

Promotion Campaigns :
Thinking beyond tomorrow

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**This report summarises the presentations made at the
1996 FIEJ Newspaper Marketing & Sales Conference, Cannes, May 1996.**

Newspaper branding as a tool for long-term growth: the case of Birmingham Post and Mail, UK

The Birmingham Post and Mail is one of the flagship companies of Midland Independent Newspapers (MIN), the sixth largest publisher of regional newspapers in the UK. This profitable group--its margins are among the top three in the British press--publishes over three and a half million newspapers each week, employs over 2000 people, has an average turnover of £100 million and profits of £19 million. Indeed, the group has quadrupled its profits since MIN was bought by its management team in 1991. The group has also diversified into local cable TV, direct marketing, consumer magazines and business publications.

MIN has three main newspaper brands. The Evening Mail is the UK's second largest regional newspaper, with 200,000 copies sold each day from Monday to Saturday. The Birmingham Post, for its part, sells 27,000 copies per day to the heart of Birmingham's business community. Over 75% of its readership falls in the ABC socio-economic group.

Finally, the Sunday Mercury is England's biggest-selling regional Sunday paper, with a circulation of 145,000.

As soon as it acquired the company, the MIN management team adopted a strategy that promoted and added value to its core products and brands through extensive, continued and consistent branding of the three papers. "A strong branding message can use be used to change or reinforce the desired positioning of our products," says Roger Chappell, Managing Director of the Birmingham Post and Mail Ltd, who adds that the branding efforts have contributed significantly to the company's profitability.

"We need to maintain high awareness, especially since in our marketplace, 8% of the population move away every year," he explains. The company also uses the same branding strategy to target new advertisers.

A long-term branding campaign requires teamwork and involvement at the decision-maker level of all departments. It also requires an approach that is specific to each product.

The Evening Mail

The Evening Mail, MIN's main regional daily, launched a branding campaign to restate its values and differentiate it from other media. Given that the paper reflects life in Birmingham--is indeed an essential slice of local life--another daily staple, bread, was used as the creative concept. The paper also used 'Extra Strong Mints' to illustrate its identity as a punchy paper capable of tackling issues and going on campaigns. The tag line was "What a paper!" for both visuals.

In addition to being present on 50 48-sheet poster sites throughout the city, the "What a paper!" theme was then taken up at every opportunity: on T-shirts, TV commercials, radio ads, delivery vans and so on.

The Birmingham Post

The Birmingham Post, for its part, was facing a particular dilemma. Its move from broadsheet to tabloid had not been a success. As a result, editors sought to revamp the title by converting it back to broadsheet and overtly targeting the young and established members of city's management business sector--all while flattering existing readers. The editors also tagged on a cover price increase.

Because it targeted ABC1 readers, the branding campaign used tag lines such as " Midlands insight for the well-informed" and " Not everybody reads the Birmingham Post--but not everybody is a somebody". The campaign appeared in venues where on-the-move businesspeople were likely to see the messages: taxi sides, business district car park tickets, bus-backs, airports and railway stations.

The paper relied on other tools as well: direct mail, in-paper promotions (a fantasy shares game), a coupon-collect book promotion with a local book retailer (which tied in with the paper's well-supported literary lunches), and business promotions such as a two-for-one promotion with Air France and a link-up with Eurostar.

The Sunday Mercury

Finally, the Sunday Mercury took aggressive steps to counter a threatening environment. This much-loved family paper, which offers readers a strong news focus and excellent coverage of Midlands sports, has a core area household penetration of 30% in an extremely crowded Sunday market. Yet, with a readership dominated by persons over 45, it had few younger readers. Moreover, non-readers had little awareness of the product.

Amongst the instruments used for branding was a "Pure Midlands" ad campaign. The paper wanted to highlight that it covered all news, views and sport from the Midlands region, so it used a visual of mineral water to reinforce the notion of "Pure". Mineral water was also a direct appeal to younger readers. The ad campaign used 75 48-sheet poster sites as its primary medium, but there was also news agent point of sale material, window displays and a mobile trailer.

The Sunday Mercury's second action was the launching of the West Edition in an area west of Birmingham known as Black Country. "We identified this region as holding potential circulation gains given a more sales-driven activity and a stronger editorial edition," says Neil Jagger, the paper's Circulation Director. In August 1995, the new edition was launched, with two extra journalists, more news and sport from the area, as well as front and back page changes.

To complement these initiatives, the Sunday Mercury delivered a four-page promotional newspaper to households in Black Country, with details on the improved edition, as well as an offer on classified advertising rates and four half-price vouchers off the paper's cover price. The paper also used door-to-door canvassing teams to gain subscribers.

Finally, the Sunday Mercury ran two highly successful in-paper promotions. The first was a football Superleague promotion where readers' choices were limited to players from the top six Midlands teams. The promotion ran for eight months and produced an entry of 7000 teams. The other very popular promotion was a 'Passport to Midlands', which offered discounts at local tourist attractions to 12,000 readers who redeemed three tokens from consecutive issues.

Were the campaigns successful?

In all, the Sunday Mercury increased circulation by 5,000 copies per issue--a sustained increase it is still enjoying nine months after the launch of the new edition, and this, in spite of a 3p cover price increase. "We increased sales in a market that was sliding away rather than growing," says Chappell. "The Sunday Mercury is in fact the easiest one to identify a positive sales increase as a result of our branding efforts," he adds.

Post campaign research also showed a 15% increase in awareness among non-readers, and the door-to-door canvassing resulted in 250 orders for home delivery each week.

"But it's very difficult to estimate precisely what a branding campaign gives you," says Jagger. "It's a result of a combined effort: the spinoffs, the Midlands Superleague, the overall branding. I would suspect that most of the increase was due to the West Edition."

The branding also brought in new advertising: an additional £3K a month of new advertising revenue from new clients within the area covered by the new edition--an area which had not been a great source of advertising income for the Sunday Mercury. "We saw a 71/2 % increase in revenue for that newspaper," says Jagger.

The other two newspapers enjoyed the fruits of their branding efforts, as well. The Birmingham Post circulation grew in each of the last seven six-month audit periods, and it won the UK Newspaper Society award for the UK's fastest growing regional morning paper.

Plans now include editorial development, with more coverage of technology, ie. telecommunications as a local point of news. The paper also plans to run conferences and seminars linked and coinciding with major ad supplements such as corporate finance, management buy-outs, pensions, asset management and so on.

And finally, using circulation as a benchmark, in 1995, the Evening Mail maintained its circulation in an industry where the average loss was 3%. Indeed, over the past 5 years, the Evening Mail has lost only 2.9% of its sales--not bad in an industry where the average loss is over 10%.

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Penetrating difficult markets with a new product offering: the case of La Stampa, Italy

Between 1990 and 1995, Italian daily newspapers saw their sales decrease by an average of 11.5%. La Stampa, the country's third largest daily, suffered along with the rest, though perhaps not as much: it registered a 4% decrease in 1995.

But the paper faced another situation it wanted to redress. Out of its average circulation of 429,000, it sold fully 380,000 copies in three Italian regions alone: Val D'Aoste, Piedmont and Liguria.

In fact, says Gianni Di Giore, the paper's Circulation Director, "La Stampa is a great regional newspaper with a national vocation in a national market."

This heavy regional circulation hurt La Stampa where it was most vulnerable: in terms of advertising revenue. Advertising revenue for La Stampa was simply not proportional to its circulation. Where La Stampa got 670 lira in advertising per copy sold (for a circulation of 429,000), the country's number two daily, La Repubblica, got 1100 lira (for a circulation of 660,000) and market leader Corriere della Sera got 997 (for a circulation of 690,700).

The question was: how to conquer new market share at the national level? "We were not able to achieve these types of sales unless we had a magazine, a supplement," explains Di Giore. That is why in a recessive market, La Stampa spent 50 billion lira to launch a magazine supplement.

"Specchio (which means Mirror) is the result of considerable efforts of a team working to find solutions to our problems," he says. Indeed, the magazine did much to strengthen La Stampa's position on the national market, and thus increase its share of advertising revenue.

Differentiating between markets

Because of La Stampa's unbalanced distribution, editors of the new product decided to differentiate the markets as those already favourable to La Stampa (the "domestic" market) and the rest of the country (the "national" market). La Stampa hired outside consultants to provide well-founded estimates on the number of copies Specchio could expect to sell in each of these markets.

They did this by supplying a four-page dummy issue of Specchio to La Stampa readers, readers of other papers and readers of weekly magazines, and asking them about their interest in such a product. Studies established the potential purchasing intention of 264,000 in the domestic market, and 407,000 copies for the national market. The market studies also established a probable reader profile for Specchio.

Given La Stampa's traditionally poor performance in the national market, editors decided to sell Specchio automatically--without any choice for the buyer-- with the Saturday paper at an additional cost of 1000 lira. Moreover, copies not sold on Saturday are taken out of La Stampa and sold alone on Monday to Friday for 2400 lira.

"On the domestic market, however, our market studies showed that it might be useful not to force the purchase of both products, so we decided to sell them separately," explains Di Giore. (The 35,000 La Stampa subscribers--throughout the country--receive Specchio at no increase in cost.)

"We finished our potential readership study in the spring of 1995 and launched the first issue in January 1996," says Di Giore. The launch was supported by a testimonial ad campaign featuring Vittorio Gassman.

A new magazine concept for Italy

Though Specchio was not the only magazine supplement on the market, the result was a unique product, both in its graphic format and its editorial approach. "Each issue deals with nine topics, which are dealt with as if we were a monthly. The subjects treated correspond to the interests of the people we polled," he explains.

With its 11 journalists and five graphic artists, Specchio set out to 'interact' with its readers. It included a lot of photos, with pages that unfolded to poster size--something new to Italy and which appealed to advertisers. "We also included practical data sheets with information people would want to save," says Di Giore. Consequently, Specchio did not cover politics or television. This substance, coupled with Specchio's National Geographic-style format, reinforced the idea that it could be saved--a factor which also appealed to advertisers.

One month after the launch, results were very close to the figures that had been estimated. In the domestic market, sales of Specchio reached 279,000 and 399,000 for La Stampa (the difference was attributable to the fact that it was not a forced sale). In the national market, sales reached 396,000 for Specchio and 288,000 for La Stampa (thanks to copies stand-alone sales of Specchio during the week). Indeed, 60% of Specchio was sold outside the La Stampa domestic market, and 80% of sales were from Saturdays. In total, La Stampa increased its circulation to 692,000, with Specchio selling 675,000 copies.

Follow-up studies also show that readers of Specchio are evenly split between male and female. Moreover, 47% are 34 or under, and 39% are in central and southern Italy.

Reaching advertising revenue objectives

Finally, in terms of advertising revenue from the national market, "we are quite close to our objectives, which is important because our balance sheet is very dependent on advertising revenue (50% of La Stampa's 270 billion lira annual revenue). " We are now making 6/10th of La Repubblica , so we're on the way to closing the gap," says Di Giore (where previously, they made 4/10ths).

Though it costs the same to advertise in both Specchio and La Stampa, the increase in circulation has led to higher advertising rates for Saturday. For example, a page that costs 90 million lira during the week will cost 110 lira on Saturday. Currently, advertising revenues are 270 B lira for La Stampa and 120 B lira for Specchio. Another added benefit: the 2400 lira charged for Specchio during the week brings greater income to the company.

"Now, our objective for La Stampa is 550,000 for La Stampa, and 480,000 for Specchio," says Di Giore. "We think we can stay there with the promotions we are currently preparing." La Stampa executives expect Specchio to at least break even, and provide a multiplier effect for La Stampa.

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Creating an alternative distribution network: the challenges faced by Le Journal du Dimanche, Paris

Le Journal du Dimanche is a general interest newspaper which boasts the second largest readership in France (1,600,000 readers). Like other major dailies in the country, it has a large broadsheet format, a 6,50 F cover price and a pagination of about 24 pages.

The JDD, however, is a paper with a difference: it is published only on Sundays, a characteristic that is not without consequence.

One of these consequences is, in fact, a big advantage: exclusivity. Since none of the national dailies publish a Sunday edition (regional papers do, however) there is almost no competition--at least in Paris.

Then there are constraints. "If we want to offer our readers quality, then we need to be able to produce topical news," says Jean-Pierre Adejes, Sales and Promotions Director at the JDD. "So, we must work on Saturday nights." Of course, this entails higher production costs, as well as some logistical and technical difficulties. For instance, radio deadlines are very short, so text for radio advertisements must be written within a few hours on Saturday night.

Promotional tools widely used during the week also don't lend themselves well to Sundays for several reasons, says Adejes. The sales period is very short, from 9 am to 1 pm; billboards perform less well on Sundays, as the French are less attentive; and the French get out of the city on Sundays.

But the biggest constraint is distribution. Throughout France, there are 32,000 newsstands (points of sale) during the week, but only 17,000 of them are open on Sunday--half the network. Worse, this reduced network is spread all over the territory. A Sunday publications also means that it cannot be hand- or mail-delivered.

How to increase circulation in this environment?

The JDD's first objective is to structure the network. "We want to get a maximum number of outlets open on Sundays," says Adejes. Consequently, "we have to persuade them that they'll make a sufficient turnover to justify

their staying open on Sundays. We therefore have to be in the field during the week to talk to agents."

Then, to compensate for the non-open newsstands, "we also need to create replacement points of sale: hotels, restaurants, bakery shops (many of them open all day), gas stations," explains Adejes. "We need to identify these areas, meet them on Sunday and explain that they would be offering customers an extra service which may increase turnover."

The JDD has a sales team of 26 people throughout France to create these new outlets. "They also follow up, see how sales are progressing," he adds. The paper also tries to get both its traditional and 'replacement' outlets working together to make the JDD a real 'proximity' paper. "We ask our agents to transfer their unsold copies to neighbouring restaurants, boulangers, etc. when they close. It doesn't always work, but when it works, it works well," he says.

Logistically, the JDD must inform the national distribution organization NMPP of these new sales points so that they will be delivered their copies and the extras picked up. "Then, you manage as you would normally," says Adejes.

Beyond structuring the network, JDD also uses a range of promotional tools to increase its circulation. "We promote our contents at points of sale with 40 X 60 cm posters which are produced between 10 and 12 pm on Saturday night and delivered with the paper itself. Some are virgin posters given to agents so they can take a particular message and write it out by hand," explains Adejes.

Content-related radio messages are also produced Saturday night between 6 pm and 11 pm to appear Sunday at 8h30 am. The paper also supplies promotional stickers and engages in incentive operations for the newsstands.

Efforts are bearing fruit

The results are paying off: "Our 3,000 replacement sales outlets sell some 20,000 copies per week, bringing us a 7% increase in single copy sales," says Adejes. Moreover, the JDD saw a 5% increase in circulation in 1995, or an additional 18,000 copies per issue. This brought total circulation to 346,000 copies.

Readership, for its part, increased by 17,8% to 1,790,000. "Mind you, it was a rich year in news, with both a presidential election and municipal elections."

News interest notwithstanding, the JDD did register one of best growth rates in France in 1995, says Adejes.

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Defining promotional objectives, establishing measurement criteria and assessing results: Scotsman Publications and long-term sales promotion strategies

Edinburgh-based Scotsman Publications publishes both free and paid-for titles which range from quality national daily newspapers to specialist niche publications. In total, they reach 1.3 million adults every week.

The group has three main brands:

- The Scotsman, Scotland's quality national newspaper, is read each day by an average of 252,000 adults throughout the country. It enjoys a higher proportion of ABC1 readers than any other Scottish daily.

- Scotland on Sunday, launched in 1988, has picked up more than 50 national and international awards, including 'National Newspaper of the Year' three years in a row. Its readership of 285,000 adults leans towards the younger age groups and has a high representation of people in the ABC1 socio-economic categories.

- The Edinburgh Evening News, published since 1873, is the biggest-selling daily newspaper in Edinburgh. A local paper, it is read by an average of 248,000 people every day, 37% of whom read all six issues per week. The paper was relaunched last year in April in tabloid format.

Sales promotion is as vital to all three publications as circulation or advertising, says Denise West, the group's Sales Promotions Manager.

"The main aim of sales promotion is to give the customer an incentive to buy now, buy more or buy a particular brand. It's the concept of adding value to the product," she says. Moreover, consumers are not all alike, and must be reached by different promotional routes.

Promotions must meet one of four objectives

Scotsman Publications keeps four key objectives in mind when it designs promotions. "Our first job is to keep current readers happy," says West, and given market research available on current readers, this is a pretty

straightforward task. "We can even draw up profiles of our main types of readers and promote accordingly."

The company's second objective is to maintain current levels of six-day readership by rewarding commitment. This requires traditional loyalty-based tools such as reader clubs, privilege or discount cards and subscription-incentive gifts. "They should also be offered cheaper ad rates, bonus prizes in competitions and discounts on in-paper offers--they cost little but make a strong point," says West.

A related objective is to maximize reading frequency--something the Scotsman Publications is putting increasing effort into. "Declining reading frequency is the most significant reason for newspaper sales decline," says West. "In the UK evening newspaper market, it accounts for 70% of reduction in sales." Consequently, West advises to always promote tomorrow today, and luckily, there are a lot of opportunities: week ahead columns; kicking off competitions the day you sell most rather than on Monday; promoting content, both today's and upcoming; writers promoting their next articles at the end of current ones; and taking advantage of positioning opportunities for self-promotion (two lines on an upcoming interview at the end of a related story is always more effective than in-paper ads).

"You have a heavy sports audience on Monday? Then include a competition on Monday, and publish the results on Wednesday," says West.

Finally, Scotsman Publications seeks to encourage new sales, essentially through point of sale promotions and extensive use of the front page of the paper itself. "Where I'm from, there is a band of readers who switch newspapers fairly regularly. We're trying to attract them through our in-paper promotions. But these must be married to an overall branding strategy in order for them to be effective," she warns.

The overall goal, then, is to move people up the 'Loyalty' ladder. Indeed, West says, there are three types of readers: six day per week readers, those who read less but at least weekly, and those who don't read at all. "You need to provide something of relevance every day to each type, and similarly, employ promotions which appeal to these different reader segments," adds West.

Reader interaction provides rich source of data

Of course, you need market research to target your audiences. All publications rely on reader panels to do qualitative research. The Scotsman's panel includes 2000 people, while Scotland on Sunday has 1058, and the Evening News, 449. "We bring ten or so readers together every six to eight weeks, and use the occasion to get feedback on promotional contents of the titles," explains West.

The company also sends out questionnaires to reader panel members to obtain quantitative information on the effectiveness of newspaper promotions: what kind of competitions they enter, what induces them to participate and so on. This enabled the company to see how determining promotions were to the paper's purchase, how they were rated and how rating differed by both age and socio-economic grade. After all, "if we spend large sums on a multimedia campaign, we spend a little more to track awareness levels and identify which medium had most impact," says West.

Scotsman Publications also runs in-paper questionnaires to obtain more information on specific groups, ie. questionnaires in sports sections.

Of course, newspapers can use these interactions with the newspaper to grow a rich source of information, says West--which makes it possible to measure like with like over time and eventually analyze patterns.

In spite of this feedback, measuring the results of sales promotions efforts is not an easy task. "It's often impossible to measure results surely and precisely when so many factors are at play--many of them out of our control," says West.

Promotions are not a quick fix

West had a final message: there are dangers in using promotions as a quick fix. "Promotions must sit comfortably with the intrinsic values of the paper in which they appear. They must be developed within an overall communications strategy," says West.

At Scotsman Publications, there is regular interaction between editorial and marketing personnel, complete with cross-functional brainstorming meetings. Representatives from both advertising and marketing also jointly decide on what goes in the front page 'puffs', the promotion box on the front page.

"It's absolutely vital that all functions agree to what the brand is, and work together collectively," she says. "We make sure that plans and ideas don't just remain in the domain of our senior management team."

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**Since this intervention, West has moved on to be Group Marketing Director at Midland Independent Newspapers.*

**Promoting home delivery to retain readers:
The Belfast Telegraph and its home delivery club**

The Belfast Telegraph, with its 135,000 copies sold per day, accounts for 30% of all newspaper sales in Northern Ireland. It publishes four editions, with the late edition mostly hand-delivered.

In the last few years, the paper has spent significant effort developing home delivery of paper. Why? The answer is simple: home delivery--especially through newspaper boys and girls--provides papers with better reader retention. Then it is a matter of simple arithmetic: "We calculated that we spent £7.03 on acquiring a new customer, but only £2.60 on retaining one," says Roy Lyttle, the Telegraph's Circulation Director.

The Telegraph uses three main methods to acquire home-delivered readers: telephone canvassing, door-to-door sales and newsboys and girls. "Telephone canvassing provides a good initial conversion, but retention is not so good," says Lyttle. He adds that door-to-door canvassing provides good results at all levels--conversion, retention, customer commitment--"but it's a tough job, and it's hard to recruit."

Then there are the Telegraph's 2,200 home delivery boys and girls. Though difficult to motivate and control, they bring the paper excellent retention. Consequently, "we advertise to them every two months, and have games and competitions for them. We supplement this with our representative force, who have geographical patches for meetings and training sessions. They also have a budget to play with for incentives for them," explains Lyttle.

The Telegraph does its own distribution to 1600 news outlets, which include news agents, petrol stations, house agents, hotels and pubs, as well as street vendors. Only 600 of the news agents provide home delivery, and it is they who employ the 2,200 home delivery boys and girls. (They deliver to 74,000 homes.)

Providing incentives for home delivery

Prior to 1992, all of these sellers made the same profit. The remuneration system was then changed to incite home deliveries (for which sellers get 31% of the cover price instead of 26%). "It's a good way of getting accurate figures

from the news agent," says Lyttle. Indeed, "when we started getting lists from our news agents, we made a startling discovery: out of our 74,000 home deliveries, 12,000 of them were stopping every year, but only 10,000 were volunteering to take a new home-delivery order."

At the same time, the Telegraph was offering incentives and offers--alarm clocks, coasters, the like. "In 1992, we spent £175,000 on gifts and realized it was going down the drain. We decided to transfer this money to create value for all six night per week customers," says Lyttle. And so, in 1992, the Belfast Telegraph Home Delivery Club (HDC) was born.

Benefits of the HDC include a members' book, which includes vouchers, offers and competitions; a membership card, with regular discounts at shops and restaurants; exclusive in-paper offers, which are weekly and seasonal; and company offers such as reader holidays, photo sales, advertising, etc.

"With the HDC, we transferred money rather than incurred more. It costs just over £200,000 to print the book and card, to advertise in-paper and to employ one person to deal with retailers and the book printer," explains Lyttle. All other tasks are incorporated into the existing circulation network.

Twenty-five percent of the HDC members are transient readers, continually replaced by canvassing. "With these types of figures, you get a little nervous, so we undertook some research to better understand their needs," says Lyttle.

Research used to finetune promotions

The Telegraph undertook both quantitative and qualitative research. For the latter, it used focus groups based on specific types of readers: non-canvassed home-delivered readers; core group readers; recently canvassed home delivered readers; recently cancelled home delivered readers; and single copy readers. The study asked members if they found the club of any use, if they preferred vouchers or cards and so on.

The paper made a number of discoveries, including that 88% of respondents felt that Club benefits were above average, and that 43% of new orders over the last three years were directly attributable to the paper's efforts. The paper also found there was a distinct lack of awareness about the club, even though

readers liked the offers once they knew about them. The Telegraph subsequently ran a TV campaign to raise the awareness level for its HDC.

For prospecting potential new HDC members, the Telegraph uses the Post Office's database of all households in Northern Ireland (590,000 names), which is updated every three months.

The Telegraph also uses Mosaic software to analyse HDC membership. Results showed that certain classifications--commuter areas around Belfast, middle-aged couples in white collar occupations--were core readers. Moreover, the analysis showed that the Telegraph's core reader groups predominantly represent the ABC1 market, which offers the best opportunities for new orders and best retention. Thanks to the analysis, "we can target both the paper's contents and specific club offers more accurately," says Lyttle.

HDC generates some new advertising

The HDC has also brought in new advertisers that the Belfast Telegraph would not otherwise get. "The retailers we deal with (for the discount book) are not typically advertisers of any great extent," he explains. But they did do some advertising in the paper as a result of the response they got from their ads in the members' book.

Discounts for readers are never lower than 10% in the book. "Bigger discounts are available but they go through the newspaper, not the book," says Lyttle (a HDC section printed every Wednesday in the paper for offers).

The overall results are clearly there. Thanks to the HDC, retention of canvassed orders after six weeks went up to 60.5% in 1995, vs. 54.5 the year before. "Over 13 weeks, that figure was 45.4 % in 1995 vs. 42.5 % in 1994," says Lyttle.

"But it's not a quick fix," he warns. "It only makes sense if it's long-term."

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Highlighting successful newspaper promotions in the U.K.: examples from the UK Newspaper Society 1995 Awards

If the 300 entries to the 1995 Newspaper Society newspaper sales promotions awards is any indication, the industry as a whole is in fighting spirit. A panel including publishers, retailers, sponsors and manufacturers gave awards to newspapers who displayed particular promotional innovation in eight categories.

The first two categories were community-oriented, with one for the campaigning stance of the paper itself while the other concerned PR/community service and events, which historically has received the highest number of entries. "Regional newspapers have a responsibility to support local events and activities that add life to their communities," says Tim Coulson, the Newspaper Society's marketing director.

Then there were three categories devoted to reader acquisition. The first, on single issue sales, rewarded either the ability to respond immediately to events such as a tragedy or a unique sporting event, or more tactical activities: a one-day price cut, a new editorial column or a sales promotion. The second reader acquisition category recognized initiatives that fostered sales over a number of issues. The final award in this category was for initiatives that encouraged continuous newspaper purchase home delivery, discount vouchers and so on.

The Awards' next category dealt with reader loyalty programs. "Reader retention is arguably the central marketing issue today," says Coulson, "and the financial leverage from home delivery has been recognized." Indeed, this award is a recognition of the long-term strategic importance of reader retention.

Finally, the seventh category recognized in-paper promotions which keep readers informed of benefits of regular readership, while the final category was for external promotions such as TV, radio, point-of-sale literature and external materials.

Coulson put forth three case studies as a sample of the 1995 winners.

'Local and proud of it' in Liverpool

With a cover price increase looming on the horizon, the Liverpool Echo decided to identify the values that were intrinsic to its brand and use them to guide its editorial efforts and policies. These were 1) commitment to Liverpool and Merseyside, and a concomitant belief in the people; 2) strong affinity with the region and its identity; 3) commitment to honesty and social justice; and 4) a forward-looking optimism.

"Their aim was to ensure that everything they did--from stories to promotions--was consistent with these values," says Coulson. "They wanted to underline the message that life is fine for majority of Merseysiders, that it wasn't the doom and gloom outsiders so often associated with the region." The paper thus gave away five Liverpool-built Ford motors, a promotion which grew into the message, 'Local and proud of it'. Illustrating this message required vital editorial/promotional synergy, says Coulson. But the message struck a chord: the advertising department then sold advertising features every day for a month on the theme.

Results were circumstantial, but the promotion can certainly claim some success given that "all departments wanted to claim responsibility for the success, the major prize competition generated 100,000 entries, and loss of sales was 1% instead of the expected 2% after the price increase," says Coulson.

Repositioning in Yorkshire

The Yorkshire Evening Post, for its part, sought to halt a 10-year decline by repositioning itself as a newspaper for women with school-age children and their families--without alienating existing readers (grown families and empty nesters). The paper also sought to attract a secondary target group of active retired persons and women with young children.

The paper identified the key motivators for this target as being local news and supplements; value for money; local events and entertainment; and local sports for partners. It then identified four strands of communication to reach this target: the newspaper, above and below the line promotional activity, retail outlets and company staff. It would also use TV and radio in combination with an awareness program.

Promotional activities vis-a-vis readers sought to create interactions with the target market, facilitate data capture and establish a reader response profile.

The Yorkshire Post was thus capable of adapting its editorial and promotional activities. For example, the relaunch competition included a trip to world brand leader Disney. Other targeted prizes included clothing vouchers, meals out, flowers, cleaning; etc. Not surprisingly, fully 95% of winners came from the target readership, says Coulson.

The paper also launched a competition for newsagents to support the relaunch. In its core distribution area, participation stood at 94%.

Finally, a tracking study of all the paper's activities showed that its position had not turned around immediately. "But after sustained product sampling, canvassing and promotion year on year, position was 1% better than the month before relaunch," says Coulson. The key lesson? "It takes longer to reposition than you think."

Killing six birds with one promotion in Wolverhampton

The Wolverhampton Express and Star, the UK's largest regional newspaper, is the final case study. Its featured Star Card promotion is a loyalty scheme with a number of specific aims: to attract new customers; convert casual readers to six-night readership; encourage home delivery; enhance reader relations via reader offers; and to keep costs to a minimum.

The Star Card, for example, is available free of charge to readers registering through in-paper forms. The information collected in these forms is limited to name, address, telephone, home delivery status and number of days purchased. The prize draws and reader offers are printed in-paper only to ensure a six-day purchase. Winners are covered editorially and the card forms part of canvassing message.

So far, the paper has received 125,000 registrations--60% of sales. "The telephone canvassing conversion rate has shifted from 11% to 20% with particularly excellent results from the door-to-door canvassing operation," says Coulson. Such high response was obtained on relatively low costs--only £15,000 on non-prize winning activity and for one part-time administrative staff.

Key considerations for a loyalty club

Coulson went on to provide a useful checklist for those seeking to increase loyalty through a reader club.

Whatever the primary objective is, Coulson advises that the first step is to understand the resources available and to have alternative strategies, each modelled on cost benefit basis. Are the schemes feasible? Are you prepared to fund the resources needed to sustain the loyalty program (staffing, IT equipment, database programs, listings and input, production of print materials, production of member cards, external media and in-paper space)? Who will run the club and how will they choose offers, events and competitions? Will these be based on reader demand or ease of availability?

A second step is to determine what you are trying to achieve by offering membership in a reader club. Do you want to increase retention of six day home-delivered customers? Increase the percentage of home-delivered copies? Reduce subscriber churn? Move casual customers towards six-day readership? Lock in key target groups? Differentiate titles from the competition?

Finally, will the club be targeted at key readership groups? Will it include vouchers, offers, competitions, events, discounts from local advertisers, in-paper offers on reader holidays, etc? Will the offers be exclusive to members? Will members get concessions on items offered to all readers? Finally, will there be cover price concessions or delayed cover price increases?

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**Using games to hold on to existing readers and attract new ones:
the case of Bild, Germany**

Bild is Germany's largest-selling newspaper--indeed, it is the largest in Europe. Its significant infrastructure--10 printing plants, journalists spread throughout the country, over 100,000 distribution outlets, 35 geo-editorial splits, 43 advertising splits--allows it to fulfill its mission: being close to readers.

Bild faces tougher legislation than do other markets with regards to promotions: many standard activities undertaken elsewhere would not be admissible in Germany, says Sonke Reimers, responsible for central activities at Bild.

Bild also distinguishes itself by having newsstand distribution only, and therefore needs to maximize the purchase impulse. It has thus made games its pivotal source of promotion, and has adopted a twin strategy towards them. Prize-competitions generally bring the paper no increase in readership, but no loss of it either. Consequently, they are used to maintain reader interest. Smart games, however, allow the paper to attract new categories of readers--an important ability since much of the readership tends to be older (63% are over 39) and male (59%).

With regards to prize competitions for simple games--Bingo, Super-Riddle (involving a simple crossword), lottery-type games based on guessing a suite of numbers--Bild's experience led to one overriding conclusion: offer cash. "When we offer cash, we can easily double the number of participants, even if it is in small amounts," says Reimers.

These simple games often require participants to call Computel, an Axel Springer owned company, to provide part of their answers. "This use of prime lines can in part offset the cost of the game," he explains.

He cautions papers embarking on similar ventures to ensure they have enough infrastructure to handle the response. "In the first round of our super-riddle game, we had so much response we had technical problems. All our lines were busy for days, and nobody could get through anymore. We spent a lot of money offsetting his situation, with inbound callers taking calls and inputting information at night. It led to a lot of bad inputting," he recalls.

Attracting younger readers with smart games

Like many other papers, Bild is trying to shift its readership to younger readers (the average age of prize competition winners is 55). It is therefore having recourse to smart games, particularly sports-related games which fit in well with the paper's editorial emphasis (50% is sport). "For our Super Trainer game, players had to know a good deal about football to play, let alone win," says Reimers. (The game involved building a dream team of players from German clubs, and following the team through several weeks of promotions.) Though prime lines were again used, a competitor intervened and the idea of refinancing the game through premium lines had to be abandoned. The game then had to rely on 2000 regular lines, which was not sufficient at peak hours.

"Intelligent games do require sophisticated technology," says Reimers.

"We spent money to organize the Super trainer, the revenues were not significant. With these games, our goal is to prevent people from dropping out and to shift to younger readers," he explains.

It takes a reader about three minutes to call in with his response (for the Super Trainer game), which costs about the same as sending a postcard," he says. Bild has eight regional centers for calls--ensuring that all participants are billed at the local rate.

Finally, delivering the prizes is not a problem. "Distributing cash is easy, and the bigger prizes we distribute in collaboration with big markets," he explains. "We give them a voucher allowing them to pick up their prizes."

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**Developing new revenue streams:
ideas presented by the Newspaper Association of America**

"We are a business of small answers, and our job in sales is to find a whole lot of small answers." And a whole lot of answers is what John Kimball, V.P. Sales for the Bergen Record (New Jersey) and Chairman of the Newspaper Association of America, came to Cannes with.

" As part of the NAA, we've put together an integrated marketing plan as an industry association designed to bring our industry forward," says Kimball. In this context, "we've produced a book, with some of the best promotional ideas, from all types of papers," he says.

Most of the ideas in the 356-page book, entitled "Promotion and Marketing Ideas from the United States" and available through both WAN and the NAA illustrate a simple reality: "There are very few big chunks of revenue that come your way at one time," says Kimball.

Developing the newspaper industry as a whole

But before Kimball talked about growing individual newspaper revenues, he told participants about the NAA's marketing strategy. "It is important for newspapers to do three things. We must leverage our industry in a synergistic effort to grow the business. This means coordinating our presence in places where our advertisers are sure to show up--The Retail Advertising Conference, the Food Marketing Institute, National Congress of Theater Owners, and so on," he explains.

The second item on the agenda is more of a challenge. "We are seeking to establish an industry-wide special sections calendar. We are trying to get as many papers as possible to run certain sections (ie. Home improvement, X-mas gift guides, etc) on the same day, in order to give national advertisers a targeted opportunity," he says.

Thirdly, the association is developing industry-sponsored awareness programs targeted to readers--another challenge. "This will require considerable buy-in from all levels of the business as well as money," he maintains.

Once this message made, Kimball went on to put forth numerous revenue-generating ideas coming from all over the United States, from big metropolitan dailies to much smaller community papers. Here are some of them:

- Organize trade shows, either alone or with partners. These allow papers to sell sponsorships, package booth sales with ads in the paper, provide interesting material for editorial coverage and generate revenues--even if they are to be split among several partners.

- Publish niche publications: a book for brides, given free to all those who publish their nuptial announcements in the paper; a quarterly publication aimed at outdoor activities nearby; a monthly for families with children who are interested in computers; a weekly computing magazine; a children's service directory (in partnership with a local non-profit agency); a dining guide featuring reprints of restaurant reviews; special classified ad directories to rival the Yellow pages; and so on.

- Produce special sections: real estate sections which limit advertising only to members of the local real estate board; family and locally-owned businesses; etc.

Other ideas met specific objectives. If you are looking to:

- increase the number of sales outlets: offer newsstands the possibility of selling the paper at half price for six months

- maintain subscriptions during absences: offer to save papers in a pack for receipt upon the subscriber's return; ask readers if they'd like their paper sent to a friend or relative for the vacation period

- highlight the value of the paper: publish a small coupon ad on page two where local advertisers offer a free item equal to or greater than the price of a single copy of the paper (ie. dinners, sessions at tanning salons, etc.)

- defray mailing costs of advertising bills: offer local businesses a direct mail option by including their leaflets in the newspaper's advertising invoices

- increase Newspaper in Education program subscriptions: start a student pass discount program and give cards to NIE teachers for distribution

- take advantage of the weather: offer a winter storm relief plan to advertisers hard hit by circumstances out of their control (ad rates may plummet, but total revenues may rise along with positive community relations); offer advertisers with weather related items for sale (shovels, umbrellas, etc.) a floating ad insertion date to coincide with required weather conditions (snow, rain, etc.) in return for a frequency commitment

- foster good citizenship projects: print baseball cards of local police officers for local kids; run free pictures of wanted fugitives

- create new ad positions within the paper: put a small island ad in the middle of a classified ad page

- Offer discounts to increase ad frequency, to get advertisers to try different positions throughout the paper, to encourage a floating reservation

- validate readers in their choice of newspaper: host a people's choice award contest (house ads ask readers what their favorite restaurants, stores, etc. are, and encourage winners to take out an ad to promote their award); publish a readers' favorite recipe cookbook

- improve sales training and in-house quality efforts: an up-to-the-minute sales promotion handbook; a customer service directory for internal staff to reduce call transfers; training salespeople in new techniques like consultative selling

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