

# Growth is in middle market - Media24's Fergus Sampson



By Gill Moodie: @grubstreetSA

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[Fergus Sampson](#), who has taken over as [Media24's](#) head of newspapers from Abraham van Zyl, is likely to prove a breath of fresh air in South Africa's biggest media company. A founding member of the [Daily Sun's](#) hugely successful management team, Sampson now brings the lessons he learned in the aggressive growth market of the tabloids and emerging markets to all the papers in the group.



 Fergus Sampson

He tells Bizcommunity.com why he could take a view to shut down [Scoop!](#) four months after launch, how the [Cycad disaster](#) is being turned into an opportunity and about the debate raging in the company on what content is best for the Afrikaans papers.

**So what happened with [Sunday tabloid] Scoop! (which was shut down two weeks ago after launching in October last year)? Was it not looking promising enough?**

**Fergus Sampson:** Not at all.

**That's a shame. It looked like a sure thing.**

**Sampson:** I thought it was a good concept. It might be that it was a little bit ahead of its time. Of course, we always say these things but I think that, in this case, it's probably more true than not.

But I think the context of these launches for Media24 newspapers is very important: I think the market has come to know us as an entrepreneurial firm. So we - and I think this started way before my time - took the view that the market is changing in many ways and there is great opportunity that lurks everywhere, that we should be alert always to these opportunities and we take a very confident view of launching new products for new markets.



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So we've done that over the past 15 years with some successes - such as the *Daily Sun* and [Son](#) - and we've also had some failures. And it's in that context that *Scoop!* occurs. We saw a market opportunity. We developed this product. The research was there but, unfortunately, it just didn't pan out.

## **Was there not enough take-up?**

**Sampson:** Ultimately, the sales is the thing that determines the success - and sales did not take off.

## **Where were the sales numbers?**

**Sampson:** It was sitting at about 6500 for quite some time and then, just before Christmas, it shot up to just under 20 000, which was very encouraging but that was on the back of a promotion. When we stopped the promotion in January, sales started to drop again, which gave us the impression that there wasn't much take-up for this product at this stage.

## **OK, that's interesting because I think Media24 has shown itself to look beyond the elite top-end of the market. It really has created the tabloid market in this country.**

**Sampson:** I think the view is that there is this total market out there and there are tremendous changes in the market. The South Africa of today is very different from the South Africa of yesteryear. And you have to take all those things into account in terms of developing your business - your business must move with the market.

We've taken the view that our business will resonate with the changes in the market - all of the market. Not just the elite sliver, which is a small section of the market - important, critical, well-moneied but still very small. The growth certainly lies in the middle section of the market.

■ ***But Scoop! was only going for about four months. Is that enough time to take the decision to take it off the market?***

**Sampson:** It's enough to take a view for that kind of newspaper. Tabloids by their nature should attract enough readers initially to give you a view.

■ ***Did the Daily Sun [which is 10 years old this July] and Son pick up readers quite fast then?***

**Sampson:** *Daily Sun*, yes. It struggled for the first two months but after month three, you started to see that there was traction. *Son*, the same.

■ ***I see from the latest ABCs that Son is down [to 105 775 total sales in the last quarter of 2011 from 115 101 in the comparable period in 2010], which surprises me because it's been rising for a long time. What's your view on why that might be happening, because I know it's a well-run newspaper.***

**Sampson:** It's very well run. The editorial team is very tight. The marketing team are very good. The management is excellent, I think. For our newspaper division, you will have seen it's not just the one newspaper; it's all them that have been affected [by falling circulation].

I don't think it's one single thing but we have one common thread in that we changed over from one system to another [the Cycad system in 2009 that governs distribution and subscriptions among other things]. And that had a tremendous effect on our distribution infrastructure. We understand fully what happened now.

But it's also opened up opportunities, where we see gaps in our offering that we couldn't see before.

■ ***Why? Because you've had to re-examine your systems?***

**Sampson:** We had to re-examine everything and literally start rebuilding circulation from scratch, which in itself is an arduous task. But what we are doing now is rebuilding. We accept that our circulation is damaged - and partly, by the system. But a large part of it was stuff that was inherent in our distribution infrastructure and we would never have seen that if we hadn't gone through this disastrous implementation.

■ ***So is the system fixed?***

**Sampson:** The system is stable now. We are replacing it with a different system: Oracle SAP. We've learned some fantastic lessons. I don't think we'll ever repeat the mistakes of the past but I think we're building on a very firm basis. I think we have a far greater understanding of what our challenges are, where our customers are located, how their lives are changing and how we can play a positive part in their lives now.

■ ***Now, what's happening with the search for a new editor for the Daily Sun? That's a plum job?***

**Sampson:** Not quite. You'd think it would be?

■ ***I think the industry is getting less sniffy about tabloids and starting to realise their power.***

**Sampson:** Look, [Deon](#) [du Plessis, the founder and publisher of the *Daily Sun* who died last year] was a larger-than-life force of nature. There's no other way to describe him. He was all over that product and he left big, big challenges for us.

Naturally, when we think of the *Daily Sun* editor, we have Deon in mind - with [editor] Themba ['TK' Khumalo, who [resigned](#) after Du Plessis's death] there. So Deon and Themba sort of paint the picture. It's a formidable example to follow. We have gone out trying to find such a person and, obviously, such a person does not exist.

■ ***Ja, the final rounds of interviews were supposed to be happening in January so you obviously haven't found the right person yet.***

**Sampson:** We've thought about it carefully: do we rush into it and get the first available and seemingly fitting editor for such a sensitive product? Or do we take our time and find the right person for the job?

■ ***And you need someone to take the paper into a new chapter. It can't just be replica of what Deon and TK were doing?***

**Sampson:** Exactly. So we decided on the latter: let's just take our time and give this paper as much of an opportunity [as it can] to find its successor. That process has not been easy... Tabloid is a very special genre and it requires a special view and to find that person in South Africa has been tough.

We do have a shortlist of candidates, I must say, and will probably make an announcement soon depending on whether they can pass this test. It's a stringent test that we set and we won't stop looking for the right fit for the *Daily Sun*. The *Daily Sun* as a product deserves nothing less than the right candidate.

■ ***Now, on to the Afrikaans papers [Media 24 owns the Sunday paper, Rapport, and the dailies Beeld, Die Burger and Volksblad.] Much has been made of the fact the Afrikaans papers are showing more circulation decline than the English ones in SA but then you've got to take into account the Cycad saga. However, the Afrikaans market is changing, like any other market, so I'd like to know if Joost [van der Westhuizen] and rugby are still the right content route? Are these the readers you still want?***

**Sampson:** It's a raging debate in the Afrikaans newspaper circles. What content is appropriate? What do readers want and how should we serve our readers? We've done a lot of research around that and you will see that coming through strongly. A lot of what we do is very well confirmed by our readers. They say: 'This is fine. This is exactly what we want.'

But then there are other gaps that we missed. And it's not stuff that we can't overcome. It's stuff that we can immediately start addressing and you'll see those coming through.

■ ***What kind of gaps - maybe younger people?***

**Sampson:** Look, it's a whole list of things. I'm not at liberty to speak about them now because they are obvious, imperative issues but you'll see the changes. They will be visible changes. I think there's a lot of work to be done all round but if only it were so simple - if only it were just a content issue... but it's not as simple as that, unfortunately.

It's the entire value chain that we should look at. We cannot discount what happened to us over the past two years.

■ ***You have subscriber bases that must have been disrupted.***

**Sampson:** Exactly, and that's a crucial point for us. It's bottomed out, I think, if you look at (Bloemfontein-based) *Volksblad*, for instance, which is a small example - they've actually stabilised and started to grow again. I think, just on the basis of the effort that we've made in the past year, we've managed to slow down the drop for [Gauteng-based] *Beeld* and, to a lesser extent, [Cape Town-based] *Die Burger*, which has a different set of challenges.

But we understand what is happening to our Afrikaans titles and there are a lot of things along the value chain that we can do - and will do - over the next year to bolster their growth prospects and to enable their growth. We cannot discount the digital phenomena. It is with us now; we can see the impact on our readers' behaviour.

And what we must do - and what is desirable - is to make an ally out of digital, to make it part of our offering and extend our audience size - and possibly to rewrite our currency... You will see the growth in our Afrikaans digital assets.

The websites for *Beeld* and *Die Burger* do phenomenally well and are among the most-visited websites in the country. The mobisites are still pedestrian but, with a little bit of effort, will do better. We aim to grow that traffic and we have now developed [tablet] applications for *Die Burger* and *Beeld*.

■ ***And pretty much all the Media24 newspapers are having tablet aps being developed?***

**Sampson:** Yes, these things are [in the works](#). And we are embracing this digital revolution... because we can see which way the wind is shifting and it is shifting very fast.

■ ***You've been in the job effectively since the beginning of January so what's been the biggest challenge? There're a lot of titles to look after and they're all so different.***

**Sampson:** I'm comfortable with newspaper work - with the operations because I'm from the operations. I'm very comfortable with the language and the idiom and the people are fun to work with. I've known them for years, so the work

transition has not been as big a challenge as I thought it would be...

In terms of the business, my concerns have changed substantially, away from operations to more strategic issues. It does take some adjustment to take all of it in. I have had to learn a new corporate language and take everything into consideration where decisions are concerned, so it's not just a narrow product focus anymore. It is a business-portfolio focus...

Our newspaper group is intensely competitive. Everybody competes for every bit of resource that's out there. And I was part of that intense competition for quite a while, you know. Now I have to stand back and moderate and adjudicate competition... and think about what benefits the group as a whole. It takes some getting used to for a competitive person such as myself but it's quite a fun challenge.

■ ***You're seen as a results guy - someone who gets things done. How would you describe your style of management?***

**Sampson:** I've had the privilege in my short career in newspapers to work with some great managers and I've picked up stuff from guys like Deon [du Plessis]... So it's evolving. I don't think you can ever have a definitive style...

■ ***What would you like people working for you to get out of your management?***

**Sampson:** I try to be open, honest, forthright. I'm very direct, which some people like; some don't. And I try to be very decisive. When I grew up in this business, something I didn't like in some of my managers was indecisiveness and vagueness... I would like to give people direction and take firm decisions around important issues.

And then there's 'do unto others, how they would do unto you', so to be fair and to listen is important. I'd like to listen a lot more if time permits and be a lot more inclusive... make sure we have all views from the ground up because I think that makes for a better decision. It is arduous and time-consuming but I find that the best decisions that I've taken so far - and that I've been a part of - have been decisions that were enriched by more voices than less. The more opinions you have, the better your decisions will be.

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