



# CALIFORNIA NEWSPAPER PUBLISHERS ASSOCIATION

## CNPA Services, Inc.

2000 O Street, Suite 120, Sacramento, CA 95811 ♦ Ph: 916.288.6000 ♦ Fax: 916.288.6002 ♦ [www.cnpa.com](http://www.cnpa.com)

### California Daily Classified Network

The CNPA staff recommends CNPA establish a Daily Classified Advertising Network to help support trade association functions, including its robust governmental affairs; to increase investment in the various advertising service programs; and, to increase classified advertising and create a stream of revenue for participating newspapers.

### Frequently Asked Questions

**Q. Why should my newspaper join the network?**

There are several reasons. First, it will create a steady stream of revenue to support your trade association at a critical time in this economic downturn. Second, it has the potential to increase your classified ad lineage and create a new stream of revenue for your paper, allowing your employees to sell into the network. Third, it will not impose a huge burden or expense on participating newspapers, requiring only the daily publication of up to twelve 25-word or less classified advertisements. Finally, participation will help to keep membership dues stable during this difficult economic time. Your commitment to this network will secure the future of CNPA and California Newspapers.

**Q. What would our participation require?**

A simple agreement to upload and publish 12 or less ads prepared by CNPA staff (a maximum of about 10 column inches each day). A CNPA review of several newspapers indicates that classified section house ads average about 25 inches, so space is readily available for these ads. The actual system for uploading advertisements would mirror the tried-and-true protocols of the Cal-SCAN, the longstanding network for weekly CNPA members.

**Q. What's in it for CNPA?**

The network has the potential to create a significant new source of revenue for CNPA and stabilize the association during these severe economic times. Following successful programs in other states, for the first two years of the program, CNPA would retain, after commissions are paid, 90 percent of gross revenue from the program. After two years the program would be reviewed by the board to determine if any changes should be made.

**Q. What's in it for my paper?**

First, increased ad lineage. Second, you would receive a quarterly rebate check representing 10 percent of the gross revenues from the previous quarter, less commission paid to ad sellers. In addition, any of your

classified staff could sell into the network and receive a 15 percent commission. Finally, your participation would help keep your trade association stable, healthy and strong, allowing it to continue, among other important things, to protect your assets before the legislature. When it joins with other dailies in this network, your newspaper will be able to leverage its position against internet aggregators and direct mail. The network will create an awareness and top-of-mind value in the mind of consumers for daily newspapers, increasing the volume of classifieds and market share.

**Q. What will the rate for the network be?**

If most of the dailies in major metropolitan areas participate (Bakersfield, Escondido, Fresno, Long Beach, Los Angeles, Modesto, Oakland, Ontario, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, Torrance, Walnut Creek, West Covina, etc.) the price for an ad in the network would be a very competitive \$1,500 for a 7-day run or \$1,000 for a 5-weekday run.

**Q. What are the revenue projections? Projected total circulation?**

The revenue projections for a projected total circulation of 3-5 million daily are:

Network	Worst case scenario	Best case
Cost	\$1,500	\$1,500
Ads/week	3	12
Gross/week	\$4,500	\$18,000
Net/week	\$3,825	\$15,300
Annual Rev.	\$198,900	\$795,600
Ann. ttl NP Rebate	\$19,890	\$79,560

**Q. Doesn't CNPA already have a weekly classified network?**

Yes! Since 1991 a network of 240 mostly weekly CNPA member newspapers have invested in CNPA by participating in the California State Classified Advertising Network (Cal-SCAN). The program has provided annual revenue to the association of between \$300,000 and \$500,000, allowing the CNPA Board of Directors to keep your membership dues at a low rate, while continuing to provide essential services.

**Q. Are there similar programs in other states?**

Yes, Arizona, Arkansas, Florida, Indiana, Illinois, Iowa, Maryland, Delaware, DC, Missouri, the Pacific Northwest, West Virginia and Wisconsin have daily classified networks.

**Q. What if an ad does not meet our standards?**

An individual newspaper may choose not to run an ad based on the newspaper's ad standards. All ads for the network will be pre-screened for content, message and "business status" by CNPA staff.

**Q. How will the daily network be marketed? Who will sell it?**

The network will be marketed to the public and other sellers like press associations and agencies with a colorful flier listing all the newspapers and a URL domain of its own. House ads in participating newspapers, CaliforniaAdConnect (the central classified network) the Cal-SCAN, Cal-SDAN and California Press Release Service will also promote the network. The network will be sold by participating newspapers, CNPA, press associations and agencies.

**Q. How will the revenue be used?**

After balancing the books and establishing a prudent plan to rebuild the association's reserves, staff recommends the Board of Directors put the revenue toward two important goals: 1) return CNPA's legal/governmental affairs program to full power by filling the vacant Legal Counsel/ Legislative Advocate position left vacant when Newton became Executive Director and Ewert became General Counsel; and, 2) invest in the most important component of the Strategic Plan adopted by the Board of Directors, which is to transform all of CNPA's Advertising Service efforts from a largely passive ad-taking effort to an aggressive sales effort, with the ultimate goal of increasing newspapers' market share and further stabilizing CNPA's finances so it can pursue the remaining components of the Strategic Plan.

**Q. So, what's the bottom line?**

Individually, your newspaper's participation in the Daily Classified Advertising Network is a relatively small investment, with virtually no increase in your marginal costs, and any that do occur would be more than offset by the quarterly rebates. Collectively, the daily members' commitment to CNPA (along with the longstanding commitment of its weekly members) would be huge and transformational and create resources necessary for the Board of Directors to chart a bold course for the California newspaper industry.

**Contacts:**

Tom Newton  
Executive Director  
(916) 288-6015  
[tom@cnpa.com](mailto:tom@cnpa.com)

Wolf Rosenberg  
Vice President of Advertising  
(916) 288-6036  
[wolf@cnpa.com](mailto:wolf@cnpa.com)

Maria Rodriques  
Statewide Networks Manager  
(916) 288-6010  
[maria@cnpa.com](mailto:maria@cnpa.com)



**California Newspaper Publishers Association**

**CNPA Services, Inc.**

2000 O Street, Sacramento, CA 95811

Phone: (916) 288-6010 ♦ Fax: (916) 288-6022

**CALIFORNIA DAILY CLASSIFIED NETWORK (CDCN)  
Participation Agreement**

Newspaper name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Tel \_\_\_\_\_ Fax \_\_\_\_\_ Website \_\_\_\_\_

Week day circulation: \_\_\_\_\_ Sunday circulation: \_\_\_\_\_

**Contact information:**

Name \_\_\_\_\_ Tel: \_\_\_\_\_ email \_\_\_\_\_

**TERMS AND CONDITIONS:**

1. I hereby authorize CNPA Services, Inc. (CNPA) to include the above listed newspaper(s) in the California Daily Classified Network (CDCN) program.
2. CNPA staff will email the CDCN ads for publication the following week on Thursday afternoon each week to newspaper contacts. The newspaper representative will confirm receipt of these ads via return email to CNPA staff.
3. I understand that participating newspapers have the responsibility to publish up to 12 classified ads per day for seven days each week.
4. Individual newspapers retain the right to reject any advertising that is not in compliance with local regulations, or that particular newspaper's standards and policies.
5. CNPA will rebates 10% of the net revenue generated to participating newspapers bi-annually in July and January.
6. Newspapers that sell ads into the network will earn 15% in commission in the CDCN program.
7. This agreement will be effective for a term of one-year. Thereafter, the terms of this agreement will be automatic renewal for an additional one-year term until terminated. This agreement may be terminated with a 60 day written notice by the participating newspaper or CNPA.

I have read, understand and accept the above terms and conditions.

Publisher's name (please print) \_\_\_\_\_

Publisher's signature \_\_\_\_\_

Date \_\_\_\_\_

Please complete this form and email it to [maria@cnpa.com](mailto:maria@cnpa.com) or fax to 916-288-6022.