morning Herald. Today Column 8 still holds a very special place in the lives of Sydney Morning Herald readers.

The 1950s saw Fairfax begin a series of acquisitions starting with The Australian Financial Review and the purchase and merger of two Sunday papers, The Sunday Sun and Sunday Herald, to become The Sun-Herald. By 1963, the weekly Australian Financial Review had transformed into a daily issue.

Three years later, Fairfax purchased a controlling share in David Syme, publisher of Melbourne's The Age. During the 1980s, Fairfax divested its interests in television, radio and its mass market magazines while in 1985 Fairfax launched the highly successful Good Weekend magazines in The Age and The Sydney Morning Herald. In 1989, Australia's only Sunday broadsheet, The Sunday Age, was launched. The early 1990s saw the exit of the Fairfax family interests in the group and the public float of the company in 1992.

THE PRODUCT

Nearly 4 million people peruse the pages of Fairfax metropolitan newspapers every day. The media group also owns magazine interests such as Business Review Weekly, Personal Investment and Australian Geographic and has a portfolio of 15 community newspapers in New South Wales and Victoria reaching another 1.2 million readers a week.

The Sydney Morning Herald has a very high quality readership base of 842,000 on weekdays with the Saturday edition boasting 1.2 million readers. The Sydney Morning Herald and The Age are very effective media for advertisers yielding strong response and results for both classifieds and display advertising. In Sydney, the ongoing revamp of the various lifestyle sections - Sporting Life, Metro, Drive and Domain among them - is returning impressive circulation increases. The Sydney Morning Herald readers are particularly attractive to advertisers, as an ABC demographic profile has identified a high proportion of them as professionals. Nearly two-thirds of readers of the Sporting Life section, for example, are professionals.

Professional readership of the Good Living section on Tuesday's tops 90% and 93% of Sydneysiders turn to the paper when looking for a job. The Sydney Morning Herald's editorial depth continues to produce award winning reports - in 1996 the paper picked up more than 30 awards for outstanding writing, photography and illustration.

The Australian Financial Review is Australia's equivalent to the United Kingdom's Financial Times and North America's Wall Street Journal. Known affectionately as the 'Fin Review', the paper's depth



of daily reporting on local and international business, economic and political issues has become an essential business tool and information source for Australian professionals.

Since entering the Fairfax stable in 1953, The Australian Financial Review has been setting the agenda for business news and opinion in Australia and now attracts nearly 300,000 leading opinion makers and business movers every edition. After a far reaching redesign in the past four years, the masthead has returned record circulation increases and is continuing its upward climb.

The launch of the innovative Australian Financial Review Magazine in 1995 has garnered enormous reader and advertiser support and magazine awards. It has also proven highly successful in broadening the newspaper's readership base among high income earners and opinion makers.

More than 160,000 professional managers read The Australian Financial Review every day, along with 12,000 chief executive officers and 14,000 chief financial officers.

Demonstrating the importance the paper plays in informing leading decision makers, 243,000 of its readers are discerning media users, tuning into less than two hours of commercial television and radio a day.

The Age is to Melbourne what The Sydney Morning Herald is to Sydney. Established in 1854, it is the leader in the Victorian classified advertising market with readership profiles also skewed to important decision makers and opinion leaders. Each day more than 700,000 Victorians read The Age with the Saturday edition wooing one million-plus readers and The Sunday Age nearly 650,000. Over a week, The Age and The Sunday Age are read by a total of nearly 1.5 million Victorians. The Age has further strengthened its dominance of the affluent and better educated demographic segments while total readership has increased by 55,000 on weekdays, 27,000 on Saturday and 34,000 on Sunday.

In a feat that says everything about The Age today, circulation also continues to soar. Over the past 15 months both The Age and The Sunday Age have recorded circulation increases at every audit period, a record unmatched by any other metropolitan daily newspaper. Exciting new initiatives put The Age and the David Syme group at the forefront of multimedia companies. 1996 saw the renaissance of The Age and the next few years will see the company building on this success story.

The editorial excellence of The Age and The Sunday Age have been recognised over many years. Most recently, the papers have won Walkley awards in the following categories:

- Best application of the print medium to journalism.
- Best investigative writing.
- Best current story.
- Best feature photograph in a magazine.

The paper is committed to providing readers with quality information and entertainment.

THE AGE

Enhancements to The Age and The Sunday Age are constantly being reviewed and the more recent changes will contribute to their upward circulation trend. Several new products have been launched including Metro (which in the short time since its launch, has quickly established itself as the arts and entertainment guide to Melbourne), Sports Friday and Cue, the movie and entertainment guide in The Sunday Age. There are several exciting new initiatives planned for The Age and The Sunday Age which will reinforce a

committed itself to in its 150 year history came in early 1996 with the announcement that the company had become a Team Millennium Partner for the Sydney 2000 Olympics.

Mainstream media advertising also represents an important marketing platform for the group with major branding campaigns such as The Australian Financial Review's respected 'sharpen your view' series now running for four years.

For a juggernaut like The Sydney Morning Herald, in addition to brand advertising, various

tactical campaigns on radio and TV are rotated for key sections like Drive, Metro and Domain. The paper also invests heavily in maintaining the high profile of the Herald

classified advertising section and the role it plays in the lives of Sydney residents.

In October 1996 a brand campaign for The Age was launched, targeting existing readers and potential new readers. An integrated

campaign was launched utilising a variety of media including TV, radio, outdoor and transit advertising, with the objective of 'wall-papering' Melbourne with the brand and the tagline: 'The Age, Melbourne's newspaper'.

BRAND VALUES

In a fragmenting, frantic and sometimes frivolous media environment, Fairfax and its newspaper mastheads have long held fast to the concept of quality. Fairfax titles have in the main been spared the public cynicism levelled at elements of the media industry in recent years, and the company's own consumer research bear this out.

Editorial independence and integrity has been a hallmark of Fairfax's history and with an increasingly informed readership base, this ethos has proven immensely beneficial to readers and advertisers alike.

Quality and editorial credibility underpin the group's activities: they also sum up the brand values of Fairfax mastheads.

THE AUSTRALIAN FINANCIAL REVIEW

commitment to Victoria to provide a quality news and entertainment paper that is value for money.

RECENT DEVELOPMENTS

The Fairfax of the 21st Century will be a vastly different organisation both in size and scope to that of the early 1800s. At that time the paper was printed using a hand operated Colombian Press in dimly lit George Street offices.

The internet and emerging technologies are being harnessed by Fairfax in widening the reach and formats of its respected newspaper and magazine titles and for creating new media enterprises and ideas.

Fairfax made its initial venture into the world of the internet early in 1995 with the launch of the first of its major internet sites, entitled The Age, Melbourne Online, followed one month later by The Sydney Morning Herald Online and in February 1996 by The Australian Financial Review net site. Today Fairfax has over 20 internet sites, four of these featuring in the Top Ten most visited internet sites in Australia.

Looking to the future, the plans are in place for the ongoing development and rollout of



value added extensions to the existing stable of Fairfax internet products. In addition, a launch program, currently underway, will bring a number of new and exciting consumer and business initiatives online to complement existing internet offerings. Fairfax remains at the forefront of technology, driving the delivery of

quality information and service via many media forms.

PROMOTION

Fairfax is an energetic promoter of its titles - but not always in conventional ways. Community events play an important role in the Fairfax branding strategy with initiatives such as The Sun-Herald City to Surf run - attracting 48,000 entrants - and niche programs like The Sydney Morning Herald



Things you didn't know about Fairfax

- Approximately 2,500,000 classified ads appear in Fairfax titles in a year.
- Fairfax newspapers use approximately 1200 tonnes of newsprint each year.
- The Sydney Morning Herald's popular Column 8 first appeared on January 11, 1947. The column's editor, Syd Deamer, was a perfectionist known for the economy of his paragraphs. Deamer's acid wit, caustic commentary and eye for news oddities made it the talked about newspaper yarn of the time.