10 Audience Development and Circulation Metrics

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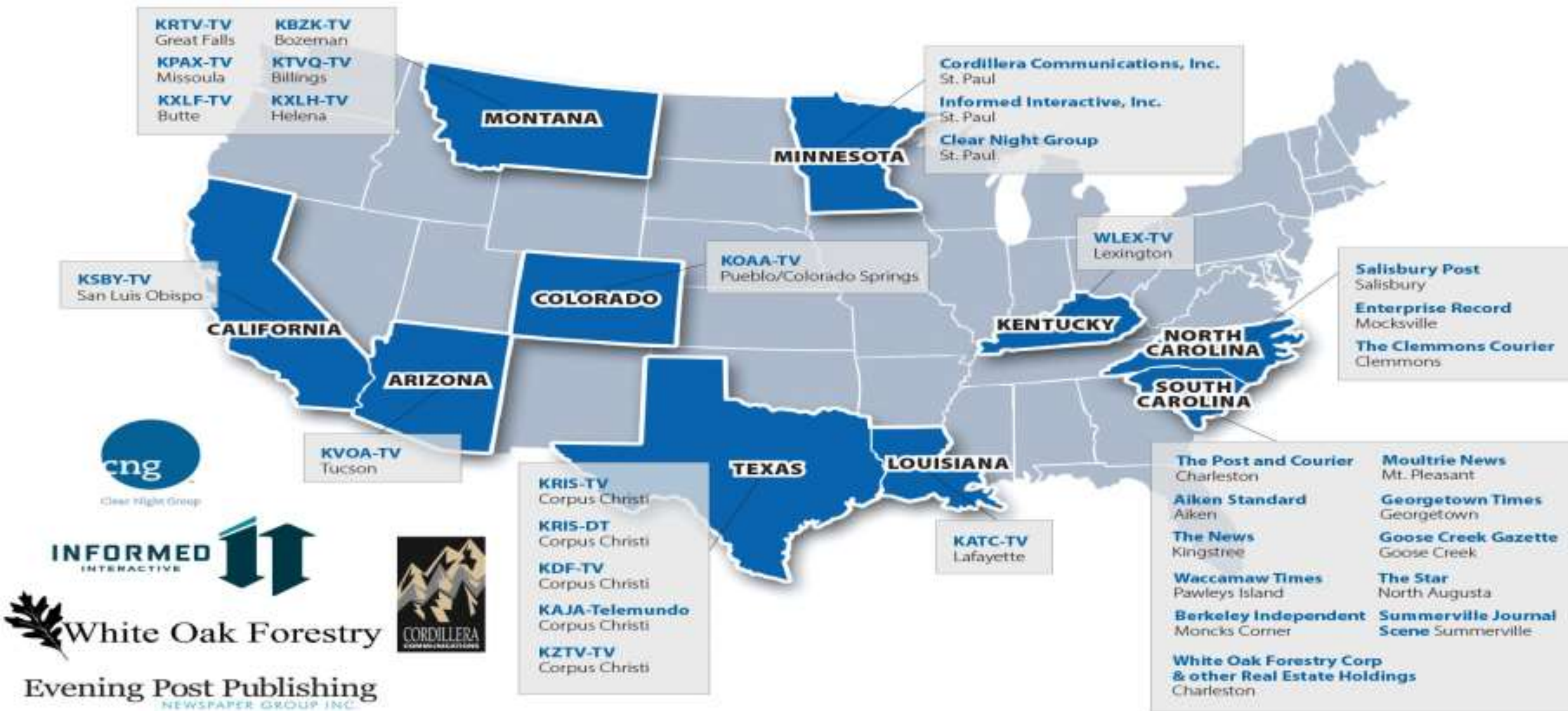
Agenda

- Meet Someone New
- Evening Post Industries and The Post and Courier
- 10 Audience Development and Circulation Metrics
- Interesting Charleston Images and Facts Mixed In For Fun
- Questions

Meet Someone New

Evening Post Industries

15 Television Stations - Cordilerra
13 Newspapers – EPPNG
Clear Night Group- marketing
White Oak Forestry
Informed Interactive – digital



The Post and Courier

* Located in beautiful Charleston, SC
* 80,000 circulation daily newspaper
* 55,000 home delivery, 25,000 single copy
* www.postandcourier.com
* Charleston's largest website
* Approximately 300 employees
* Privately owned…….YEAH!

Let’s Get Started!

1. Churn

- Total number of annual permanent stops divided by your annual 7-day home delivery average expressed as a percentage.
- Average industry churn is 31.8%. Less for smaller papers, more for larger papers.

Example

* 4,877 Annual Permanent Stops (do not count temporary stops like vacations)
* 16,311 Annual 7-Day Home Delivery Circulation Average (do not use your total circulation)
* 4,877 divided by 16,311 equals a churn rate of 29.9%

2. Social Media

Facebook
Likes as a % of HD Subscribers

Home Delivery Volume	Behind the Curve	On the Curve	Ahead of Curve
40K or greater	40% or less	40% - 55%	55% or greater
10K – 40K	30% or less	30% - 50%	50 % or greater
10K or less	25% or less	25% - 40%	40% or greater
Weekly or Free	10% or less	10% - 35%	35% or greater

Twitter
Followers as a % of HD Subscribers

Home Delivery Volume	Behind the Curve	On the Curve	Ahead of Curve
40K or greater	20% or less	20% -35%	35% or greater
10K – 40K	15% or less	15 – 30%	30% or greater
10K or less	10% or less	10% - 25%	25% or greater
Weekly or Free	10% or less	10 -25%	25% or greater

Charleston Trivia #1

3. Cost Per Order

* Total annual acquisition costs (commissions) + total annual discount costs on new orders divided by the total number of new starts.
* Should be tracked by start source

Example

* $155,000 annual acquisition costs (what did you pay for the order?)
* $26,511 annual discount expense
* 5, 321 annual number of new starts
* $155,000 + $26,511 = $181,511 total acquisition cost
* $181,511 divided by 5,321 starts equals an average cost per order (CPO) of $34.11

National CPO Average

25,000 Circulation and Under	$38.17
25K-50K	$45.63
50K-100K	$64.15
100K-200K	$68.68
Over 200K Circulation	$82.85

4. Percentage of Subscribers Paying Full Price

* Track the percentage of subscribers that are paying full term price.

* The goal is to minimize discounts.

* If you are below 50% you are behind the curve. Industry average is about 60%. If you are 70% or above you are ahead of the curve.

5. Percentage of Subscribers Paying for Which Term

* Track the percentage of your home delivery base that is paying for their subscription by term.
* For example, what % pay by the year, quarter, month, carrier, office, EZ Pay.
* At my newspaper 55% Easy pay, 22% quarterly pay, 9 % half year pay, 14% annual pay.
* Also should track the % of subscribers receiving electronic renewal notices.
* Goal is reduce the number of renewal notices sent. Thus reducing the number of opportunities you give a customer to stop.

Determine Someone's Age

- Multiply your shoe size X 2 (whole number)
- Add 5 to your answer
- Multiply your new answer X 50
- Add 1764 to your new answer
- Subtract the year of your birth (1969)
- The last two digits of your new answer should be your age at your birthday in 2014 and the first digit(s) should be your shoe size

6. Average Weighted Retention By Source

* Track, by sales source, the average length of time a new customer acquired by that start source remains as a customer and express it in terms of days.
* Compare sales channels to leverage negotiated commissions and maximize return on commission investment.
* Allows for easy calculation of volume changes and expense forecasting.
* Goal is to KNOW how many new starts you have to sell to grow 1 unit of paid circulation

Average Weighted Retention

Source	Average 90 Day Retention	Average 180 Day Retention	Average 365 Day Retention
Phone	57%	42%	33%
Carrier	73%	59%	48%
Crew	64%	38%	25%
Mail	76%	63%	49%
Kiosk	68%	50%	37%
Internet	77%	64%	53%
Email	54%	41%	39%
District Manager	74%	61%	49%
FSI	72%	60%	49%

The Most Important Slide

Source	Average Days Subscription Type Lasts	# Required to Effect 365 Days of Circulation	Cost Per Order	$ Required to Grow 1 Unit of Annual Circulation
Phone	26.6	13.7	$29.85	$408.95
Kiosk	92.6	3.9	$65.66	$256.07
Average	59.6	6.1	$47.76	$292.48

7. Response Rate to Each Invoice and Renewal Notice

* Track who pays what bill with the goal of eliminating duplicate bills.
* Tweak the customer intervention cycle to maximize pay rates per notice.

8. Percentage of Valid Subscriber Email Addresses

* Should be an opt-in database
* Test routinely for validity
* E-bill those customers who prefer
* Reduce mail costs
* Contest notification

% of HD Subscribers You Have a Valid Email Address On

Home Delivery Volume	Behind the Curve	On the Curve	Ahead of Curve
40K or greater	30% or less	30% -40%	40% or above
10K -40K	20% or less	20% - 30%	30% or above
10K or less	15% or less	15%-25%	25% or above
Weekly	5% or less	5%-10%	10% or above

Charleston Trivia #2

9. Circulation Profit Margin

- (Total circulation revenue – total circulation expense) divided by total circulation revenue then expressed as a percentage.
- Example: $776,222 Circulation Revenue - $641,345 Circulation Expense = $134,877 or 17.3% Profit Margin

Example

* $2,153,000 Annual Circulation Revenue
* $1,935,000 Annual Circulation Expense
* $2,153,000 - $1,935,000 = $218,000 Annual Profit
* $218,000 / $2,153,000 = 10.1% Profit Margin

10. Average Revenue Per Copy, Average Expense and Average Profit Per Copy

* Average Revenue / Copy = Total annual circulation revenue divided by the total annual number of papers sold.
* Average Expense / Copy = Total Total annual departmental expenses divided by the total annual number of papers sold.
* Average Profit / Copy = Average Revenue Per Copy – Average Expense Per Copy

Revenue Per Copy Example

* $2,153,000 Annual Circulation Revenue
* 21,451 Annual Paid Circulation Average (7 Day)
* 21,451 x 365 days = 7,829,615 copies sold
* $2,153,000 / 7,829,615 = $.27498 Revenue per copy

Average Expense Per Copy Example

* $1,935,000 Annual Circulation Expense
* 21,451 Annual Paid Circulation Average (7 Day)
* 21,451 x 365 days = 7,829,615 copies sold
* $1,935,000 / 7,829,615 = $.2471 Expense Per Copy

Average Profit Per Copy Example

* $.27498 Average Revenue Per Copy - $.2471 Average Expense Per Copy = $.02788 Profit Per Copy

Questions ?

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