GateHouse Media Consumer Marketing Strategy

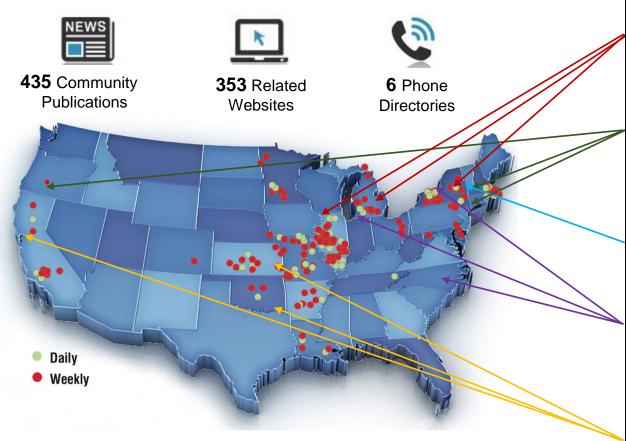
Utilizing central programs and partnerships to drive revenue and audience development across multiple markets

GateHouse Media Consumer Marketing

- Company Background and Development
- > Audience and Network
- > Consumer Marketing Structure and Approach
- > Acquisition Strategy: Direct Response, Digital, Pricing
- > Retention Strategy: Touchpoints, EZ-Pay, Promotion
- **>** Best Practices

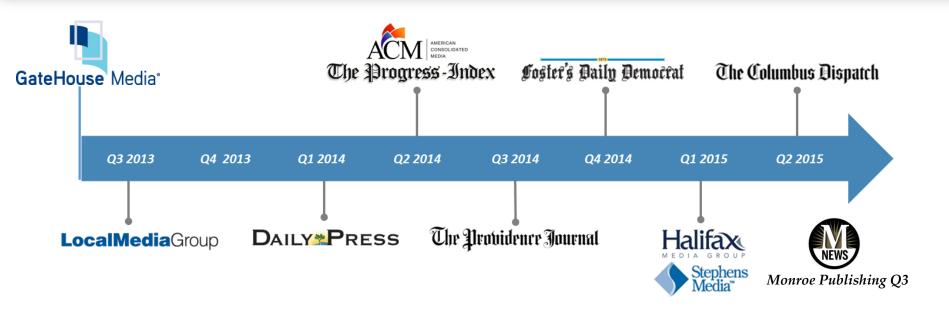
GateHouse Media- Circa 2013

Operates in 338 Markets Across 25 States • Reaches 10 million people on a weekly basis • Serves 128k Small & Medium Businesses



	Large Dailies		
	Peoria IL	Canton OH	
	Springfield IL	Utica NY	
	Rockford IL	Norwich CT	
	Local Media Group		
	Middletown NY	Portsmouth NH	
	Pocono PA	Stockton CA	
	Cape Cod MA	Victoville CA	
	New Bedford MA	Medford OR	
	Nantucket MA	Providence RI	
	New England		
	Quincy MA	Fall River MA	
_	Brockton MA	Taunton MA	
	Framingham MA	Milford MA	
	Community- East		
	Illinois	New York	
	Michigan	Virginia- PPI	
	Pennsylvania	W. Virginia	
	Community- West		
	Kansas/CA	Central Missouri	
	E. Missouri	Arkansas/Louisiana	
	NW. Missouri	Oklahoma/Texas	
	SW Missouri	N. Dakota/Minn.	

New Media- Timeline





- Focused primarily on investing in a high quality, diversified portfolio of local media assets, and on growing existing advertising and digital marketing businesses.
- One of the largest publishers of locally based print and online media in the United States as measured by number of daily publications.

New Media Today

New Media is the largest publisher of locally based print and online media in the U.S.

Portfolio Overview⁽¹⁾

100%

OF OUR DAILY
NEWSPAPERS HAVE
BEEN PUBLISHED FOR
MORE THAN 50 YEARS



575+
TOTAL COMMUNITY
PUBLICATIONS

125
DAILY
NEWSPAPERS





490+
RELATED
WEBSITES



DIGITAL MARKETING SERVICES BUSINESS

New Media Reach(2)

OPERATE IN OVER 490 MARKETS ACROSS 32 STATES



REACH OVER 22 MILLION PEOPLE ON A WEEKLY BASIS

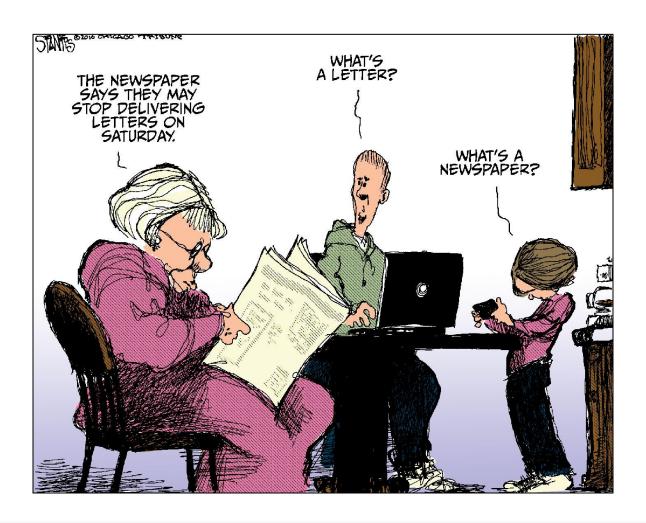






Audience and Network Development

The audience continues to diversify.....our audience development strategies must be multi-faceted and nimble

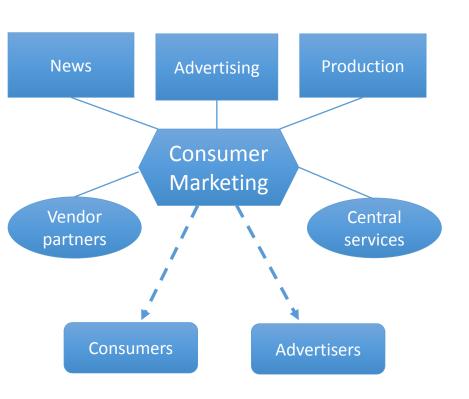


Audience and Network Development

- In the small and midsize markets we serve, we are usually the primary, and sometimes the sole, provider of comprehensive and in-depth local market news and information.
- Increased consumption of digital content among all age groups is significantly expanding our audience and adding value to our print products.
- Our audience engagement continues to expand across multiple channels and is especially driven by digital and mobile usage.
- Through our digital services arm Propel, our services have also expanded to better serve the small and medium businesses that dominate our markets.
- The Consumer Marketing arm continues to play a larger role on the organizational team. Success and focus in this area has had direct contribution on our company's reach, revenue and EBITDA.
- Our playbook: Cross functional teamwork and strategic partnerships enable us to provide central support to our local markets enabling them to focus more fully on what they do best.....serve their individual markets, continue to grow our audience...... and monetize it.

Consumer Marketing- Structure

Mission: The central marketing department drives consumer revenue and audience development strategy across all locations. Our approach strives to achieve the right balance of centrally managed tools and locally executed "feet on the street" actions.



- "Agency model" supports our publisher driven company structure.
- Established network of common vendors and partners enhances marketing strategy and maximizes economies of scale.
- Our "Playbook" is as much instructional is it is strategy. Training, Guidance decks etc.
- We employ best practice sharing across groups and divisions. Tasks lists, FAQ's etc.
- Connections with key industry groups (AAM, SNA, NAA) support services and training efforts.

Consumer Marketing- Structure

Analytics and Diagnostics

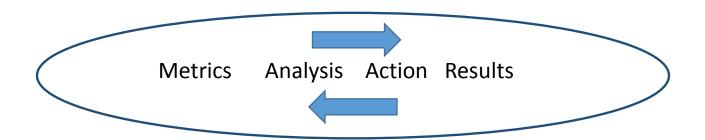
- Review property metrics/6 months
- Evaluate new technology and deploy
- Develop price strategies
- New revenue streams
- Retention and member programs

Audience and Operations

- Action plans for both marketing and operations
- Execute projects and operational troubleshooting
- Integration of new markets and maximize network
- Capture and share best practices and identify talent
- Corporate vendor relations

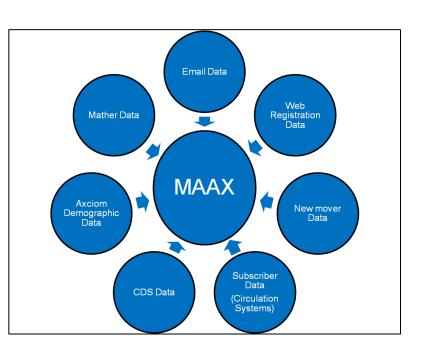
Marketing Execution

- Drive direct marketing channels
- Develop new order sources
- Create consumer databases
- Leverage systems and tools for all properties
- Support training and communication- Newsletters
- Collateral design & support



Consumer Marketing- Structure

A key component of our acquisition efforts is centralized marketing function powered by the MAAX marketing tool



- Central marketing provides higher level acquisition and retention actions to complement locally executed efforts.
- Centrally managed channels provide a consistent and steady stream of starts while maximizing cost efficiencies achieved with the scale of the program.
- Digital tools combined with demographic data from MAAX provide a powerful and multi functional platform.
- Better control over the metrics enable enhanced tracking and reporting delivered to the local operators.

Consumer Marketing- Direct Response

Direct response is a key component to diversifying acquisition efforts. Direct mail is one of the more successful initiatives employed centrally for the local operators









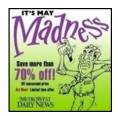
- Given the high retention, direct mail has been a key component for driving long term ROI. Typically not cost effective for smaller markets.
- Direct mail program regularly targets former customers. Strong response driven by strategic planning and list management utilizing central marketing's MAAX.
- Scale of total volume mailed across network delivers rate benefits and extremely competitive CPO's....especially beneficial to smallest markets.
- This creative line up is based mainly on the test results
 - Publisher's letter 2.3% response rate
 - Offer based package 1.6% response rate
 - "This is The Place" self mailer 1.3% response rate

Consumer Marketing- Direct Response



Local images







Reverse telemarketing

Central support combined with local business and community relationships enhance direct response efforts

- Utilize single copy and niche products as levers to reach readers for acquisition efforts: FSI, Post It notes, etc.
- Local businesses and vendor partnerships help diversify our established tactics, ex...reverse telemarketing.
- Leveraging community relationships and events maximizes sale presence at high traffic locations, builds long lasting marketing partnerships.
- Tools to engage with our local digital users provide a "sales funnel" for to convert to regular paid audience.

Consumer Marketing- Direct Response

One Day Sale



Alumni Offer



Themed e-mails





Use of e-mail tools has shown good success in both acquisition and retention areas.

- One Day Sale e-mails customized by the corporate team = no cost to field.
- Locations supply e-mails and we send to vendor to append address.
- E-mails sent out AFTER we receive our appended records to maximize yield
- Offers/codes and updated front page controlled by site

Key guidance:

- The better and more robust your e-mail list, the better the results. Constant testing.
- Collecting e-mails should be part of every consumer transaction: calls, classified ads, events etc.

Consumer Marketing- Pricing

Mather Economics partnership:

- Retention friendly pricing
- Data and demo driven model
- Recently expanded partnership

Premium pricing:

- Ad value: Thanksgiving, food day
- Additive local content piece, higher production value etc.
- Ancillary products: TV Times

Transactional fees:

- Activation fee for all new starts
- Vacation stop

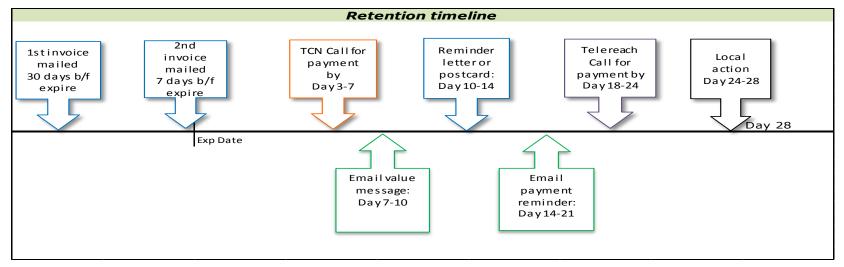
8-Mar-15	ALL				
all subscribers>	Targets		Controls		
Total Targets	5,855		552		
Total Actives	5,197	88.76%	507	91.85%	
Total TempStop	382	6.52%	32	5.80%	
Total Stops	276	4.71%	13	2.36%	
Incremental Stops	2.36%				
Total Migrated to Renewal Rate	3,196	54.59%	0	0.00%	
Gross Increase	\$0.54	10.2%	\$0.53		
Net Increase	\$0.41	7.8%	\$0.06		
Old Average Price	\$5.30		\$5.27		
New Average Price	\$5.71		\$5.33		
Total Reverts	654	11.17%	333	60.33%	
Revert Below Start Price	30	0.51%	3	0.54%	
Revert to Original Start Price	99	1.69%	284	51.45%	
Revert Above Start Price	525	8.97%	46	8.33%	
Total COS	3 9	0.67%	2	0.36%	
Upgrade Service	4	0.07%	0	0.00%	
Downgrade Service	35	0.60%	2	0.36%	
WEEKLY INCREMENTAL REVENUE	\$2,044		\$ 0		
CUMULATIVE NET TO-DATE	\$38,888		\$68		
Annualized	\$90,341		\$ 0		

A solid retention plan is necessary to properly support acquisition efforts



- Retention is not just a "large papers" concept..... everyone has a bucket.
- It costs far more to replace a lost subscriber unit versus investments in keeping the ones we already have.
- Improved retention means fewer stops, more stable revenue, less cost and stronger audience base.
- There are no silver bullets. A comprehensive approach is the only way to plug the holes and prevent new ones.

- The blueprint of the retention strategy is the timeline of subscriber lifecycle.
- The number of times we touch the subscriber has direct impact on minimizing churn.
- Like acquisition, diversity is key. We need a mix of touch points: voice, print and digital.



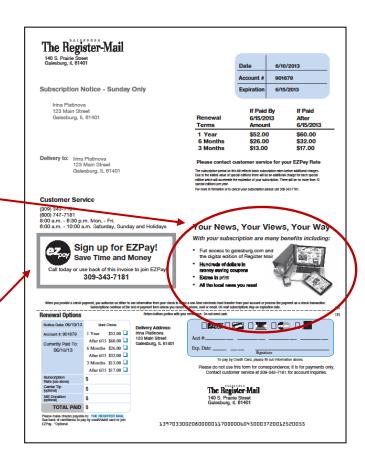






Subscriber Invoice:

- Legacy invoice process is inconsistent across locations, most invoices are not user friendly.
- New invoice design brings consistency and enhances subscriber engagement and pay up rates.
- Invoice should be utilized as a sales piece. Value promotion reinforces the relationship and to be included in consumer facing platforms.
- Work with central marketing to better utilize the digital space (social networking and e-mail).
- Maximize CRM tools such as deals, newsletters and subscriber perks to enhance engagement.
- Heavily promote and market EZ-Pay to current subscribers and in acquisition pieces.



EZ-pay:

- Consumers who pay by EZ-Pay are among highest retaining.
- EZ-Pay (credit card and bank draft) about 35% of subscriber base...at industry avg.
- Performance varies across divisions LMG near 50%_Community Division under <u>15</u>%.
- Manual credit card processing is a barrier to EZ-Pay growth, vendor supported solution
- Expand the use of online tools to allow for more credit card entries.
- EZ-pay conversion programs using email and bill inserts









Repository of collateral provided by central design services and collection from the network for all key strategies: EZ-Pay, Value promotion etc.











In paper and on line ads

EZ-Pay e-mail offers

Value promotion:

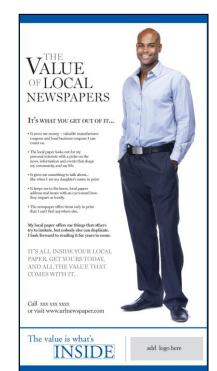
Every consumer facing event is an opportunity to promote our value: products, services, benefits

- Print: in-paper, invoice, POP
- Voice: subscriber calls, events, outbound efforts
- Digital: online, e-mail, text/chat













Consumer Marketing- Summary

The three B's of audience development and consumer marketing:

Base Foundations

- Infrastructure enhancements and efficiencies.
- Insource and outsource partnerships.
- Staff development: training, webinars, newsletter etc.

Benchmarking and tracking

- Acquisition efficiency profile CPO and CPU
- Start/stop gap management: non-renewals
- Industry metrics and trends.

Best Practices

- Intracompany engagement: Power of the network
- Outreach: contacts and colleagues.
- Industry resources: NAA

Consumer Marketing- Summary



From a recent publication by NAA, The Newspaper Association of America....

The 5 principles of Consumer Marketing and Audience Development

- 1. Know your audience and make sure it knows you.
- 2. Digital extends our strategy and is critical to the future path.
- 3. Own the local franchise...... across all platforms.
- 4. Continuity in leadership and connection to the community is key.
- 5. Adherence to sound marketing principles and execution of best practices.



Sold over 9,000 copies; a 580% increase over typical Thursday sales

The premium-priced Thanksgiving Day edition brought in \$17k in additional SC revenue and \$25k in additional HD revenue

DAILY & SUNDAY CIRCULATION 21,000/23,000

SALES SOURCE(S)

Primary and secondary displays in single copy retail outlets

TARGET AUDIENCE

Holiday shoppers seeking a competitive advantage





Call 1-800-258-6041 to subscribe

Thanksgiving Day

Ready for Holiday Shopping? Pick up the Really BIQ Thankegiving Day

Seferray Anso AM-PM Rey's Food Pic

Mail Tribune

More than \$42k in additional Circ revenue



580 Registrations

2.60% RESPONSE RATE

DAILY & SUNDAY CIRCULATION 54,009/65,387

SALES SOURCE(S) Email, Facebook, Twitter

TARGET AUDIENCE
Current Subscribers



Journal Star RS @pjstarRS 44d Subscribers, stay warm and upto-date with digital versions of the Journal Star. Register for free access at pjstar.com/allaccess.

Open

Due to the snowy road conditions, some deliveries may be running late this morning. Subscribers can register for free digital access at pjstar.com/allaccess.

Like · Comment · Share · March 2 at 7:14am · ♠ ▼

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Subscriber Services Journal Star			
Subscribers, stay warm and up-to-date with digital versions of the Journal Star.			
Due to the weather, you may experience delays in your home delivery service. Remember, as a Journal Star subscriber you have full digital access.			
Register for FREE ACCESS at www.pjstar.com/allaccess.			
We apologize for any delivery delays that you may experience.			
Sincerely,			
Journal Star Customer Service			

CPO \$.37

The Enterprise

Reader value Daily Deal

Coupon for free item from a local establishment....high perceived value.

Deal ads run in a prominent spot on page 2 and news promotes on the front page.

Additional deals delivered to active home delivery subscribers via a weekly e-mailed newsletter.

Utilize social media tools such as Twitter and Facebook to notify followers of deals.







LocalMediaGroup inc.

611 ORDERS

1.2% RESPONSE RATE

Local Media Group

10 Dailies- 165K daily..215K Sunday

SALES SOURCE(S): E-mail

TARGET AUDIENCE: Former Subscribers



Don't miss Thanksgiving Edition of the Times Herald-Record! 13 weeks of 7-day delivery for \$2.30 per week!



Subscribe to the Times Herald-Record by Friday, November 21, 2014 and receive 13 weeks of 7-day delivery for just \$2.30 per week <u>AND</u> our Thanksgiving paper packed with savings for your holiday shopping.

In addition to the convenience of home delivery, you'll get unlimited digital access to Recordonline.com and the eEdition, for local news at your fingertips, on any device.

Plus, with coupons and sales flyers totaling in the hundreds of dollars each week, you will more than pay back the cost of your subscription.

Click HERE or below or give us a call at 1-888-620-1700 Monday through Friday from 6 am to 3 pm.





CPO: \$4.91



Self managed rewards program

4x business partner growth

Seacoast Media Group

DAILY & SUNDAY CIRCULATION:

11,624/17,097

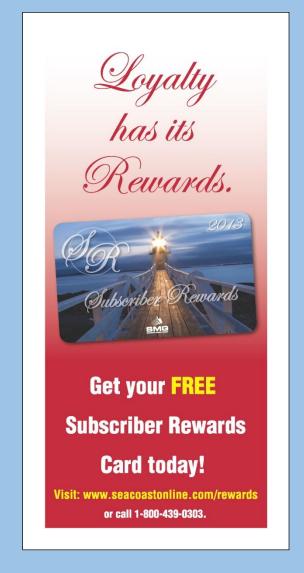
CUSTOMER RETENTION

Subscriber Rewards Card

TARGET AUDIENCE

New and existing subscribers







436
ORDERS

DAILY & SUNDAY CIRCULATION

41,300/51,200

SALES SOURCE

Email, Social Media, Single Copy Insert

TARGET AUDIENCE

Single Copy buyers, former subscribers and Facebook Users, ages 18 to 65 living in the Peoria area.



CPO: \$10.09

CAPE COD TIMES

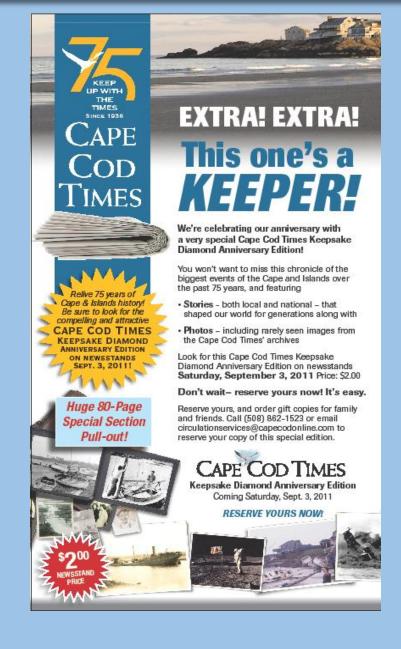
+16%
Newsstand Sales

+118%
Revenue Increase

DAILY & SUNDAY CIRCULATION 33,000 / 37,000

SALES SOURCE(S)
Single Copy Sales

TARGET AUDIENCE
New Buyers





3.01% RESPONSE RATE

77 ORDERS

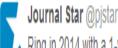
DAILY & SUNDAY CIRCULATION 54,009/65,387

SALES SOURCE(S) Email, Facebook, Twitter

TARGET AUDIENCE

Former subscribers, targeted Facebook and Twitter users





about 4 hours ago

Ring in 2014 with a 1-year digital subscription for only \$20.14. That's 80% off – sign up now: bit.ly/1dis5LK

CPO: \$7.98



Experience. Discover. Pursue.

+8% orders

\$350K INCREMENTAL AD REVENUE

DAILY & SUNDAY CIRCULATION print + Digital 139,291 Daily 237,208 Sunday

SALES SOURCE

Direct mail, Single Copy Inserts, TMC, TV, Radio, Digital, Billboards, in store signage.

TARGET AUDIENCE

New subscribers and *Dispatch* readers



AA's 2015 "Revenue and Audience Builders: Ideas that Work'



Targeted premium

3.1% response

\$13 CPO

DAILY & SUNDAY CIRCULATION print + Digital 4,000/4,500

SALES SOURCE Single Copy FSI

TARGET AUDIENCE
New subscribers

Weather Radio Promotion

