

5 Ways to Increase TMC Profits Right Now

(or other non-paid print products.)

CHECK THE BACK
FOR A FREE OFFER



The money is out there...
by Jim Hart

"Where are you headed?"

It's Time for a New Plan

Hello and Welcome,

If we were having this conversation three years from now, what would your TMC need to look like for you to be happy? (I'm using TMC generically to refer to your non-subscriber print product.) How much revenue would it be bringing in? What types of advertisers and consumers will it be attracting?

If you've never given this a moments' thought, you're not alone.

How did your current program get to where it is today? Was there a plan, or did it just kind of evolve by reacting to competitive threats, lost advertisers and increased costs? Are you happy with its performance? Not relative to other papers you've talked to, but happy as in 'do you feel you're getting a proper return on your investment?'

Our focus on the decline of paid penetration has somewhat obscured the fact that, at many papers, the distribution of the TMC has nearly doubled. The level of paid penetration represents a viable solution to fewer advertisers. I see banks, hospitals, some car dealers, but very little of the Small to Medium Business (SMB) folks we talk a lot about.

They need penetration in the area around their store, the kind that your TMC can offer. Yes, they are buying more and more digital. But they still need to stimulate demand in a very finite geography. At the very least, print can be a powerful component of an SMB's plan for their business.

Serving their needs, in numbers big enough to move our needle, involves more of a New Plan than we typically undertake. New rate cards and goals aren't enough. If you keep selling the way you're selling now, you will choke on the influx of small ads very quickly. Maybe you've already experienced this, and decided pursuing SMB's with print isn't worth it? The reality is that most newspaper sales organizations were used to getting a very high percentage of revenue from a relatively small number of advertisers or categories of advertising. The opportunity at hand is more of a new way of thinking about who we sell, how we sell, what we sell, and how we fulfill it.

Over the past 33 years, I've helped 28 papers launch some form of TMC or another. I've worked with literally hundreds of papers of all shapes and sizes to improve their revenues and profits, mostly by improving their ability to serve more and different advertisers.

The 5 areas I focus on in this ebook are drawn from that work. I hope you find them useful.

Regards,

JIM HART

"Y'all better start taking better care of them non-subscribers, they're the fastest growin' audience you have."

A Southern friend of mine, voicing an uncomfortable truth about our industry

Trying to break even at low volumes becomes a self-fulfilling prophecy



"The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark."

Michelangelo

The low-volume part, that is. The base costs of delivering all or most of the non-subscribers is considerable, whether by mail or carrier.

The incremental cost of adding volume to the package pales in comparison to the base, even with postage. This is the very definition of a product that must be high volume, especially in a competitive situation. (If you're thinking only print when I say competition, you need to consider everything competing for the ad dollars in your market.)

I've seen hundreds of newspapers take this high base cost and try to build it into rates based on low volumes of business. By low volume, I

mean a handful of inserts and a wrap or jacket that's usually 4 pages with very little ROP in it. Sound familiar?

This would be like trying to break even on an airline or a hotel at 20% occupancy. It might work OK if you're the only option in town. Even then, it's short sighted. Every time the plane takes off with too many empty seats, you've left money on the table. There are more side effects of this approach - in fact, all of the other opportunities I address in this book flow from this big one.

The main side effect is that you're still forced to be competitive to hang on to the major preprint advertisers. This means you have to

try to get even higher rates from the handful of local advertisers you can get in the product. They just churn like crazy, until you compromise the price for the front and back cover to keep from having to give it away.

This makes an impression on the sales reps that the TMC doesn't work for their local advertisers. And they are right.

You can't sell what you don't believe in. This is a high volume game.

The good thing is that the money's out there. You just need a new plan. You're paying for this product, might as well fill it up.

Strategy First, Tactics Follow

"All men can see these tactics whereby I conquer, but what none can see is the strategy out of which victory is evolved"

Sun Tzu



Strategy before Tactics

When I look at a market, the first things I look at are

- Metro, suburban or rural?
- What is the competition?
- How many local reps?
- Digital approach?
- Strengths, opportunities, etc.
- Recent results.
- Compensation plan.

All of these things come together to help decide the strategy most likely to thrive at that newspaper. Tactics that work brilliantly in one combination of these factors can be a disaster in another.

I see a real rush at many papers to copy tactics or decisions that are working well at another paper, with no regard to the overall strategy they leverage.

It's critically important that you first develop a strategy designed to leverage your strengths in your market. Then you have a context for copying or adapting tactics from other papers.

Copying comp plans or rate cards, for example, from a market that's in a very different competitive situation can be a disaster, no matter how well they're working at the other paper.

Copy based on Results

Make sure the paper is also getting the results you hope to achieve before you run back and copy anything they are doing. For example, the current rage is adding editorial content to your TMC.

Unless this is part of a plan to add revenue, all you're doing is adding expense. Readers only have value if they shop your advertisers.

More on this in opportunity #3.

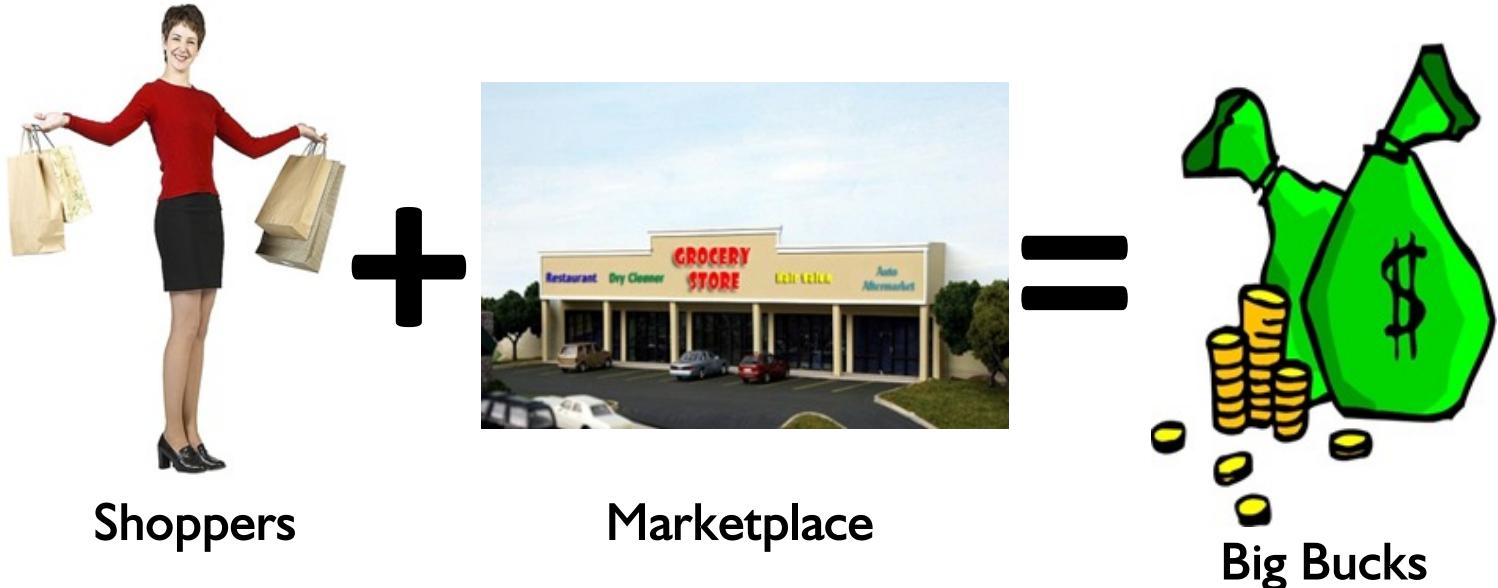
The bottom line is this: unless the other paper's jacket is generating a minimum of \$200/M per week in revenue, look elsewhere for something to copy.

You're not looking for a consensus; you're looking for an outlier with great results.

Establish an objective to double TMC revenue and profits ASAP, then develop the strategy and tactics to do it.

Then copy to your hearts content.

Number 3



The strategy of developing a great strip mall is fairly obvious.

The grocer brings in huge traffic, but pays less per foot in rent. Then they bring in the restaurants, etc. that benefit from the traffic and complement the overall experience. The combination draws people back over and over again.

Newspapers lived off of marketplaces for a century.

Few papers take this approach and discipline when building a TMC. Building a well-rounded SMB marketplace vs a random collection of anyone you could convince to spend money this week.

A combination of Opportunity #1, overpricing, and this missed opportunity, leads to mostly big-ticket products being advertised in the TMC.

Window replacements, granite countertops...and no restaurants. Few oil changes. Dry Cleaners. The kinds of things that consumers are looking for week in and week out.

The end result is a low-volume, high-churn product, which is not being looked upon by consumers as a source of valuable advertising.

Can you imagine a mall made up of mostly of stores selling big ticket items? It would be a ghost town.

Newspapers thrived for decades on the strength of marketplaces: auto, real estate, jobs, and major accounts.

If you needed those things, you knew the newspaper was where they were. If you were selling those things, you had to be there. It was magnetic for both advertisers and consumers.

Your TMC has to make consumers 'shopping gland' salivate. They have to see it as a source of things they need right now. Restaurants, pizza, dry cleaning, oil changes. Then, the big ticket stuff they buy once every ten years will be seen by consumers in 'shopping mode.'

If they enjoy the non-paid content when they're there, well that's all the better. But that's not a substitute for an advertising content strategy.

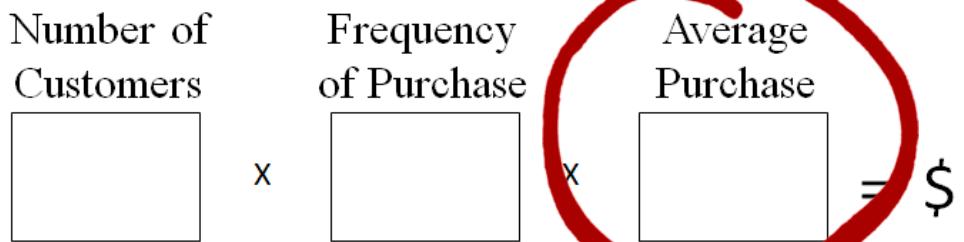
All of our print competitors have an advertising content strategy. They get the consumers into 'shopping mode', Few have any non-paid content.

This opportunity is wide open, both offline and online. A combination of paid, TMC and digital would be tough to compete against.

Create an SMB Market- place

TMC is the perfect comple- ment for high yield selling

Three ways to grow a business



Every time one of your sales reps meets with a prospect, they're discussing how a very scarce resource is going to be used. You have a limited amount of it. You can get more, but it's very hard to find. The good stuff is, anyway.

I'm talking about your sales rep's time. The more efficient they are, the better they are, the more money they bring in for the paper and the more clients they can help be successful.

For us to be successful bringing in considerable amounts of revenue from SMB's, this is the single most important thing we need to pay attention to: Revenue yield from the rep's time.

Offering products that complement each other will enable the rep to

easily put together powerful bundles that help the SMB, while increasing the average purchase.

On the print side, a combination of paid and TMC should be a part of every call for local advertisers that rely on stimulating purchases. Well executed print is a very efficient and effective way for an SMB to stir up business, but it must reach as many people within their trade area as possible.

Digital is amazing for helping people find you when they're looking for you or what you sell.

As I mentioned in Opportunity #1, you're already committed to delivering print to non subscribers or I doubt you'd still be reading this. The incremental cost of adding more advertisers to that package is nomi-

nal. In the big scheme of things, paper is really, really cheap.

Once the rep has spent the time with their client and put together an ad, running it in the TMC is a matter of checking one more box.

You increase the return on investment on the rep's time, the distribution cost of the TMC, the artist's time - basically every part of your organization involved with servicing that customer.

And the customer goes from reaching one or two homes in 5 to reaching 4 or 5 in 5.

Think Happy Meal. Super size it with extra days, bigger ads, etc. Paper's cheap. Time is precious.

Put Retention at the Center of your Uni- verse



Take all your advertising transactions from a recent 12 month period. Account name, rep, product purchased (if you can), date and revenue.

Sort by rep, then by account. How many accounts ran once in those 12 months? Twice? Three to six times? Etc.

Unless you've done this before, prepare to be shocked. Unless you have nowhere near enough sales reps, I'll bet you a big fat steak that about 50% of your accounts will have run once or twice, then stopped.

We often see 70%, once or twice, then done. 85% run 6 times or less.

If you were running a restaurant and you saw numbers like this at the end of the year, what would you think?

Would you immediately

look to see if these lost diners ate certain dishes? Would you look to see if some servers had better retention than others?

Retention is the market's way of telling you whether what (or how) you're selling is working for them, or not.

“Success begins with the second sale.”

time. Think of all the time spent prospecting to get that customer to run once or twice. Then, Poof, gone.

It's also the acid that erodes your place in the market. Another SMB out there who gave you a try and felt their money was wasted.

Not to mention what it does to the reps confidence when asking for the business from the next prospect.

Measure this with the same diligence as you measure your revenue. Fix or kill the products that churn, train the reps whose clients don't get results. Your revenue will go up more than it will from product launches. I guarantee it.

TMC GAMECHANGER

Double your TMC Profits

How's your TMC Doing?

We can compare it to over 300 TMC's and tell you how it stacks up. FREE.

With just three numbers, we can tell you not only where you are, but also your realistic potential. How you stack up compared not only to papers that are doing well, but to the competition as well.

Go get 3 numbers:

- 1) Total TMC revenue for a recent 12 month period
- 2) The number of households you deliver the TMC to each time
- 3) How many times per year you distribute your TMC.

Go to www.DMforNewspapers.com/tmcnumbers and enter the numbers and we'll get right back to you with the analysis.

No salesman will call. (I had to say that.)

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