

Large retailers and national advertisers should find it easier to purchase advertising from newspapers as electronic data interchange systems become available for handling advertising transactions via computer. To make it easier for national advertisers to purchase advertising in a number of newspapers at the same time, newspapers will soon offer a "one-order/one-bill" newspaper advertising network. Newspapers should also attract more advertising when they begin producing and distributing special newspaper sections for delivery only to households that subscribe to them. Other targeted advertising strategies will include selective delivery of advertising inserts to counter direct-mail's continuing threat.

Although some newspapers are joining with telephone and cable companies to create new electronic products, many still view these communication businesses as formidable competitors vying with newspapers for readers' and advertisers' time and money. Over the next few years, newspapers increasingly will form alliances with other media, including television, cable, and phone companies. They will do so even as they continue to support legislation restricting the regional Bell companies from providing electronic information services over their own telephone lines.

At the same time, newspapers will assess their own role in the electronic communications networks more carefully as telephone and cable television companies increase their ability to send huge amounts of information through these networks. Newspapers' ability to gather, analyze, and report the news places the medium in a strategic position to provide valuable information content for distribution in an electronic format. Much of the information in their databases can already be accessed electronically. The Hearst Corporation, the *Los Angeles Times*, and Advance Publications, Inc., among others, are exploring electronic communication technologies and opportunities through their own organizations or with other companies. Newspapers will become more involved in media/communications alliances on a global level as they seek additional revenues in the international advertising market. —Rose Marie Zummo Bratland, Office of Consumer Goods (202) 482-0380, July 1993.

## Additional References

- (Call the Bureau of the Census at (301) 763-4100 for information about how to order Census documents).
- Statistics for Industry Groups and Industries*, 1991 Annual Survey of Manufactures, M91(AS)-1, Bureau of the Census, U.S. Department of Commerce, Washington, DC 20233.
- Value of Product Shipments*, 1991 Annual Survey of Manufactures, M91(AS)-2, Bureau of the Census, U.S. Department of Commerce, Washington, DC 20233.
- Newspapers, Periodicals, Books*, 1987 Census of Manufactures, MC87-1-27A, Bureau of the Census, U.S. Department of Commerce, Washington, DC 20233.
- Employment and Earnings*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20212. Telephone: (202) 606-6555.
- Producer Price Indexes*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20221. Telephone: (202) 606-6555.
- Advertising Age*, Crain Communication Inc., 740 Rush St., Chicago, IL 60611. Telephone: (312) 649-5200.
- Editor & Publisher*, Editor & Publisher Co., 11 West 19th St., New York, NY 10011. Telephone: (212) 675-4380.
- Newspaper Newsletter*, Morton Research, 1037 30th St., N.W., Washington, DC 20037. Telephone: (202) 337-9090.
- Presstime*, Newspaper Association of America, Inc., 11600 Sunrise Valley Dr., Reston, VA 22091. Telephone: (703) 648-1000.
- Publisher's Auxiliary*, National Newspaper Association, 1627 K St., N.W., Washington, DC 20006. Telephone: (202) 466-7200.

## PERIODICALS

Periodical advertising continued to recover in 1993, but at a slower-than-expected pace. After experiencing an upswing in 1992, the industry expected to see strong growth throughout 1993. Nagging uncertainty about the nation's economic recovery kept advertisers from substantially increasing their advertising budgets for magazines. Circulation was expected to be flat for the year or down slightly. Magazine industry receipts totaled \$22.8 billion, up slightly more than 1 percent in constant dollars from 1992.

Advertising in consumer periodicals during the first half of 1993 recorded its strongest first-half gains in revenue and advertising pages since 1989. However, after a sharp gain in advertising pages during the first quarter, advertising pages were flat for consumer magazines during the second quarter.

### Trends and Forecasts: Periodicals (SIC 2721)

(in millions of dollars except as noted)

Item	1987	1988	1989	1990	1991	1992 <sup>1</sup>	1993 <sup>2</sup>	1994 <sup>3</sup>	Percent Change (1989-1994)					
									88-89	89-90	90-91	91-92	92-93	93-94
<b>Industry Data</b>														
Value of shipments <sup>4</sup>	17,329	18,812	19,787	20,397	20,345	21,667	22,772	24,366	6.3	3.1	-0.3	6.5	5.1	7.0
Value of shipments (1987\$)	17,329	17,525	17,449	16,815	15,735	16,018	16,194	16,517	-0.4	-3.6	-6.4	1.8	1.1	2.0
Total employment (000)	110	111	116	115	111	108	109	111	4.5	-0.9	-3.5	-2.7	0.9	1.8
Production workers (000)	18.3	19.1	20.7	21.8	20.7	19.5	19.3	19.7	8.4	4.3	-4.2	-5.8	-1.0	2.1
Average hourly earnings (\$)	11.06	11.99	12.45	13.09	13.21	13.64	14.05	14.47	3.8	5.1	0.9	3.3	3.0	3.0
Capital expenditures	246	246	272	275	223	—	—	—	10.6	1.1	-18.9	—	—	—
<b>Product Data</b>														
Value of shipments <sup>5</sup>	16,492	17,664	18,748	19,256	19,424	20,473	21,517	23,023	6.1	2.7	0.9	5.4	5.1	7.0
Value of shipments (1987\$)	16,492	16,632	16,533	15,874	15,022	15,292	15,460	15,769	-0.6	-4.0	-5.4	1.8	1.1	2.0
<b>Trade Data</b>														
Value of imports	—	—	140	122	121	136	163	179	—	-12.9	-0.8	12.4	19.9	9.8
Value of exports	—	—	448	666	705	731	768	829	—	48.7	5.9	3.7	5.1	7.9

<sup>1</sup> Estimate, except exports and imports.

<sup>2</sup> Estimate.

<sup>3</sup> Forecast.

<sup>4</sup> Value of all products and services sold by establishments in the periodicals industry.

<sup>5</sup> Value of products classified in the periodicals industry produced by all industries. SOURCE: U.S. Department of Commerce; Bureau of the Census; International Trade Administration (ITA). Estimates and forecasts by ITA.