

Strategic Database Development It's a Journey

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newspapers online preprinted inserts direct marketing shared mail
commercial printing promotions media planning market analysis ad design

seattletimescompany.com/advertise

The Seattle Times



REPRESENTING THE *Seattle Post-Intelligencer*

Convergence of Data Mining and Market Research

“In most companies, the realms of customer-behavior analysis and customer-attitudes analysis are worlds apart. They are like two swift flowing rivers that never meet. Behavioral analysis is typically the domain of business intelligence: tightly managed by IT and heavily focused on operational systems, data management, report servers. While attitudinal analysis is the world of Market Research resulting in tabular reports and executive briefing documents.



However, true holistic customer analysis demands that these worlds come together. Customers both think and act. An understanding of how customers think can help explain and predict customer behavior. Conversely, customer behaviors can help explain and predict customer attitudes. Ideally, behaviors and attitudes would be analyzed simultaneously for deeper customer understanding.”

2 Rivers: The Confluence of Data Mining and Market Research for Smarter CRM April 17, 2003, Kenneth Elliott, Ph.D. Kenning Research Inc., Richard Scionti SPSS Inc., Mike Page The Kantar Group

The tipping point for database development

Some pain, some vision

Vision

- Take advantage of new marketing realities and opportunities (e.g., change publication cycle to AM)
- CRM – know who our customers are and act like it by providing the service and relevance they desire
- Develop significant new revenue from direct mail

Pain

- Newspaper strike – reps walked out with advertiser relationships
- “Do Not Call” movement – telemarketing channel for circulation acquisition was fading fast
- Revenue was softening significantly in classified categories with the emergence of the Internet verticals

And then there were ...

Key strategic goals for consumer marketing

- Describe consumers in the market based on their interest and consumption of news and information (a “custom” segmentation is key)
- Provide a common marketing language (customer service, POS, direct mail, in-paper, etc.)
- Inform circulation acquisition and retention strategies
- Provide basis for non-newspaper product development
- Develop a strong new marketing channel, consumer direct mail



Our path to a consumer database in a nutshell

Step 1: Develop the custom segmentation

Step 2: Deploy the segmentation to product development, marketing and operations

Along the way, we needed

- A comprehensive consumer marketing database (MaaX)
- A way to marry our MORI segments with individuals in our database (predictive analytics from Apollo Data Technologies)
- Modifications to our billing and delivery system (DISCUS)
- Consumer intelligence added to our interface for our CSR's (APAC)
- A direct marketing team to consult with advertisers



Meet our news and information segments – we garnered some headlines as we perfected our targets

*Do you love Sunday newspapers?
Times may know
Puget Sound Business Journal, April 2005*

*The outsourcing option
for predictive analytics
Computerworld, June 2005*



*Newspaper Carves Segments
by Channel, News Interest
DM News, July 2005*

*Seattle Times rolls out app to
zero in on reader needs
Newspapers & Technology,
September 2005*

Seattle Times Segments and Scores
Target Marketing, March 2006



The heavy lifting was just that – team, goals, math

Step 1: Created an interdepartmental task force chaired at a high level

Our team included:

- Vice President of Consumer Marketing (Circulation)
- Research Manager for Circulation and Readership Development (Corporate Research)
- Systems Development Director (IT)
- Direct Marketing Manager (Advertising)

Step 2: Clarified the corporate and specific goals

Step 3: Did the math

Although the motivation was very high in Circulation as the “do-not-call” movement exploded, the business justification was largely in Advertising based on direct mail revenue



The business case had breadth and depth

- Advertising revenue
- Circulation retention
- Circulation acquisition
- Enhanced market intelligence



What is MaaX?



A database application that helps
your circulation and your
advertiser and your
customers identify and cost efficiently
target customers & prospects lists



Target Customers
& Prospects Lists



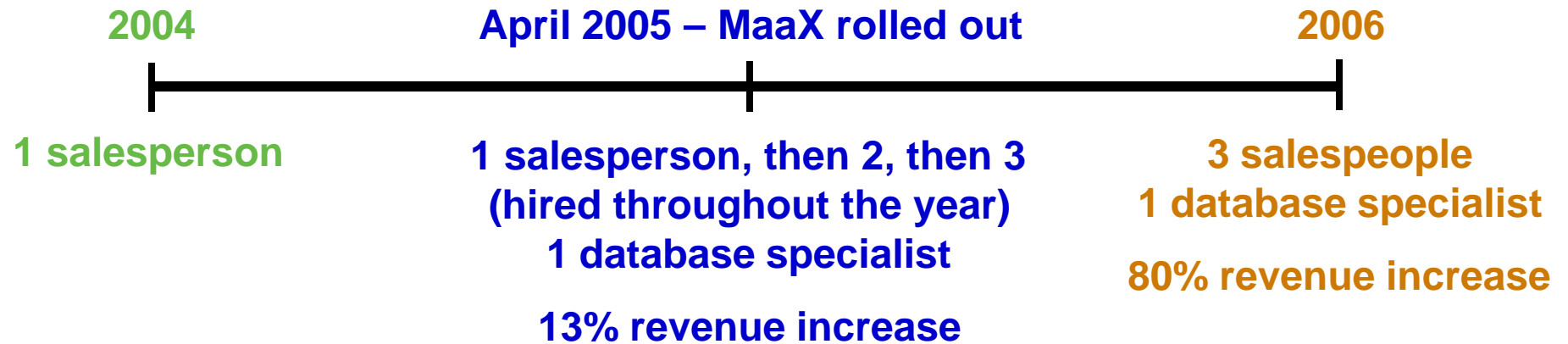
Results: Advertising – Target Marketing

- Improved customer timelines
- Improved market analysis tools
- Improved targeting by modeling customer lists or using consumer attributes, demographics or PRIZM_{NE} segments
- Expanded billable services
- Increased profit margins with less services outsourced
- Increased target marketing revenue growth



Results: Advertising – Target Marketing

Direct Mail revenue increased 80% from 2004 to 2006!



Advertising Success Story: The Seattle Times Company helps Sound Window open the door to new sales



Client: Sound Window – Renewal by Andersen

Objective: Rebrand Renewal by Andersen with a local message specific to the Seattle area and generate qualified sales leads

Solution: A custom direct mail program that targets potential prospects based on relevant demographic and geographic segments

Results: The highest return rate from any advertising program that they are doing!
YTD 2006* produced 771 inquires, 348 sold = 45% of leads sold with \$4.9 million total sales



Results: Circulation Marketing

Overall Marketing Strategy Clarity

- We've moved from an "operational" approach, with DISCUS in the driver's seat, to a "marketing" approach with MaaX in the driver's seat. Focus is on segments, geography and consumer behavior.

Messaging

- **Stop save** - When a "stop" call comes in, the CSR inputs the gender to identify the correct person within the household and info appears on the screen about the caller's greatest content interests. Results? New CSR's are up and running faster and they don't immediately jump to a discount solution to "save" the customer. Previously 70% used an "offer" to save the customer, now appropriate messaging has allowed 70% to be saved without an "offer." And, so far, there is an improvement of 1.6 percentage points in the rate of those who are retained.
- **Renewal messaging** - Renewal bills contain customized messaging by segment to promote relevant content, subscription type upgrade or EasyPay. Customized renewal bills improved retention by 9 percentage points for Go Do Guys and 11 points for Fun and Family in our tests.



Customized statement messages improve results

THE SEATTLE TIMES
The Seattle Times Company Representing
Seattle Post-Intelligencer

Preferred Subscriber Billing

Account Number	Billing Date	Due Date

For all billing inquiries or changes in service call Customer Service 206/464-2121. Requests sent on the Payment Return Copy below will not be read. (See reverse side for additional contact information.)

Activity

THE SEATTLE TIMES
The Seattle Times

Preferred Subscriber Billing

Account Number	Billing Date	Due Date

For all billing inquiries or changes in service call Customer Service 206/464-2121. Requests sent on the Payment Return Copy below will not be read. (See reverse side for additional contact information.)

Current Status of Your Account

Activity	Date	Description of Service

Service Type:

Paid-through Date:

Billing Period:

AMOUNT DUE

PLEASE NOTE: Your Paid-through Date reflects all activities listed above. Your service and billing will continue until you notify The Circulation Department. (See reverse side.)

Additional Important Information

PLEASE NOTE: Your Paid-through Date reflects all activities listed above. Your service and billing will continue until you notify The Circulation Department. (See reverse side.)

Account Number: Payment Due Date:

For all billing inquiries or changes in service call Customer Service 206/464-2121. Requests sent on the Payment Return Copy will not be read.

Mail to: The Seattle Times
P.O. BOX 84647
SEATTLE, WA 98124

Payment Return Copy

Account Number	Payment Due Date	Amount Due	on Payment Amount	Optional Carrier Tip	Total Amount Enclosed

For all billing inquiries or changes in service call Customer Service 206/464-2121. Requests sent on the Payment Return Copy will not be read.

Make your check payable to **The Seattle Times**, or charge your **credit card**.

To pay by credit card select one of the following:

One-time (this billing period only) This billing period & automatically on future billing periods

5 weeks 13 weeks 26 weeks 52 weeks

You can also visit seattletimes.com/subscribe to pay by credit card.

Credit Card # Exp. Date

Mail to: The Seattle Times
P.O. BOX 84647
SEATTLE, WA 98124-5947

current statements

YOUR USER'S GUIDE TO SEATTLE. Subscriber Statement

Seattle Post-Intelligencer

For all billing inquiries or changes in service call Customer Service 206/464-2121. Requests sent on the Payment Return Copy below will not be read. (See reverse side for additional contact information.)

CUSTOMER ACCOUNT INFORMATION

ACCOUNT NUMBER	SUBSCRIPTION TYPE	PAID THROUGH DATE	DUE DATE

PLEASE NOTE: Your service and billing will continue until you notify the Customer Service Department. See reverse.

Keep a good thing coming!

Wake up to The Seattle Times and enjoy all of your favorites:

- Local and international news and sports coverage
- Saturday's **digs** home and garden section
- Award-winning Pacific Northwest and Parade magazines
- Movie reviews and entertainment calendars
- Plus a variety of arts, food and dining ideas

Your Special Renewal Offers

	REGULAR RATE	RENEWAL OFFER
13 weeks	\$46.15	\$34.99 – SAVING YOU \$11.16
26 weeks	\$92.30	\$69.99 – SAVING YOU \$22.31

Thank you for subscribing!

DETACH THIS PORTION BELOW AND RETURN WITH PAYMENT

For all billing inquiries or changes in service call Customer Service 206/464-2121. Requests sent on the Payment Return Copy will not be read.

The Seattle Times

To pay by credit/debit card select one of the following:

One-time payment (this billing period only).

SIGN UP FOR **easypay** (this billing period and automatically on future billing periods).

NAME:

ACCOUNT #:

DUE DATE:

AMOUNT PAID: \$

CARRIER TIP (OPTIONAL): \$

TOTAL AMOUNT ENCLOSED: \$

CHOOSE ONE OF THESE GREAT RENEWAL OFFERS:

13 weeks at \$34.99 26 weeks at \$69.99

CREDIT/DEBIT CARD INFORMATION:

MASTERCARD VISA AMEX

Credit Card No: Exp. Date:

MAIL TO: The Seattle Times
P.O. BOX 84647
SEATTLE, WA 98124-5947

You can also visit seattletimes.com/subscribe to pay by credit card.

-DR- Make your check payable to **The Seattle Times**.

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NAME:

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SEATTLE, WA 98124-5947

proposed statements

Results: Circulation Marketing (continued)

Variable Pricing Strategy

- **Renewal pricing** - Segments identified as more pricing sensitive can be stepped up slowly from a discounted start, offered discounts for longer term renewals or smaller more frequent payments. Goal is to increase payment and renewal rates at the 12-month mark by 5 percentage points.

Revenue/Circulation Growth

- **Non-subscriber sampling** - extends our advertising clients' reach by providing a sample newspaper, wrapped with a message from the advertiser to the door step of a selected non-subscriber. The wrap has a full color message area. Non-subscribers may be targeted by any variable available on MaaX. 2006 saw 42 sampling programs for 27 advertisers which delivered 400,000 newspapers – about 1,280 units of circulation.

Cost Savings/Improved Turnaround Time

- External list/data processing eliminated, thereby saving \$1,000+/month
- Staff executes list analysis and optimum customer modeling for higher quality with greater speed



Results: Marketing Research

Focus Group Recruiting

- By coding our consumer database by news and information segments, we can recruit the folks we need for focus groups which help in both ideation for new products and testing new product concepts among targeted segments

Strategic Analysis

- Having MaaX at our finger tips allows us to datamine in an ad hoc fashion as strategic issues arise





The journey to develop our B-to-B database....

“Once upon a time before we had our SalesLogix business database...”



On 11/21/2000 when our Guild went on strike, we didn't have a CRM application or business database and...

Ad rep provided contact lists were incomplete and outdated

Business transactional database inadequate

Countless hours/days wasted

The limited line and management staff:

- Didn't know whom to call
- Didn't have a way to track who was handling which accounts
- Didn't have a practical way to track what commitments had been made

Millions of dollars were lost



The strike demonstrated the need for accurate, current advertiser contact and account information



SalesLogix CRM Program Goals

- Create a searchable, shared database of current advertising decision makers
- Grow account base through database marketing and e-mail marketing
- Reduce advertiser churn
- Create an intuitive, easy-to-use interface that all ad staff can understand and use
- Capture and retain target marketing data for use in our imMEDIate SFA (sales force automation) program to develop relevant presentations and, in turn, by our design team to develop targeted ad messaging
- Ensure that when someone leaves the company, client servicing can continue with minimal disruption



What's in SalesLogix?

Comprehensive, six-county InfoUSA business database

- 127,000+ businesses – add/edit/delete quarterly

Admarc business data (contracts, credit, ad activity, AE assignments)

- 21,000+ records of current/past contract advertisers, imported daily

Out-of-market vertical target leads (ski or golf resorts, etc.)

- Purchased from InfoUSA as needed for special sections

AE entered account and contact records

- AEs complete call reports, updating contact info as they make calls

A “Library” in SalesLogix is the repository for digital sales material

- Category research presentations by vertical, sales flyers, rate books, monthly TNS data, circulation and readership data



SalesLogix Results

Reduced churn = increased revenue

- Monthly e-mails alert reps to potential loss of accounts
- High visibility of inactive accounts generates competition for this low-hanging fruit

Category analysis and lead generation

- Analyzing market penetration and market share by category
- Looking for target opportunities and assigning leads
- Providing seasonal and special section vertical lead lists to staff
- Database is easily searched by sales staff

Helping new sales reps get a fast start

- Complete contact information organized and available
- Less of a chance that an account will be forgotten
- Easier and more professional transition for our customers

E-mail marketing

- *NW Retail News*, a quarterly e-newsletter, and other periodic communications can be easily sent to all advertisers
- Personalized e-mail regarding upcoming special sections



The next leg of the journey...

B to C

- **Subscriber retention model** - Use data mining and predictive analytics to develop an intervention strategy

B to B

- **Advertiser segmentation** - Differentiate the way we target and serve different types of advertisers
- **Improved category targeting** - By deploying NAICS to all accounts, assess market share by category and media and identify categories we can go after now and categories that require new products



Thanks to those who have helped us...

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