



FAST-GROWING NEWSPAPER SHARES STRATEGY SECRETS. With a focus on total audience, Deseret News is one of the the fastest-growing newspapers in the U.S. Here are four ways it got there. **by matthew sanders**

WHICH BEST PRACTICES STIMULATE INNOVATION? How you structure your digital innovation depends on whether you have radical or incremental plans in mind. **by richard janssen**

SIX REASONS GOLD COAST BULLETIN IS GROWING CIRCULATION. News Limited's largest regional newspaper has shown gains even while it grows its digital audience. **by peter gleeson**

ideas

December 2012

the magazine of newsmedia marketing



TO INNOVATE, NEWSPAPERS
NEED TO FIND THE RIGHT PEOPLE

Think all innovation is good for your company? **Think again.**

by E. Ted Prince. To address industry decline, newspapers need to understand how financial styles impact innovation and just who the right innovators are. What the industry needs is "marketmakers."

[5] THINK INNOVATION IS GOOD?

TO ADDRESS INDUSTRY DECLINE, newspapers need to understand how financial styles impact innovation and just who the right innovators are. What the industry needs is “marketmakers.”
by E. Ted Prince

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Dublin



Miami



New York

event calendar

february 2013.

11-12: Innovative Advertising Seminar. Miami, USA.

march 2013.

14: Ideas Day - Advertising. Brussels, Belgium.

april 2013.

18: Irish Media Day. Dublin, Ireland.

28-30: INMA World Congress. New York, USA.

june 2013.

14-15: INMA Nederlands-Vlaams Nieuwsmedia Congres. Genk, Belgium.

20-21: INMA Séminaire de la Presse Francophone. Paris, France.

october 2013.

10-11: INMA Audience Summit. Las Vegas, USA

23-25: INMA European Conference. Berlin, Germany

Innovative Advertising Seminar.

MIAMI, USA / 11-12 FEBRUARY 2013.

Practical ideas to sell and retain digital and print advertising is the focus of this hands-on seminar under the theme “Multi-Platform Advertising Innovations and Solutions.” Hear success stories on innovative advertising solutions from individuals both inside and outside the industry.

INMA Irish Media Day

DUBLIN, IRELAND / 18 APRIL 2013.

INMA will bring its special brand of digital revolutionary programming to Dublin with a special seminar aimed at Irish newsmedia executives.

INMA World Congress

NEW YORK, USA / 28-30 APRIL 2013.

The 83rd Annual INMA World Congress will bring together a global lineup of speakers for a global audience that explores emerging strategies to grow audience, advertising, and brand of newsmedia companies. Special focus will be on emerging revenue models, product development, and integration of new skill sets among employees.



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about inma

INMA (International Newsmedia Marketing Association) is the world's largest and premier newsmedia marketing organisation. This practical network of progressive marketing professionals now totals more than 5,000 members in 82 countries worldwide. Members exchange ideas through a monthly magazine, multiple web sites, e-mail executive summaries, discussion forums, message boards, conferences, workshops, travel study tours, awards competitions, benchmark surveys, and online directories and databases.



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Farewell to Ideas Magazine

by **EARL J. WILKINSON**
INMA Executive Director



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1987 was a big year in the history of INMA. After more than four decades of *ideas* newsletters, we pulled those newsletters together into a monthly *Ideas Magazine*.

Why?

Because the containers of the past were never meant to be permanent.

And a single *Ideas Magazine* made sense to the membership of the day.

Fast-forward to today.

This will be the final edition of *Ideas Magazine* in this PDF shell.

All of the content you enjoy today in the form of a monthly leadership cover story and 12+ case studies will continue. In fact, we plan on adding to our content stream, notably new blogs and more case studies dedicated to advertising sales.

Yet beginning in January, we will segment all INMA content — the cover story, the case studies, and our blog posts — into seven topically focused e-mail messages:

- >> Advertising
- >> Audience
- >> Digital
- >> Leadership
- >> Marketing
- >> Product
- >> Research

You will be asked to self-select which segment you prefer. A catch-all “general” e-mail will be available for those who prefer an unsegmented view.

Why?

INMA's 4-year-old corporate membership programme has ushered in thousands of new executives to our global community. Metrics and member feedback suggest most members prefer a more precise view of INMA content versus the general view presented in the current *Ideas Magazine*.

In short, we want to be more relevant to you.

Just as you are trying to figure out how to drive engagement and be more relevant to readers of your news brand, INMA wants to adapt to the new ways in which members consume content in digital format.

Like 25 years ago, it is simply time to shed yesterday's container for something that better fits the moment.

Cheers to *Ideas Magazine*! ■

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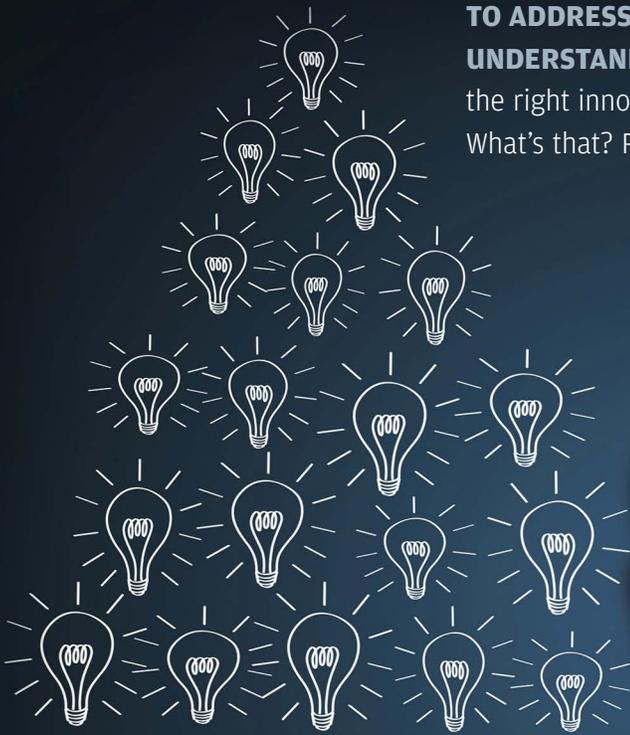
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Think all innovation is good for your company? **Think again.**

TO ADDRESS INDUSTRY DECLINE, NEWSPAPERS NEED TO UNDERSTAND how financial styles impact innovation and just who the right innovators are. What the industry needs is “marketmakers.” What’s that? Read on. **by e. ted prince**

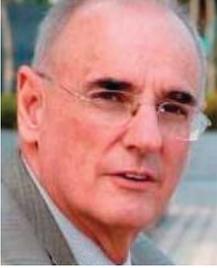


Most industries that are becoming obsolete don't know it until it's too late. The good news is that newspapers know this. The bad news is that they are still suffering from the innovation errors made by almost all industries that are going out of business.

This article will explain these errors, namely:

- >> Innovation is a different thing from creativity.
- >> No innovation happens without innovators.
- >> Most innovations actually hasten the decline of a mature company or product.
- >> Declining industries usually reject the very people needed to break out of the obsolescence trap.
- >>>





[author]

Dr. E. Ted Prince is founder and CEO of the Perth Leadership Institute, located in Gainesville, Florida, USA. Prince has held the position of CEO at several other companies, both public and private, and is the author of *The Three Financial Styles of Very Successful Leaders and Business Personality and Leadership Success*. He works with large corporations globally on leadership development programmes, and coaches senior executives and teams in the area of financial leadership. Prince has held the position of visiting professor in the University of Florida's graduate business school and also at the Shanghai University of Finance and Economics in China. **He can be reached at etedprince@perthleadership.org.**

FINANCIAL STYLE AND INNOVATION: SURELY THERE'S NO RELATIONSHIP?

Innovation and financial style sound like polar opposites right? One appears to be about flinty-eyed, financial decision-making and the other about creativity and intellectual expansiveness.

Actually, they are just two sides of the same coin.

Each of us has a personal preference regarding how much we like change vs. the status quo. Behavioural economists call this the status quo (SQ) bias. If it is high, I don't like things to change, even if I have the intellectual agility to envision change. If the status quo bias is low, I like change.

When I successfully transform products and services, I add commercial value — we call this the value-added behavioural driver. My gross margin will be high relative to my competitors. This behavioural preference has a direct impact on how innovative I will be and how this will reflect in my financial decisions and outcomes — or my financial style.

Likewise, everyone has a preference about how much we like to control events. Behavioural economists call this the illusion of control (IC) bias, since usually we think we can control things — even if we can't.

This is the basis of the resource utilisation driver. If I have a high IC bias, I will tend to be a big spender; if low, then frugal. This also reflects in my financial style, independent of my intelligence or external circumstances.

For a given level of value adding (VA), someone with a high IC bias will not make as much money (because expenses are high relative to gross margin). The combination of these two cognitive biases results in characteristic financial styles and financial outcomes.

In this approach, financial style is simply an amalgam of my value-adding and resource utilisation behaviours. If my VA behaviours are higher than

my resource utilisation behaviours, I will create capital. If VA behaviors aren't as strong as resource utilisation behaviours, I will consume capital.

This combination of innovation and resource utilisation behaviours will determine whether I create or consume capital and make or lose money. This is depicted in the diagram below showing the nine financial signatures that result from combining these two biases.

We can apply financial signatures to famous newspaper figures. Rupert Murdoch is an arbitrageur/marketmaker. Robert Maxwell was a conglomerator. Arianna Huffington is a profitmaker. Randolph Hearst was a venture capitalist. Katherine Graham was a profitmaker.

Notice that all of these were in the high, value-adding innovator category except Maxwell — that is, they were all innovators.

In sum, financial style has everything to do with innovation. But not just with innovation; also with whether or not my innovative behaviours will create or consume capital, or make or lose money.

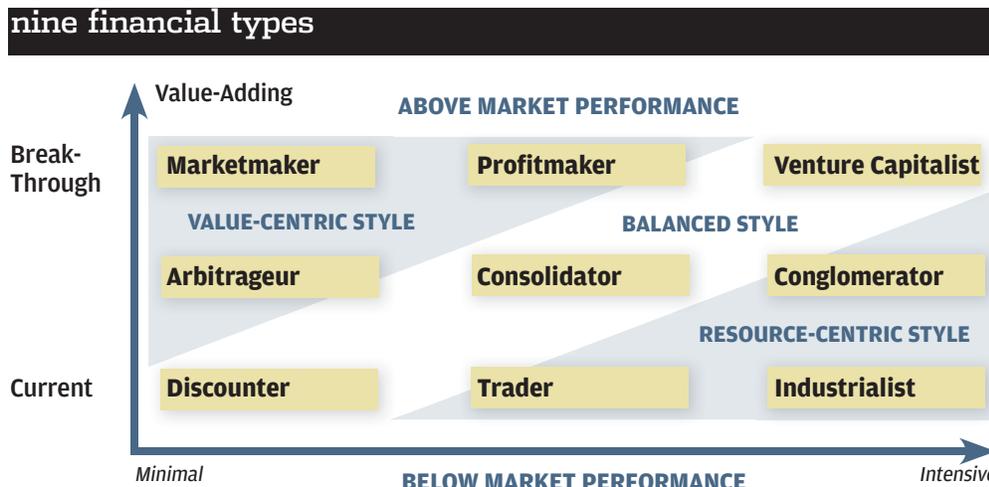
That's where things get really interesting.

THERE IS NO INNOVATION WITHOUT INNOVATORS. Many newspapers facing an end-of-life scenario are firing up innovation projects. You know, the ones promoted by Harvard, numerous innovation gurus, and the like.

The common denominator of these projects is that they aim to strengthen the creative juices of their employees and staffs in an effort to come up with out-of-the-box ideas that will get them out of their predicament. The most common such projects are those to set up digital properties, possibly behind a paywall or with numerous variations on this theme.

There's only one problem with this, but it's a fatal one. That is that increasingly, we are realising

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creativity and innovation are totally different things. As in: Microsoft didn't invent DOS; it copied it. Apple didn't invent its graphical user interface; it copied it, too.

Most companies we cite as examples of innovation didn't actually invent the innovations themselves. They copied them.

I don't say that to deprecate their effort. I say it to point out that their real genius and value wasn't that they invented something new. It was that they were able to recognise the value of something and then stick with the hard task of priming demand where it didn't exist before, and then getting it to market, against very long odds.

In this emerging view, there is very little creativity in innovation, but, as the saying goes, there is a lot of perspiration. Innovation is not primarily the act of creation, although creativity may or may not be involved. Innovation is primarily an act of execution that requires courage, determination, and persistence against all the odds.

Innovation often involves a contrary disposition that will fight to achieve a goal even when others see it as being stupid or crazy. In fact, this emerging view sees too much creativity as being the enemy of innovation because it stimulates the overproduction of ideas rather than focusing on the infinitely more difficult and lengthy task of executing something with market-transforming potential.

But people who create and people who execute with a lot of perspiration are different animals. We will show how different below.

Suffice it to say that most newspapers — like most declining industries facing the same conundrum — are trying to create their way out of the problem rather than to innovate their way out of it. That, in itself, is not a problem, except that the people they are getting to do this are not the same type of people who innovate their way out of this apparent dead end.

MOST "INNOVATION" ACTUALLY HASTENS EXISTING DECLINE. In our explanation of financial styles, we showed that value-adding behaviours are an integral component. And in these financial styles, resource utilisation behaviours are, too. In the diagram on page 6, we depicted nine financial styles. Of these, three are innovator behaviours.

That means there are three types of behaviours that are associated with innovation: the marketmaker, the profitmaker, and the venture capitalist. Each of these is innovative, but each has a different level of resource utilisation.

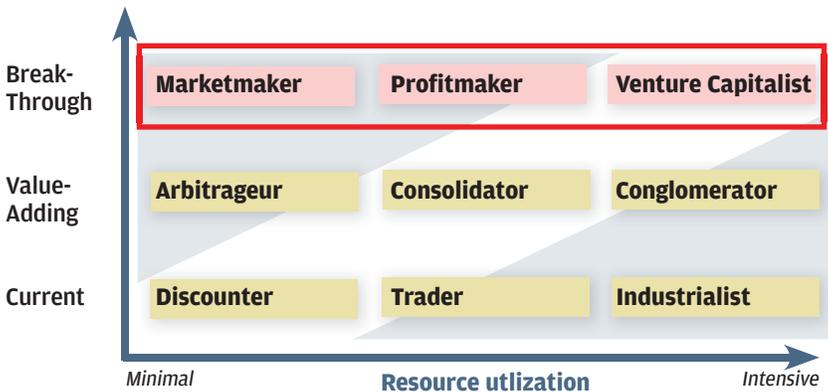
1. Marketmaker: Drives innovation based on a frugal approach.

2. Profitmaker: Drives innovation based on a moderate level of resource utilisation that allows them to make money and create capital, albeit not at the level of the market maker.

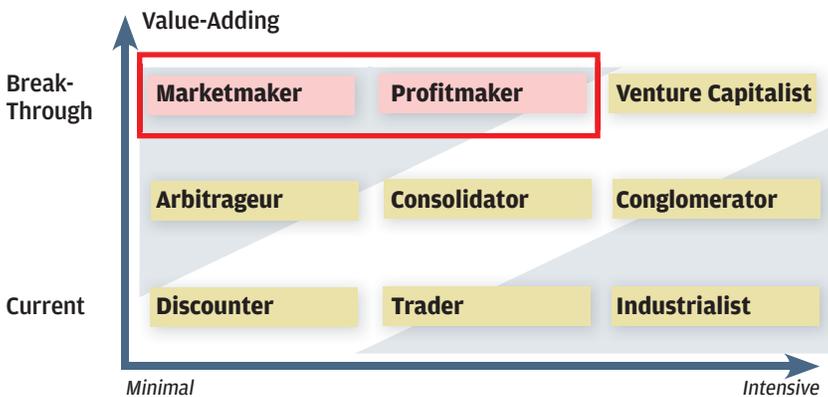
3. Venture capitalist: Drives innovation but with a relatively high level of resource utilisation. These are the most common form of innovator. Their financial styles only rarely allow them to create capital and make money with their innovations. Usually, they will lose money and consume capital.

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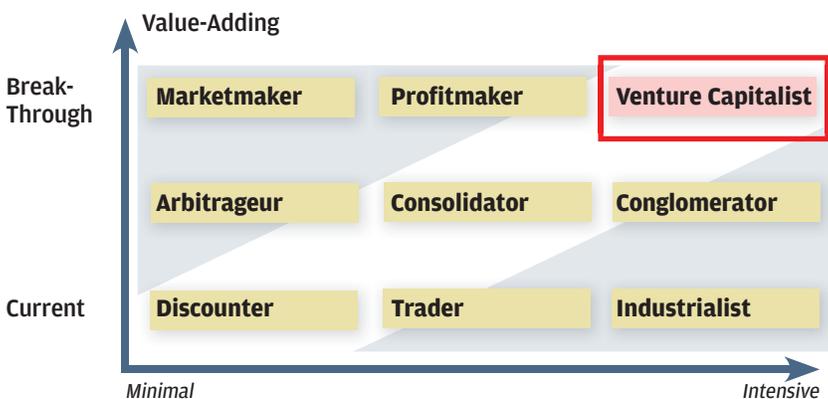
three innovator behaviours



Two innovator types are profitable:



One is very unprofitable:



There may be no presumption that someone who has a Ph.D or comes from a research background will be an innovator. In fact, these very backgrounds may strongly militate against this.

However, often companies hire Ph.Ds for their research departments and view them as being innovative. Newspapers that want to innovate should not assume that if they hire a Ph.D or a researcher that it will automatically help their innovation efforts; it might, but it is unlikely.

In our programmes assessing executives for innovator behaviours, we have found that around 15% of all them were in the high value-adding category; that is, they were innovators.

However of this total, only around 3% were marketmakers, that is, innovators whose outcomes were highly capital creating. Another 4% were profitmakers, innovators whose financial style led them to create capital, but moderately so. The third type, the venture capitalist, is the most common type of innovator, at around 8% of all those assessed. However this type only occasionally creates capital, and the vast majority consume it.

This means two things:

>> If a company tries to identify innovators, at best it has a 15% chance of doing so.

>> And even if a company does happen to identify innovators, the ones that it is most likely to identify will be those that consume capital. They are indeed innovators, but in the vast majority of cases their innovations fail and consume a lot of capital.

That's why we say that most innovations actually hasten the decline of a company or a product. Even if a company successfully finds innovators — and most don't — the vast majority of their innovations will fail. The capital consumed in those failures thus hastens the end for the company.

Paywalls anyone?

The takeaways:

>> It's hard to identify innovators.

>> Usually you will end up getting creators, not innovators.

>> Most of the innovators you identify will fail in their innovations and consume capital — sometimes a lot.

>> Those failed innovations accelerate the process of decline.

COMPANIES USUALLY REJECT THE VERY INNOVATORS THEY NEED. The innovators who are the most successful and create the most capital are the marketmakers. They are high value-adding and frugal.

They are also very different in many ways. They are fiercely independent, determined, and focused. They usually don't care what other people think. They often have poor interpersonal skills, are very direct and blunt, and usually work badly in teams.

Companies usually view marketmakers as being misfits, unhelpful, bad team players, weird, and even

a little crazy. Often their views are unpopular. They often have no qualifications in the area in which they are working and are seen as being either amateurs or uneducated. A high proportion of them have apparent educational difficulties or handicaps, and they are sometimes dyslexic.

Consequently, marketmakers are usually disliked by their peers and often rejected by them. Even if they are not rejected, they will usually shut off if they feel ignored. Typically marketmakers leave large companies and go out on their own out of sheer frustration with their work environment.

These are the people you really need. They are the innovators who will make money for you. If your innovators don't make you feel bad, if they don't feel like misfits, they are almost certainly not money-making marketmakers.

As products and companies mature and become later-stage and then obsolete, their value-adding behaviour declines and they become less and less attractive to innovators. But innovation is not a matter of raw intelligence.

Companies in this category are well aware that their products and services are becoming dated and maybe obsolete, so they step up what they see as being innovation efforts. But these are usually more creative than innovative.

At the same time, however, they are becoming less and less attractive to innovators and they are actively rejecting the best innovators, namely marketmakers. This is the situation in which newspapers find themselves today. As a result, most are doomed to fail, regardless of the sincerity of their efforts.

SO WHAT SHOULD A NEWSPAPER DO TO INNOVATE SUCCESSFULLY?

Newspapers need to find the right people, i.e. innovators. It's not enough or even useful to just introduce the commonly recommended innovation processes. If it were, most innovation projects would succeed and we all know from research (notably by Booz Allen Hamilton) that most innovation efforts fail.

Once you find the right people, you will have to treat them well, a difficult task because these are difficult people. They will probably be difficult to work with, poor team players, know little or nothing about newspapers, and need to be protected because they will be very unpopular.

In sum:

>> Hire people from outside the industry, preferably with no background in newspapers.

>> Seriously consider bright people with no formal educational qualifications or university degree.

>> Identify and hire people with marketmaker financial signatures.

>> Treat marketmakers differently than other employees — e.g., spin off a new company that provides them with equity. ■

Do More with Digital Publishing



Engage your readers and pursue new content monetization strategies.

One of fastest-growing newspapers in the U.S. shares strategy secrets

WITH A FOCUS ON TOTAL AUDIENCE, Deseret News is the fastest-growing newspaper in the United States. Here are four ways it got there. **by matthew sanders**

Through some rather dramatic changes, the Deseret News in Salt Lake City, Utah, has become one of the fastest-growing newspapers in the United States. It has also grown its digital audience substantially, with almost two-thirds coming from outside its geographical borders.

It has done so by pursuing a content strategy that addresses total audience with four key focal points:

Key No. 1: Focus on users not news holes: In the newspaper world, content fills news holes in the newspaper that eventually reaches a reader's doorstep. In the digital world, users enter search terms, click on stories or bookmarks, and navigate to what is most relevant to them at that moment.

A digital media company wins by focusing on what its audience members need, providing that where and when they need it.

The Deseret News identified a segment of the population that had very similar characteristics to its local users. In fact, this target audience represents

more than 50% of households when segmented by their core values. Thus, the Deseret News labeled this group "like-minded believers." That audience became the targeted total audience.

Key No. 2: Target relevance: The Deseret News identified six areas of editorial emphasis in which leadership believed it was capable of delivering world-class, rigorous, enterprising journalism. Then staff next sought to understand more clearly the needs of the targeted audience and how well content matched their expectations.

When asked where they could turn for trusted news and information in these six areas, a surprising number registered "none" as their source. Yet, a large majority rated these six areas as important.

Key No. 3: Engage contributors: The Deseret News launched a community contributor network it calls **Deseret Connect**. The network now includes more than 3,000 contributors who have delivered 22,000 articles published on deseretnews.com and ksl.com.

Thousands of these articles have also been published in the newspaper. As the network has grown, so has the breadth of topic areas and depth of expertise available to provide relevant content.

The Deseret Connect team oversees the development of the technology platform that helps coordinate the interaction between contributors and editors at each publishing entity. Through the system, contributors either pitch ideas for stories or review, accept, and fulfill requests from editors.

Key No. 4: Involve new syndication: Four prevailing syndication models have emerged across the market to help news organisations serve users:

>> **News feed:** Regular, daily feed to partner CMS.

>> **News feed with links:** Regular, daily feed of news stories that contain several hyperlinks throughout the story and related, bulleted links that take the user back to the licensor core site.

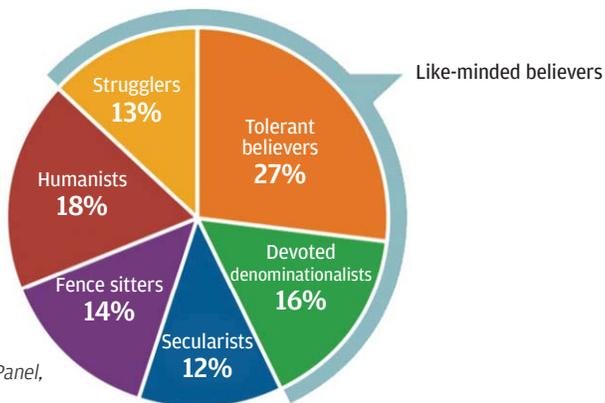
>> **Widget:** Embedded feed of headline links that take users to licensor site.

>> **Channel:** Licensor manages embedded, navigational sub-domain section of partner site with licensed content packages — optimised and merchandised for traffic.

Media companies need to rethink their target audience, and serve up relevant, quality content that comes from their own reporters, contributors, and syndication partners. ■

faith-based segmentation

Faith based segmentation of U.S. 56% "niche" = like-minded believers



Source: DMC Research Panel, Cathy Chamberlain



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[insights]

Axel Springer uses external innovation, taking the process off-campus via venture capitalists.

Which best practices stimulate innovation?

DIGITAL INNOVATION AND PRINT INNOVATION differ greatly. How you structure your digital innovation depends on whether you have radical or incremental plans in mind. **by richard janssen**

Before I began working as a consultant and joined the world of academia, I worked as a business development manager at a large newspaper company. There, I was the manager of several projects, balancing the print business with the digital business.

My current research project examines how newspaper companies in Europe do just that — balance their print and businesses, and how the structure and culture of news media companies affect internal product innovation outcomes.

In my first round of interviews, I talked with 15 national and international industry experts to find out what variables and concepts influence that balancing act, and how company structure and culture lead to internal innovation.

One primary insight is that a combination of variables must be in place to stimulate internal product innovation. Just changing the structure, without adapting the strategy or culture, will not create the desired outcome of product innovation.

There is also no one-size-fits-all to organisational structure. Basically, news media companies use three approaches for internal innovation:

- 1. Project teams:** Best for incremental innovation.
- 2. Separate exploration teams:** For radical innovation and new business models/products, you need separation. You must have dedicated digital people separated from the print business.
- 3. A matrix:** This structure allows you to do radical and incremental innovation simultaneously.

The culture and the strategy must complement the organisational structure. If a media company decides on a matrix organisation without stressing cooperation between departments and individuals, the structure change will be less effective. Or when media firms opt for a separate print and online business without creating mutual targets between print and online, the quality and speed of internal product innovation will be negatively influenced.

Different organisational structures can work, depending on the context of the company and its goals and challenges. For instance, leading media firms in Europe see new markets as the main drivers of their online growth — not structure.

Sanoma Media Finland is using a matrix organisation that works because more than 30% of its turnover comes from digital. But others have more traditional organisations, separating print and online in a very hierarchical, functional-based organisation.

Axel Springer in Germany uses an external innovation approach by adopting insights from entrepreneurship via venture capital, creating separate places to work on innovation in collaboration with the outside world. Axel Springer is initiator of “the media entrepreneurs.de” to bring in new talent for digital exploration.

The Stampen Group in Sweden has a partnership with other newspapers. From that partnership, they get new knowledge. Internally, they have built all kinds of innovation, adapting to online trends like couponing and e-books.

Another key insight from my research is that you must monitor innovation outcome on innovation indicators — not profit-and-loss indicators. Saying, ‘Within two years we must break even or have 10% of the market share’ is not the way to measure innovation. Instead, look at innovation KPIs (key performance indicators).

Your KPIs must be aligned to your innovation strategy and not be based on financial outcomes in the beginning of the innovation process. Go for user acceptance (instead of just the coolest product), track and test how easily it can be used (data testing is key).

Balancing print and online means you must formulate a growth strategy and align the culture and structure in a way that supports the strengths of the organisation. If you want to be radical, structure your organisation so digital is separate from print. If you want to innovate incrementally, use project teams — the right people with the right backgrounds. ■



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Six reasons Gold Coast Bulletin is growing circulation

NEWS LIMITED'S LARGEST REGIONAL NEWSPAPER has shown print circulation gains in the last two reporting periods – something it hasn't done since 2005 – even while it grows its digital audience.
by peter gleeson

[growing]

Focus on journalism people want is part of Gold Coast Bulletin's circulation success.

The Gold Coast Bulletin has achieved its second successive increase in circulation figures since 2005. Year-on-year comparisons for the 2012 July to September period showed the newspaper sold an average of 36,880 copies per day from Monday to Friday, up 0.02% or six copies per day.

The growth comes hot on the heels of an increase in circulation for the April-to-June quarter, which climbed 0.61% or 221 copies per day to 36,378 for weekdays. The last positive Monday-to-Friday, back-to-back circulation audit for the newspaper was for the June-to-December period in 2005.

Here are the reasons I think we are growing print circulation:

1. Campaigning: The Bulletin has dramatically increased its focus on campaigning, which played a strong role in the city's successful bid for the Commonwealth Games. The newspaper was very much a part of this important campaign.

2. Voice of the people: The Gold Coast Bulletin has cemented itself as the voice of the community. Our readers believe we have their back. After nearly 130 years, the Bulletin is a part of the fabric of society here. A strong community connection is one of the reasons regional newspapers have been able to shield themselves a little better from the current circulation challenges facing the industry.

3. More investigative stories: We've really increased the number of our investigative stories in the past 12 months. Paul Weston's coverage of the problems embroiling the Titans Rugby League Club and Robyn Wuth's in-depth features on the Finks bikie gang were award-winning stories. Also Stephanie Bedo's award-winning series on the Gold Coast Hospital covered an important, ongoing crisis in community health care. Though investigations like this, the Bulletin is fostering debate and keeping up the pressure for change.

4. A renewed focus on local news: We do cover national and world news, but our primary focus is

local news. People want to know what's going on in their own backyard.

5. New content: During the past 12 months, we've introduced exciting new content almost every day of the week. The new racing guide on Fridays and the new sport lift-out on Mondays have been extremely popular. Also, our new Wednesday parenting section has been very well received by readers.

6. Community events: In October 2011, the newspaper took the bold step of staging the Gold Coast Bulletin Bikini Parade, which set a new Guinness World Record for the world's largest bikini parade. It was a smashing success, receiving international coverage for the Gold Coast and raising money for Surf Life Saving. Since then, our record has been broken, so we're holding another world record attempt on January 6, 2013. The event is part of our wider strategy for positive branding.

Ironically, the increase in circulation comes while we're forging ahead in the digital space.

The Bulletin's Web site is receiving six million page impressions per month. When big local stories break, we're seeing 300,000 page impressions per day. To experience growth in the print platform at the same time we see an increase in demand for our online news shows that readers still have a strong appetite for print.

The Gold Coast Bulletin will remain the city's most vocal media source. While we have incorporated a lot of new ideas, delivering in-depth coverage and analysis of local news remains our priority. ■



Peter Gleeson is editor at Gold Coast Bulletin, based in Molendiner, Queensland, Australia. He can be reached at peter.gleeson1@news.com.au.

Intentional use of Facebook builds community for media company

DAINIK JAGRAN'S SUCCESSFULLY USES FACEBOOK to build “sticky audience,” engaging its online readers in a dialogue through social media. **by bharat gupta**

India is among the top three fastest-growing markets in the world and has one of the youngest online demographics globally. About 75% of its online audience is between the ages of 15 and 34 years.

As Internet accessibility grows by the day, and an increasing number of Indians join the broadband bandwagon, Dainik Jagran needed to come up with effective ways to reach out to the online community.

The problem was how.

While most Indian publications were online, the social media platform had not really been cracked by the Indian media industry. Many other publications, both in English and regional languages, had tried their hand at social, but without concrete results.

Dainik Jagran's Web site is already the largest Hindi news site in the country. And as we were looking for growth opportunities, social media was the obvious choice, both to build engagement and also to drive traffic to the Web site.

We chose Facebook as the social network to target first, simply because 95% of the online Indian population is on Facebook. Other social networks cater to only 10% to 15% of the total Internet audience in India. Not only is there a potential to attract Facebook's large base of youth users to the Jagran fold, but the audience itself is very sticky and visits Facebook frequently. Time spent is also high.

We studied the news consumption patterns of the Hindi audience on Facebook, i.e., what our audience wants on social media, and started generating content. By posting what people want, we not only drive traffic to our site, but also have built a sticky audience that interacts with our posts on an unprecedented level.

We kept three things in mind while approaching the platform:

1. A content basket with a variety of content for the user was an absolute must. The basket includes a calendar of events, comprised of birthdays, world



[engaging]

Facebook is the most popular social media in India, so that's where Dainik Jagran focused its efforts.

days, events, etc., for which we prepare exclusive content. We also make space for breaking news. Each post must have a purpose and can be categorised on the basis of engagement, virality, traffic-pulling potential, or brand promotion.

2. We need to maintain the delicate balance between engagement and traffic-building.

Engagement methods, measured by the “talking about us” feature on Facebook, seldom drive traffic to our content on the Web site, and traffic-building methods are generally not posts with which people interact a lot. Both types of posts serve a different purpose. But both have a tradeoff that needs to be carefully measured for balanced growth of the Facebook community.

3. The page should be self-managed. We understand the audience and are the best judge of their needs and expectations from us. We realised that the “talking about us” is more important than the number of fans, as more the “talking about us” we saw, the more people we reached. We were successfully able to grow and sustain the “talking about us,” which is not only helping us find new users, but also is increasing our engagement with them. ■



Bharat Gupta is executive president/branding and marketing at Dainik Jagran, based in Kanpur, India. He can be reached at bharatgupta@jagran.com.

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Animated gaming simulations decrease cancellations in Detroit

WEB-BASED 3-D ANIMATED GAMING SIMULATIONS at the Detroit News/Free Press increased call-in, cancellation save rates 33% by engaging contact centre agents. **by bob davis and gary evans**

The Detroit News and Detroit Free Press contact centre experiences newspaper delivery complaints as well as calls to cancel or downgrade subscriptions.

By building on its customer care basic training programme with the use of animated game simulations, it has increased its cancellation saves rate by 33%.

Agents have fun learning and deepening their conversational skills. They test themselves and learn from their “mistakes.” When they engage in a “quality conversation” that satisfies customers (more on that shortly), they are rewarded with the satisfaction of performing at their best.

For more than 10 years, we have helped contact centre agents boost revenues. We’ve been very successful using an approach we call “The Quality Conversation.” It is highly effective, but it requires a commitment of time, effort, and money to teach.

However, by using 3-D animated gaming simulations for contact centre training, we’ve been able to help agents find the true reasons for customer concerns and subsequently offer solutions that satisfy and retain the customer.

Agents in Detroit, left on their own to play the gaming simulations, remain deeply engaged and achieve a higher saves rate on average. Additionally, the newspapers hired new employees who never had traditional training and coaching. When they began the gaming simulations, they increased their saves rates by an average of 22% — and in one case, 50%.

One of the most interesting things about the Detroit case was that saves rates spiked from 22% to 34% after the traditional training and coaching workshop. But about three weeks after the workshop, the saves rates began to dip down. This is typical after a training programme without intensive follow-up coaching, because agents tend to forget their new skills and return to old habits.

Many companies face a fiscal problem when it comes to contact centre training. They allocate dollars for the training programmes themselves, but tight budgets often prevent critical follow-up.

In the Detroit case, two good things happened:

1. Immediately, the slide reversed and results returned to their post-training levels. So clearly these applications drive sustainability.
2. The gaming simulations only cost about US\$45 per agent per month. That’s the cost of acquiring one new subscriber, so one save paid for the application. The total increase in saves in Detroit delivered a large return on investment.

Here’s an example of how 3-D animated gaming simulations work: Agents log on and engage with a virtual customer. In the gaming simulation, the virtual customer has called in to cancel a subscription and talks with the agent, who can respond by clicking on one of several choices.

Each choice takes the agent to a new screen, the virtual customer’s next reaction, and additional response choices leading to the save or the sale — as long as the agent follows best practices.

Incorrect answers receive increasingly negative responses from the customer, ultimately resulting in a cancellation and upset customer. The gaming simulation keeps score based on correct and incorrect responses and how long it takes the agent to properly resolve the issue or secure the save or sale.

Call centre agents as a group are teeming with motivation to play video and online games. Contact centres will do well to tap into that powerful motivation. ■

[simulation]

3-D gaming simulations are so much fun, call centre employees use them at home.



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Four key ways to manage your word-of-mouth image

AUTHOR OF THE CONVERSATION COMPANY discusses ways the news media industry can grow business by effectively managing customer experience, conversation, content, and collaboration. **by steven van belleghem**

Word-of-mouth is the most effective communication form in the world.

Four elements help manage word-of-mouth in the print business:

1. Customer experience: The basis of positive conversations about your company is very simple: offer strong products and decent customer service. These two drive conversations.

If you do them well, conversations will boost business. If you perform even a little below expectations, conversations will decrease business. This is the foundation of a “conversation company.”

Then there is the challenge of integrating online and offline customer experience. Far too few companies supplement their traditional offline customer service channels with the new online possibilities offered by social media.

At the end of 2010, just 6.5% of companies offered online services to their customers. The “conversation company” believes in a total philosophy toward customer experience. The role of social media within this philosophy is to allow a company to react in real time to people’s problems and complaints.

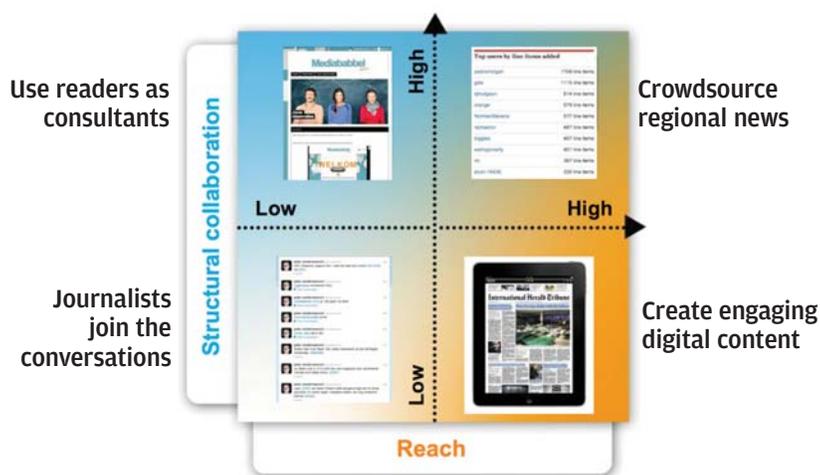
Companies such as Dell, build mission control centres. These centres are covered 24/7 by staff who answer online questions from customers and prospects. No conversation is left without a response; everyone is helped.

I am waiting for the majority of journalists to open up to the crowd. The moment journalists join in and answer critical questions from readers, their emotional bond will increase, leading to positive conversations.

2. Conversation: The “conversation company” manages online conversations in three stages: observing, facilitating, and participating.

It starts simply by listening to consumer conversations, adding a few relevant comments where necessary. At the same time, the company prepares its content in such a way that it can be shared easily with

managing word-of-mouth



other interested parties. Clever companies combine these online conversations with their offline activities.

3. Content: Simply, the newspaper with the most interesting content is the newspaper that is read the most.

4. Collaboration: To optimise conversation potential, companies should collaborate structurally with their customers. This increases the average level of consumer commitment.

It is possible to be creative with this. **4Food**, a successful hamburger outlet in Manhattan, draws up a new daily menu with the help of its customers. Using tablets on the tables, diners can put together their own recipes for the “perfect” hamburger.

Every new concept is displayed for other customers and best-selling burgers are promoted via Twitter and Facebook. For each burger sold, the recipe-maker receives US\$0.25.

Procter & Gamble has developed **Vocalpoint**, a community in which 350,000 mothers help develop new product ideas for the P&G brand. These mothers are also the first users of the new products during the development phase, so they can provide feedback before the product is finally launched.

Perhaps the print industry should consider working with co-creation of the news. Use citizen journalism as an opportunity, not as a threat. ■



Steven Van Belleghem is founder of B-Conversational, an inspiration and coaching company, based in Bruges, Belgium, and author of The Conversation Company. He can be reached at steven@vanbelleghem.biz.

Move to paywall bumps revenue, digital subscribers

AFTER MUCH DISCUSSION, TELEGRAPH HERALD moves to a paywall business model, adding 1,000 new digital-only subscriptions and bringing in US\$70,000 in revenue. **by mike newland**

The Telegraph Herald in Dubuque, Iowa, is a small, employee-owned newspaper with a circulation of 27,350 Monday through Saturday and 31,381 on Sunday. Dubuque is a unique market in that we are located at the intersection of three states — Iowa, Illinois, and Wisconsin — and we have the good fortune to be 75 miles away from our closest competing daily newspaper.

We had an open access Web site, and there were some who believed that this openness drove readership and circulation. As a circulator and receiver of many phone calls, I disagreed.

As luck would have it — and after much debate — we finally launched a paywall in June of 2011. Our paywall restricted news, special sections, and obituaries. Yes, obituaries. Everything else remained open access.

With the launch of our paywall, we finally had the opportunity to provide real and meaningful subscription bundles to our subscribers.

We had bundles and packages prior to this. But in my opinion, they were really meaningless. We took advantage of the ABC rules and counted all the digital readers we legally could, as did most newspapers. But

what did these numbers really mean?

It was like, “Hey, subscribe to our weekend print package and get Monday through Friday online. Not that you couldn’t get it anyway for free, but if I charge you 25% more, I can count you twice”

The paywall meant a log-in. That meant I could attach a name, household, and demographics to real people — not an IP address. This makes our advertising much more valuable and effective.

When we launched, we made the conscious decision to bundle Web, e-edition, and mobile access for our seven-day print subscribers. We wanted to promote the value of seven-day print and make it easy for our most valuable subscribers to access, and perhaps transition to, our digital platform.

Doing so positions us in the future to add a digital fee to only those seven-day print subscribers who regularly use our digital product. For our weekend and Sunday-only subscribers, the aforementioned content was restricted, and a bundled or digital-only subscription was required.

It has now been more than a year since we launched our paywall, and here is what I know:

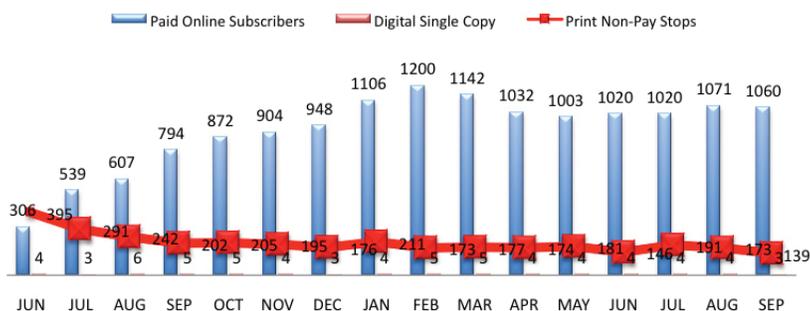
1. First, we have added 1,000 digital-only subscriptions that have generated US\$70,000 in revenue that went straight to the bottom line.
2. More than 8,000 (or 42%) of our seven-day print subscribers have linked their print subscriptions online for all-digital access, 400 of our weekend/Sunday-only subscribers have upgraded to a print and online bundle.
3. My home deliver number has flattened and my non-pay stops have been cut in half, which, of course, lessens my start pressure and sales budget.
4. Online revenue has increased.
5. While pageviews and unique visitors went down initially, they are now above what they were prior to launch.

I can’t say that these numbers are good or bad. I can say that in my travels, I have seen other newspapers that have experienced similar results, and I think the general consensus around our building is that the paywall was the right decision.

Of course, there are things that we would have done differently, but my advice is that if you wait to act until you are 100% ready, you will never act.

Go forward with what is good for your business and your clients. ■

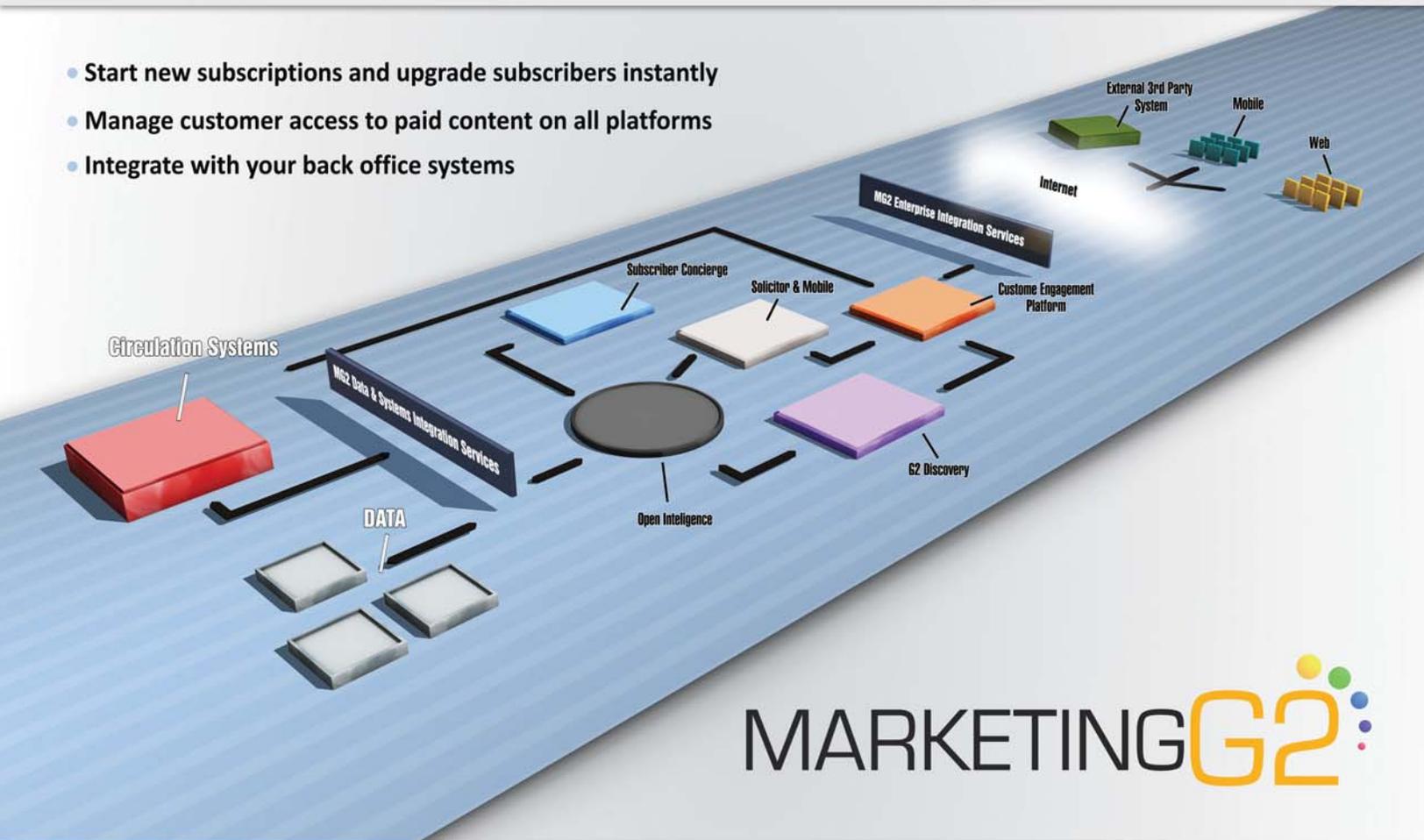
online subscriptions vs print non-pay stops



Mike Newland is circulation/operations director at Telegraph Herald, based in Dubuque, Iowa. He can be reached at mnewland@wcinet.com.

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Freemium mixes with premium for profitable digital business model

CORRIERE DELLA SERA CREATES CONSUMER REVENUES from digital platforms, mixing paywall and freemium models to answer the needs of its native digital users. **by federico vittadello**

Since 1876, the national Italian newspaper Corriere della Sera has been known for its tradition and its prestige. It has a current circulation of 507,000 copies.

Our **Internet site** is the main Italian news site, read on weekdays by two million users. Our digital package includes the smartphone version of our Internet site (mobile site and app) and the digital version of the print edition, with more than 100,000 active paying subscribers.

We have taken advantage of successful activity in SMS premium, helped by strong relationships with all Italian telecom company operators, and invested in a new billing platform: in 2009, our mobile site and the iPhone application were transformed when we introduced a freemium model — home pages, breaking news, and some services are free. All articles, videos, and image galleries are charged in a subscription fee, €2 per week, €5 per month, and €45 per one year.

In 2010, the iPad gave publishers a big new opportunity for content monetisation, so Corriere della Sera launched its digital edition application, a PDF replica enriched with videos and image galleries related to newspaper content.

Our iPad model is a premium model, with a subscription of €5 per week, €20 per month, and €180 per year. Now, the digital edition is available also for iPhone, Android tablets (app), Windows 8 (app), and PC (web app).

The main reasons behind the our digital success are:

- 1. Ease of use:** Fast and high quality application, great attention to technological aspects.
- 2. Multiple billing systems:** iTunes, credit card, and mobile (the latter very effective in Web acquisition thanks to an easy two-step process).
- 3. Customer centric approach:** From one channel, users can access the content of other channels, as



well as new content such as e-books, movies, or an English course offering RCS credentials. By doing this, more than 85% of all active users have registered in the RCS database, many coming from iTunes.

4. Partnerships: Telecom companies and device manufacturers include one year's subscription with each tablet sold.

Although the PDF replicas were working very well, customer research indicated that native digital users expected something more than a simple PDF view. In response, Corriere della Sera introduced Digital Edition 2.0 in April.

Available for now only for the iPad, the new app updates the previous version, and joins the PDF with a new home page, a tag cloud home page, a user-friendly native article layout, and four different ways to browse content. New sections have also been added: international news, the stock exchange, weather forecasts, and new services like search for news items, a personal archive, and games (Sudoku, crossword puzzles).

The reading experience is enhanced by Corriere TV videos, photo galleries, and multi-media interactive info-graphics.

Now there is the challenge of HTML5 platforms. Could they be the route to content fruition and monetisation on the mass market of Web users? ■

[premium]

Corriere della Sera introduced its iPad app in 2010 with a premium business model.



YOUR LIFE. CONNECTED.



[connected]

Spokesman-Review's Connected packages target previous core print subscribers.

Spokesman-Review goes after — and gets — former print customers

A NEW “CONNECTED PACKAGES” PLAN offers readers three subscription options, growing e-mail database by 30% while bringing back former print subscribers and circulation revenue. **by dan johnson**

Like many newspaper companies, *The Spokesman-Review* is changing its business model to better reflect today's rapidly changing business and consumer landscapes.

We concluded that to accomplish our stated goals of digital engagement, we needed to lead with digital and upsell to print — a departure from the way we had done business for 125 years.

At the beginning of September 2012, *The Spokesman-Review* launched the “Connected Packages.”

Previously, we had offered traditional print frequency choices (i.e., seven-day, Weekends Plus Wednesday, etc.) and required customers to pay additional money if they wanted access to our digital replica edition. While we did offer a discount to the digital edition to print subscribers, it still cost an additional US\$1 per month. (vs. US\$6.95 per month for non-print subscribers.)

The Connected campaign flips this model on its head. Customers now have a choice of three packages; Connected, Connected Plus, and Connected Complete:

1. The basic (Connected) package includes a seven-day subscription to the digital replica, full access to spokesman.com and spokesman.mobile, a customisable e-newsletter and access to a 30-day archive through our e-edition. The price is US\$1.99 per week or US\$89 annually.

2. The “Connected Plus” package is US\$2.75 per week (US\$132 for a year) and includes the digital products listed above, plus home delivery of the print product on Wednesdays, Saturdays, and Sundays.

3. “Connected Complete” is the digital suite, plus seven-day home delivery of the print product for US\$4 per week or \$192 for the year.

All current print subscribers were put on the Connected package that best mirrored their current

print frequency (i.e., seven-day customers were converted to the Connected Complete package). Thus, current subscribers automatically became eligible for the digital suite and simply had to “claim” their connected package by registering at our Web site.

Our primary target was former print subscribers who were once considered core subscribers, but now favour the convenience of online viewing. Our main pitch was to try us for four weeks at no cost.

When the customers called our customer service center or went to our Web site to sign up, they were offered an upsell of an additional eight weeks at 50%. (Total offer was 12 weeks for the price of four.) The majority of customers opted to receive the additional eight weeks, which has brought in more revenue and increased retention of these orders.

Our goal was to generate 3,000 trial offers by the end of the year and to retain at least half of those for a year. So far, we have sold close to 2,000 initial offers and, while it is too early to gauge long-term retention just yet, indicators are that the orders are sticking.

We have seen an uptick in page views and unique visitors, and our e-mail database has grown by 30%.

This has certainly been a year of transition at *The Spokesman-Review* as we strive to transform our company to a multi-media powerhouse in our market. While we're not there yet, a new sales and marketing division, a new brand, and a new subscription campaign are a terrific start and are proving successful. ■



Dan Johnson is director of sales and marketing at *The Spokesman-Review*, based in Spokane, Washington, USA. He can be reached at DanJ@spokesman.com.

Atlanta Journal-Constitution keeps tabs on its vendors

REALISING THAT NOT ALL VENDORS ARE CREATED – or performing – equally, AJC uses a new tracking system to evaluate vendors and price commissions, working toward optimal impact. **by jim fleigner**

Newspapers often rely upon third-party vendors for a large percentage of their paid starts each year. Yet the methods used by newspapers to evaluate their performance rarely go beyond counting the number of starts generated.

Further, newspapers often set the commissions they pay to vendors at levels based on best guesses, collective experience, gut instinct, or because “that is the way it has always been.”

The Atlanta Journal-Constitution (AJC) recently established optimal commissions for its vendors who acquire new subscribers for AJC.

As explained in my report “Acquisition Optimization: Two Steps Newspapers Must Undertake,” written for the Newspaper Association of America (NAA), a fundamental tenet of strategy development is the “matching principle”: Allocate investment resources in those segments that are most attractive in their potential to generate a favourable rate of return, and avoid segments that are least likely to generate a favourable rate of return.

Because rate of return is driven by three factors – acquisition investment, net margin per week, and weeks retained – those segments offering the lowest cost per start, highest weekly net margin, and/or highest weeks retained are the segments with the highest rate of return. These are the segments that warrant the greatest emphasis.

Staff at AJC was intrigued by the ability to track performance by individual vendor, including unbundling each vendor’s starts by delivery frequency and subscription term. This was critical since commissions were paid differently on that basis.

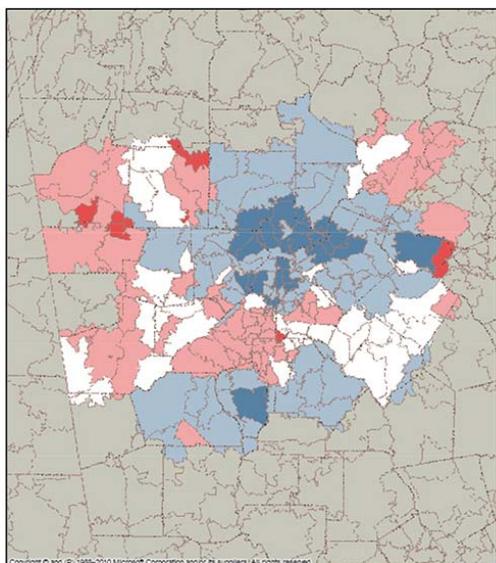
AJC was paying for starts that varied greatly in their rates of return. Some ZIP codes outperformed others by more than 100%, yet the commissions paid were identical across all ZIP codes. In addition, the discounts that AJC was offering for EZ Pay subscriptions were undercutting any ability to generate an adequate rate of return in lifetime net margin, relative to the upfront commission paid.

AJC recognises that by modifying its commissions in a way that improves the under-performers (by lowering commissions) and grows the over-performers (by raising commissions), it can modify the behaviour of the vendors in a way that aligns the vendors’ goal (generating the highest amount of total commission) with AJC’s goal.

AJC can also now track the performance of any new starts through Impact Consultancy LLC’s ICAPTR™ (pronounced “I capture”) reporting system to see exactly how the new commissions are performing relative to the lifetime net margin. And with each passing month, it can further refine adjustments to AJC’s commissions.

In making these changes, AJC’s focus on rate of return and these tools is proof that newspapers have a much greater ability to improve performance than they realise, with active management of vendor commissions as an essential ingredient. ■

rate of return by zip code



of Starts

-100%	-99% to -50%	-49% - 49%	50%-500%	500%+
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Jim Fleigner is managing partner of Impact Consultancy LLC, based in Santa Monica, California, USA, and creator of the proprietary ICAPTR™ (Impact Consultancy Acquisition Performance Tracking Report) system. He can be reached at Jim@impactconsultingonline.com. The report “Acquisition Optimization: Two Steps Newspapers Must Undertake” can be downloaded for free here.



New launch used as school case study

DIVYA MARATHI'S "CRACK THE CASE" CONTEST was used as a live case study to engage the local advertising community, educate business school students, and get expert input. **by sanjeev kotnala**

The successful launch in 2011 of *Divya Marathi*, **Dainik Bhaskar Group's** Marathi-language newspaper, was captured as a classroom case study by Indian Institute of Management (IIM) Bangalore.

The case illustrates the fast-paced expansion of the **Dainik Bhaskar Group**, India's largest newspaper group, now in 13 markets. It also showcases the successful launch of *Divya Marathi* in Aurangabad, Maharashtra, where we have five editions that provide complete, central Maharashtra coverage within a short span of time.

Case studies have been gaining popularity as a teaching method. Business schools incorporate them into their curriculum to allow students to assess business solutions and make decisions.

Dainik Bhaskar Group's remarkably fast-paced growth has previously been used as a case study in two leading business schools — India Institute of Management (IIM) Ahmedabad and Mudra Institute of Communications Ahmedabad (MICA).

However, with the IIM Bangalore case study, the Group recognised the difference between "knowing" and "doing," and conceptualised "Crack the Case," allowing students an opportunity to work with a live case, and inviting industry input into the Group's next market entry strategy.

This case study was unique because it was "live," with no camouflaging of the brand, company, or data.

Concept: To gain creative buzz, the Group initiated the "Crack the Case" contest, designed for

the advertising industry and students of premier management schools. The winner took all, with a prize of US\$1,821.

Contestants were asked to provide their take on a question of strategic importance: "Keeping in mind the fast-paced growth and unique market penetration strategy of the Group, which new market/territory should **Dainik Bhaskar Group** enter next?"

Approach: **Dainik Bhaskar Group** created a plan to garner the viewpoint of professionals within the media, advertising, communication, as well as marketing industry and students of premier management institutes.

We used trade publication, trade portals, e-mailers, posters, and social media to connect with the target group. We flew five short-listed teams to Mumbai to present their response to a jury composed of local leaders and **Dainik Bhaskar Group's** senior management.

Response: We received responses from organisations such as Maxus, Cognition Media, IMRB International (formerly Indian Market Research Bureau), as well as top business schools.

The contest received more than 340 registrations and more than 100 valid entries. The IIM Bangalore EPGP (students with prior work experience) team — Suryanarayana Pemmaraju and Vinod Unnikrishnan — walked away with the prize.

Sharing their views on the experience, the winning team had this to say: "Had it not been for this contest, we would probably never have known of **Dainik Bhaskar Group's** success story and its out-of-the-box approach of looking at a problem."

The enthusiasm and dedication shown by the teams was commendable. We were overwhelmed by the quantity and quality of the entries. Inviting inputs beyond internal research teams for the first time was a unique experience for our brand. ■

[contest]

Crack the Case project invited advertising experts and business school students to participate in contest.



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