

**ISIC 5812 – Publishing of Directories and Mailing Lists**

**ISIC 5813 – Publishing of Newspapers, Journals and Periodicals**

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# Agenda

- Definition of the Industry
- Revenue/Output Measurement
- Measurement of SPPI
- Evaluation of Measurement



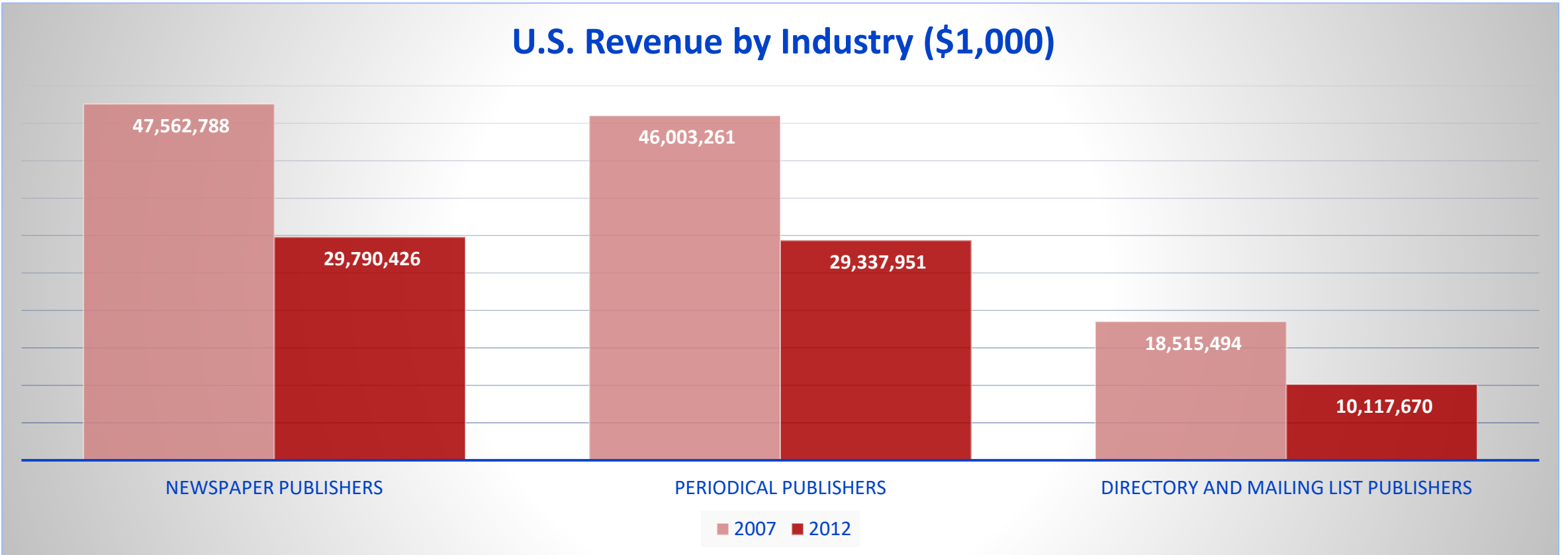
# Industry Definition

- Firms that publish in both traditional print format and Internet formats are classified in Newspaper, Periodical, and Directory and mailing list publishing
- Firms that publish exclusively over the Internet are classified in Internet Publishing and Broadcasting and Web Search Portals



# Market Conditions in the U.S.

## U.S. Revenue by Industry (\$1,000)

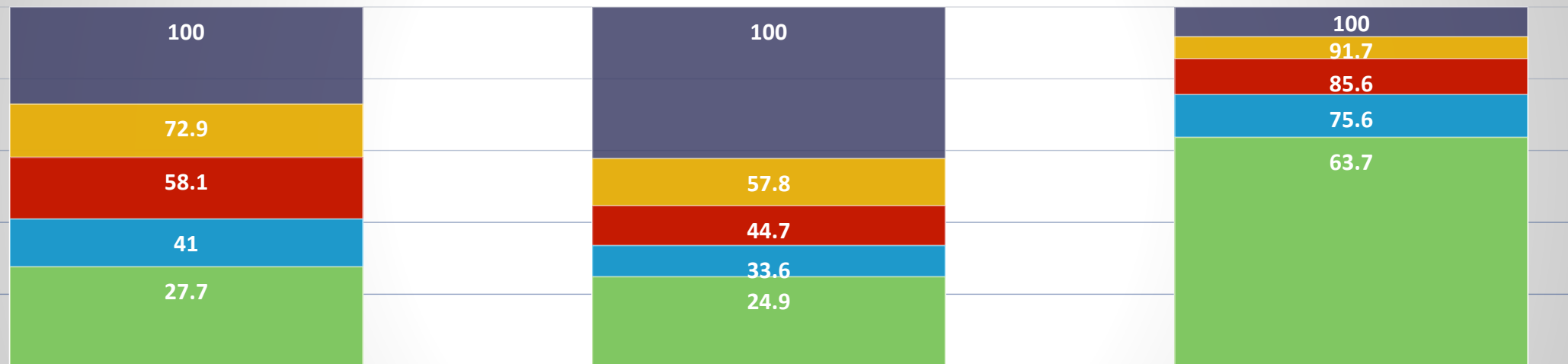


Source – 2012 Economic Census, US Census Bureau



# Market Conditions in the U.S.

## Revenue of Largest Firms as Percent of Total Revenue (%)



NEWSPAPER PUBLISHERS

PERIODICAL PUBLISHERS

DIRECTORY AND MAILING LIST PUBLISHERS

■ All Firms ■ 50 Largest Firms ■ 20 Largest Firms ■ 8 Largest Firms ■ 4 Largest Firms

Source – 2012 Economic Census, US Census Bureau



# Print Vs. Online

- Online competition has forced access or subscription fees to drop
- Advertisers are able to reach niche customer markets through the Internet and mobile applications
- Many firms are offering subscription packages with digital-only access in an effort to compete with online providers
- Some firms are transitioning to a digital-only subscription model



# Output Measurement in U.S

	Economic Census	Services Annual Survey	Quarterly Services Survey
Frequency	Every 5 years	Annual	Quarterly
Survey Unit	Establishment	Kind-of-activity unit	Kind-of-activity unit
Sample	-	Stratified simple random	Stratified PPS sub-sample
Geographic detail	U.S., State, County, Area	U.S.	U.S.
Product Detail	NAPCS	Limited	None
Benchmarked to	-	Economic Census	Services Annual Survey



# Definition of Output

- Output for publishing industries tends to fall under two categories:
  - ▶ Sales of subscriptions and single copies
  - ▶ Sales of advertising space
- Publishers of mailing lists and directories may also have a third category for content licensing fees



# NAPCS Products (broad lines)

NAPCS Broad Product Line Description	Industry
General newspapers	Newspaper publishers
Specialized newspapers	Newspaper publishers
Local transportation and delivery of purchased or serviced items	Newspaper publishers
Graphic design services, except advertising graphic design	Newspaper publishers
Periodicals, general interest	Periodical publishers
Periodicals, business (including farming), professional and academic	Periodical publishers
Periodicals, not elsewhere classified	Periodical publishers
Public relations event management services	Periodical publishers
Directories	Directory and mailing list publishers
Databases and other collections of information	Directory and mailing list publishers
Library and archive services	Directory and mailing list publishers
Mailing lists	Directory and mailing list publishers



# NAPCS Products (broad lines)

NAPCS Broad Product Line Description	Industry
Advertising space in printed publications	Newspapers/Periodicals/Directories
Internet advertising	Newspapers/Periodicals/Directories
Advertising space in publications on electronic and other media, except online	Newspapers/Periodicals/Directories
Quick printing	Newspapers/Periodicals/Directories
Digital printing	Newspapers/Periodicals/Directories
Licensing of rights to use intellectual property protected by copyright	Newspapers/Periodicals/Directories



# Measurement Issues

## Print vs Online

- Some establishments incorrectly separate out Internet exclusive publishing services from non-Internet activities, even though those activities would be in scope
- Some establishments continue to report under the initial classification in the traditional publishing industries even after they shift to providing services exclusively over the Internet



# Measurement of SPPI

- Product Structures
- Sampling Design
- Price Determining Characteristics
- Pricing Methods



# Measurement of SPPI

## Product Structure

Index Code	Index Title
511110	Newspaper publishers
511110P	Primary services
5111105	Newspaper advertising sales
51111051	Newspaper advertising sales, print only
51111052	Newspaper advertising sales, digital only and print and digital bundled
5111106	Newspaper subscription and single copy sales
51111061	Newspaper subscriptions, print only
51111062	Newspaper subscriptions, online only and print and online bundled
523110SM	Other receipts



# Measurement of SPPI

## Product Structure

Index Code	Index Title
511120	Periodical publishers
511120P	Primary services
5111202	Periodicals, advertising sales
51112021	Specialized business and professional periodicals, advertising sales
51112022	General and consumer periodicals, advertising sales
51112024	Other periodicals, including advertising periodicals, nec, advertising sales
5111205	Periodicals, subscriptions and single copy sales
51112051	Specialized business and professional periodicals, subscriptions and single copy sales
51112052	General and consumer periodicals, subscriptions and single copy sales
511120SM	Other receipts



# Measurement of SPPI

## Product Structure

Index Code	Index Title
511140	Directory and mailing list publishers
511140P	Primary services
5111401	Directory and mailing list publishing – advertising sales incl. telephone directory listings
5111405	Directory and mailing list publishing – subscription, content, and licensing sales
511120SM	Other receipts



# Measurement of SPPI

## Sampling Design

- A firm's probability of selection is proportionate to its size
  - ▶ Newspaper publishing sample units selected by title using circulation figures
  - ▶ Directory and mailing list publishing sample units selected by publishing firm based on employment
  - ▶ Periodical publishing units selected using both methods
- Disaggregation used to determine specific services from each firm





# Measurement of SPPI

## Pricing Methods – Print

- Preferred type of price for advertising and subscriptions is a per unit average
  - ▶ Advertising is typically priced based on the physical size of the ad
  - ▶ Subscriptions are typically priced per subscription.
- Single copy print publications are often priced per copy or per specified number of copies.
- Content licensing fees are either one time fees or per defined time period

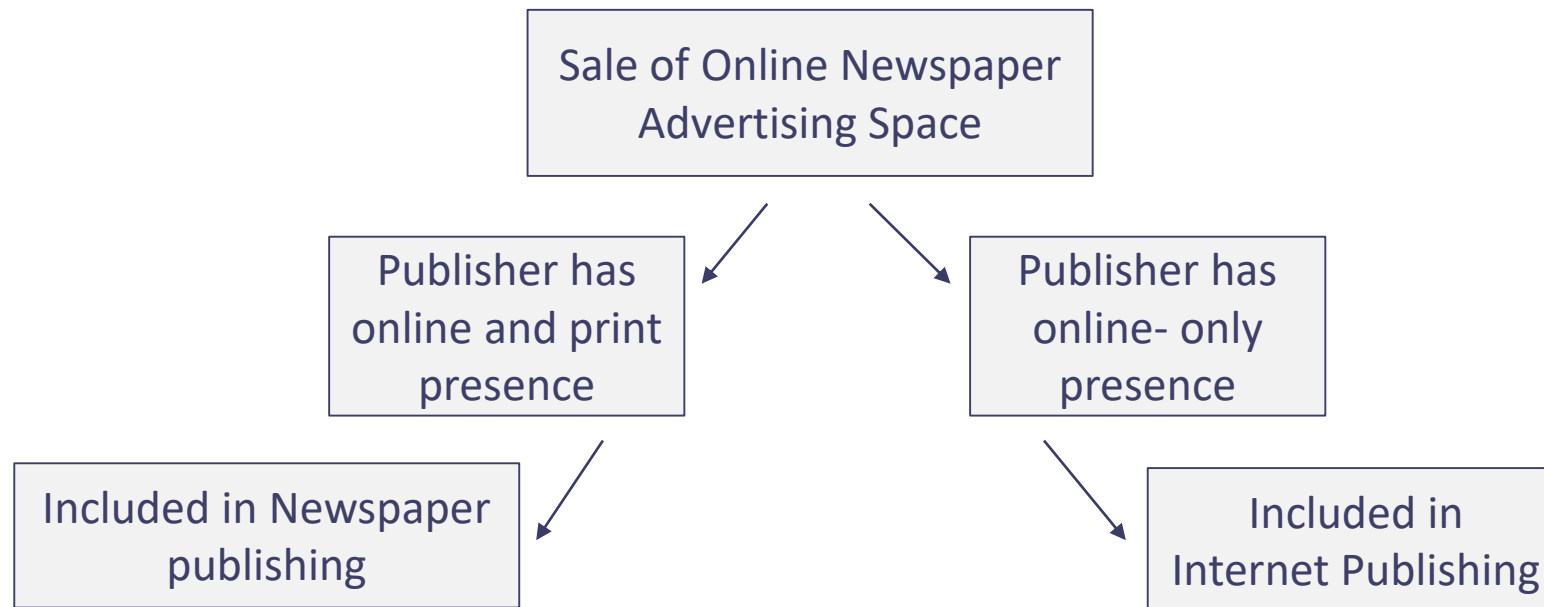
# Measurement of SPPI

## Pricing Methods – Online

- Online advertising is typically priced per thousand ad views, impressions, or clicks.
  - ▶ CPC = cost per click
  - ▶ CPM = cost per thousand impressions
- Subscriptions may be priced per subscription, per unit of time, or per viewing.
- The same pricing methods are used in the Internet Publishing industry

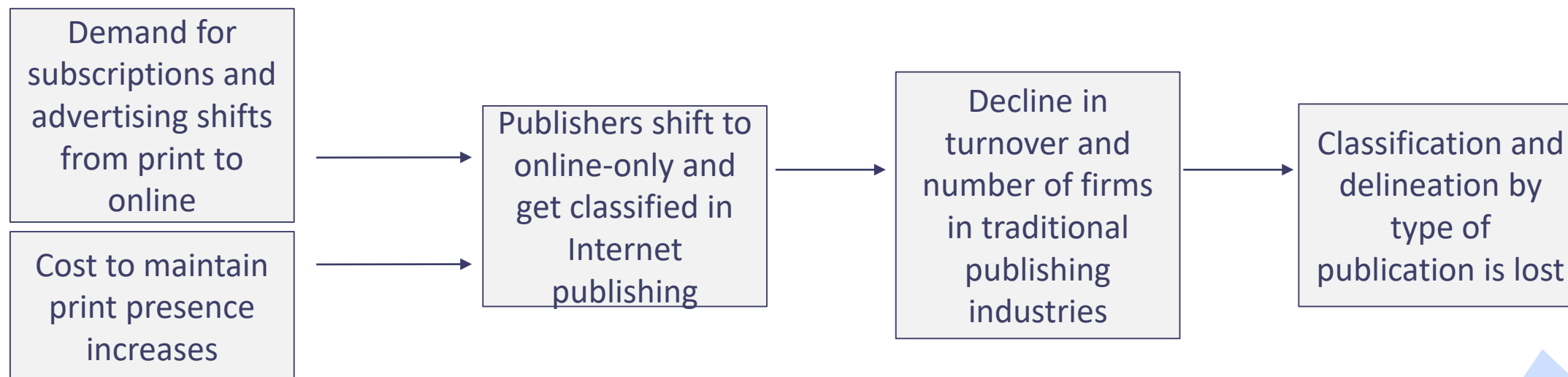
# Evaluation of Measurement Classification Issues

**Issue:** Online subscription and advertising prices for the same services are measured in multiple industries



# Evaluation of Measurement Classification Issues

**Issue:** As it becomes more costly to maintain a print presence, more publishers are focusing on their online content and advertising sales, causing their classification to change.



# Evaluation of Measurement Classification Issues

## Questions

- Is publishing a newspaper, periodical or directory primarily the same service regardless of the media used to deliver the content?
- Is the more important distinction between type of publication or between print versus online delivery?
- Should NAICS definitions be revised to follow more closely to ISIC by including online-only publishers in the same industry as those with a print presence?

# Contact Information

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