

# SNA Circulation Webinar - Distribution Strategies



**SNA**  
SUBURBAN NEWSPAPERS OF AMERICA

*SNA Circulation Webinar*  
**Distribution Strategies**  
**April 16, 2009**

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*With Guest Speakers:*

|   |   |
|---|---|
| <b>Chicago Sun-Times News Group</b><br><b>Bob Edwards</b><br><i>Director of Retail Sales &amp; Operations</i><br><b>Mike Perrone</b><br><i>Director of Distribution</i> | <b>Moline Dispatch Publishing Company</b><br><b>Joe Schaechter</b><br><i>Assistant Circulation Director for Sales &amp; Retention</i><br><b>Jill Henderson</b><br><i>Assistant Circulation Director of Operations</i> |
| <b>The Gazette</b><br><b>Jean Casey</b><br><i>Marketing/Circulation Director</i>  | <b>Shaw Suburban Media</b><br><b>Scott Rosenburgh</b><br><i>VP/Interactive Media</i>  |

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**STING**  
SUN-TIMES NEWS GROUP

**Distribution Alliance**

•April 16th, 2009

## Opportunities...Why does this makes sense?

1. Scope of Project
  1. CTC - Distributes 6 publications for a total of 750,000 papers daily
  2. STNG Network 8 publications for a total of 450,000 papers daily
    1. Chicago Sun-Times maintained delivery of city single copy
  3. Total daily deliveries of 1.2M
2. CTC was dominant paper in market with more advanced systems
3. Access to more advanced/targeted ad zoning and delivery
4. State of the art single copy data base
5. Renewed emphasis on sales...as opposed to operational focus
6. Cost Savings (economy of scale)
  1. Potential Savings for both companies - 14 Million
    1. Distribution
    2. Employee Reduction
    3. Facilities Reduction
    4. Transportation

## Preparation

1. **Legal Document - Every facet of the business must be clearly spelled out in the contract**
  1. **Identify and agree to delivery areas, times, methods from press to customer.**
  2. **Extensive financial planning on both sides. Savings and revenues must be clearly defined and agreed to.**
  3. **Term of agreement and out clause**
  4. **Service Metrics**
  5. **Penalties**
  6. **Rewards**
  7. **Emergency Plan**
2. **Systems interface between publications**
3. **Regular meetings with comprehensive project plan/timeline**

## Implementation - Rollout

- Phased Roll Out by geography
- Weekly Meetings with Transition Updates
  - Timeline
  - Performance
  - Service Levels
  - Next Steps
  - Deliverables List
  - Field Audits

## Current State and Challenges

- **Current State**
  - Weekly Updates
  - Savings realized
  - Service Levels
  - Data
  - Zoning Capabilities
- **Challenges**
  - Systems Interface
  - Trust Factor
  - Communication - Internal and External
  - Patience/Expectations
  - Keep Refining Process and Testing
- **What would we do differently**
  - Timing of roll-outs
  - Get other departments involved in process earlier
  - Separate HD and SC transition where possible

## Distribution Partnerships

Quad-Cities, USA



- Western Illinois, Eastern Iowa border
- Divided by the Mississippi River



## Distribution Partnerships

- Three local newspapers in the Quad-City area published daily
  - Small Newspaper Group
    - The Dispatch and The Rock Island Argus
  - Quad-City Times / Lee Enterprises
- A reciprocal agreement was reached between the newspapers to deliver the competing newspaper in their respective core delivery areas in late 2008



## Distribution Partnerships

- The Dispatch/Argus began delivering the home delivered newspapers of The Quad-City Times in Illinois in December 2008
- Iowa distribution of the Dispatch/Argus home delivery began in March 2009
- Goals
  - Increased delivery efficiencies for both newspapers
  - Increased revenue and decreased expenses for both newspapers
  - Increased carrier profit and retention



## Distribution Partnerships

- Delivery deadlines
- Ad Zoning and integrity
- Redelivery deadlines
- End of Day reporting
  - Starts, stops, etc.
- Carrier route lists
- Customer Service issues
- Distribution centers
- Illinois rural delivery
  - Home delivery
  - Single Copy
- 7500 additional Sunday deliveries in Illinois
- 5500 additional Daily deliveries in Illinois



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## SNA Circulation Webinar Distribution Strategies

Jean Casey | Marketing/Circulation Director | The Gazette

### Strategies for free distribution "Do Not Deliver" homes:

- Notecards in order of street delivered
- Marks on delivery map of DND homes
- Dots on mailboxes, where available
- Carrier fines\* (Most popular)
- Photos of homes
- Skip houses on either side of complaint or whole block
- County plat maps so carriers can count houses from the corner

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### Baby Steps for Big \$mpact

*To reduce \$200,000 out of the circulation budget this year,  
the free home-delivered Gazette/Star Newspapers:*

- Increased the size of routes, using more adults and adult special needs groups for walking routes
- Required warehouse pick-up, rather than delivery to carrier homes, for editions close to the plant
- Reduced transportation runs and added more satellite drops
- Lightly trimmed fringe distribution areas
- Analyzed ad revenue with draws by zip code to target appropriate areas for cutbacks
- Added bands for delivery on sunny days, rather than plastic bags
- Used more phone verification to cut down route verification mileage
- Reduced size of delivery bag when paper reduced web width

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