



Growing Revenue with For Small Businesses

Presented by
Cathy Mills
San Jose Mercury News
Bay Area Newspaper Group

2007 NAA Marketing Conference

January 29, 2007

Co-op

- It's all about small businesses
- It's all about knowing
- It's not to be feared
- It's all about selling more

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What does the small business look like?

- Mom & Pop
- Local buying decision
- Could be franchise location
- Sells major, name-brand merchandise

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What does the newspaper offer?

- Free co-op service
- Research of funds
- Budgeting assistance
- Preapproval of ads
- Claim processing

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Benefits to Small Business

- Use of available funds
- Reduction in stress related to processes
- Increase in ad budget without increase to out of pocket expense

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Benefits to Newspaper

- Increase active account base
- Increase in revenue
- Less client churn
- Competitive environment for same brand retailers

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Proof of the Potential

Valley Heat & Air

- Small a/c & heat dealer in San Jose
- 2004 spend \$28k
 - So-so results in paper
- 2005 spend on co-op \$80k
 - Negotiated more co-op money due to increase in sales
 - New ad campaign highly successful
- 2006 spend on co-op \$143k
 - #2 in the marketplace selling Carrier products

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“Valley Heating & Cooling was Absolutely Awesome!”



“I’m not one to embellish, but on a scale of 1-10, I’d have to rate Valley Heating and Cooling an 11. I would absolutely recommend them to anyone.”

“We knew we had scored when the crew showed up.”

“It was Nordstrom® service from the get go. We got multiple bids, of course. But other companies simply didn’t listen, or seem to care about our needs. They wanted to install fastest/cheapest. Valley really took the time to listen, and worked hard to design *exactly* what we wanted. And, they did so *with no extra charges* (which the other companies wanted to add).”

“They went the extra mile in so many ways”

“Their response time was fast. We live up in the hills, so we expected to have to wait. Not so with Valley. And each time they came *they were on time – complete, meticulous professionals.* Every day, they vacuumed and dusted! The last day of the install was in the midst of a heat wave, and the chief installer stayed until 7:30 PM to make sure everything was buttoned down.”

“Knowledge made an amazing difference”

“Our installation wasn’t easy – two variable speed furnaces, two air conditioners, and complete ductwork for the upstairs. But their people *treated our home as if it were theirs*, right down to the screws. They clearly had

far more knowledge than their competition, and it showed. We have nothing but good things to say about their quality and service. And, from the references we checked, so did several others. When they called me to ask for a testimonial, we were tickled, and more than happy to oblige.”

– Kelly & Dr. Douglas Robinson
Los Gatos



Turn to the Experts.

Carrier is a 100-year-old company that actually invented the Air Conditioner!



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Proof of the Potential Seacoast Newspapers: Bemister's Pool Tables

Pool table retailer in Portland, Maine

- 2004- \$21k a year. Now spending \$40k a year

Custom Pools

Swimming Pool retailer in Portland

- Increased from \$9k to \$26k year over year using co-op from a variety of manufacturers



Proof of the Potential

Ft Worth Star Telegram

Gibson's Ace Hardware

- Average \$1-1.5k a month prior to co-op involvement
- Now \$7k a month

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Proof of the Potential

Ft Worth Star Telegram

Haltom's Jewelers

- Nov/Dec 2005 spend \$44k
- Nov/Dec 2006 spend \$83k using co-op services

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DECEMBER 2006 | HALTOM'S JEWELERS PAID ADVERTISEMENT | 01

Photographed by Patricia von Ah at the Reno Air Races, Reno, Nevada.

HALTOM'S

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PROFESSION: PILOT CAREER: ACTOR

People are acquainted with the star, the multi-faceted actor. But John Travolta is also a seasoned pilot with more than 5,000 flight hours under his belt, and is certified on eight different aircraft, including the Boeing 747-400 Jumbo Jet. He nurtures a passion for everything that embodies the authentic spirit of aviation. Like Breitling wrist instruments. Founded in 1884, Breitling has shared all the finest hours in aeronautical history. Its chronographs meet the highest standards of precision, sturdiness and functionality, and are all equipped with movements that are chronometer-certified by the COSC (Swiss Official Chronometer Testing Institute). One simply does not become an aviation supplier by chance.

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Total Potential

\$4.5 billion

Unused funds in 2005*

1% for newspapers

\$45 million



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