



Newspaper and magazines: annual pricing survey

Cover prices of major news papers and magazines stabilised in 1995-96 after their surge of the early 1990s, according to the Communications Law Centre's annual review.

A hypothetical buyer of all of Australia's metropolitan dailies, Sunday papers and 13 selected magazines would have paid 1.2 per cent more in July this year than in 1995, compared with an increase of 7.8 per cent in 1994-95.

Only one of the 12 dailies (Hobart *Mercury*) and three of the 10 Sundays (Victoria's *Sunday Herald-Sun*, the *Sunday Mail* in Queensland and WA's *Sunday Times*) increased their cover prices in 1995-96. Readers of seven of the 13 magazines in the survey paid more.

The easing of price increases probably results from a combination of factors, including the following:

- circulations were suffering and one possible cause was the hefty 43 per cent price increase during 1990-95, a period of low inflation;
- advertising revenue increased following the recession of the early 1990s, obviating the need for publishers to increase cover prices in order to compensate for a slump in advertising revenue; and
- newsprint prices have stabilised after strong increases worldwide.

Whether this year's cover prices figures reflect more than a lull remains to be seen. The long-term pattern has been for cover price increases greatly to outstrip CPI increases, as the table of totals on the adjoining page shows.

In Australia, as elsewhere, an increasing proportion of media revenues are drawn directly from the consumer rather than from the adver-

tiser. This trend is exemplified by the pay TV industry, where viewers pay directly for their information/entertainment instead of exchanging the time spent watching ads for the free programs.

In print media, pricing can be used to drive away unwanted readers, take the product upmarket to suit advertisers and charge more to those readers who can afford to pay. Advertising of mass-consumption products moves to give-away papers or 'junk mail'.

If this was part of the strategy, it may have been taken too far. Deeply discounted cover price deals being offered during subscription drives are one sign of concern among publishers.

The steep increases in cover prices that occurred during the first half of the decade may have hastened the

long-term decline in newspaper circulations that has been apparent since the 1950s. In his landmark 1979 *Newspaper Circulation in Australia 1932-1977*, Murray Goot concluded that, generally, circulation was sensitive to price.

Figures in preparation for next February's *Communications Update* 'Media Ownership Update' issue indicate that newspaper sales have fallen away from one sold per 4.5 persons in 1986 to one paper sold per 7.7 persons in 1996. In 1986, when the population was 16 million and there were 19 papers in the market, the average daily circulation was almost 188,700. This year, with the population more than 18 million and only 12 titles to share the buyers, average circulation was 195,600 a day. □

Paul Chadwick

Cover prices of 13 selected major magazines

Title	1984	1990	1994	1995	1996
Women's Weekly	1.60	2.75	3.30	3.50	3.50
Woman's Day	0.80	1.70	2.30	2.40	2.50
New Idea	0.70	1.50	2.20	2.40	2.50
TV Week	0.80	1.40	2.00	2.20	2.20
Reader's Digest	1.80	3.25	3.95	4.20	4.20
Family Circle	1.20	2.00	2.90	3.20	3.20
Cleo	1.85	3.25	4.50	4.60	4.60
Cosmopolitan	2.00	3.25	4.50	4.60	4.80
Better Homes & Gardens	1.35	2.00	3.20	3.60	3.80
People	1.00	1.90	2.50	2.60	2.70
Australian House & Garden	2.00	3.50	4.20	4.40	4.50
Bulletin	1.50	2.50	3.30	3.60	3.75
BRW	1.00	3.00	3.75	3.95	3.95
TOTALS	17.50	32.00	42.60	45.25	46.20
CPI INDEX (1984=100)	100	156.8	176.0	177.6	183.1

The magazines selected are intended to represent a cross-section of popular titles and categories. The selection was made before the price data was gathered. The categories were varied on purpose, but because of that variety the average cover price of this particular selection may give a misleading impression of the average price of all magazines and so has not been shown.

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Cover Prices (in cents) of Metropolitan Daily and Sunday Newspapers

Title	84	90	94	95	96
NSW					
Daily Telegraph Mirror	30	50	60	70	70
Saturdays	30	60	90	1.00	1.00
Sydney Morning Herald	30	50	80	80	80
Saturdays	40	80	1.20	1.20	1.20
Sunday Telegraph	50	70	1.00	1.00	1.00
Sun-Herald	50	70	1.00	1.00	1.00
Victoria					
Herald-Sun	30	50	60	70	70
Saturdays	30	50	80	90	90
Age	30	50	80	80	80
Saturdays	40	70	1.20	1.20	1.20
Sunday Herald-Sun	-	70	1.00	1.10	1.20
Sunday Age	-	70	1.20	1.20	1.20
Queensland					
Courier-Mail	25	50	70	70	70
Saturdays	30	60	1.00	1.10	1.10
Sunday Mail	40	90	1.00	1.20	1.30
South Australia					
Advertiser	25	50	70	70	70
Saturdays	30	60	1.00	1.10	1.00
Sunday Mail	50	90	1.10	1.20	1.20
Western Australia					
West Australian	30	50	60	70	70
Saturdays	40	70	1.00	1.20	1.20
Sunday Times	50	90	1.00	1.20	1.30
Tasmania					
Mercury	25	50	50	60	70
Saturdays	25	50	70	80	90
Sunday Tasmanian	50	60	80	1.00	1.00
NT					
NT News	30	50	60	70	70
Saturdays	30	70	80	1.00	1.00
Sunday Territorian	-	80	80	1.00	1.00
ACT					
Canberra Times	35	50	70	80	80
Saturdays	30	70	1.00	1.20	1.20
Sundays	35	50	70	80	80
National					
Australian	30	50	70	80	80
Saturdays	40	80	1.20	1.20	1.20
Financial Review	55	1.00	1.30	1.50	150

Notes: Cover prices for 1996 as at 18 July. Price shown for Melbourne *Herald-Sun* in 1984 is the then price of the tabloid *Sun News-Pictorial*, which was merged with the broadsheet *Herald* to form the tabloid *Herald-Sun* in October 1990. Price shown for Melbourne *Sunday Herald-Sun* in 1990 is the then price of the *Sunday Sun*, which was merged with the *Sunday Herald* in 1991. Comprehensive cover prices data was first published in Communications Update issue 98; developments were reported in issues 102, 105 and 108, and figures were updated for newspapers in issue 115 and for magazines in Issue 116. Prices research: Bruce Shearer.

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Dollar increase in total price of newspapers and 13 selected magazines compared with CPI 1984 - 1995

	84	85	86	87	88	89	90	91	92	93	94	95	96
Metro Dailies	3.75	3.90	4.70	5.15	5.65	5.80	6.50	7.20	7.70	8.20	8.60	9.50	9.60
Metro Saturdays	3.75	4.15	4.75	5.55	6.25	6.80	7.40	8.20	8.80	9.90	10.80	11.60	11.90
Metro Sundays	4.45	5.25	5.70	6.60	7.00	7.50	8.10	8.25	8.70	9.40	9.60	10.70	11.00
Selected Magazines	17.50	20.55	22.35	23.30	26.75	29.05	32.00	35.15	37.55	42.10	42.60	45.25	46.20
TOTAL:	29.45	33.85	37.50	40.60	45.65	48.75	54.00	58.80	62.75	69.60	71.60	77.25	78.70

* June quarter CPI figures