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

435 Community Publications
353 Related Websites
6 Phone Directories

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, Victorville 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.
• 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 is the largest publisher of locally based print and online media in the U.S.

Portfolio Overview

100% of our daily newspapers have been published for more than 50 years.

575+ total community publications.

125 daily newspapers.

490+ related websites.

New Media Reach

Operate in over 490 markets across 32 states.

Reach over 22 million people on a weekly basis.

1,600 in-market sales representatives.

Serve over 215k small & medium businesses.

1) As of June 28, 2015.
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.
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

**Metrics** ↔ **Analysis** ↔ **Action** ↔ **Results**
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.
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
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.
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

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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 15%.
- 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 an 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
The three B’s of audience development and consumer marketing:

• **Base Foundations**
  – Infrastructure enhancements and efficiencies.
  – Insourse 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
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.
The premium-priced Thanksgiving Day edition brought in $17k in additional SC revenue and $25k in additional HD revenue.

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

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

More than $42k in additional Circ revenue
Journal Star

580 Registrations

2.60% RESPONSE RATE

DAILY & SUNDAY CIRCULATION
54,009/65,387

SALES SOURCE(S)
Email, Facebook, Twitter

TARGET AUDIENCE
Current Subscribers

CPO $.37
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.
Local Media Group

10 Dailies- 165K daily..215K Sunday
SALES SOURCE(S): E-mail

TARGET AUDIENCE: Former Subscribers

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
+16% Revenue Increase
+118% Newsstand Sales

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

CPO: $7.98
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

+8%

$350K INCREMENTAL AD REVENUE

$500K INCREMENTAL AD REVENUE
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

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