Optimizing the Marketing Mix with Preprints

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StarTribune

OPTIMIZING the Marketing Mix with Preprints

- Preprints place in your marketing mix
- Minnesota market characteristics
- How consumers use preprints
- Optimizing your preprint – distribution and creative
- Special Offer for Conference Attendees
- Panel Discussion

SOURCES

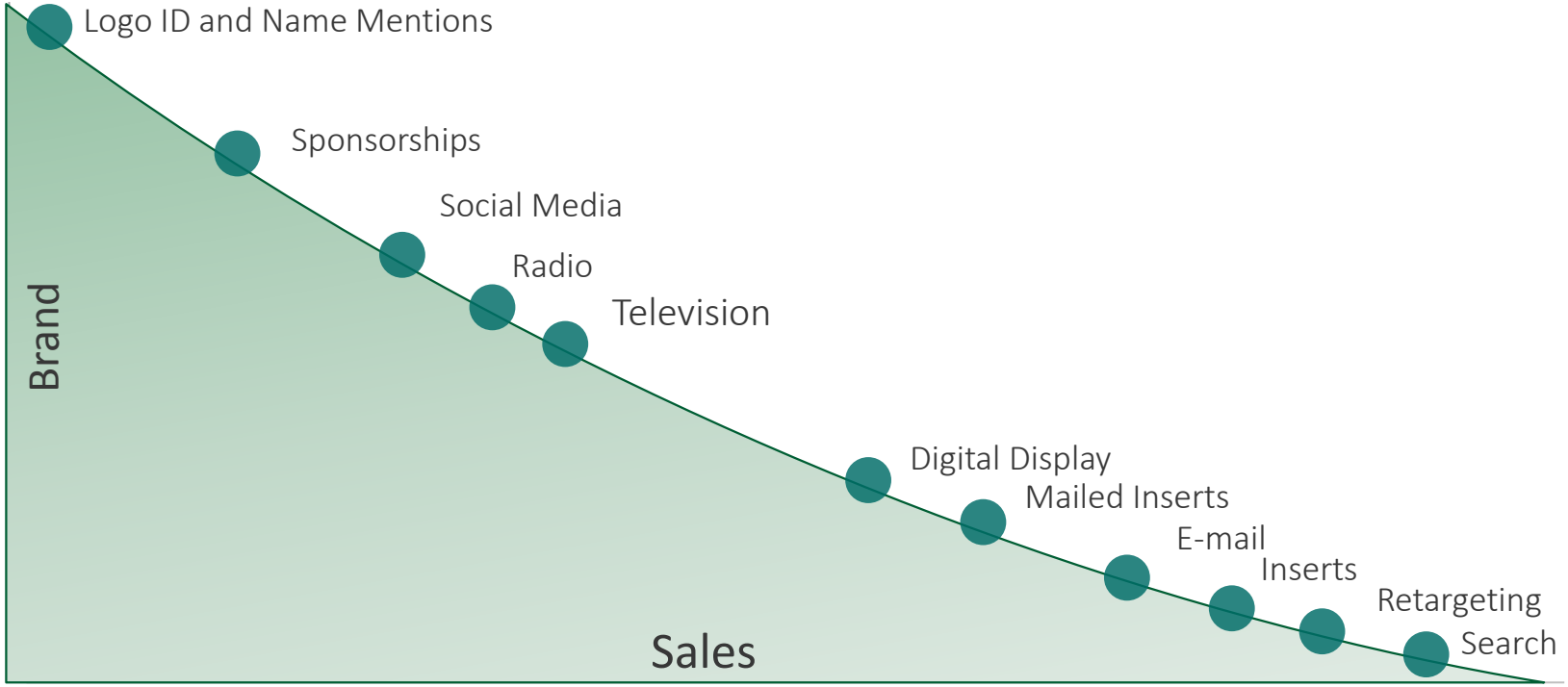
MAGID

- How America Shops and Spends, 2014
- Star Tribune custom study on insert usage done in early 2014

Scarborough, 2014
NAA (Newspaper Association of America)

CHOOSING THE RIGHT TACTIC

Inserts are one of the most effective tactics for driving in-store sales



DELIVERING TO THE TWIN CITIES

For over 130 years

- Delivered first inserts in the 1950's for retailers such as Sears
- Over 2 million homes receive inserts from us each week
- Over the last three years we have averaged 955 Million pieces/yr., with Sunday at 560 million
- Preprints in non-subscriber products have increased 20% over the last two years

Sources: Scarborough, 2014 (R1); Omniture

EARLY YEARS OF PREPRINTS

Target ran its first preprint in 1962—when they had a single metro location

PREPRINTS TODAY

Today Target has over 1,795 stores and their insert reaches more than 50 million households each week

BUSY MARKET

Minnesotans tend to be educated, employed and affluent

- Minneapolis is the most literate city in the country (St. Paul is 4th)
- 3.7% unemployment rate
- 2nd most working women in the United States
- Higher household income than NY, Chicago, and Los Angeles

App Store
Contacts
Alarm
Snooze
OK

Gas Bill
Residential Service

TRIVIA CRACK

MAKING TIME FOR INSERTS

- 85% of Star Tribune readers check our inserts
- Readership is up 2 points in the last year
- Inserts offer readers something they value

Scarborough, 2014

SHOPPING BEGINS WITH PREPRINTS

- Consumers use preprints to plan their shopping, *and to save money*
- They treat inserts like references – keeping them on hand
- They treat inserts like a marketplace, comparing prices and retailers

Magid, "How America Shops and Spends." 2014. Nationwide numbers

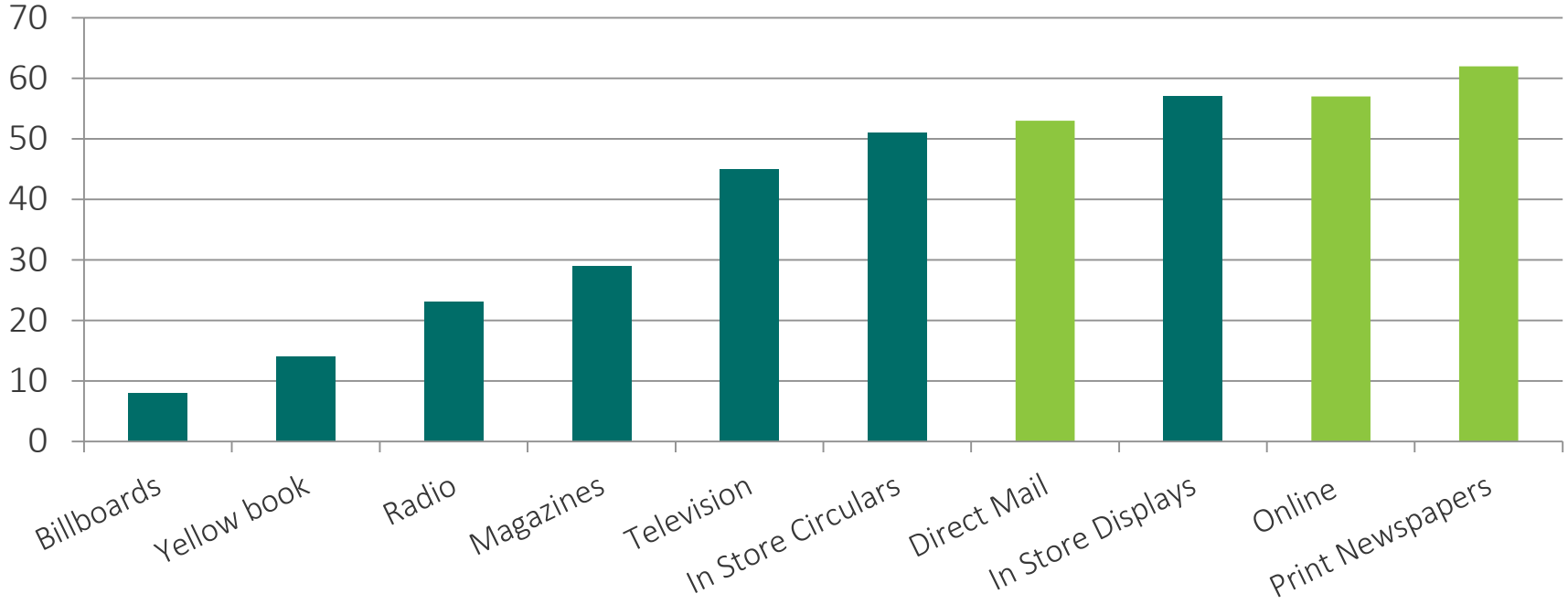
SHOPPING BEGINS WITH PREPRINTS

- 57% of adults have used newspapers (in past 7 days) to plan a purchase
- 48% have used a mailed insert (in past 7 days to plan a purchase)

Magid, "How America Shops and Spends." 2014. Nationwide numbers

CONSUMERS PREFER RESOURCES

Which advertising have you used in the past 7 days to plan your shopping?



Magid, "How America Shops, 2014"

MARKET RESOURCE

Easy to plan a shopping trip, and to browse different retailers

EVERYTHING NEEDED TO MAKE A DECISION

- » Product and price
- » Product descriptions
- » Dates and locations

AMPLIFY YOUR PREPRINT

Extend your reach to 7.3 million monthly unique users

- Digital preprint is easy to find through consistent presence in navigation on display and mobile
- 19,000 highly motivated shoppers actively seek out the digital preprint marketplace each month
- Email distribution vehicle extends reach of digital preprint
- Turnkey extension program automatically refreshes content from digital preprint
- Email recipients browse featured products and link to digital preprint for full experience

Desktop, tablet and mobile DPP

Email extension

Source: Comscore January 2013. Omniture 2013 – 2014 Average monthly page views

INSERTS, INTERNET OFFER UTILITY

Consumers prefer ads that act as resources, that are accessible and offer utility

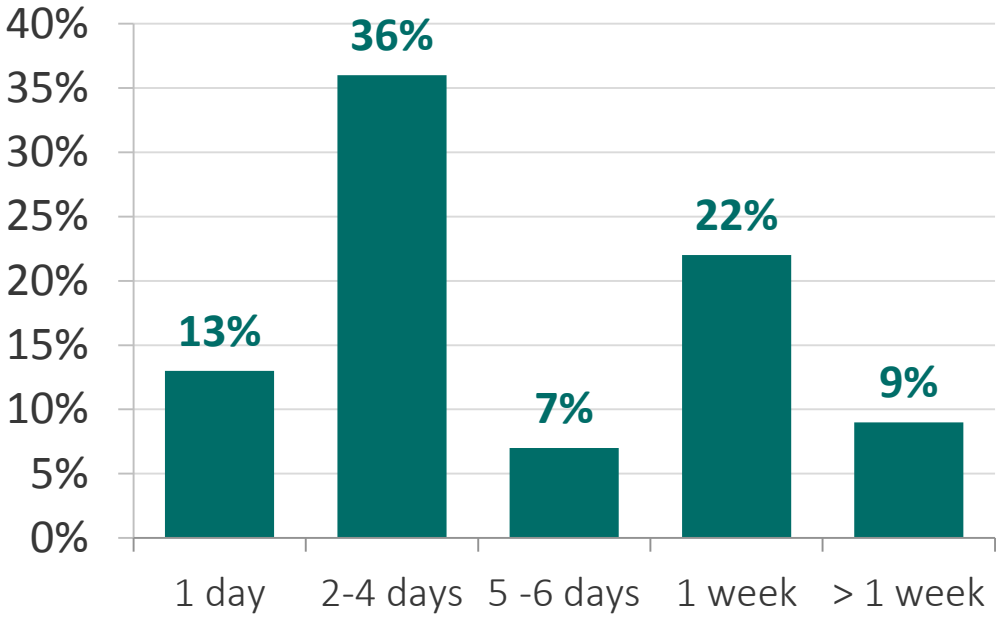
	Newspaper	Internet	Mail	TV	Radio
Check for regular shopping	30%	32%	16%	5%	1%
Best for bringing sales to your attention	28%	24%	16%	18%	2%
Best for planning shopping	29%	33%	16%	2%	1%
Trustworthy	26%	18%	15%	9%	4%
Look forward to this type of ad	22%	19%	17%	10%	1%

MAGID, 2014

RESOURCES FOR REFERENCE

Most readers hang on to their preprint for nearly a week

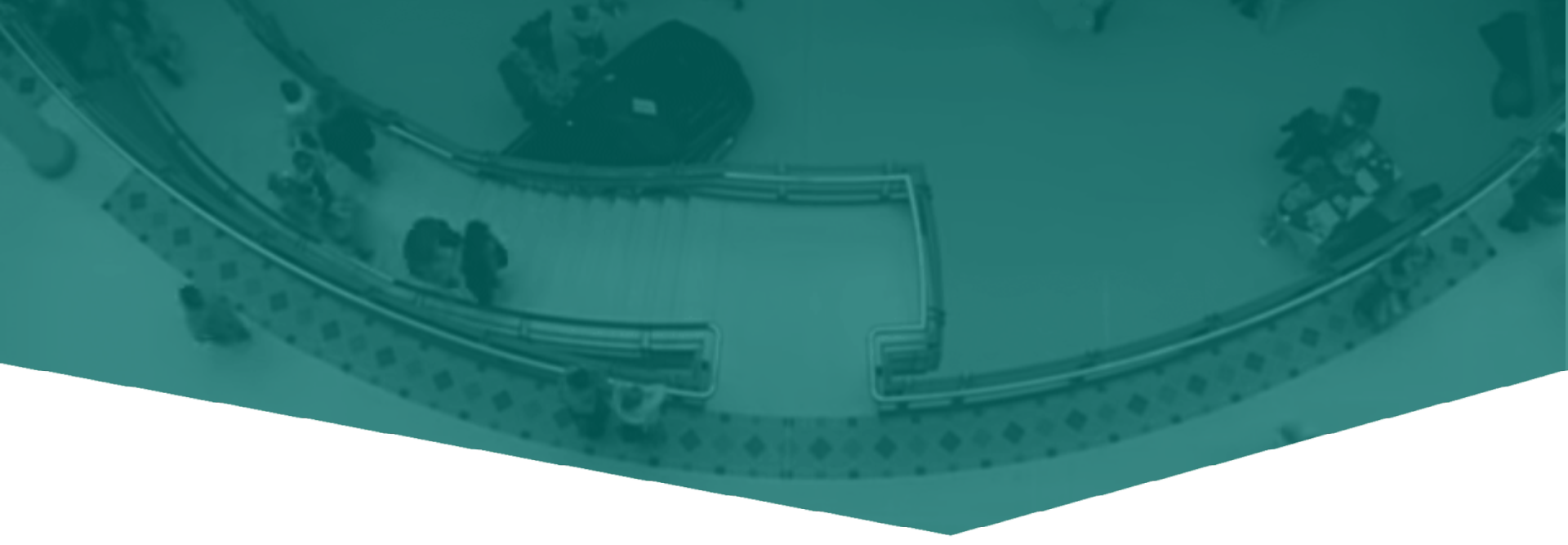
- » 31% keep for at least a week
- » 38% keep for at least 5 days
- » 74% keep for at least 2 days



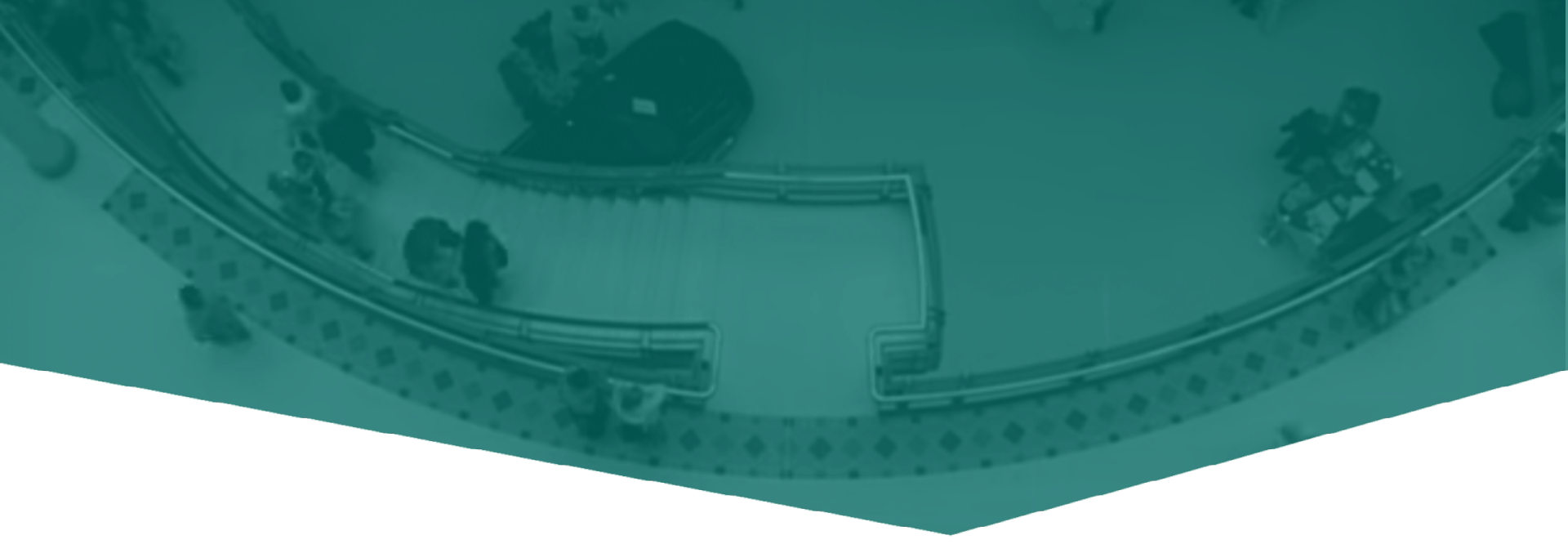
 Magid, "How America Shops and Spends," 2014

INSERTS DRIVE ACTION

Action Taken	Home Delivered	Strib Express	TCV	Red Plum	Clip 'N' Save	Dollars and Sense	Money Mailer	Valpak	RSVP
Visited advertised store	62	56	51	36	41	37	28	29	36
Bought advertised item	65	59	50	48	37	33	27	30	48
Went online for more information	23	23	14	6	8	8	9	11	6
Clipped a coupon	77	75	78	84	81	76	68	66	46



OPTIMIZING YOUR PREPRINT…
…MEANS FINDING THE RIGHT CUSTOMER

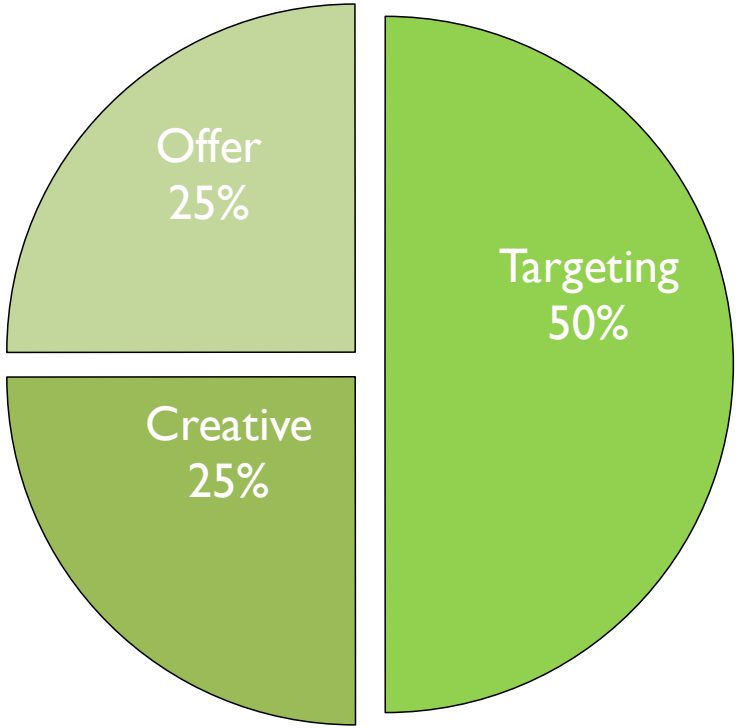


FINDING THE RIGHT CUSTOMERS

…BEGINS WITH ANALYSING CURRENT CUSTOMERS

OPTIMIZING YOUR PREPRINT

Response = Targeting (50%) + Creative (25%) + Offer (25%)



Source: Direct Marketing Association

CUSTOMER ANALYSIS

There are two general categories of data

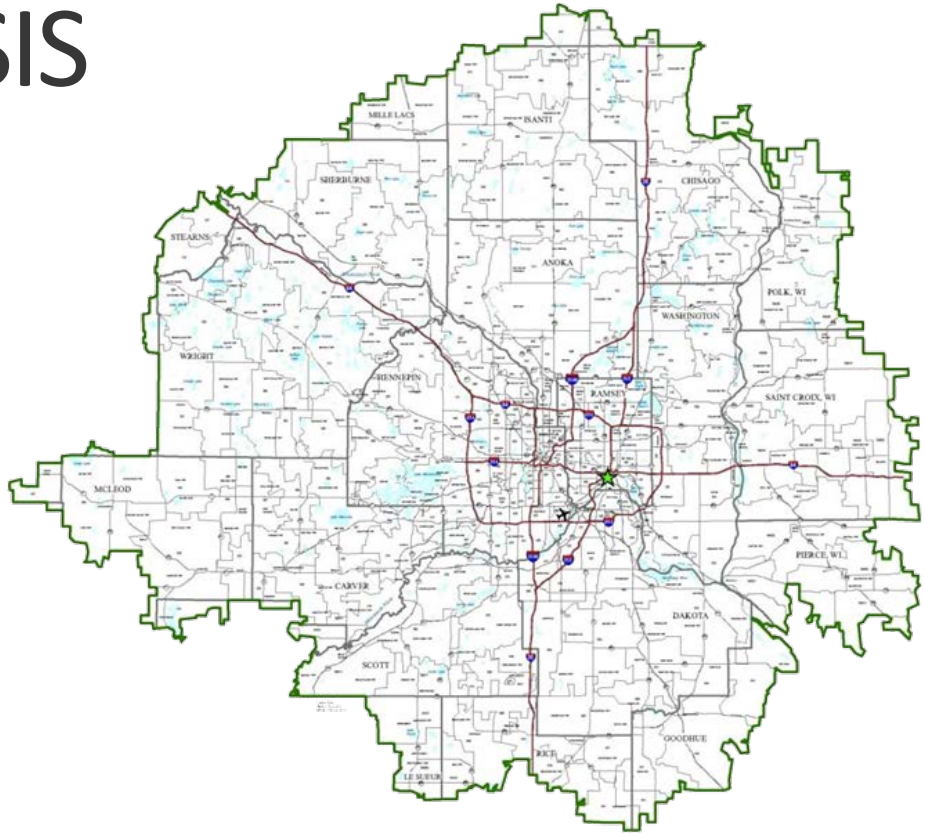
Good Predictive – Modeled data, usually based on census, purchase diaries, and advanced mathematical models.

Best Behavioral – Actual purchase data for customers; usually analyzed for recency, frequency and monetary value (RFM).

CUSTOMER ANALYSIS

Five fundamental principles of Target Marketing

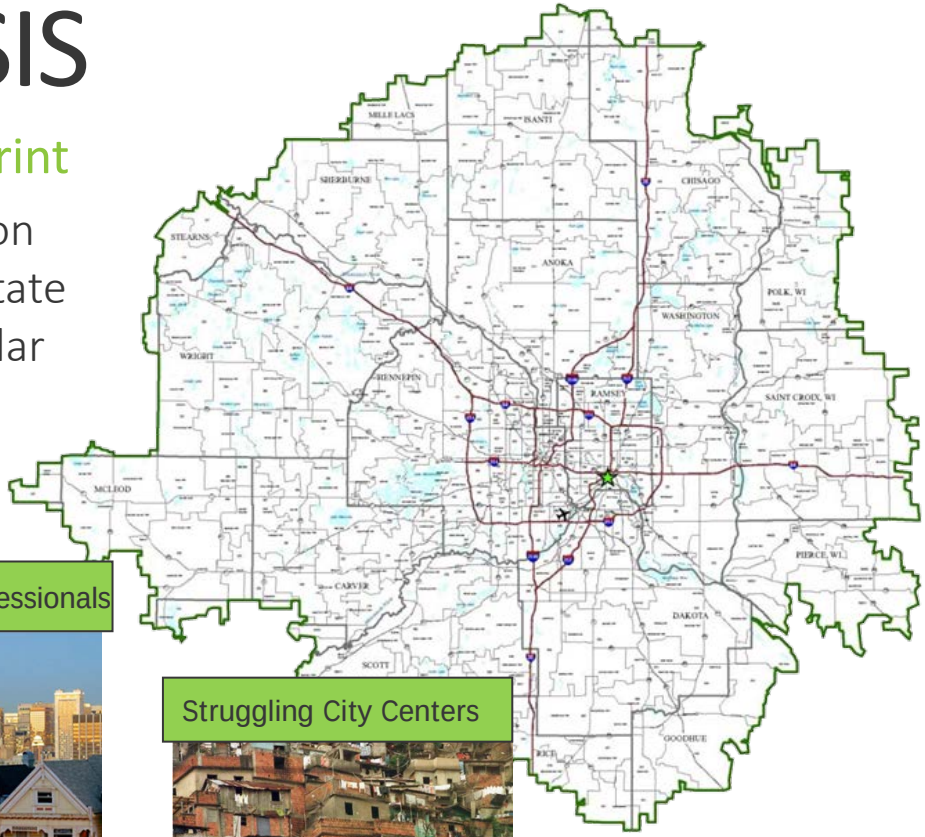
1. Birds of a feather flock together
2. Chase dollars, not people
3. Distance = Dollars (Proximity Effect)
4. Bait the hook to suit the fish (versioning)
5. Let the data be your guide



CUSTOMER ANALYSIS

Using GIS analysis to optimize your preprint

» Geodemographic segmentation is based on the observation that people tend to gravitate towards communities with people of similar backgrounds, interests, and means.



America's Wealthiest

White-collar Suburbia

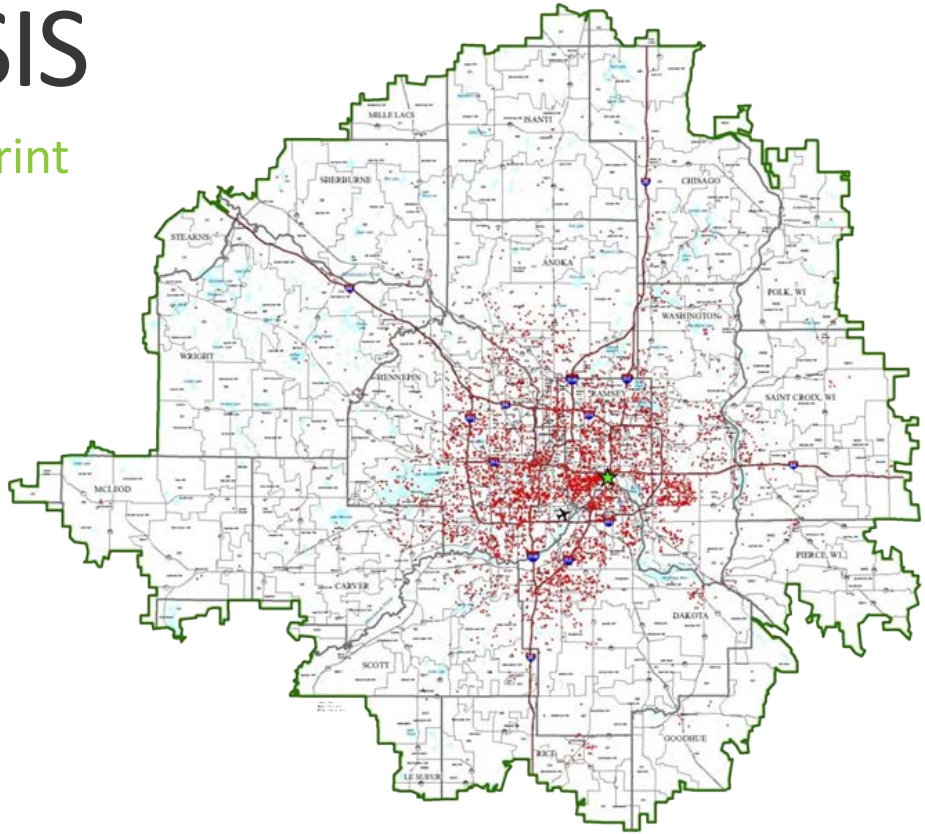
Affluent Urban Professionals

Struggling City Centers

CUSTOMER ANALYSIS

Using GIS analysis to optimize your preprint

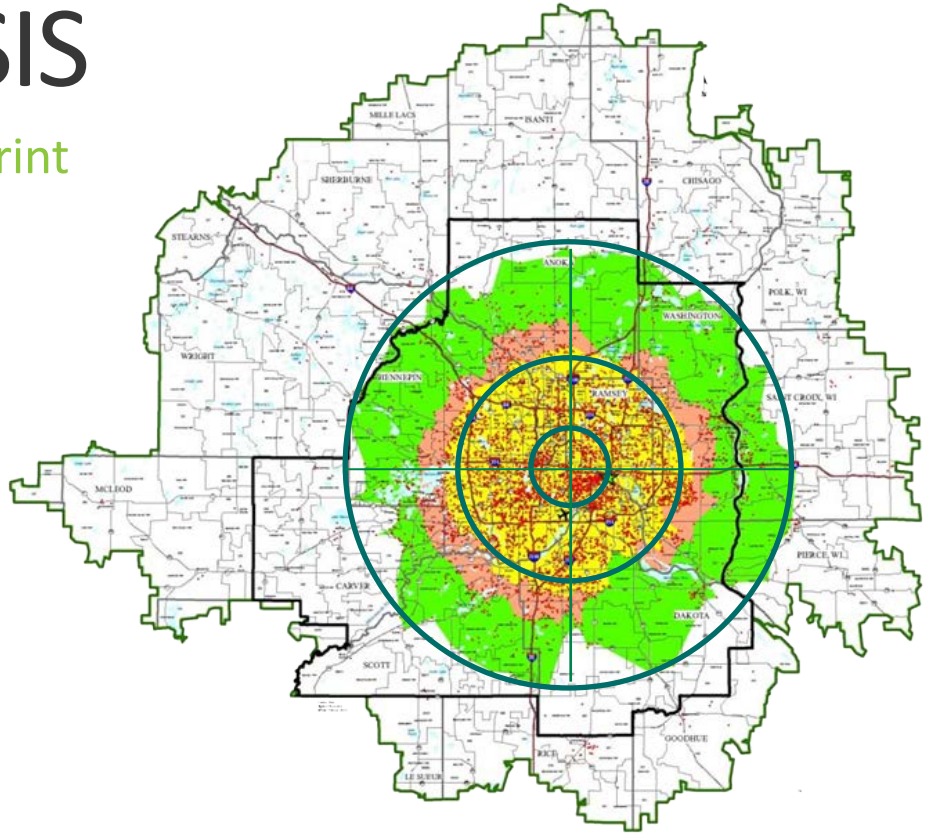
- By plotting your customers on a map, we are able to determine to what demographic segments your customers belong
- Yields insights on age, income, interests and media habits



CUSTOMER ANALYSIS

Using GIS analysis to optimize your preprint

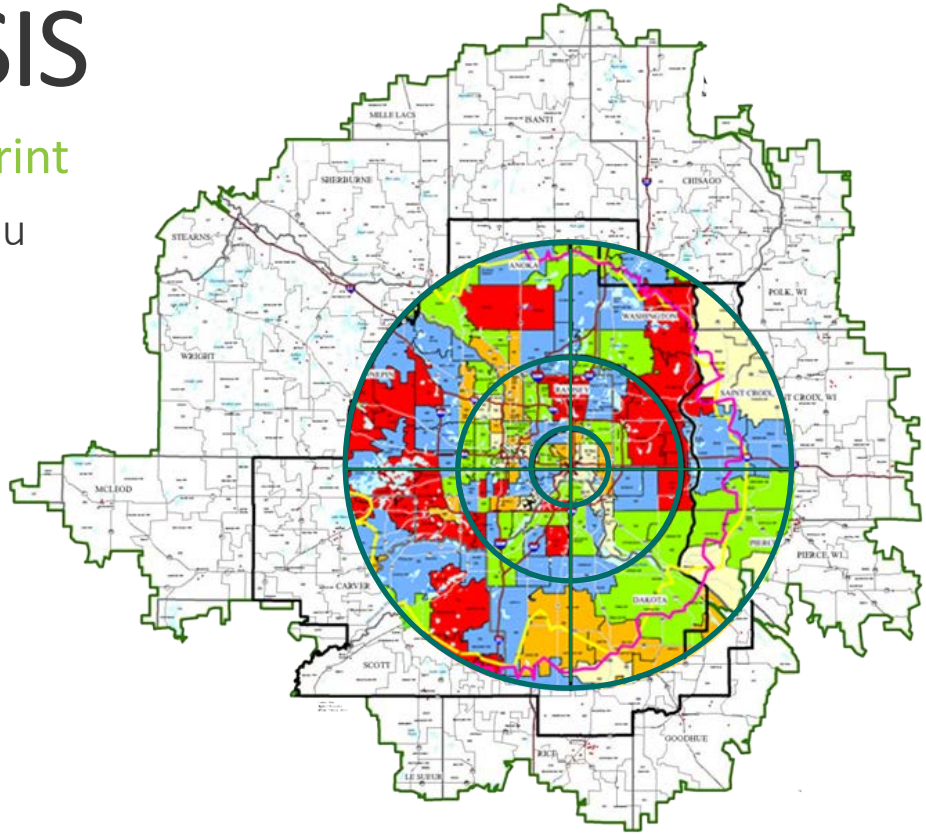
- By analyzing the distance your customers travel, we can determine your primary trade area
- Enables us to deliver your preprint to consumers who are most likely to respond



CUSTOMER ANALYSIS

Using GIS analysis to optimize your preprint

- We then plot the segments with which you have a high index in your trade area
- Pairing the two optimizes your preprint distribution



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OPTIMIZING CREATIVE

Best practices for creative apply to inserts

- Take my eye and show me what's important
- Don't bury your value proposition
- Less is more: Clean, clear, concise copy + white space; avoid clutter
- Visuals should be appealing and supporting the message
- Make it more about the customer's experience than the advertiser
- Use people to connect emotional and functional needs
- Communicate Authenticity. Avoid gimmicks, juvenile humor

CASE STUDY

- Quickly communicates value proposition
- Arrow guides eye to best offer
- Appealing visuals
- Includes people using and enjoying the product
- Browsing the preprint includes price and selection
- In effect, Slumberland delivers their showroom

OPTIMIZING the Marketing Mix with Preprints – key points

- Drive customers to your store and increase sales with Preprints
- Cut through the noise and tell a story with optimized preprints
- Consumers engagement with printed inserts and digital is increasing
- Preprints enable you to reach your customers when you want
- Keep your message clear and concise and make it about the customer's experience

Special Offers to Conference Attendees

For attending today's Midwest Retail Strategies Conference you will receive one (1) free consult with our GIS team and a Star Tribune Audience and Analytics Tag (STAAT) at no cost. This tag will help determine who your customers and prospects are, where they are coming from, identify look-alikes…and yes, we'll make a recommendation on how best to reach them (no obligation to buy, offer good for conference attendees only and must be scheduled within 60-days of conference on June 9, 2015).

StarTribune

Time to hear from our panel of experts!

Panelists

Tom Hedrick
Executive Director of Marketing for Slumberland Furniture

slumberland FURNITURE

Julie Carlson

Marketing Manager of Warners' Stellian Appliance Company

WARNERS' STELLIAN Your Appliance Specialist

Will Bathke, President and co-owner of Aero Drapery & Blind

Aero Drapery & Blind

Thank You!